

TOWARDS AN EDUCATED INDIA:

Sustainable strategies for a B-school in India



Higher Education Forum

On a rough estimate, in India there are currently more than 4000 B-schools. The 'A' category schools are normally those schools which are always positively rated amongst the top 10 or the top 20 B-schools in India by various rating agencies. One of the characteristics of these schools is their long existence of over 15 to 20 years. The 'B' category schools are normally those schools which are positively rated amongst the Top 100 B-schools. Some of these schools have been in existence for merely five to seven years but have taken great strides to improve their ratings. These are mostly run by private bodies and possess reasonably good potential to upgrade themselves to the 'A' category.

A recent article in the newspapers indicated that currently a large number of B-schools have applied to AICTE, UGC and MHRD for closing down the B-schools. On the other hand every year at least around 200 new B-school applications are submitted to the AICTE for approval. The number of applicants for the MBA programme has been consistently going down at a steady rate of 15 to 20% pa every year for the last three to four years.

The issue really is what needs to be done to ensure that B-schools survive and move from the 'B' category to the 'A' category? What types of sustainable strategies are needed? Is quality education enough to move from the 'B' to 'A'? Is merely advertising every day in the newspaper for 365 days enough or is there something more desired. There are several strategies which need to be implemented. Of all these there are a couple of critical ones are:

1. Sustainable Management: This is a very important area. In quite a few B-schools, the director is replaced every year or two years. The director in some schools does not enjoy any freedom. He has no say in the selection of the faculty also. In such cases it is difficult to have a sustainable strategy. For sustainability, it is imperative that the director should be allowed to keep terms for at least three to four years. In many cases, it takes around a year to understand the key issues in the working of that particular B-school, another two years for planning and implementing the new strategies that are devised.



20% minimum. Since the aim of all management is to make some surpluses and since the revenues both individually and collectively are kept in check by the various statutory bodies, it becomes imperative for reducing the costs.

The issue now is how to reduce costs? Can the B-school afford not to pay 6th Pay salaries in which case the faculty situation would worsen, or can the B-school not afford to innovate with new programmes in which case the B-school would be under one of the also run category. In spite of this each 22 situation with spiralling costs and limited revenues, B-schools have to make surpluses to survive.

Conclusions

Based on the above it is quite clear that there are several challenges which a B-school faces and in order to survive it must have a sustainable strategy otherwise it would fall by the wayside.

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to use' students from day one itself.

4. Proper Revenue Generation and Optimal Utilisation of Resources: Currently the fee structure is regulated by the various bodies. The minimum fees for a start up B-school are around ₹67,000 per year. The break-even capacity for a new school is around 20 to 25 students. This means that B-schools would have to consequently optimally use the resources available. Many of the B-school Trustees look at a B-school as an industrial venture and consequently would require a minimum of 25 to 30% ROI which means a surplus of at least around ₹30 to 40 lakh from the first year itself. Even with the integrated campus concept adopted by AICTE, B-school trustees say that if not 25 to 30% ROI, they would require around

2. Faculty: Faculty is the backbone of any B-school. Faculty shortages are the order of the day in spite of 6th Pay. Faculty payment accounts for almost 30 to 40% of the total cost of running the B-school. With the current DA of more than 65%, this cost seems to be spiralling upwards. Today commitment and loyalty from the faculty towards the students and B-school is sadly absent. Co-creation of faculty, 360 degree faculty feedback, treating the faculty as a family by celebrating common birthday, picnics, etc. could help in retaining the faculty pool and reducing attrition. Another area of encouragement could be research. In one of the B-schools, faculty members are encouraged to take up summer internship in corporate so that the quality of faculty teaching can increase.

3. Innovative Programmes: There is currently a need for starting innovative inter-departmental programmes-programmes which are demanded by the industry. Such programmes could be for example in the area of Retail Management, Bioinformatics Management, Outsourcing Management, and so on. The prime focus of these programmes is to provide industry with 'ready