Paucity of Faculty: A Bottleneck in the Growth of Management Education in India

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Management education has become a major profession that attracts considerable attention across the world. With the mushrooming of about 1000 management institutes across the country this sector is getting bogged by many issues and challenges one of the most important being faculty shortage. This paper attempts to study the reasons and the impact of faculty shortage in management institute in India. The paucity of faculty is not just a quantitative issue but also a qualitative one. Some radical and concrete effort has to be taken at broader level to curb this problem and thus prevent management education from losing its sheen.

1. Introduction

Education is inevitable for sustainable development of society. India has become the source of intellect for the world. Information technology has changed the way we live and do business. Management in the globalised era is more challenging for corporates all over the world. Leadership skills with well equipped knowledge are of crucial importance for today's manager. Management education scores over other streams of education. Thus intense global competition has catapulted management education to a central role. B Schools all across the globe are striving towards creation of a portfolio of competencies to bring management education closer to the practices of management. According to Petrick (2002) management education has been imparting formal business skill to a wide range of business leaders and has thus democratized business management. Unprecedented pace of change in the global business environment have added pressure on business schools to continuously experiment with curriculum and keep abreast with these changes. Management education is the most sought after higher education option for a majority of the brightest and most talented graduates.

1.1 Management Education – A Global Scenario

Global competition is changing the relationship between management education and business. The first management education program was started at MIT in 1931. The second was at Harvard, dating back to 1931. From the very beginning there has been a constant debate on the impact of management education and thus management has shown continuous improvement and has grown rapidly.

It has become a big business globally with an estimated market of around US $22 billion and growing at a rate of 10-12 % per annum (Bowender and Rao 2004). US is the largest market with 900 universities offering masters in business. As the service economy takes precedence there will be a shift in business product offering from traditional MBA to more part time modular programs. Bogged by internationalization and the emphasis on quality, B-Schools are on an innovation spree and are branding themselves to sustain competition. Kelloggs continuously changes its core curriculum, provides customized program for the students and stresses on teamwork. Oxford gets back to its students while at work for interaction with faculty for short period. Leicester Business School has redesigned its MBA so that it links the teaching and research strength of the business school with the business experience of its participants. To develop executives with global mindset new areas are being emphasized in B-schools like ethical leadership, emotional intelligence, entrepreneurship, strategy, negotiation etc.

1.2 Management Education in India

Management education in India has come a long way. The history of management education in India goes back to the pre-Independence era. The first college level business school in the country was founded in 1913 in Mumbai and was soon followed by another in Delhi in 1920. These business colleges imparted basic skills about the principles of trade and commerce to clerks and supervisors from fields as diverse as banking, transport, and accounting. (Indian Management, Sept 2004)

The first Business School in India was Indian Institute of Social Welfare and Business Management, Kolkata, which was established in 1953. The All India Institute of Management and Labour welfare and the department of management, Delhi University followed suit in 1968. A number of universities set up their MBA programme in 1960s. The IIMs were patterned on the recommendation of Dean Robbins of the University of California, which was invited by the planning commission. The first IIM was set up in 1961 at Kolkata followed by IIMs at Ahmedabad in 1961, Bangalore in 1971 and Lucknow in 1974 and in the late 1990s at Indore and Calicut. Management education in India has come a long way since the early days of establishing of IIMs. The flagship management education programme, MBA, is widely popular as it offers quick gateway to the riches and to the top echelon of corporate world. The early 90's saw the boom of founding new management schools, most of them in private sector. In the last three years alone 400 Business Schools came into existence. Few Business Schools have also established collaboration with some western Universities.

India management institutions produce over 30,000 full-time MBAs and 10,000 part-time MBAs every year. Many business schools are also running MBA equivalent program such as distance Post Graduate Diploma in Management (PGDM), Masters in International business (MIB) etc. Even some of the leading business houses are establishing their own business schools like Infosys, Birlas etc. (Mishra 2004)

In 1987 the Government of India had established a statutory body called "All India Council for Technical Education" (AICTE) with a mandate to ensure and regulate quality in management education in India. Today there are over 1300 plus

management institutions in the country. A sudden spurt in the number of business school has created a clutter in the market, confusing the prospective students and other stakeholders. This proliferation of Business Schools raises a serious question on the quality of management education. With the passage of time a number of committees have been set up like The Nanda committee, Kurien committee, Ishwar Dayal committee and the Management Education Review committee, which have been reviewing the management education scenario in the country. These committees from time to time have identified the vital issues in management education and have given recommendations for the sustainable growth of this sector.

2. Issues and Challenges in Management Education in India

After the swift growth in the 1990s, many Indian business schools suddenly appear to be stagnating and some seem to be even in a state of steep decline. There are reports of many schools not being able to get enough students. Management education has come to such a stage in India that if some concrete steps are not taken now then the value of MBA will be reduced to the stature of an ordinary college graduation course.

Some of the key issues in the Indian management education scenario are:

A. Enhancement of experiential learning: The challenge of management education is to bring student close to real situation. The industry expects that at the B-Schools students acquire a portfolio of competencies to handle the unknown and unexpected day-to-day business challenges. Management education is relevant only when there is a constant industry interaction. Universities and business corporations have for long been operating in separate domains and as isolated islands but now there is a need to come together and create synergy. Live projects on various topics being taught encourages students to know what is actually happening in the business world. (Malmarugan and Prabhu 2005)

B. Faculty shortage: With the spurt of about 1000 management institutes in the past decade there is a severe faculty crunch. This shortage is not just quantitative but it is qualitative as well. This problem is dealt in this present study.

C. Creating a global mindset: If the Indian industry has to stand up to intense global competition then we need executives with world-class talent. Increasing globalization of national economies through trade and investment has made it vital to understand the process and consequences of internationalization and there is a need to develop a vigorous, systematic and coherent strategy for internationalizing management curricula.

D. Inculcating Values: Value education means a positive effort for bringing about a synthesis of physical, intellectual, emotional, aesthetic, moral and spiritual values in human beings. Singh (2002) highlights the importance of value education in higher education. According to him value education teaches the youth that knowledge and skills are not the only requisite to succeed in life but positive attitude

and positive way of action is also required. According to Bhatta (2002) interfacing business education with cultural wisdom facilitates the production of a learning mind, which is very much needed for successful business.

E. Promoting a research culture: All the best schools in the world have very strong research. Research - with its impact on industry and society - counts for a lot in worldwide rankings. According to Tarun Khanna (2003), a Harvard Business School professor who has written a case on the globalization of Harvard, says research is the most important feature of a global B-school. "This (a research core) then translates into excellence in teaching and great students and other virtuous cycles. One of the important roles of the teaching fraternity in particular and business schools in general is "knowledge generation". This is not only translated into development of contemporary, vibrant and futurist management programmes but to add on to present pool of resources in traditional areas to be able to upgrade the knowledge and hence improve the dissemination process. Traditionally, most of the business schools neglected the research focus, considering it to be the domain of individual faculty members. It was seen as an activity contributing more to faculty's growth rather then the institution. However, today the business school's focus on developing the research culture has taken predominance, with thanks to all the ratings and rankings giving due importance to research in measuring the Intellectual capabilities of an institution.

F. Brand Building: For status conscious and choice infected student community today, MBA is more than just a degree. It is a reflection of their own self and hence the image of the business school plays an important role to shape stakeholders decision. Good business school image attracts high quality students, faculty and the industry. A sudden spurt in the number of Business school has created a clutter in the market, confusing the prospective students and other stakeholders. For a school to survive and stand out in such an environment, it becomes essential to differentiate them and build a distinct image.

3. Paucity of Faculty

Management education is different from the education imparted in the universities and colleges, as the objective of such education is to develop managerial and leadership qualities in the students. Iyer and Gopalakrishnan (2004) opine," Higher education is grossly over-regulated and yet it is a poor performer. The subject is in the concurrent list in the Constitution of India. Both the central and the State Government are concerned with education; but nothing seriously is being done". According to Verma (2005) though the Indian business schools have yielded big volume of managers, Indian companies are facing a dearth of them. Every year, a large number of students graduate from Indian B-Schools. But very few Indian companies can boast of globally competitive managers. This can partially be attributed if not wholly, to a dearth of quality faculty. The need of the hour is quality management system in B-Schools, if India has to emerge as an economic superpower.

Table 1 *Student-Faculty Ratio*

Year	No. of colleges	No. of universities	No. of students(‘000)	No. of teachers(‘000)	Student teacher ratio
1950-51	750	30	263	24	11:1
1990-91	7346	177	4925	272	18:1
1996-97	9703	214	6755	321	21:1
1998-99	11089	238	7417	342	22:1
2003-04	15000	300	9000	427	21:1

Source: UGC Annual Report 2001-02 & selected education statistics from MHRD.

It is very well evident from Table 1 that there is continuous decline in Student-Faculty Ratio in higher education including management education.

To talk specifically about management education, there is a severe faculty crunch and the problem is not just in numbers but in quality also. According to AICTE norms the student faculty ratio should be 1:8. Today, while 930 business management schools in India have an authorized intake of 64,403 students each year, they have less than 4,000 teachers -- that translates to around 32 students per teacher, as against the maximum permissible level of 20 (www.indiaedunews.com). This problem is bogging down even the big business schools. According to Dholakia (2003) Director IIM-Ahmedabad, his biggest challenge is to attract and retain top-class faculty. All the IIMs in the country have a faculty to student ratio of more than 1:8, which is far below the globally accepted standards.

The different survey findings prove that faculty and research output is the key differentiator between the three tiers of business schools in the country. On an average, tier I B-schools have 50 full-time faculties, tier II have only 24 and the rest 17. When it comes to percentage of faculty who have a doctorate, the respective figures are 73%, 47% and 35% (Business world 2003). That faculty makes the difference can also be seen from an analysis of the cosmode research of best B-Schools. IIM-Indore had slipped to 23 from a more respectable seven in Cosmode's last survey, while IIM-Kozhikode has managed to hang on in the Top 15. According to Rao (2005) the biggest problem that many business schools in India face today is acute shortage of faculty. Everyone is trying to get good faculty and they are unable to get. A Cosmode estimate shows that Indian B-schools have 3,600 Ph.D.s in all. What they really need are 11,000. The gap is not going to be closed anytime soon: the Top 100 B-schools produce around 110 doctorates annually while an additional 20-24 come from overseas every year.

The Jamnalal Bajaj Institute, Mumbai declined to participate because it has a relatively small permanent faculty. Despite its other strength, it felt that it would reflect badly in a survey, which places a fair amount of importance on the strength of an institute’s permanent faculty. Even in case of VGSOM IIT they say that they are like IIMs but the place where they get beaten is faculty because of inflexible system of selection, which caters to only PhDs. (Businessworld 2005). Many of the institutes have started Family Managed Business Administration (FMBA). According to Shrikant (2005), honorary dean at S.P.Jain Institute of management and

research, Mumbai getting faculty for such courses is a big problem in front of the institutes because here conventional functions like HR, Finance acquire broader dimensions. The scenario in universities is highly pathetic as there has hardly been any recruitment for last many years. To quote Saxena (2003) too much job security to people in university departments has vitiated the government run institutes. Faculty strength and quality has an impact on placement also. To quote Sinha and Bhatia (2005) the most important factor at the time of recruitment is the quality of faculty.

3.1 Major Causes for Faculty Shortage

Following are some key issues, which are responsible for the problem of faculty shortage in business schools

A Mushrooming of a number of b-schools.- In a short period of its existence, AICTE has approved almost 1000 management institutions in the country. However, as per an Expert Committee Report submitted in May 2001 to the Union Minister for Human Resource Development, a large majority of these AICTE approved management institutions to the extent of shockingly high of 90% are sub-standard. Though these institutions have the "approval" or "recognition" by the AICTE but a large majority of these do not have the required faculty, facilities, courses and programmes. Therefore, as per this report, while the students studying in these institutions end up having an MBA degree but do not land up in a managerial career.

B Mandatory PhDs: In many of the institutes a PhD is a mandatory requirement for a faculty. Such tighter norms also deter people from coming to this field. A PhD takes three to four years and requires focused effort from the candidate. Many a time the candidate has to postpone employment also. Moreover in management education industry experience is of vital importance. They can acquaint the students much better about the real life challenges. But then AICTE norms hardly provide any attraction for such people to join academics.

C Poor remuneration: The salary that is given to a management faculty is one of the biggest deterrents in attracting qualified people towards this profession. At the very first stage we tend to lose out the passing students whose starting salary is more than what is paid to their faculty. According to Sharma (2004) today monetary compensation is the only yardstick by which status and efficiency of a person is measured and therefore, it is only, but natural that poor remuneration attracts the less competent to the profession. At many places AICTE norms are not adhered to in the payment of salary. Places where professional education is imparted for the sake of attractive returns teachers payment is a pittance.

D Challenging area: Management education is different from other areas of higher education. New concepts keep emerging and old one keep getting replaced by new ones. It is therefore mandatory for a management faculty to constantly keep updating themselves. As it has been emphasized earlier that management education aims at creation of competencies, therefore a faculty also has to engage in constant knowledge creation.

E Inadequate good quality of doctoral program: The numbers of good quality doctoral programs in management are very less and they are not very popular among MBA students. Moreover these programs take 5 to 6 years of rigorous effort.

4. Analysis of Faculty Shortage in B-Schools

The present study is based on survey results of Cosmode and AIMA conducted in previous years (1998-2005). Researchers have tried to analyze the secondary data with the help of some of the statistical techniques like rank correlation and hypothesis testing to validate the study.

Table 2 *Analysis of Faculty Positions*

	TOP 15	NEXT 35	REST 50
Full-Time Faculty	789	839	818
Average	52.6	53.97	16.36
Guest Speakers from Industry and Academia	1430	1686	1777
Average	95.33	48.17	35.54
Visiting Faculty	412	938	811
Average	27.47	26.8	16.22
No. of Faculty with PhD	506	329	315
Average	44	28.6	27.4
No. of Hours (teaching) per week	102	313	534
Average	10.7	32.98	56.28
No. of PhDs Produced	45	26	40
Average	40.54	23.42	36.04
No. of Papers Published	926	626	381
Average	61.73	17.81	7.62
No. of Research Reports	266	301	348
Average	17.73	8.6	6.96
No. of Cases	1290	651	452
Average	86	18.6	9.04
No. of Working Papers	1179	569	524
Average	78.6	16.26	10.8
Amount Earned through MDPs	575427000	93597615	42147272
Average	383.62	26.74	8.42

Source: Cosmode B-School research 2004

Table 3(a) *Analysis Of Top Institutes: Faculty Score Wise*

Name of Business School	Year							
	1998		2003		2004		2005	
	Total (100)	Rank	Total (100)	Rank	Total (100)	Rank	Total (100)	Rank
Indian Institute of Management, Ahmedabad	86.60	1	79.82	1	74.51	4	64.84	2
Indian Institute of Management, Calcutta	79.57	2	70.28	3	74.98	3	57.88	3
Management Development Institute, Gurgaon	73.16	4	72.93	2	82.99	1	72.98	1
Xavier Labour Relations Institute, Jamshedpur	76.03	3	57.23	5	70.06	5	55.24	4
Fore School of Management, New Delhi	23.00	7	43.67	7	76.14	2	50.04	5
S. P. Jain Institute of Management & Research, Mumbai	69.37	5	48.95	6	51.61	7	47.29	6
University Business School, Chandigarh	64.56	6	66.75	4	67.67	6	45.08	7

Source: www.cosmoderesearch.org

It is observed from Table 2 that there is serious shortage of faculty particularly in the average B-schools. The declining number of faculty is adversely affecting the quality of management education due to overburden of administrative work. Faculty are indulged more into day to day working of the institute and are unable to pay more attention on core issues of academics and research. The basic purposes of management education like training, research and extension are adversely affected by lack of innovative and original research due to unavailability of enough number and quality of faculty. These in turn affects the output produced by B-Schools and the services offered by them to the industry. Continuity in research and MDPs facilitates corporates to move in better direction with higher productivity and Lack of it negatively affects their capability to face challenges.

Table 3(b) *Rank Correlation Values*

Rank Correlation between different years	
Years	r
Between year 1998-2003	0.750
Between year 1998-2004	0.071
Between year 1998-2005	0.679
Between year 2003-2004	0.286
Between year 2003-2005	0.714
Between year 2004-2005	0.714

A quick look at Table 3(a) reveals that faculty scores are important in deciding the ranking of the institutes. This is further supported by hypothesis testing in later section of the present study.

Also when faculty scores are compared with the help of rank correlation between various years of survey given in Table 3(b) it is very well evident that whenever rank correlation falls between the years institutes have suffered in overall ranking.

Hypothesis Testing

Following null hypothesis is formulated to test faculty scores (with regard to ranking of the institutes) vis a vis different years of B-School survey.

The null hypothesis (H_0) states that faculty scores in years (1998, 2003, 2004, 2005) do not differ with regard to overall ranking.

Table 4 *Result of Hypothesis Testing*

Null hypothesis	Calculated F values	Df	Tabulated values 5% level 1%level	Result
H_0	1.441	3	3.01 4.72	insignificant

The above null hypothesis is tested statistically by using F-ANOVA at 5% and 1% level of significance, with degrees of freedom given in Table 4. Since the hypothesis is accepted i.e. faculty scores in various years do not differ with regard to overall ranking of the institute. This might be due to the fact that all the top institutes believe that faculty is one of the major factors in deciding the ranking of the institute and thus they pay enough attention on faculty development.

5. Suggestions

The authors would like to offer some innovative steps and suggestion to deal with faculty shortage problem. It has been discussed that faculty shortage is a quantitative as well as qualitative one and so concrete steps in both the direction have to be taken.

There are two ways by which the problem of quantity can be solved. One by increasing the number of faculties and the other is by finding alternative methods to compensate for the shortfall in numbers. The number of faculties can be increased in the following ways.

1. Institutes should adopt “catch them young” strategy. Increasing number of MBA students should be exposed to research in contemporary topics in management. Students having research insights should be encouraged towards doctoral and fellow programmes.
2. Doctoral and fellow programmes should be made more popular with greater accessibility and better stipends.
3. To attract more people from the industry, mandatory PhD requirement of some institutes should be done away with and their industry experience should be given significant weight age.

4. Compensation plan should match with the corporate practices and flexibility should be incorporated in remuneration pattern in accordance with the quality of prospect.
5. Incentive schemes should be introduced for innovative and research oriented activities. To keep the high moral of the faculty perks and other fringe benefits like medical insurance, sabbatical leave, leave travel concession (LTC) etc., should be mandatory.
6. Faculty shortage can be tackled by increasing the layers of faculty. More research scholars should be taken in by assigning them limited modules.

The institutes should find some alternative methods also to overcome this problem. Some feasible alternative methods suggested by the authors are.

7. With the advent of educational satellites channels such as edusat education is not confined to physical boundaries. Knowledge dissemination, tools of information technology like E-learning, Group Decision Support system (GDSS) enabled case discussions; Video-conferencing, etc should be used.
8. Industry academia interface should be promoted by the way of exchanging people and continuous dialog should be established. This symbiotic relationship will help the institute to catch hold of competent visiting faculty.

Just maintaining numbers is not important but to meet the demands of highly dynamic area of knowledge, quality is equally important. This can be done by

9. Business Schools are required to pay more attention on quality recruitment process.
10. There should be closer ties with the industry. Corporate houses should "adopt" one management institute. This would serve their mutual purpose. Training, development and consultancy needs of the company can be taken care of by the institute and actual practical business inputs can be supplemented by the corporates. This will help B-Schools in creating distinct brands for themselves also.
11. Existing and prospective faculty should be exposed to corporates for MDPs and consultancy for upgrading mutual skills.
12. The institute should seen that its entire faculty should attend at least one faculty development programme, international and national conference, seminar, workshop, etc in a year.
13. There should also be international exchange of faculty. This will help the faculty to achieve global exposure and impart this in the school.
14. University should introduce separate pay scales for management faculty so that they can compete with flagship management institutes.
15. There can be liasoning between the institutes. B-grade institutes can act as "extended arm" for the A-grade schools.
16. Apart from this regulatory bodies like UGC and AICTE should play a more proactive role. AICTE can declare coming three years as "zero" years and stop approving new institutes.

6. Concluding Remarks

It is now well-understood fact that in globalised era management education has become focal point for the entire world. Management education is a driving force for developing economies where lots of action is observed now a day. To conclude with management education in India is in a correction phase and time has come to pinpoint the pitfalls and a lot of brainstorming is needed from all the stakeholders to face and overcome the new challenges and surge ahead. Concrete and collaborative effort is required from public and private participants for the development of the society at large.

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