

REPORT OF THE WORKING GROUP ON MANAGEMENT EDUCATION

Background

The **National Knowledge Commission (NKC)** was established by the Prime Minister of India in 2005 to recommend and undertake reforms in order to make India a knowledge-based economy and society. An important constituent of the NKC's functions is professional education, particularly education in the field of management. In light of its significance, the NKC decided to form a **Working Group on Management Education**.

The Working Group had the following **Terms of Reference**:

1. Identify constraints, problems and challenges relating to curriculum, teaching, infrastructure, administration and access
2. Recommend changes and reforms to address the problems and challenges relating to curriculum, teaching, infrastructure, administration, and access
3. Explore methods of attracting and retaining talented faculty members
4. Suggest measures to promote and sustain the research tradition in management education
5. Consider methods of strengthening teaching and research in the management of public systems (including state governments and local governments), regulatory structures and public policy
6. Examine issues of autonomy and accountability of institutions
7. Suggest innovative means of raising standards and promoting excellence in management education situated in the wider context of society
8. Examine any other issue that may be relevant in this context

Composition of the Working Group

Mr. P.M. Sinha
Chairperson
Former CEO, Pepsi India
New Delhi

Dr. Nachiket Mor
Dy. Managing Director,
ICICI Bank, Mumbai

Prof. Amitava Bose
Former Director,
IIM Calcutta

Prof. K.R.S. Murthy
Former Director,
IIM Bangalore

Mr. R. Gopalakrishnan
Executive Director,
Tata Sons, Mumbai

Prof. Jahar Saha
Former Director,
IIM Ahmedabad

Consultations

Prof. S.L. Rao
Chairman, Board of Governors
ISEC, Bangalore

Prof. Damodar Acharya
Chairman
AICTE, New Delhi

Prof. Prasad Krishna
National Board of Accreditation
AICTE, New Delhi

Other Institutions Contacted

Rating Agencies

- **CRISIL**
- **ICRA**

The Working Group had detailed discussions governed by the Terms of Reference over six months and nine meetings that were held on 27.11.06, 10.1.07, 1.2.07, 19.2.07, 21.3.07, 2.4.07, 16.4.07, 7.5.07 and 16.5.07. In addition, several rounds of discussions were conducted over email on various issues contained in the Report. The Chairperson had several additional meetings with the NKC *rappporteur*, Dr. Shomikho Raha, during the course of developing the Report.

The final recommendations from the discussions of the Group are contained in this Report.

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Preamble

The Working Group (hereafter, the Group) studied the several reports on management education: Ishwar Dayal Committee report prepared in 2001 for the Ministry of HRD, Management Review Committee report prepared in 2003 for the AICTE, U.R.Rao report on Faculty Development prepared in 2004 for the AICTE, AIMA document prepared in 2005, and the Kurien Committee Report prepared in 1991-92 for the Ministry of HRD. We found that these reports were useful and had addressed the current status and the future of management education.

The Working Group, in order to gain from the experience of All India Council of Technical Education (AICTE) and National Board of Accreditation (NBA), invited the Chairman, and the Advisor in charge of the NBA, and held detailed discussions on the current system of approving and accrediting management institutions. The discussions were very valuable.

The Group felt that in view of the work done by previous committees referred to above as well as by AIMA, AICTE and NBA, it should focus on areas needing attention, in the context of the rising demand for management graduates, the mushrooming of Private Institutes, the need for quality and excellence in management education.

The Group welcomes the National Knowledge Commission's (NKC) proposal for setting up an Independent Regulatory Authority for Higher education (IRAHE), as desirable for four important reasons that have been already stated in the NKC Report to the Nation 2006 (p.54):

First, it would minimize conflicts of interest as it would create an arm's-length distance from stakeholders. Second, it would replace the present system which is over-regulated but under-governed, through more appropriate forms of intervention. Third, it would rationalize the existing system where mandates are both confusing and overlapping. Fourth, it would dispense with the multiplicity of regulatory agencies to provide a single-window clearance.

The present system of over-regulation based on inputs has resulted in a very uneven situation, which has been noted by the NKC (Report to the Nation, 2006: 54) as follows: 'there are several instances where an engineering college or a business school is approved, promptly, in a small house of a metropolitan suburb without the requisite teachers, infrastructure or facilities, but established universities experience difficulties in obtaining similar approvals.'

On each of the subjects covered in this report, frank, elaborate and detailed discussion took place, and the Group valued the experience of its members. There was a

consensus in our Group that our future will be decided by the contribution of a large number of Management Education Entities, whether they are departments in universities or stand alone autonomous institutions, to knowledge creation rather than merely knowledge dissemination. The Group also felt that the guiding principle of the report should be the brief given by the National Knowledge Commission, and that it should give its views without any inhibitions or constraints. Also, the Group agreed with NKC's approach, emphasising good governance as a better way of promoting national educational objectives than the current control-oriented regime.

The recommendations of this Working Group report are interlinked and these are required to be implemented as a package. Selecting portions of this report and implementing them, in the view of the Group, would be sub-optimal, and counter-productive. The Group noted that several recommendations in various reports have remained unimplemented or only partially implemented. Consequently, the Group focused on the shift required in governance rather than making recommendations for incremental improvements within the current system of over-regulation. Our economy and social sectors no longer have the luxury of time, and therefore it is the Group's strong plea that the entire package of our recommendations be implemented as a whole, and as soon as possible.

Editorial Note:

In view of the variety of institutions delivering management education, the Group has used the term **Management Education Entity (MEE)**, to cover all management educational organizations including Indian Management Institutes, departments in universities, affiliated and autonomous colleges, departments in deemed universities and private management institutes. Registration is a prerequisite for being defined as an MEE.

Organisations/Institutions offering training/certification programmes in management of less than 12 months duration only will not be considered as MEEs.

Registration will be necessary for all MEEs, and MEEs will have to apply to the Governing Council for Management Education, to be set up as a part of the proposed Independent Regulatory authority in Higher Education (IRAHE).

CHAPTER 1

Baseline: Overview of Management Education in India

1.1 There are over 1,700 business schools in the country today distributed over different states as follows:

Management Schools

State	Number	Percentage
AP	239	13.5
BIHAR	14	0.8
DELHI	60	3.4
GUJARAT	50	2.8
HARYANA	34	1.9
KARNATKA	116	6.6
KERALA	247	14.0
MP	51	2.9
MAHARASHTRA	202	11.5
ORRISA	247	14.0
PUNJAB	25	1.4
RAJASTHAN	56	3.2
TAMIL NADU	139	7.9
UTTAR PRADESH	181	10.9
UTTARANCHAL	18	1.0
WEST BENGAL	47	2.9
*OTHERS	35	1.9
Total	1761	100.0

* Others: HIMACHAL PRADESH ASSAM, CHATTISGARH, J&K, JHARKHAND, MANIPUR, MEGHALAYA, GOA

There appears to be a correlation between the number of schools in a state and its economic and industrial development. The regional imbalances in development and the creation of capacity for management education in the state are probably related.

1.2 State-wise Population and PG Seats Per Lakh Population

Sl. No.	State/UT	Projected Population 2006 (In lakh)	MBA/PGDBM	Seats per lakh Population
1	Mizoram	9.46	0	0.00
2	Meghalaya	24.70	0	0.00
3	Arunachal Pradesh	11.69	0	0.00
4	Sikkim	5.76	0	0.00
5	Bihar	907.52	1050	1.16
6	Assam	286.65	337	1.18
7	Manipur	23.08	30	1.30
8	Chattisgarh	225.94	360	1.59
9	Tripura	34.07	60	1.76
10	Himachal Pradesh	64.55	180	2.79
11	Nagaland	21.19	60	2.83
12	West Bengal	852.16	2445	2.87
13	Jharkhand	292.99	975	3.33
14	Others UTs	31.76	120	3.78
15	Jammu & Kashmir	109.41	440	4.02
16	Gujarat	549.79	3075	5.59
17	Madhya Pradesh	663.90	3840	5.78
18	Kerala	332.65	2155	6.48
19	Rajasthan	622.76	4230	6.79
20	Uttar Pradesh	1,832.82	14175	7.73
21	Orissa	388.87	3178	8.17
	INDIA	11121.86	94704	8.52
22	Uttanchal	92.19	945	10.25
23	Haryana	233.14	2615	11.22
24	Punjab	260.59	3070	11.78
25	Karnataka	562.58	6952	12.36
26	Goa	14.92	210	14.08
27	Tamil Nadu	651.35	9785	15.02
28	Maharashtra	1,048.04	15912	15.18
29	Andhra Pradesh	807.12	14945	18.52
30	Delhi	160.21	3560	22.22

A large proportion of the capacity is filled through all-India examinations conducted at a number of locations through out the country. Therefore, a high per capita seat capacity for a state does not necessarily mean a higher level of opportunity for aspirants from that state. The per capita seats per lakh of population may be partly a reflection of the state's capacity to absorb a higher percentage of management graduates.

1.3 Growth of Business Schools in India during 1950-2006

Period	No. of B-Schools added	Average annual addition
1950-1980 (30 years)	118	4
1980-1995 (15 years)	304	20
1995-2000 (5 years)	322	64
2000-2006 (6 years)	1017*	169*

Source: Adapted from Dayal, I., “Developing Management Education in India”, *Journal of Management Research*, 2(2), August 2002, page: 101.

NB: The figures attributed for 2000-2006 is estimation from current data and therefore shown with an asterisk (*)

Growth in the number of business schools has accelerated over the last two decades. This acceleration, propelled by the increase in the rate of growth of the Indian economy, speaks also for the entrepreneurial initiative of promoters to seize commercial opportunities in education. The imbalance between demand and supply for management graduates has led to an overly commercial and exploitative environment in management education. It is not clear how many of the recently started institutions are merely speculative and how many are seriously committed to the cause of management education. It is not also clear how many actually meet the norms and standards established by the All India Council for Technical Education.

The regulatory framework and implementation has been unable to link the entrepreneurial initiative to performance in terms of educational quality. It has a control perspective focusing on inputs such as land, faculty, and other infrastructure rather than on the outcomes such as quality of education, research, access, cost effectiveness or relevance.

CHAPTER 2

The Group's Approach

The governance approach suggested by the Group seeks to replace the current *a priori* control by *a posteriori* rating and accreditation of outcomes. It will create room for innovation and initiative by the better-governed institutions, a particularly important requirement in the context of globalization. With the opening up of trade and cross border movement of goods and services, our robust economic growth and the gradual improvement in our ability to compete globally, we need a paradigm shift in addressing the accelerating need for management graduates and for more management training of working professionals. Michael Porter, in his study on business schools, argued that improvements in business education are at least partly dependent on business schools adopting new approaches that address the globalization of business, provide stronger linkages to management practices and promote cross functional integration. One of the major findings of the Porter-led study was that accredited and non-accredited schools differed considerably in terms of the importance of several types of research for promotion and tenure decisions.

The Group draws a distinction between rating and accreditation (detailed in Chapter 4); it feels that we need to move much faster on *both* and on full disclosure of information on educational institutions to all the stakeholders. The current pace of accreditation is not keeping in tune with the needs of economic growth. Only 20% of Indian engineering programmes are accredited so far (UGC Chairman's statement, November 2006). The proportion of management programmes accredited is much lower.

There is urgent need to welcome and enable the establishment of a new wave of management schools of excellence, which would be a role model for a number of schools. The circumstances today, of an increasing demand in the market for good quality management graduates, provides a great opportunity to rethink the ways in which management schools can produce excellent managers. The Group's approach has been to facilitate the market to do so and to have a regulatory architecture that enhances the integrity of the market rather than the other way around.

2.1 Needs of the future

Although India produces a large number of management graduates, perhaps next only to the U.S., scholarly debate on curriculum, pedagogy, and innovation is negligible. There are, as already noted, many reports prepared on behalf of, or addressed to, the Government or the regulatory authorities but little generated by or addressed to the

professional community, which has to deliver the results. Action by government or regulatory authorities on the various reports is slow and sometimes inconsistent.

Most institutions depend on curricula and materials developed elsewhere and have not developed an intrinsic capacity to respond and evolve to the changing needs of various sectors of industry and services, student interests, Non-Government Organisations, or the economy and society. Many are unable to fulfil the mandatory changes imposed on them, such as upgrading of the curriculum by the Universities or the Board of Management Studies.

There is need for greater autonomy for management education entities as well as a better regulatory regime. The market has to be enabled to consistently discriminate different programmes/institutions based on their capacity to provide education of value. In a well functioning system, more and better resources have to flow to those MEEs that have a capacity to consistently deliver better value and respond well to professional influence. There would be in such a system serious and continuing debate among management scholars and educationists on the goals, objectives and content of management education as the context and needs keep changing. Capacity growth would be guided by systematic forecast of the educational needs of the economy/various sectors. Those MEEs that have a higher level of commitment and depth of resources should be the ones that grow and respond to needs.

There are few systematic attempts at forecasting the demand for managerial manpower in India. There is general consensus among industry that the needs are increasing at an accelerating speed. Also, the emphasis is increasingly on quality, both at entry and middle levels. Management institutions in India are today estimated to be graduating approximately 95,000 students annually. HR managers in various industries, especially in the “sunrise” industries, foresee a manifold increase in their requirements. However, what proportion of the total requirement will be for the increasingly more expensive post graduates in management and what proportion would be for the less-expensive lower levels of managers is not clear. In the Group’s judgment, quite a large percentage of the huge additional requirement could be met more speedily and satisfactorily by adapting the Bachelors programmes in Management so as to focus on specialisation and practice. The retailing sector, which is expected to hire large numbers in future, has already initiated through several MEEs long-duration educational programmes and short-term sector-specific training of experienced managers. It is important to ensure that the students do acquire enduring knowledge, skills and aptitudes that are well recognized, as in a recognized professional degree, and upon which they can build later, if desired.

Notwithstanding the above, there is no doubt there will be a steep increase in the demand for postgraduates in management. Based on the assessments of HR managers, as a best estimate, the Group foresees the need for a three-fold increase

over the next 10-15 years. Thus, there will be a need to raise the output from the current level of 100,000 managers to about 300,000 a year over the next 10-15 years. For these, specialized management training/development programmes would be needed.

The number of business schools has trebled in the last ten years, with many of indifferent quality. The market has already started discriminating the quality of institutions and graduates. This is expected to intensify in future. A good information system on all the schools can sharpen the working of this market process, which is currently based on incomplete, and sometimes inaccurate, data and exaggerated claims of various educational organisations. An improved working of the market processes would have its consequences for those institutions not gearing up to meet minimum quality standards and expectations of the stakeholders. It is in this context that the Group reiterates the need to put in place an appropriate *promotional and mentoring agency*, and a regulatory architecture and supportive infrastructure.

CHAPTER 3

Governance & Regulation

There is a consensus among experts that the current regulatory system for management education is unsatisfactory, a view that is also reflected in the reports of the official committees mentioned earlier.

3.1 Current Regulatory Regime

- Currently, AICTE focuses more on taking punitive measures on those activities/institutions that are not approved by the AICTE, rather than on promoting the development of the more promising programmes/institutes/managements. Norms and Standards and Accreditation criteria are there, but are not being implemented as promptly and as fully as required for maintaining and enhancing quality in the face of the rapid growth in the number of schools. Management is treated as a sub-department of engineering by AICTE – rather than recognising that management itself has its demands that require exclusive attention. Previous reports have pointed out the weaknesses of the AICTE structure and why it is unable to ensure a high standard in management education.
- Professional Staffing in the AICTE is not full-time and the existence of most staff on deputation for short durations has made the regulatory process highly rule based rather than quality based. No organisational learning is taking place and organizational memory is not accumulating.
- There is a need to create a separate independent promotional/registry institution for management education and to replace the current regulation being carried out by the All India Council for Technical Education (AICTE), which is primarily concerned with engineering education.

3.2 Proposed Regulatory System

3.2.1 The Group recommends a fully autonomous **Governing Council for Management Education**, which will function as a promotional/registry institution. It will function as part of the IRAHE. The first Council for Management Education should be nominated by the **National Knowledge Commission/IRAHE**. The NKC/IRAHE will decide the number of members the Council should have. It is recommended that the number be not more than 12 members. The Council should comprise eminent professionals, educationists, industrialists and administrators. The tenure of the Chairperson and the members will be in line with the recommendations for the IRAHE.

3.2.2 The Governing Council for Management Education will play a *promotional role*, a *mentoring role* and a *surveillance role* to accelerate the establishment of management schools of excellence. The principal responsibilities of the Council will be to perform a registry function and collate as well as communicate information to the public, and set out transparent criteria for Rating and Accreditation, which would be done by such independent agencies as are nominated by the Council.

3.2.3 The Council will play its promotional role by identifying promoters, foreign universities, existing institutes of excellence and help them in setting up new management institutes in different regions.

3.2.4 The Council will also have a cell, which will entirely focus on a mentoring role to help new institutes to establish standards of excellence. The Council will establish transparent criteria for rating and for accreditation. Once several accredited institutes have come into existence, this role could be taken over by a Committee of Deans of such accredited institutes, which would regularly and transparently improve the criteria for accreditation (as is done in AACSB in the US). The Committee of Deans will also play a mentoring role, or nominate experts to play this role, in helping institutes to get accreditation.

3.2.5 The Governing Council for Management Education will need to arrive at specific criteria that MEEs will have to satisfy for registration, rating and accreditation, namely, the student-teacher ratio, the physical parameters of space, computers, libraries, etc. While these minimum standards are necessary, we need to clearly recognise that there exist multiple but equally valuable methodologies for imparting this education and that an in-depth analysis and judgement would be required before the quality of that institution is assessed – a mechanical approach would be inimical to promoting innovation and healthy growth of management education in India. All governance principles for MEEs will apply to foreign institutes, foreign investors, NRIs, local entrepreneurs, corporate houses, government, universities, etc. Any fraudulent practice in presentation of the data or any physical criteria should attract immediate penal provisions and ‘de-registration’.

3.2.6 The Government may notify that any institute that is not registered will be treated as “illegal” and attract penalty as notified by Government.

3. 3 Registry function

3.3.1 To be registered, all management institutions will have to meet minimum criteria of physical requirements of infrastructure required for a management education institute as laid down by the Council.

3.3.2 All Management Education Entities will function autonomously as detailed in section 3.7 on MEE Governance.

3.3.3 The MEE must subscribe to the rules of Governance and implement the same (as detailed in 3.7) in order to register and for continuing to be registered by the Council.

3.3.4 Each MEE will be totally transparent in the admission process and be governed by processes that are recognized by the Council.

3.3.5 Registration procedures for all MEEs must be kept simple. All new MEEs should be able to register on submitting required information relating to physical infrastructure and governance. Existing MEEs must also apply for registration. The Governing Boards of MEEs will have the freedom to respond to market needs and

start new courses; however, they will be rated after 1 year and will be de-registered if not meeting minimum physical standards. Comprehensive rating for MEEs and programmes will be carried out every 3 years.

3.3.6 Each MEE should make a deposit of Rs. 50 lakhs along with registration, or such amount as the Council may determine, apart from annual fees to be paid to the Council.

3.4 Information disclosure

3.4.1 Every MEE must carry in all its communications, information regarding whether it is registered or not, enabling all stakeholders to have the correct information on its status.

3.5 Role of Governing Council for Management Education

3.5.1 The Governing Council shall be responsible for receiving applications for registration, appointing agencies for rating and accreditation, e.g. CRISIL, ICRA, AIMA. The Council-appointed national agencies will use common standards with respect to rating of MEEs, for disseminating information, surveillance (details in section 3.6 below) and for deregistering of such MEEs as have ceased to qualify.

3.5.2 The Council will decide only the minimal requirements for the teaching-learning process, which would include the technical infrastructure and the student-faculty ratio.

3.5.3 The Council will charge each MEE an annual fee.

3.5.4 The Council will have as many full time staff members as it deems necessary.

3.5.5 The Council may set up a separate independent cell headed by a judge of the Supreme Court to handle any disputes with regard to the Council's working. This is with a view to reduce the number of legal cases in courts.

3.6 Surveillance function

3.6.1 The Council, in addition to registry functions, should have responsibility for organising the rating (described in Chapter 4) and surveillance of the MEEs. The idea is to have an exchange house with checked and verified information in a totally transparent manner.

3.6.2 As part of its surveillance responsibility, the Council may set up a low-cost e-monitoring system. People with a stake in any MEE or any component of the system should be encouraged to follow the 'whistle-blowing' process and provide information, along with names etc. All complaints, actions taken and resolutions will be made public.

3.6.3 The Governing Boards of the MEE are accountable and responsible for taking necessary actions.

3.6.4 The Council will be responsible for disseminating information with complete transparency on all registered MEEs.

3.6.5 As mentioned in 3.4.1 above, if any provider of management education is not registered, or is deregistered, it must make clear that it is “not registered” in all its communications to all stakeholders. The Council will communicate on the internet and through other means if false claims of registration are being made.

3.6.6 If a provider of management education is “not registered”, it cannot offer a diploma or degree. All stakeholders (students, parents and industry) must be sensitised to the consequences of non-registration.

3.7 MEE Governance

All MEEs must have a governing board. The number of members should be between 8 and 12, and *not exceed 12*. The guidelines for the functioning of the Governing Board are:

3.7.1 Composition:

- 50% - Independent members (professionals of high reputation, be they managers, CAs, lawyers, academics)
- 25% - Promoters
- 25% - Faculty Members (including Director)

3.7.2 The Council may invite reputed corporates, universities, industry associations, professional bodies (such as the Institute of Chartered Accountants, Cost Accountants, Bar Council) to enlist/empanel people of experience and interest to be considered as independent directors by MEEs. With all MEEs requiring 50% of the Governing Board to be independent directors, a pool of possible independent directors of repute that MEEs can access will greatly facilitate the appointment of independent directors and impact better governance.

3.7.3 Attendance and taking interest in the MEE should be important for the Board members. A reasonable sitting fee should also be paid to the independent directors for attending the Board/Committee meetings.

3.7.4 The Governing Board should have an explicitly stated mission. The rating and accreditation process will evaluate adherence to the stated mission in practice.

3.7.5 The Board should meet at least *four* times a year, i.e., once a quarter.

3.7.6 The Chairman of the Board should be an *independent* director of eminence.

3.7.7 Continued absence of more than 4 meetings should result in a request for resignation of the concerned Board member.

3.7.8 Maximum term of any members should not exceed 9 years, broken up into 3 terms of 3 years each. One-third of the Board members should retire, by rotation, every year (after the first 3 years for new institutes). The Governance Committee of the Board should decide every year whether they wish to continue to have any retiring director.

3.7.9 All Board members will retire on reaching a maximum age of 75; the professors and directors of the MEE will retire at their usual retiring age.

3.7.10 The key focus of the Governing Board should be to continuously improve quality of education and research. For this purpose, they would have to maximise the resource/fund inflows and allocate/spend them purposively and efficiently. In this way, the Board can ensure the independence of the MEE and enhance its standards.

3.7.11 The Board must approve an annual business plan (revenue and capital) based on the proposals from the director and top team.

3.7.12 A Compliance Officer, reporting to the Board, should be nominated for ensuring compliance on all the governance and registration requirements. The Board has to communicate compliance every year to the Governing Council for Management Education.

3.7.13 The Governing Council/Board must have the two sub-committees, listed below. Their members should be independent directors and not be related in any way to the promoters. In addition, the Governing Board may nominate other sub-committees for specific purposes.

- a) An **internal audit committee**, which will meet regularly and engage with external/internal auditors. It will also ensure that all statutory compliances are met regularly. The Chairman of the audit committee should be an independent director – neither representing the promoter nor the MEE.
- b) A **governance and personnel committee** which will be charged with *four* responsibilities:
 - i) To periodically recommend new members to join the board
 - ii) To ensure the alignment of the governing boards' visions or institution's aims with the priorities and tasks of the top leadership team
 - iii) To ensure that remuneration levels are aligned with the vision and are competitive enough to attract appropriate faculty.
 - iv) For recruitment, promotion and review of faculty

3.7.14 In keeping with the practice of peer evaluation among academics, it would be a good example if the Board members would also go through peer evaluation. Therefore, a peer evaluation by each member of the Board of the other members must be carried out.

3.7.15 Members of the Governing Board of the MEE will own responsibility for information provided to all stakeholders - the regulator, rating and accreditation

agencies and the public. The Government of India may notify penalties to be imposed on the governing board for misrepresentation of information (see 3.2.6 above).

3.7.16 The Governing Board should specify work norms for faculty and the parameters for performance evaluation.

3.8 Best Internal Practices

Some of the important processes that good MEEs follow are described below; it is recommended that the Governing Boards of MEEs suitably adapt and adopt these practices.

1. Encouraging and recognizing the publications of faculty members.
2. Ranking the journals and publications so that faculty is aware what weight will be given to publications in refereed and reputed journals vis a vis others.
3. Obtain regular feedback from students on the teaching-learning process and use the same constructively for improving the learning and in the development of the MEE.
4. Obtain recruiter feedback and use it for improving quality.
5. Have a good faculty evaluation and management system and get the faculty to focus on research in areas they teach and in writing case studies based on companies operating in India or Indian companies engaged in global businesses.
6. Get qualified faculty to mentor as many fellows as they can to obtain doctoral degrees.

CHAPTER 4

Rating and Accreditation

4.1 Rating

To nominate independent rating agencies, the Council would need to set up a separate cell fully devoted to the process of rating of management education entities/organisations. The Group has consulted CRISIL and ICRA about their willingness to invest in and carry out such a task. The Group confirms their provisional willingness and support for the same.

Ratings will be in two steps:

- (i) The first step of rating will cover all aspects of physical infrastructure, required for registration purposes, with reference to both new MEEs, and existing MEEs.¹
- (ii) The second step of rating will cover, in addition to physical infrastructure, processes that determine quality (admissions, teaching & learning process, research & publications). This comprehensive rating will be conducted once in 3 years. The rating will not be undertaken as a mechanistic or rigid process. It will give due recognition to the outcomes/deliverables and to any proven achievements through experimentation.

The Council will lay down, in consultation with experts and the rating agencies, the categories into which an MEE rating may be placed at each of the two steps. The rating agency will assess and categorize an MEE accordingly.

4.1.1 The same rating agency will be responsible for rating all the programmes of a MEE.

4.1.2 Before a new MEE can admit students, it has to go through the first step of rating, described above. The Council would encourage merit-based transparent admission process and discourage the arbitrariness in interview-based admissions. Each MEE must be transparent about its admission testing criteria and provide to the rating agency the test scores of all admitted students, the lowest, median and highest scores.

A reliable rating system will help the market to function better, enabling students and employers to compare different MEEs. It is *not* intended to become a mechanism for licensing capacity but an indicator of MEE accountability.

¹ This Report includes in its Annexure the current guidelines used by AICTE as a minimum standard of physical infrastructure expected in Management Schools; the Council may choose to use this as an indicator and develop it further to set the standards for different rating.

4.1.3 After giving the registry the information about its plans, an MEE has full freedom to take initiative and launch programmes. It is for the Governing Council for Management Education to lower the MEE's rating category, if the addition of the new programme has resulted in a dilution of its resources, affecting its quality. The MEE is free to do what it would to retain its rating category without prior approval.

4.1.4 The Rating Agency will give the MEE a complete report with its explanations for the ratings given. The MEE will have an opportunity to express its point of view. The Governing Council will decide on a fair and transparent mechanism to deal with any conflicting points of view.

4.2 Accreditation

Accreditation will be a separate function of the Governing Council for Management Education, in addition to the Rating. While Rating will be required of all MEEs, Accreditation is voluntary. An accredited institute is distinct from an institute rated in whatever category and should be treated as superior, since accreditation is a continuing commitment to processes of quality enhancement. Internationally, institutes are only accredited. The Group has recommended rating as an additional measure to inform the students, the parents and the public of the quality of management education entity. This is considered appropriate to the high-growth Indian context, where there has been a mushrooming of management institutes, many of which do not meet even the minimum requirements for acceptable quality. By requiring disclosure of information on rating, a great service will be performed to all stakeholders, including students and recruiters; this is why the Group recommended that all MEEs must have a mandatory rating.

Accreditation is a process of evaluating, mentoring and helping institutes who voluntarily wish to go beyond rating. In a dynamic economic environment, institutes will need to innovate and introduce new courses as well as new long- and short-duration programmes. To achieve excellence in such programmes, while maintaining quality in existing programmes, the Council will arrange for mentoring the MEEs. Till the role of mentoring is taken over by the Committee of Deans, the Council will announce the methodology and criteria for accreditation. The Committee of Deans, after it takes over this role, can periodically evaluate its own processes and change the criteria and methodology.

Accreditation clearly establishes the MEE as having the highest quality standard. It is similar to an ISO 9000/9001 for manufacturing/service industries. Accredited institutes can make the claim of being accredited by the Governing Council in all their public communications.

4.2.2 The Council may develop a special logo for its accreditation, to visually convey and set the accredited institutes apart from the rest. This will act as a major motivation for institutes of excellence to voluntarily request for accreditation.

4.2.3 The present role of the NBA as far as management education is concerned will be taken over by the Governing Council for Management Education.

4.2.4 An MEE desiring accreditation will go through a comprehensive process, which will include a process of mentoring to help the MEE qualify and sustain the quality standards. The Council may consider recognizing selected international accreditations.

4.2.5 False claims of accreditation should be dealt with suitably.

4.2.6 Full time expert staff in the Council, in consultation with external experts from academia and industry, will determine the criteria and process of accreditation, in line with the best global practices.

4.2.7 Grievance handling mechanism: At the end of the accreditation process, the report must be shared with the MEE. The accreditation process will be a fair, transparent, *cooperative process*. There will be an opportunity for the MEE to withdraw its application for accreditation and come back, whenever it is ready. If necessary, mentoring support will be provided.

4.2.8 The Council will charge an accreditation fee from the MEE, as is the practice nationally and internationally.

CHAPTER 5

Structure of Management Education

To realise the full potential from the resources devoted to management education, all management education organisations have to be brought in line with the governance norms suggested by the Group. There are presently six types of management education organisations. These are:

- (1) Indian Institutes of Management (IIMs) set up by the Government of India.
- (2) University departments of management studies
- (3) Colleges (government or private) affiliated to universities
- (4) Private or government institutes approved by the All India Council for Technical Education (AICTE)
- (5) Private colleges or institutes not affiliated to any universities nor approved by AICTE.
- (6) Private colleges or institutes offering MBA courses in India in collaboration with foreign universities, where degree/diploma/certificate is awarded by the foreign university.

All management education entities will need to be fully autonomous. The implication for some of the existing education organisations are as follows:

5.1 All Indian Institutes of Management (IIMs), as also those that the Government of India or State governments may set up, should follow the rules of governance of MEEs as specified above. They should be fully autonomous. Where funding for setting up new management institutes is by Central or State governments, the government will be treated as a promoter; and the government, as a promoter, would be subject to the same governance requirements as other promoters of MEEs.

5.2 Management departments in the universities (as different from affiliate institutes to universities) should be fully autonomous. The NKC, in its Report (2006: 54) has mentioned, 'the role of the UGC will be limited to disbursing public funds'. Therefore, the NKC desires that funding from UGC/Government should be promotional in nature, without impacting the total autonomy of the educational institute and all regulatory functions would come under the IRAHE. The Group has recommended that the Governing Council for Management Education, to be set up by the IRAHE, will perform the regulatory role for management education (see 3.2 above). The University becomes the promoter of the Management department and may nominate directors on the Governing Board, as per the criteria for directors on Governing Boards for MEEs.

5.3 Management institutes, even if they are affiliated to a University, must follow the governance guidelines for MEEs.

5.4 All existing and new management education institutes (including those recognized by AICTE) have to register with the Governing Council for Management Education and follow the mandatory governance requirements.

CHAPTER 6

Access

The Group notes that while significant progress has been made in the access of students from less privileged backgrounds to education since independence, we are faced today with a growing challenge of ensuring that poor sections of society living in rural 'Bharat' also have access to higher education. The proportion of students joining tertiary programmes after completing their secondary level education also remains very low.

Access can be improved on the following dimensions:

- **Language**
- **Admissions criteria with work experience** (compensating work experience for lower grades)
- **Educational Loans**

The Group makes the following recommendations to improve access to all those who would like to pursue a professional programme in management education.

6.1 Language

The Group felt that while in the long-run the efforts at teaching the English language at the school and college level has the potential to improve access, the current exclusive focus on the English language has been a significant barrier to wider access, as the vast majority of currently enrolled school and college students within India may graduate with not even a bare familiarity with the English language. The nation needs to develop a managerial force with the capability and willingness to work at the regional level and with a managerial style based on local idiom suggests that the "language question" be addressed in a thoughtful manner. Given the perceived difficulties in translating books of management education into multiple languages and finding teachers who would be able to teach at an advanced level in local languages, the Group could not arrive at a consensus on developing MEEs which would offer post-graduate management degrees entirely in the local language. Instead the Group makes the following recommendations:

6.1.1 Conduct Council-recognized Admission Tests in all the official regional languages so that a talented individual from any part of the country has the opportunity to be selected for such education even without adequate or sufficient knowledge of the English language. Recognising this need, the UPSC switched over to this method of selecting Civil Servants over a decade ago.

6.1.2 The recommendation in 6.1.1 should be followed with mandatory *remedial training in English* offered by the MEEs.

6.2 Admissions criteria with work experience

In most well rated management institutes in the world, a minimum work experience is one of the principal criteria for admissions. It is well established that work experience helps a student to appreciate and understand better the theoretical, organisational and people concepts in management education. The Group considered work experience as a criterion but did not come to any conclusion on additional weight to be given for work experience during admissions. However, the Group felt that language as a debilitating factor for entry, as well as grasping the teaching, could be overcome if a weight is given to work experience. About 3-4 years of work experience allows opportunities to employees to acquire operating fluency in English. It is therefore felt that the Governing Council for Management Education may deliberate on work-experience as an access issue and decide on the norms.

6.3 Loans

To enable all meritorious deserving students to pursue management education, access to bank loans must be made friendlier.

6.3.1 Banks should be encouraged to extend loans to all students in need of financial assistance, with or without collateral (but with the personal guarantee of the guardian/both parents), when they are admitted to accredited/highly rated institutions.

The following practices would help loans more friendly to students and easier to track for the banks:

- a) There will be a moratorium on these loans for the duration of the study.
- b) Students will pay for the next 10 years, loan amount plus interest.
- c) If the student wants to pre-pay, there should be no penalty.
- d) Loans to students should be considered, as “priority lending” by the RBI.
- e) The MEEs should inform the banks the details of students who have taken loans, including their first placements, and should also inform the corporates of the loans that the student has taken.
- f) At the time of joining, the corporates should obtain an undertaking from the students that they would clear their loans with the banks.

6.3.2 The Governing Council for management education should mandate that each MEE should provide as scholarships/loans to socially disadvantaged (based on parent’s/family’s income, as demonstrated by relevant Government documents, e.g. BPL Card, income tax statement, electricity bill, etc.) to the extent of at least 5% of the total fee obtained.

CHAPTER 7

Availability of teaching staff & their training

7.1 Baseline

There is a very serious shortage of management faculty. MEEs need to be encouraged to offer a Ph.D. programme. Since, industry benefits from good faculty in MEEs, they should be encouraged to give fellowships to doctoral students working in MEEs, at sustainable levels. Doctoral students, after completing their first year of education, could start to assist faculty members in their teaching and research work. The MEEs may pay reasonable salaries to the doctoral students for such work and, to that extent, industry funding to current students will get reduced and the same will be available for extension of the fellowship to new doctoral students.

Banks should also be encouraged to offer loans to doctoral students; it is expected that with competitive faculty salary structure in the MEEs, it should be possible for them to return the loan over a period of ten years.

However, faculty shortage is so acute that, in addition to pursuing the above-mentioned traditional routes, new support facilities have to be created.

7.2 Setting up of a Foundation for Management Faculty Development

The Group recommends the setting up of a Foundation exclusively dedicated to faculty development. In-house attempts of management schools have not been adequate.

The attempt to have an International Training Programme (ITP) attached to the Harvard Business School, and later to various select institutions in Europe, has been considered a failure and has been discontinued. A major reason for its failure is stated to be the fact that the ITP was treated as a peripheral activity, which used the teaching-learning resources of other programmes, without being subject to the eligibility for admission or the examination or other success requirements of those programmes. Learning from this experience, and given the seriousness of the shortage of faculty and the need to train those who are already teaching, there is need for a separate prestigious dedicated institute set up with the active support of the leading management institutions of the country and overseas.

7.2.1 A Foundation for Management Faculty Development should be created, which is financially sound and academically credible, so that it can attract the best faculty domestically and from abroad. Such a new faculty development body may be promoted jointly by the IIMs, by industry and also by the government although it should have an independent legal and financial status.

7.2.2 To make this Foundation financially strong, funds may be raised, both domestically and abroad, from corporates and individuals. It should be given the benefit of Section 80(G), if not Section 35 of the Income Tax Act. To encourage industry and individual donations, 150 percent deduction of the amount donated should be given to corporate/individuals to incentivise such donations. The Foundation should support the faculty in newly created and existing institutes through training and re-training programmes. This Foundation should have good linkages with faculty abroad as well as involve industry at the governance and at the operational level. Such a model is presently being attempted with the Public Health Foundation of India (PHFI) for the teaching of trainers in the domain of public health education. A similar blue-print must be thought of for creating an institution to develop faculty for management education.

7.2.3 The proposed Foundation should be charged with leading and setting the standards for curriculum (using faculty resources that come from the IIMs as well). It should seek a broad mandate – with guidelines for what is needed for different sectors.

7.2.4 Faculty must be required to invest at least 150 hours every 3-5 years on self-development. Senior faculty from leading MEEs should come to the Foundation and devote the equivalent of one term every two years supporting the Foundation's functions listed below:

1. Organize programmes to improve and upgrade skills of existing faculty in their disciplines
2. Expose faculty in MEEs who come from non-management backgrounds, irrespective years of how long they have been teaching, to an induction/orientation programme in management.
3. Conduct conferences and workshops on current management issues.
4. Stimulate Industry-MEE partnerships in developing teaching materials in new business areas and sectors, e.g. retail, IT
5. Develop and review curriculum for pedagogy, scheduling courses to ensure maximum integration/interaction, work with other MEEs in developing materials through new cases (collaboration also with industry here, if possible, and therefore this body must be a partnership)
6. Organize leadership and management development programmes for improving the leadership/management of MEEs.

7.2.5 There should be an incentive for being involved in some of the programmes of the Foundation – for instance, successful completion of and involvement in such programmes can become points in favour of promotion of faculty.

7.2.6 The Foundation must find innovative ways to incentivise participation and make programs attractive to faculty and to those with relevant experience outside management schools and interested in teaching management.

7.2.7 Money received by the Foundation from – private entrepreneurs, MEEs, corporates, international agencies or other donors– should be matched by the Government.

Given the enormity of the current gaps in faculty availability, the investments have to be very large. When management as a field of education was relatively unknown, the Government, with the assistance of the Ford Foundation, invested approximately 10 million dollars in the 1960s. This resulted in the development of about 30-40 potential faculty members in IIM-A and IIM-C. There were very few other management institutions in the country at that time. The IIMs were a new wave of institutions with all-India test for admissions, a professional career approach to management education, and close interaction with industry. They subsequently become a model for the country.

Today there are over 1,700 management schools. All of these are desperately in need of faculty. In view of the severity of faculty shortage, the U.R. Rao Committee on Faculty Development went to the extent of recommending temporarily lowering the standards – both in faculty-student ratio and in the proportion of senior to junior faculty. However, as the U. R. Rao Committee also recognized, lowering of standards was no solution to the problem, since quality management education is a cornerstone of our country's competitiveness in the global economy. Government therefore *must* invest a very large amount in management faculty development, as they have done for agricultural universities.

CHAPTER 8

“New Wave” of Institutions

Just as the IIMs in the 1960s started a brand of managers with knowledge, skills and aptitudes appropriate to the country’s industrial development, and became a role model for many other educational organisations, we need today a new wave of management institutions that will launch India on to the global arena, without the legacy associated with operating in a protected environment. These new wave institutions would build on the fundamentals of management but focus on values of entrepreneurship, leadership and innovation appropriate for the global arena. They should set new standards and become new role models for those private and public educational institutions that have the urge and the leadership to tune into the global market place, a segment that is likely to grow, both nationally and internationally.

The new wave institutions will spur a new level of activity in management education that would help meet the large future demand for managers. A large number of our students feel attracted by foreign universities and this means that there is a motivation to seek international standards. Hopefully, with foreign universities setting up campuses in India, students will be able to avail of such international standards at home.

The establishment of a “new wave” of institutions within the stipulated governance and regulatory architecture that the Group has outlined above would raise the quality of management education in India. These institutions would:

- Have autonomy and an independent status subject to minimum requirement of registration (governance rules and physical infrastructure norms);
- Be competitively rated in the market by independent agencies; and
- Be required to adhere strictly to the transparency guidelines mentioned above.

It is recommended that:

8.1 Invite Entrepreneurs

8.1.1 States invite Indian entrepreneurs to set up management institutes of excellence either on their own or in collaboration with reputable foreign universities. States may consider incentives that they may offer to such entrepreneurs. *Transparent and smooth system for donations – tax breaks and other such incentives to donors must be considered.* The Central Government should allow them to accumulate benefits under Section 80(G) and other sections and to avail them after they are comprehensively rated.

8.2 Permit Foreign Universities

8.2.1 Reputed foreign universities be permitted to set up their own campuses (with 100% equity) and offer their own degrees. These foreign universities too must register with the Council. The Council will give approval of registration only if they

are considered reputable and meet the minimum criteria. They should be treated on par with the “new wave” of Indian MEEs. Additional competition at quality levels provided by the foreign universities with a good reputation in their home countries, is expected to spur the Indian system to achieve higher levels of quality and to add a new attraction to the profession of management teaching

8.3 Invite Corporates

8.3.1 The corporate private sector should be encouraged to set up institutes of management of excellence. It would follow registration and all other criteria of governance as specified. To incentivize corporates to set up such institutes, either on their own or in collaboration with high quality foreign universities, the corporates may be permitted 150% weighted deduction on all the expenses they incur on setting up such an Institute for a period of ten years. On expenses for salaries of teachers and expenditure on research, 150% weighted deduction be allowed for first five years, from date of start of the MEE.

8.3.2 The Governing Board, after meeting the existing needs of the MEE for growth and development, may allow the corporate to take out a *reasonable* profit, say 12% of capital invested as allowed in the fertilizer industry. This will be a major incentive for corporates to invest in quality MEEs.

CHAPTER 9

Management Education in the wider context of Society

In the 1950s, when India sought to give an impetus to its management education with assistance from abroad, particularly the United States, rationality or positivism was at its peak in the West. Knowledge in each field was considered separate with its own reasoning and technology. Science and technology was separated from history, sociology, or philosophy. Observation and fact was the guiding source for knowledge, a position that encouraged a compartmental view of management education.

Further, the establishment of management institutes in India outside the University system distanced management education from other fields. Management did draw from a number of other fields, including science, technology, psychology or sociology. But since its own knowledge, methodology and objectives in society were different, management education did not have to go deep into the bases of the other fields or the wider context of society itself.

Since those days, however, scientific reasoning has come full circle in the West. There is increasing realization that subjective dimensions of the observer are inextricably embedded in observations and facts. There exists today an environment for accepting the validity of multiple approaches and societal assumptions, a notion celebrated in Indian philosophy and society.

With the impact of management on society greatly increased over the last several decades, management educationists in the West are debating on how to root management education more solidly in the basic fields it draws upon such as sociology, psychology or mathematics. With globalization, the need for management education to pursue greater scope and aim at a more wholesome impact on society has increased.

Such thinking is particularly relevant to India, with its diverse socio-cultural contexts and disparities in different occupations. Management education, while strengthening its roots in various fields, should also understand and reflect on India's diversity and preserve the age-old Vedantic wisdom that holds our society. The strengthening of the Universities and their pursuit of knowledge relevant to the understanding of behaviour and values in society is extremely important. Management Departments in Universities, even while being independent and autonomous, should draw deeply from the knowledge sources in other departments and do research.

A majority of management education organizations in India is oriented primarily to teaching. The materials used for teaching are also not of relevance to the student background or living experiences in India. The focus on campus interviews, careers and jobs further detracts students from gaining a disciplinary understanding of the specializations and society in which they have to innovate and be influential leaders. There is need to increase research support not only in management but also in the many of its supporting disciplines.

9.1 Under-managed sector education

Leading management institutions in the country have been concerned about the wider application of management. Although the primary mission of the IIMs was to serve commerce and industry as mentioned in their memoranda, these Institutes in varying degrees were concerned with widening management application to some selected under-managed sectors - education, health and population, agriculture, rural development, urban development, transport, energy, etc. The Kurien Committee, which was set up in 1991, to "make recommendations regarding reorganization of IIMs with a view to better serving the country's economic and social development needs," explains the poor response to the efforts of institutes to serve sectors other than industry and commerce.

IIM-A started, in the 1960s, a Centre of Management in Agriculture (CMA) to cover research in Agriculture credit, animal husbandry, rural electrification, fisheries, poultry, forestry, rural health and nutrition, government /cooperative sector. The CMA started a specialized programme of management in agriculture. At the request of the National Wastelands Development Board of the Government of India, it started a project in social forestry and helped in the establishment of the Indian Institute of Forestry Management in Bhopal. IIMA later also set up a Public Systems Group to work in health, energy and other infrastructure areas. IIM-C organized research activities, workshops and short duration training through its Centre for Management Development Studies (CMDs), e.g. Centre for Rural Development Management Programmes.

While the Government supported these efforts of the IIMs with research projects as part of its planned approach to economic development, its support did not extend to creating in these sectors a demand for young well-trained management graduates.

Thus, when IIM-B launched its two-year PGP to provide entry-level managerial manpower to sectors such as education, energy, transportation, environment, and agriculture, neither the public sector, nor government departments and enterprises in sectors such as education, energy, and transportation were willing to hire the young management graduates. The response to the IIMB's one-year programme in energy management from Electricity Boards turned out to be too low. The Electricity Boards were reluctant even to nominate their officers for short-duration MDPs. And yet the need for better management in energy, especially Electricity Boards, has been recognized as critical and has often been highlighted for attention of IIMs.

The experiences of the Institute of Rural Management, Anand (IRMA) and of the Indian Institute of Forestry Management (IIFM) are also relevant. As cited in the Kurien Committee report, some of the IRMA graduates made a choice to work in the DRDAs in rural areas. They wished to convert their idealism into motivated professional action. In spite of their good and well-appreciated work, there were no opportunities of advancement for them because the first- and second-level jobs in the DRDAs were reserved for IAS and State-level government officers. After a few years most of these IRMA graduates left because of the system of "reservations," which keeps the access to managerial jobs in government only to its own members.

There are many young men and women who seek opportunities in the under-managed sectors. But the system denies them access to be a useful and an integrated part of their management systems. Transforming need for management graduates in these sectors into actual demand is a complex problem and not entirely in the domain of an educational institution.

9.2.1 Translating the need into actual demand for well-trained managers on the same lines as in the private sector, requires that career opportunities in public management, conditions of recruitment and promotion be systematically studied and suitably revised. This is all the more important in cooperative organizations, public sector agro-processing units, state public sector undertakings and agencies involved in development programmes.

9.2.2 With private sector entering agri-business, rural banking, rural-area distribution, the demand for students with specializations in agriculture, poultry, dairy, energy, infrastructure, will get created over the next decade or two. The Group recommends that each reputed MEE consider selecting some sectors for starting research work and developing specialized courses in their second-year of their management programmes. As the Kurien Committee points out, the development of research and teaching relevant to the under-managed sectors cannot be left entirely to the interest of individual faculty or donor driven research. The Council should undertake a study of the under-managed sectors, and examine how to institutionalize the long- and short-duration programmes in these specializations through appropriate support to institutions, faculty research and fellowship programmes.

9.3 Institutional role models for areas that are ‘under supplied’

The single role model of the IIMs is being stretched and even other institutes of excellence that have emerged mirror them entirely. This needs to change.

9.3.1 Where private initiative is currently not forthcoming or not adequate, it is recommended that the Government take the lead as it did with the IIMs in the 1960s to promote institutes of excellence that will become role models for sectors [such as health management, infrastructure (ports, airports, roads) and education management], which are ‘under supplied’ in terms of stimulating a flow of well-trained managers at the entry level and management programmes for the specialized.

9.3.2 The Council should encourage Boards of MEEs also to take initiative in this direction.

9.4 Making curricula in MEEs sensitive to wider needs of society

9.4.1 While the Indian economy is globalizing and some of the research work done outside is relevant, a lot more research and writing of case studies relevant to, or rooted in, our socio-cultural behaviour and situation is necessary. Solutions to a number of issues/problems in our country have to be very different as a result of the cultural and social structure.

9.4.2 As the Group is recommending departments of universities to become independent autonomous organisations, they should be encouraged to engage in exposing their students to the relevant social/cultural context in their local environment.

9.4.3 Notwithstanding the many examples of 'success' achieved through unethical methods, the effort in character building all through the education system and in promoting professional values in higher education, will have to be strengthened. It could be done through bringing into the classroom discussions/reflections of real life value-conflict situations as case studies.

9.4.4 The culmination of such efforts should lead to presenting to the world a style of management, which has a unique expression of Indian socio-cultural heritage combined with the current frontiers in management.

9.5 Executive Programs

9.5.1 The Council should actively encourage MEEs to design and offer short duration programmes for government officers in their role as managers of economic areas. While government has taken initiatives for IAS officials, it should also be undertaken for allied services government officials from both Centre and State.

9.5.2 The Council should also promote programmes for faculty of MEEs on how to design and conduct effective programmes for Executives for government, large and small corporations, NGOs.

9.5.3 A three or six-month executive program on management for retired defence personnel with special emphasis on motivating and managing subordinates different from the command and control system that defence force officers are used to.

9.6 Making Bachelors Programmes more relevant

The current Bachelors programmes are neither a good grounding for being managers nor a good preparation for entry into post-graduate programmes. This is mainly because of the inexperience and immaturity of the students and the text-bookish nature of the curriculum.

9.6.1 The Group recommends a re-examination of the classroom curriculum and the period of apprenticeship that should become an integral part of the academic work. The curriculum needs to be recast to prepare the students for junior management level

jobs by introducing substantial duration of apprenticeship in organizations, if necessary with appropriate discipline/ sector specializations.

9.6.2 With such changes, there may be room for MEEs, outside of the university system, also to introduce bachelor programmes and thus reduce the dependence on the post-graduate programmes to meet the growing needs of the industry and other sectors at all levels.

9.6.3 The strengthening of the bachelor programmes to cover the wider context of society is critical since not everything can be covered in the two years of the post-graduate management programme.

9.7 IIMs and other leading MEEs to adopt 3-4 MEEs in their regions

For a country of our size and diversity, we need a large number of excellent institutions. The possibility of leveraging the better-rated institutions to develop the promising MEEs needs to be explored.

9.7.1 The better rated institutes should each adopt 3 or 4 aspirant MEEs in the region to assist them in improving levels of quality and ratings. Such assistance can be in the following processes:

- Curriculum development and delivery;
- Case study and teaching note exchange;
- Student exchange;
- Sharing of experiences in pedagogy;
- Placements of students for both summer training and full time jobs
- Faculty development.

9.7.2 The concerned MEEs and the better-rated institutions may arrive at mutually acceptable arrangements for funding such assistance.

9.8 E-Management and Distance Learning Programmes

There have been a number of initiatives in providing online education/training in management. A systematic analysis of experience and assessment of the potential of Online Management Programmes has not been undertaken.

9.8.1 To meet the large number of managers required by our economy and to improve quality of management education, Online Management Programmes may offer a possible solution. The Group recommends that the Council should commission a study to evaluate the experience and potential of Online Learning Programmes in management education. Likewise, there is a need to study existing effort at imparting management education through distance learning, as done by IGNOU. This should be done as early as possible as both

Online and Distance Learning programmes have the large potential to bridge the gap between demand and supply for managers in our dynamic economy. The NKC has already recognized the relevance of Distance Education and set up a Working Group; the conclusions they reach should be used by the Council to better utilize the potential of distance learning.

ANNEXURE

Current Physical Requirements

(Taken from AICTE Norms for a New Management Institute)

Intake

Maximum permissible annual intake for the institution and maximum number of courses are as given below, to start with for the first year:

PGDM/ PGDBM/MBA
Intake
60

The size of class shall be 60 for each course

Land Requirements

Category	Mega Cities*	Metro cities including State Capitals	Others
PGDM/PGDBM/MBA	0.5	0.5	1.0

* Mega Cities: Delhi, Kolkatta, Chennai and Mumbai

Area inclusive of Hostel facility.

In hilly areas, including Northeastern states, the land can be at the most in three adjacent pieces.

Built-up Area Requirements

Category of New Institute	Instructional Area (Carpet Area)	Administrative (Carpet Area)	Circulation and other Area	Total
PGDM/PGDBM/MBA	502	155	115	772

Administrative offices

Area of Administrative offices, sq. meter

Principal's office	20
Strong Room	20
Conference room	—
Reception Office	25
Main office	50
Administrative office	20
Maintenance & Estate office	20
Total	155

Instructional Area Requirements, Sq. m.

Classrooms, No.		1
Tutorial rooms, No		1
Drawing Halls, Area, Sq. m.		2** x 75
Computer Centre, area, Sq. m.		150
Library, area, Sq. m.		100
Workshop and Labs	No.	na
	Area of Each, Sq.m	na

Area of Each Classroom = 66 Sq. m.; Area of Each Tutorial Room = 36 Sq. m.
na-not applicable, * Studio, ** Conference rooms

Requirement of Computers/Software

SN	Particulars	Requirements	
		All Undergraduate Degree Programmes	MCA/PGDM/PGDBM/MBA
1.	No. of Computer terminals	Terminal-Student Ratio = 1:4	Terminal-Student Ratio=1:2
2.	Hardware specification	P4 or equivalent Processor, or thin clients supported by a powerful server	
4.	Relevant Licensed Software	At least two system software packages and four Application Software Packages	
5.	Peripherals	Printer: Computer Terminal ratio = 1:10	

- Library, Administrative Wings and Faculty members should be provided with exclusive computing facilities along with LAN and Internet over and above the requirement meant for students.
- Utilization of Open Source Software should be encouraged.

Library/Books and Journals

Books for Technical Subjects		Books for Science & Humanities	Journals
No. of Titles	No. of Volumes	No. of Volumes	
150	1000	100 (Including case studies)	10 National +2 International

Furniture and other facilities must be sufficient for books & seating for 25 per cent of sanctioned intake

Funds

PGDM/PGDBM/MBA

Minimum Funds Requirement, Rs. Lakh		
Building	Equipment/Library	Joint Fixed Deposit
25	30	15

Other Essential Requirements

Operational funds, Rs Lakhs	20
Digital Library	Two Computers with Multimedia facilities, duly networked
Electrical Generator	5KVA
Student's Canteen*	100 Sq. m.
Girls Common Room*	100 Sq. m.
Boys Common Room*	100 Sq. m.
Parking*	100 Sq. m.
Medical Centre	40 Sq. m
Internet facility for students and faculty	Band width 510 kbps, 24X7, 15 nodes
Communication (language) lab	Sufficient for 30 students

* These may be built in phases keeping the yearwise growth of students in view.