



Governance of Management Education- A Case Study

Tahir Salim Zari

D.R.K. College of Commerce, MBA Department, Azad Chowk, Kolhapur

ABSTRACT

Indian Education, especially management education, has undergone a sea change over the years. Looking at the present scenario, it is evident that the regulatory system that regulates management education has proved to be ineffective. The article examines the need for regulators and their role, problems with the present regulatory system and their impact on the management education today. Management education in India has evolved considerably over the past 70 years. The economic liberalization era of 1990s and the consequent rapid economic development witnessed substantial demand for MBA education. This paved the entry of large number of public and private institutions to offer MBA programmes across the country. However, the mushrooming of MBA schools has left their own structural weaknesses around resulting in a plethora of challenges. The current wave of turbulence caused by the twin influences of technology disruption and the pandemic has exposed the weaknesses in our management education and the need for urgent remedial action to address them.

Copyright © 2015 International Journal for Modern Trends in Science and Technology
All rights reserved.

I. MANAGEMENT EDUCATION TODAY

It is observed that management education today is one of the most sought-after disciplines. The reason is that the aspirants for the management degree realize that such a degree equips them for management education program is designed to transform the personality of the student which in turn helps the student to be easily absorbed by the employer. Even student from lesser-known institutions get absorbed in the employment market. This has become possible due to the boom in the economy and the growth in the market & business during the last decade. Service sector has assumed more important in the current economy. Almost all the organizations give greater emphasis to marketing; post sales services, customer complaints etc.

Liberalization has also helped to provide more avenues for commercial activities to flourish. Multinationals are opening banks, insurance companies, assets management companies etc. in India.

Privatization of government undertakings, opening of sectors like telephone, banking, insurance &

infrastructure have helped the service quality to grow significantly consistently, the demand for people with special & generalized skills has increased. Moreover, there has been a constant emphasis on managing the resources to remain competitive in the present environment where completion is stiff & margins are thinning.

Therefore, the demand for management education is increasing. Because of the higher demand for management education, the number of players in the management education field in the country has shown a significant increase from about 120 in 1990 to about 1100 today. Now lakhs of students appear for the various entrance tests conducted by different agencies for admission to management education programmes.

II. GOVERNANCE

The present regulatory framework for management education is characterized by excessive controls, rigid norms & poor implementation. This is certainly not working in the interest of in the present system. The bodies playing the role of regulators are: UGC, AICTE, Universities, State DTES & the HRD ministry. This

system of multiple regulations & a wide variety of institutions is certainly confusing the student community. This system has also failed in ensuring some minimum uniform quality across the country. Need for Governance:

Over the years, significant changes have occurred in demographics of management education. Today, the core issue is the mismatch between the demand and supply of management education. With the growth of liberalization and globalization, there is an overcrowding by service providers wooing the consumers showing the sky. Therefore, there is a need of independent regulators and for regulations, so that uniformity and the quality of education can be maintained.

Management education in India is largely regulated by apex bodies like the University Grants Commissions [UGC] and All India Council for Technical Education [AICTE] at the central level while the state level. Universities also play a vital role in regulating the institutions affiliated to them. In the 1970s, management education in India was largely coordinated by the central government, UGC and state governments. During this period many national level institutions came into existence under the guidance of the central and the state government. Many universities started MBA programs at the initiative of UGC and later on, the state government adopted such programs.

2.1 University Grants Commission: (UGC)

The UGC was established in November 1956 as a statutory body of the Government of India through an act of Parliament for the coordination, determination & maintenance of standards of university education in India. the UGC's mandate includes:

1. Framing regulations on minimum standards of education.
2. Promoting & coordinating university education
3. Determining & maintaining standards of teaching, examination & researches in universities.
4. Monitoring developments in the field of collegiate & university education.
5. Disbursing grants to universities & colleges
6. Serving as a vital link between union & state government & institutions of higher education.
7. Advising the central & state Government on the measures necessary for the improvements of university education.

(Source: UGC website)

Almost all the management institutions are either university departments or affiliated to a

university. In fact, the UGC has been a regular 'watchman' of the functioning of the universities. It has been instrumental in prescribing minimum conditions for the appointment of faculty members & making NET (National eligibility Test) compulsory for the same. This has given boost to the quality of faculty members entering the business schools (Revision of pay scales, minimum qualifications for the teachers, measures for maintenance of standards, 1998). Regular visits by UGC team's experts have helped B-schools to keep their data bases updated. UGC also keeps a regular check on the universities by asking for information about minimum working days, student -teacher ratio, annual accounts, etc. UGC has also prescribed minimum standards for establishments & recognition of private universities through its "regulation of establishment of & maintenance of Standards in private universities, 2003" thus, UGC has been able to keep some control on the quality of education provided by B-schools.

2.2 All India Council for Technical Education:

The All-India Council for Technical Education (AICTE) was established on May 12, 1988 under the AICTE Act, 1987, with a view to proper planning & coordinates development of the technical education system throughout the country. The promotion of qualitative improvement of such education in relative to planned quantitative growth & the regulation & proper maintenance of norms & standards in the technical education systems & for matters connected therewith. The structure of AICTE (the council) covers program of technical education including training & research in engineering technology, architecture, town planning, management, applied arts & crafts, hotel management & catering technology, etc... at different levels. The council also ensures the quality of education by sending its team of experts to the institutions.

The latest regulation by AICTE that any institution that wants to start an MBA programmes must take prior approval from AICTE is a significant one & will save the students from being cheated. It has also active in revising the pay scale, prescribing the qualifications of teachers, recognizing the equivalence of degree/ diploma programs, designing policies for grant of increase/variation in the colleges & institutions, etc. AICTE has been playing a major role in funding research & development projects by faculty members & also has some schemes for faculty development programs.

2.3 Central & State Government:

All the post-graduate management departments of the universities in the country are regulated by the concerned universities. The state universities are though autonomous, regulated by state governments have established Departments of Technical Education in their states. There are several instances where the state governments have taken initiative to have one centralized admission for management courses. This has brought about transparency in the admission.

2.4 Universities:

Management education now-a-days is popularly known as the degrees like Master of Business Administration (MBA), Master of Marketing Management (MMS), Doctorate in Management (Ph.D.), etc. Initially the Management education was started by post-graduate departments of the respective universities. As demand for management education grew, many Self-Financing Institutions (SFIs) came into existence conducting management programmes with the approval of AICTE.

2.5 Distance Education Council:

The Distance Education Council (DEC) constitute under the Indira Gandhi National Open University Act, 1985 with the object, inter alia of determination of standards for distance education in the country has prescribed certain guidelines. As per these guidelines, it is mandatory for all institutions to obtain prior approval of the DEC before commencing any programmes/course for degree/diploma/certificate through distance mode. With a number of professional councils in existence, some overlapping of functions could not be avoided. Lack of proper coordination among them is also a problem. Multiple regulators often result in disputes among the institutions, universities & professional bodies.

III. DISCUSSION OF PROBLEMS IN THIS CASE STUDY

3.1 Admission Policy:

There is generally no centralized admission process for government-aided institutions, deemed universities & autonomous institutions. There are multiple admission tests conducted by national level bodies apart from tests conducted by deemed universities, private universities & autonomous institutions. This is causing a great amount of inconvenience to MBA aspirants. Some follow the Common Admission Test (CAT), Management Aptitude Test (MAT), & Common Entrance Test (CET), some states have their own entrance test, while some institutions conduct their own tests for admission.

Recently, UGC through its regulations titled "University Grants Regulation 2003 has recognized CAT (Conducted by IIMs), JMET (conducted by IITs) MAT (Conducted by AIMA) ATMA (Conducted by AIMS) & tests conducted by respective state governments as the only criteria for admission to professional courses. This is a welcome move by UGC to help the eligible students to get admission. There should be a common admission policy for all MBA entrants at least at the state level.

4.2 Financing & fee structure:

The most recent development is the setting up of fee regulatory committees in different states to oversee/fix the fee to be charged by B-schools. In many states the fee prescribed by this committee is not acceptable to these schools, therefore the problem continues. Many institutes reportedly charge heavy fees & donations. The regulatory system has failed to resolve this issue. So there is need for a uniform fee structure across the country.

3.3 Distributed Regulation:

In the present system, the different aspects of management education like, approval / recognition process admission process, fee & financial matters, accreditation etc are looked after by different bodies for the same institution.

3.4 Timings:

Generally, it is seen that there is a disparity among the states & institutions regarding the commencement of first semester of MBA program. In certain states it is seen that the programmes start only in August. This creates a lot of problems for faculty, students & the universities. It is recommended that the regulators, specifically the AICTE should come up with an annual calendar mentioning the dates for admissions, examinations, vacations etc, this would help the faculty members to design the programs properly & they will also get enough time to cover all the topics. This will also ensure more learning time to the students.

3.5. Recognition Process of Programs:

In the present regulatory system, the approval process is quite cumbersome. The norms prescribed by regulators are quite impractical in many cases. The clearances are required from multiple government agencies. The approval process takes a lot of time. Many institutions are offering diplomas, post-graduate diplomas, correspondence programmes etc under their own banner. There seems to be no clear regulation for recognition of these courses, nor is there any system for checking the quality of education provided in such courses.

3.6 Reservation:

One of the major challenges for the regulators is to have a uniform policy for reservations. Apart from different policies of reservation of students of different castes, it is seen that almost all the states have their own rules for reserving quota for the students from their own states. For example, there are some states which do not allow students from other states to apply for the entrance tests of some courses. This is causing a disparity in the whole educational system.

3.7 Quality of Management Education:

The present regulatory system has failed in ensuring some minimum uniform quality across the country. On one hand, there are B-schools which are internationally highly praised & on the other, there are some B-schools which are run like non-professional colleges because the promoters of such B-schools do not even understand the unique nature of management education. This is heterogeneity exists in the system because of wrong government policy & lack of efforts by the regulators.

3.8 Entry of Foreign Universities:

It is an obvious fact that globalization will bring foreign universities to almost all countries. The state/central universities would have to face several competitions from them. It again poses challenge to the regulators to design uniform rules for these universities prior to their entering the country to avoid confusion & errors.

IV. CONCLUSION AND SUGGESTIONS

If Indian management institutes have to face the challenge of future, then it is necessary that a drastic change in the regulatory system is brought in. If some radical changes are to be brought in, and then it is necessary that even the legal framework in the country should change. ***The new regulatory model suggested in this article is based on following principals:***

1. There should be a single regulator for the entire country.
2. All categories of institutions should be brought under one regulator.
3. The regulatory system should be based on the principles of self-governance i.e. sustainable autonomy should be given to B-schools
4. The focus of the regulator should be on the quality of input & output rather than on the quality of process.
5. The system should be an integrated system in which all important areas viz., approval,

admissions, fee structure, accreditation, academics etc would be under one regulator.

Government regulations need to be gradually loosened & in its place a dynamic, non-corrupt, a political, forward looking body of management – say a Non-Governmental organization – even a professional body like the Association of Indian Management scholars (AIMS Internationals) could be suit the massive task ahead.

Till 2000, Central & State funding of higher education was near total & so was the case with management education. Now with the increasingly significant role played by the self-financing professional institutions, there needs to be a totally changed composition of bodies such as UGC, AICTE, NBA, NAAC, Union Ministry of HRD connected with higher education, Member (Health & Education) of the Union Planning Commission. Conferring the status of a cabinet minister to this member alone will not be panacea for dealing doggedly with various governmental agencies successfully.

V. SUMMARY AND DISCUSSION

In the last 10-15 years, there has been a tremendous growth in the number of B-schools in the country. However, an effective regulation of these B-schools could not be ensured because of various reasons. The main reason is piecemeal approach of regulation, existence of too many regulators & absences of independent regulator for management education. There is need to reduce the number of regulating agencies & coordination among them is to be improved. This will benefit the faculty member, students & the society as a whole. The role of regulator should be promotional, facilitating & friendly. It should be operate with efficiency, objectivity, stability, speed & provide a model for governance,

The framework of regulation should ensure that management education is affordable without hurting the economic viability of the institution. The regulatory agency should therefore be autonomous & capable of ensuring transparency in its operations. The main thrust of the model is to bring all important aspects viz., approval process, admission process, accreditation process, fee regulation & academics under one roof. The goal is to achieve some minimum uniform standard of management education throughout the country.

We need to integrate pedagogy, methodology, educational content development, student intake, faculty improvement, and process improvement & infrastructure development. The constant change

is content development could be done in such a fashion to keep it current, appropriate & adequate.

REFERENCES

- [1] Choudhry K.R. "Social Cultural Factors in Management Development in India and the Rate of experts", International labor review, Aug. 2006.
- [2] Sinha S.N. "Some Managerial Practices in Indian Industry", Indian management, Jan.-Feb. 1995,
- [3] Nagandhi A.R. and Prasad S. (2002) "Management Philosophy and Management Practices" Appleton Century Craft, New York.
- [4] Rebadi P.B. "Weakness of the Present Corporate Management in Developing Countries, its Professionalization and Answers?" International Conference on Corporate Management, June 2004, ICSR, Vol. 2,
- [5] M. Kulkarni Rao "Management of Co-operative Enterprises, the Indian Scen", Indian Management, September 2002,
- [6] Choudhry Kamly & Pei A.K. (2005) "Management Development" International labor review, July 2005,
- [7] P. Suba Rao "Essentials of Human Resources Management and Industrial Relations, Text Cases and Games", Himalaya Publishing House, January 1999, Durya Ganj, New Delhi-110002,

Journals and Reports

- 1) Nirma University "Journal of Business and Management Studies, Vol. 1 No. 2", Oct. 2001, Institute of Management Ahamadabad.
- 2) Human and Organizational Management Journal of Management Education, Foundation of Paleght, Management Association, Vol. 1" Oct. - Dec. 2005, Coimbatore.
- 3) India Consumer Co-operation Vol.39, May 2006.
- 4) www.icfaipress.org
www.maharashtraco-operation.org
www.presshall.com/dessler
www.ugc.ac.in