

GOVERNANCE OF EDUCATIONAL INSTITUTIONS: CORPORATE STYLE OR OTHERWISE

Expecting an apt management of human resources in an educational institution as an essential aspect of governance is like chasing a mirage

BY VRK PRASAD



PHOTOS: THINKSTOCK;
IMAGING: BS DESIGN



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When the Institute of Company Secretaries of India (ICSI) defined corporate governance (CG) as 'the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stake holders', sure enough they must have had business enterprises in their mind.

Apparently there is no reason as to why the above explanation cannot be applied to any educational institution be it private or public. Looking at it from the other side it is probably the lack of right governance that is plaguing our educational system with few exceptions in the elite category. Where else the concept of governance to provide 'maximum happiness for the maximum number of people for the maximum period based on the principles of Dharma – righteousness and moral values' (Ramayana) could be inculcated in the minds of the stakeholders if not in an educational institution to start with. The learners then move on in life, to practice what was preached to them.

To go back to ICSI's idea, any educational institution irrespective of its level, need to have some systems in place within the regulatory framework to impart quality education to all, with clear focus on moral values, ethical outlook and on societal welfare.

For some strange reasons the term 'corporate' as it gets tagged to schools, colleges and hospitals earned the notoriety of being nothing but prohibitively expensive, while on the ground it may not be the case with all. Moral-based school curriculum has left us long ago, and one never hears of it in the colleges. Mercifully in the management education one gets across courses like business ethics and corporate governance (BE&CG). But like human resources management (HRM), BE&CG is also more of talking than of walking.

Expecting proper management of human resources in an educational institution as an essen-

tial aspect of governance is like chasing a mirage. In a study carried out by IIM Bangalore it was found that only 31 per cent of business schools in the country had a course on corporate governance, while ethics was offered in close to 65 per cent schools but sadly corporate social responsibility (CSR) and sustainability lagged behind at 10 per cent and 14 per cent respectively. If this is the situation with institutions at PG levels, preparing leaders of tomorrow and destiny makers of the country then one can well imagine the state of affairs with schools and UG colleges. Does this explain the corporate financial frauds, corruption in public offices, and leaking of question papers, plagiarism in research, crime in the streets and even merciless damage to the environment taking place on a daily basis?

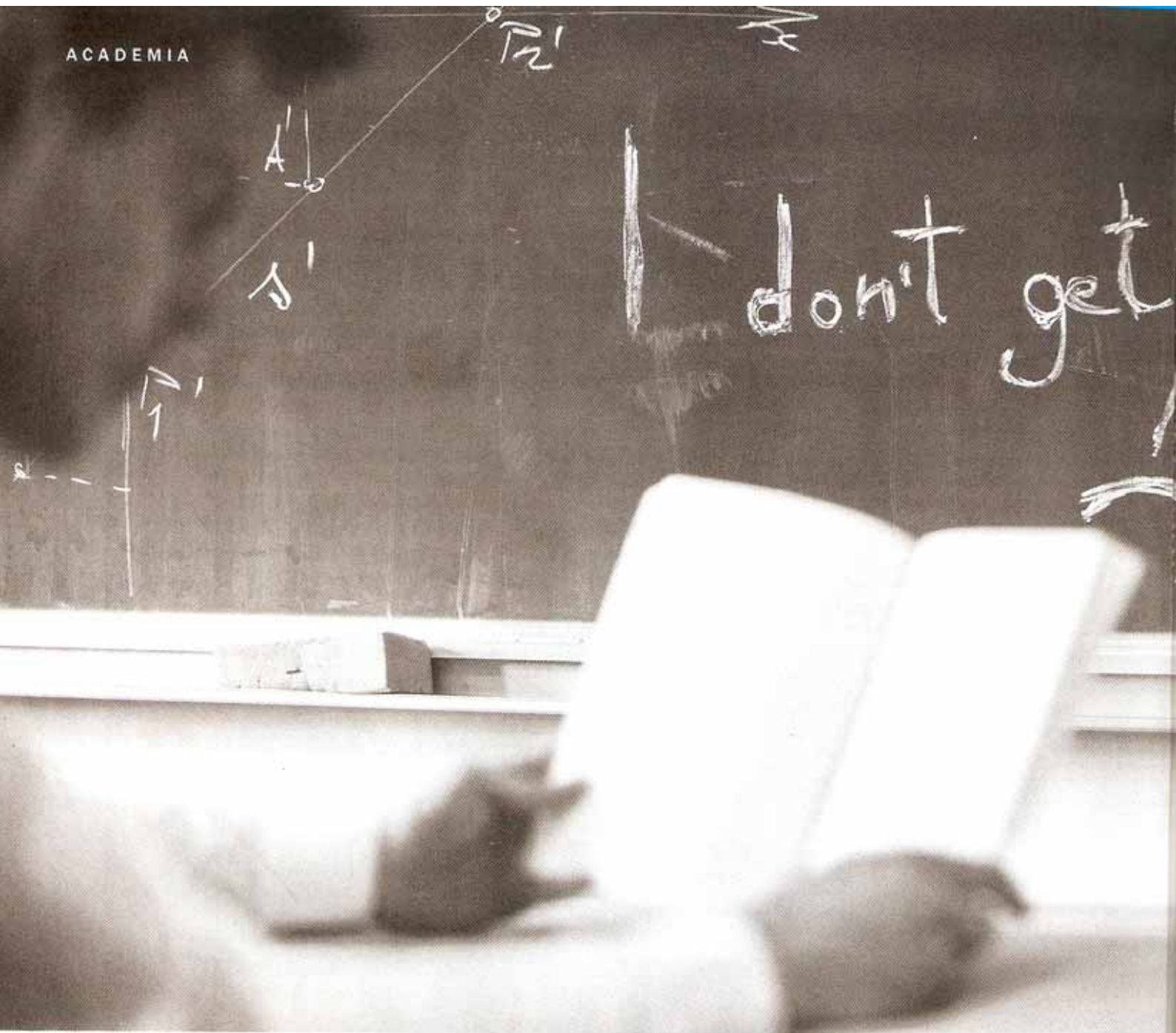
There is a dire need to 'corporatising' the education system to the extent of overhauling it starting from grass roots level, where the objective need not be commercial as the term may tend to denote. The basic pillars of corporate governance are a set of rules, regulations, practices and processes based on which an organisation is run and managed, to ensure that the interests of all the stake holders are taken care of, through accountability, transparency, fairness and functional freedom.

To that extent an educational outfit need not rather should not exclude itself from the purview of above explanation. Reforms in terms of increased allocation to elementary edu-

cation (through Sarv Sikhsha Abhiyan, mid day meal scheme and RTE etc) to the level of four times from ₹41,900 crore in 2004-2005 to ₹1,47,000 crore in 2012-13 did not improve the learning outcomes in schools no matter whether they belonged to government or to private parties.

The reasons could be aplenty as experts like Karthik Muralidharan, professor at the University of California, considered as an authority on Indian primary education system opines that schools suffer from pedagogy and governance related prob-

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lems and more from the later. Yet another critical issue is the poor compensation levels for teachers in private schools (eight times lower in comparison to government teachers) and unfortunately this malady gets carried forward to UG and PG levels too in engineering colleges and business schools in the private sector, mostly run on 'for profit' basis barring a few. India's education system with 300 million students and 6.5 million teachers is of gigantic proportions. Despite achieving 100 per cent primary school enrolments, sadly 50 per cent drop out before they reach standard 10.

Poor learning outcomes are also attributable to lack of trained teachers and their heavy absenteeism, pathetic infrastructures, all pointing to (non)

governance mechanism. Things are no better in colleges too with merely 19 per cent of the eligible youth (18-23 years) taking up higher education, to pursue humanities or engineering courses while it is a staggering 58 per cent in developed countries. Lack of motivation to youth and affordability on the part of parents could be cited as main reasons for this response to higher education.

Indian engineering education system being one of the largest in the world ranks very poorly in producing quality graduates where less than 20 per cent are employment ready. No joy either with the state of management education (PG level) too in the country, a space mostly occupied by private players with debatable intentions. The mushrooming and un-



REASONS FOR NEED OF GOOD GOVERNANCE

- **Poor compensation levels for teachers in private schools, engineering colleges and business schools**
- **Only 19 per cent eligible youth going for higher education as against 58 per cent in developed countries. Reason been lack of motivation and affordability on the part of parents**
- **Inspite of so many institutes and colleges, standards of teaching and infrastructure are very low as institutes concentrating on profit making only**

though one can find solace, as Times Higher Education has reportedly agreed to develop an India-specific Indicator which it is hoped, would improve things. To top it all India is likely to have a short fall of 347 million workers in the non-agricultural work force by 2022. Indeed, a tall order and a serious cause for concern.

All this despite the historical fact that India once was a place for leading universities like Nalanda,

Taxila, and Pushpagiri and scholars like Aryabhatta, Varahamihira and Chanakya and attracted intellectuals from all over the world. The writing on the wall is very clear 'lack of proper governance of our educational institutions' corporate or otherwise. The country is at a turning point, in terms of governance with awareness among youth having reached to levels hitherto unknown and hopes of improvement in economy to 5.4 per cent in 2014 and to 6.4 per cent in 2015 (as per the latest indicators of IMF) from a mere 4.4 per cent in 2013 are shining bright.

Further as per survey of 24 countries by a global research firm IPSOS

to study the economic pulse of the world, India's confidence level has been continuously rising since October 2013 to 61 per cent in Feb 2014, a rise of 10 points and the country holds the 6th position as the 'most economically confident country' in the world. Though there is a lot of positivity in the air and plenty of hopes in the horizon, their conversion to appreciable outcomes through sound governance and management of our education system, shredding the present complacency is the need of the hour. Corporate style of governance is only a medium or at best a suggestive approach.

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Views expressed are personal.

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controlled growth of institutions in these two disciplines with weak intellectual and physical infrastructure contributed to falling standards. Poor or no governance is the culprit again here too. A typical case of reaping what one sows. Fortunately certain elite institutions in the government sector both in engineering (IITs, NITs etc) and management (IIMs) are doing us proud now and one hope their increasing quantity does not pose quality related problems in future.

Despite six fold increase in universities and 12 times increase of students in higher education during the last four decades, none of our higher educational institutions figure prominently either in Times Higher Education or QS World rankings