

The Dimming Guiding Light At B schools

India has thousands of management institutes, lakhs of students, but very few competent faculty members. A challenge that must be addressed immediately



“The faculty shortage crisis can be addressed by using a combination of full-time and part-time professors, and subject matter experts”

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The recent findings of a survey on B-schools of India by industry body ASSOCHAM raised many eyebrows. It said that in the 5,500 B-schools in the country where tens of thousands of management graduates are churned, only 7 per cent are employable. According to another survey, only two Indian Institutes of Management — IIM Ahmedabad (IIM-A) and IIM Calcutta (IIM-C) — figure in the Financial Times’ list of top 70 global B-schools offering master’s programmes in management. A list prepared by The Economist shows only IIM-A among the top 100 management institutes in the world. Despite this poor show, several new institutes are cropping up without understanding that the priority is quality education. Since 2007, the government has opened several IIMs across Shillong, Raipur, Kashipur, Udaipur, Ranchi and Tiruchirappali, among a few other towns. But the question is, are these new IIMs in the same league as IIM-A and IIM-C?

According to news reports, campus placement at B-schools has gone down by as much as 45 per cent due to the economic slowdown in the last couple of years. Over 300 B-schools across

Mumbai, Delhi-NCR, Bengaluru, Kolkata and Lucknow have already shut shop or will close down in less than a year or so, state reports.

Presently, India has more B-schools than China (which has 4,000) and virtually as many as in the US (7,000). But what about quality education and qualified faculty? And what about producing management graduates to match the changing needs of the evolving market?

The ASSOCHAM survey says MBA graduates, who are spending lakhs of rupees on their management education, start at a measly Rs 8,000-10,000 per month when they find placements. And not all get placed. While experts can dispute and disagree with the survey findings, the results are indicative of a growing mismatch between the traditional management education and the employment needs of the market. The situation can be improved if the issue of lack of well-skilled faculty is addressed immediately as the paucity is going to be compounded in the future. Around one-third of the existing faculty in top B-schools is set to retire in the next three-four years.

Real Shortage

C.P. Shrimali, acting director, MDI Gurgaon, admits that not every institute is able to fulfil the requirement of qualified professors which throws light on the shortage of quality faculty at B-schools today. "Most mushrooming B-schools are trying to create doctorates in a misconception of creating good faculty. B-schools need to understand that it requires more than a doctorate to create quality faculty," says Shrimali.

Keyoor Purani, professor at IIM-Kozhikode, commenting on the shortage, says, "Among the leading institutes, the shortage can be estimated to be about 25-30 per cent of the desirable strength of the faculty. Private business schools have about 50 per cent courses conducted by adjunct or visiting faculty from industry and freelance trainers and consultants," he says. Purani says the main reason for the shortage is lack of Ph.D programmes in management.

According to Bala V. Balachandran, founder and dean of Great Lakes Institute of Management, the shortage of quality faculty at B-schools is "very acute". "For over 3,000 or so B-schools, we have 2.6 full-time faculty members on average. This is merely the quantitative aspect. The quality of teaching, research and allied contributions that these teachers make to the schools and students can be further speculated upon," says Balachandran. According to him, one of two things will happen — either free market economics will lead to consolidation and bring down the number of B-schools. "Or, industry and academia will need to come together to create a consortium of stellar teachers and faculty members to even out the demand and supply imbalance," says Balachandran who is also a J.L. Kellogg Distinguished Professor of Accounting and Information Management at the Kellogg School of Management at Northwestern University.

“There is a tremendous shortage of Ph.D-qualified faculty,” says Sanjay Kallapur, chair of Faculty Performance Management and director of Fellow Programme in Management, at Indian School of Business.

“There is little time for the existing faculty to refresh the teaching materials and introduce new cases that reflect the changes in the real world. Neither part-time faculty members whose main job is outside of teaching, nor full-time faculty members, who are burdened with a heavy teaching load, have the time to do so,” says Kallapur.

The shortage will deepen further as the human resource development minister Prakash Javadekar has recently asked the directors and chairmen of 20 IIMs to submit plans for expansion of their intake capacity from 10,000 to 20,000 students.

What is the Solution?

According to Kallapur, the solution is to encourage more students to do Ph.D at leading institutions and motivate them to pursue an academia career. B-schools should make academic careers more lucrative to attract talent.

“Unfortunately, due to lack of encouragement for academics and research over the years, educational institutions have not been able to attract and retain talented research-driven teaching staff,” says Kallapur.

The poor pay structure of college faculty compared to high salaries in the corporate sector has demotivated many from pursuing an academic career in the past, say experts.

According to an ex-IIM faculty, the average salary package for a particular IIM stood at around Rs 30-32 lakh last year, whereas those who teach at such prestigious institutes make about Rs 18-20 lakh per annum. “A faculty in a US B-school starts at an annual package of say Rs 1.2-1.3 crore. In India, it is much-much less,” he says.

Balachandran of Great Lakes makes a valid point here. “If you look at the leading B-schools in the US, several Indian professors are occupying key positions. The good teachers from India are able to find excellent employment opportunities with tenure and benefits there. This gap in compensation needs to be bridged to retain our home-grown talent within our country” he says. He also offers another practical solution for the crisis. “Using a combination of full-time and part-time academicians, industry practitioners and

subject matter experts,” he adds.

Without getting into the specifics, Shrimali of MDI Gurgaon says that B-schools need to create continuous learning environment to build good faculty. “Leading B-schools such as MDI and IIMs have a learning environment which helps and motivates professors to learn and absorb knowledge in alignment with the changing business techniques and environment,” he adds.

Industry Requirements

Is India Inc. facing a dearth of new age managers despite thousands of B-schools in the country? Is there any shift in hiring patterns of leading Indian and multi-national firms from B-schools? India Inc. is a competition driven sector. Due to its dynamic nature, the skills required in a new-age manager keep changing. If a B-school runs in isolation with its confined curriculum, it will not be able to produce the kind of managers that India Inc. needs. “Therefore, B-schools that keep updating their curriculum as per the changing environment as well as train students and provide them real exposure, will be able to create great managers as per global standards. If the right kind of managers are created, hiring from B-schools will improve,” says Shrimali of MDI.

Can entrepreneurs practicing as full-time or part-time faculty fill the gap of quality teachers at B-schools? “An entrepreneur has a dream (many dreams perhaps) and goals he wants to achieve. Teaching may not be his true calling. It calls for a different type of a persona,” says Balachandran. “Therefore, the best thing to do is to engage an entrepreneur on a part-time or per-course basis to draw upon his/her experience and wisdom, he says. “For an entrepreneur, the money they get from teaching assignments is really not a concern. It is their need to connect with the younger generation or their intention to give back to the society that motivates them to take up teaching assignments,” argues Balachandran.

ISB is tackling the crisis in its own way. The ISB works in various ways to overcome this shortage says Kallapur of ISB. “Our faculty have opportunities to participate in international research conferences, network with faculty from across the world and work with them on joint research projects. The school also provides generous funding to research projects for its faculty through research grants and awards,” he adds. ISB also started its doctoral level fellow programme in management in 2011. Students from the founding class of ISB’s fellow programme in management have accepted offers for faculty positions at London School of Economics and IÉSEG School of Management Paris, states Kallapur adding that The Financial Times ranked the ISB at 62 globally and

called it the most research productive management education institution in India in 2015. Likewise, the University of Dallas, which publishes the global research ranking, has rated the research contributions by ISB faculty among the top 100 in the world during 2011-15. ISB was the only Indian management education institution to figure in this prestigious list at the 96th position.

Purani of IIM-Kozhikode says that in recent times, the enrolments in doctoral programmes at IIMs have increased. “Some of the leading IIMs that run faculty development programmes should continue doing that to fill the void by helping develop existing faculty members in other business schools who need exposure to pedagogical and research methods,” he adds.

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