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Research Papers

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## CRITICAL ANALYSIS OF SYMBIOTIC RELATION BETWEEN MANAGEMENT INSTITUTIONS AND INDUSTRIES

**Prof. Pushpalata S. Patil**

Ass. Professor in the Department of Production  
and Operation at Godavari Institute of  
Management & Research, Jalgaon.

**Prof. Nitin S Kharche**

Ass. Professor in the Department of  
Marketing at Godavari Institute of  
Management & Research, Jalgaon.

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### Abstract

*The industrial as well as economic development is based on efficient human resource. For the availability of sufficient qualitative human resource, Government time to time changes regulatory framework. For the efficient qualitative human resource, corporate sector depends on the business as well as technical institution and vice versa. The harmonies relationship between these parties is mutually beneficial for both.*

*This paper is nothing but small efforts towards to find out how to increase the degree of relationship and fulfillment from industry and management institutes.*

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### Introduction:

#### Problem Definition:

The privatization of management education leads to increase the gap of expectations of industries from management institutes. On the corporate perspective institutions should be responsive to the changing environment, develops right attitudes and skills of the students, must redesign the curriculum to meet the challenges, the faculties' members should have cutting edge knowledge of practices and changing trends.

The high demand of management students, from industries resulted in that management institutes not willingly interested in the competent development of the students and ignore the expectations of industries. There is essential need that the paradigm of management institution should shift towards collaborative approach, partnership and strategic alliance.

#### Objectives of the study:

- To study the curriculum of management institution.
- To study the regulatory framework and its impact on management institute.
- To study the expectations of industries from management institution.
- To study the expectations of Management Institution from Industry

#### Review of Literature:

Industry leaders presume that only 15% of the people coming out of Indian colleges are employable. Modi (2009) concluded that the fresh graduates who join the industries require six months to two years

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gestation period to show their contribution and many a time they leave the organization before they start showing the result. This is due to the gap between theory and practice. SIEMEMSMA (1998) concluded that there is a great deal of conflict between what is being taught to the student and what they are going to do when they move outside. Ramchandran (2009) stated that how can we expect the most poorly equipped teacher to deal with the most challenging situation. Various research reports stated the following 12 skills and qualities are expected from management institution output (students):

- i) Soft skill
- ii) Leadership quality
- iii) Suitability
- iv) Analytical power
- v) Ethical
- vi) Dressing sense
- vii) Language
- viii) Appearance
- ix) Manageability
- x) Training needs
- xi) Industries view
- xii) Professional commitment

Industry experts states that there is a huge degradation of management education, most of the students have lack of the basic management science knowledge, very poor in communication, analytical skill, leadership qualities, common sense, industrial operation etc.

#### **History of Management Education:**

Management education in India has come a long way. The history of management education in India goes back to the pre-Independence era. The first college level business school in the country was founded in 1913 in Mumbai and was soon followed by another in Delhi in 1920. These business colleges imparted basic skills about the principles of trade and commerce to clerks and supervisors from fields as diverse as banking, transport, and accounting. (Indian Management, Sept 2004). The first Business School in India was Indian Institute of Social Welfare and Business Management, Kolkata, which was established in 1953. The All India Institute of Management and Labour welfare and the department of management, Delhi University followed suit in 1968.

A number of universities set up their MBA programme in 1960s. The IIMs were patterned on the recommendation of Dean Robbins of the University of California, which was invited by the planning commission. The first IIM was set up in 1961 at Kolkata followed by IIMs at Ahmedabad in 1961, Bangalore in 1971 and Lucknow in 1974 and in the late 1990s at Indore and Calicut. The flagship management education programme, MBA, is widely popular as it offers quick gateway to the riches and to the top echelon of corporate world.

The early 90's saw the boom of founding new management schools, most of them in private sector. In the last three years alone 400 Business Schools came into existence. Few Business Schools have also established collaboration with some western Universities. India management institutions produce over 30,000 full-time MBAs and 10,000 part-time MBAs every year. Many business schools are also running MBA equivalent program such as distance Post Graduate Diploma in Management (PGDM), Masters in International business (MIB) etc. Even some of the leading business houses are establishing their own business schools like Infosys, Birlas etc.

Management education gives a holistic picture to the students about how to manage the four 'M's of any organization i.e. money, material, man and machine. Whether the knowledge about management principles is obtained through formal study programs at Universities or internally through on the job training or through external seminars or programs, it is of the utmost importance for any person in any job in life; even for the self-employed, entrepreneurs.

In Maharashtra there are nine Universities spread all over Maharashtra with sanctioned intake capacity for MMS/MBA courses around 150000. The number of students passing MMS / MBA CET is almost 70000, who compete for these seats and about 800 Management schools. Graduates from any

discipline (Arts, Science, Commerce, Engineering, Computer Science and Information Technology) can pursue MMS PROGRAMME provided they pass any of the CETs: MH – CET, CAT, MAT. Students are admitted as per the guidelines prepared by DTE in this regard.

#### Growth of Management Institutions in India:

In the last twenty years, the growth of management education in India has been phenomenal. The first full-time MBA in India started way back in 1957, and the two IIMs in Calcutta and Ahmedabad appeared in 1961 and 62, respectively. It is interesting to note these two B-schools promoted by the Federal Govt. had the collaboration of Sloan School of Business, and Harvard B-school. Many other B-schools emerged in the 60's and 70's. however, the real growth was from 1991 (the year of liberalization in India). There were a few other interesting developments before this watershed year. XLRI, Jamshedpur, the number one business school in the private sector opened its doors to MBA in 1966.

At the time of founding AIMS in August 1988, there were just about 100 B-schools in india. Thereafter there was a massive surge in the number of B-Schools in the country, almost doubling every five years – a geometrical progression, as it were :

- In 1988, the number was 100
- By 1993, the number was about 200
- By 1998, it was nearly 400
- By 2003, the number reached nearly 800
- And then was the real explosion:
- By 2008, the number reached about 1700
- By 2011, the number reached about 2854 (1815 AICTE control)

This number included nearly 1039 Business Schools outside the control of the central regulatory body – the All India Council for Technical Education (AICTE). This number puts India ahead of U.S. and every other country, in the world, (I must admit I don't know the exact figures of Russia). In terms of MBA graduates, it will be about 3.5 lacs.

#### Management Institutions: Surveillance :

The Government regulatory framework for the management institutions plays crucial role to control the functioning of management institutions, following are the main important regulatory bodies :

- 1) Role of AICTE
- 2) DTE Admission
- 3) Affiliated university
- 4) Role of Institute
- 5) Challenges of Higher Education Sector

#### 1) Role of AICTE:

##### A) Accreditation and faculty recruitment:

At the apex level there is a national statutory body called All India Council for Technical Education (AICTE). It is the only with their approval that a B-School can be started.

| Program     | Cadre                | Qualifications  | Experience   |
|-------------|----------------------|---|--|
| Management  | Assistant Professor  | First Class or equivalent in Masters Degree in Business Administration or equivalent  | 2 years relevant Experience is desirable.  |
| All Program | Professor            | Qualifications as above that are for the post of Associate Professor, as applicable. Post PhD publications and guiding PhD students is highly desirable | minimum of 10 years teaching and/or research and/or industrial experience of which at least 5 years should be at the level of Associate Professor. Or industry is considered, the same shall be at managerial level equivalent.  |
| All Program | Principal / Director | Qualifications as above that is for the post of Professor, as applicable Post PhD publications and guiding PhD students is highly desirable             | Minimum of 10 years teaching and/or research and/or industrial experience of which at least 5 years should be at the level of Associate Professor or minimum of 13 years experience in teaching and/ or Research and/or Industry. If the experience in industry is considered, the same shall be at managerial level equivalent to Professor |

Source: AICTE- Approval Process Handbook 2012-13

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The above Table indicates norms and eligibility for various posts in management institutes. While for the post of Associate Professor, there is no mandatory industrial experience required. So as per survey (\*) conducted of Deans of business school recommended that the faculties in the business schools must have the industrial experience.

AICTE advises all B-Schools of 3 years standing to go in for accreditation. For that purpose, AICTE has created a special agency called the National Board of Accreditation (NBA).

The accreditation categories are:

i) Of Five years, ii) Three years, iii) Conditional three years, iv) Accreditation refused.

The accreditation is a tough process. That could be the reason why only about 10 percent of the Indian B-Schools have gone in for accreditation. AICTE does not compel the accreditation to the management institutes.

#### **A)Infrastructure:**

As per the norms of AICTE, the total land required other than rural places is 05 acre and rural places 01.0 acre.

The carpet area in square meter per room for intake capacity of 60 seats are –

- 1)Instructional area = 547 sq. meter
- 2)Administrative area = 365 sq. meter
- 3)Amenities area = 1000 sq. m.
- 4)Circulation area = 76.6 sq. m. (25% of sum of above three)

#### **1)DTE(Directorate of Technical Education):**

DTE (Directorate of Technical Education) plays an important role in the admission criteria for the management institute. DTE conduct Common Entrance Test (CET) every year and allots the students as per their merits and preferences to the various institutes. The eligibility criteria for the admission to MBA is as follows:

Any graduate having 50% marks in graduation for open category students and 45% for reserved category students. The result of such criteria is that majority students are highly unaware about the basic of how industry runs, as well as they are very poor in soft skills.

Day by day the majority of inputs coming is of very poor quality, and this is crucial problems to the most of institutions. The output from management institutions is only quantitative but not qualitative, so it rises the gap between industry expectations and the management institutes. The management institutes are facing the problem of degradation of management education.

#### **2)Role of Affiliated University:**

The main role of affiliated university is to implement the curriculum, conduct examination and award the degrees.

The curriculum varies from university to university, there are important questions that –

- i)Are the universities have the industrial expert committee for the syllabus setting?
- ii)Are the members of syllabus setting committee, expert in respective areas / subjects?
- iii)Is there any research conducted at university level regarding current trends and changing trends in industries as well as in various areas?
- iv)Is the exam papers are checked by the expert properly or not?

#### **3)Role of Institute**

To test the theories and principles, each disciplines have the library.

To study the curriculum of management institutions.

- i)Engineering – workshop
- ii)Medical – Live cases(patient treatment)
- iii)Arts school – Rehearsal
- iv)Agricultural – Fieldwork
- v)Management – Case studies

As management is science, as an art and profession but generally the curriculum of management education in various institutes of Maharashtra is based on science as compared to art and profession. The

model curriculum of various universities gives equal weightage to the empirical approach i.e. case study methods but the institutes neglect the empirical approach and focuses on completion of theoretical curriculum.

#### 4)Challenges of the Higher Education Sector:

Prof.Yash Pal committee stated that , loss of primacy of the universities in the scheme of the higher education sector in India, erosion of their autonomy, undermining of undergraduate education, the growing distance between knowledge areas and the isolation of universities from the real world outside and crass commercialization are some of the problems that characterize the growth of the Indian higher education system.

#### Distances and Disconnects:

##### a)Invisible walls:

It is often pointed out that our graduate and postgraduate programmes are too 'theoretical', the implication being that they are devoid of 'practical' experiences. The chasm that exists between theory and practice combined with the fragmentation of the idea of knowledge leads to the confusion that our system of higher education is suffering from.

To overcome this, it would be necessary that the universities adopt a curricular approach which treats knowledge in a holistic manner and creates exciting opportunities for different kinds of interfaces between the disciplines, which is unthinkable today in most of the universities and institutions of higher learning. It is important that universities relate to the world outside and the walls of disciplines are porous enough to let other voices be heard. It would also be necessary that the university education is seen in its totality and subject area not be designed in isolation.

The Indian system of higher education kept itself aloof from the local knowledge base of the worker, also kept itself at a distance from the report of the committee to advise on renovation and rejuvenation of higher education real world outside.

##### b)Divide between Research bodies and universities:

Universities were historically conceived as spaces where teaching and research go together. They were closely linked. To teach effectively at the university level one needs to actively engage in research. Now, when universities have become mass institutions and costs of research, especially in the context of science and engineering, have become very high, things have changed.

It should be necessary for all research bodies to connect with the universities in their vicinity and create teaching opportunities for their researchers and for all universities to be teaching and research universities.

##### c)Isolation of IITs & IIMs:

The IITs and IIMs are considered to be bright spots in the otherwise dismal scenario of higher education in India. There is little dispute over their claim to quality and excellence. As IITs and IIMs would be producing scholars in literature, linguistics and politics along with engineering and management wizards who would have substantial motivation for engagement with the local community and the opportunity to use and enhance learning by solving real-life problems in their immediate environment. While working towards this goal we need to understand that different IITs and IIMs would have different strategies to expand and diversify and we must refrain from issuing a uniform diktat to all of them to move in a prescribed direction.

#### Research Methodology:

|                 |   |   |
|-----------------|---|---|
| Geographic Area | - | Maharashtra State   |
| Population      | - | Industry HR expert, Entrepreneurs, and Academician, Expert in education |
| Sampling        | - | Probability- stratified random sampling                                 |
| Instrument      | - | Questionnaire, Schedule, Internet                                       |
| Method          | - | Face to face Interview, Telephonic Interview, E-mail, On line (chat)    |
| Sample size     | - | 40: Industry: HR Manager and Entrepreneur (25:15)                       |

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Time Period - 35: Academician: Faculties and expert in education (25:10)  
01st September, 2011 to 10th November, 2011

#### Data Analysis:

##### A) Academic:

- i) The student taking admission to management courses are very poor in communication, lack of English language knowledge, poor in analytical skills. (03)15 percent respondents admit that it's our duty to deal with them properly.
- ii) Take lots of time to teach theoretical concept, so the skill development program like case study, seminar, presentation have less time, as well as the participation of the students is very low in number.
- iii) To conduct industrial visit, Industrial permission is very tough job, the industries are not ready to waste their time by giving the permission to show their premises.
- iv) Entrepreneurs, industrial expert are not interested or not ready to share their experience with the students.
- v) 50 percent stated that universities do not have the committee of industrial expert, so there is no advice from industrial sector regarding to set the curriculum setting.
- vi) Two year time period is not sufficient to start from ABCD and make student competent in moral, ethically sound, leadership, problem solving, and soft skills. The period varies on the basis of competency of students.

##### B) Industrial:

- i) 81 percent stated that year by year the MBA students joining our organization is of poor in basic traits in management knowledge. Similarly 98 percent stated that there is high level of degradation of management education.
- ii) 95 percent stated that the grade of the student are not matching with his knowledge and performance.
- iii) All stated that students required training because most of them are not aware about the industrial operations and practical orientation.
- iv) 96 percent stated that management institutions and universities are the factories of awarding degree without building their knowledge and competency.
- v) 60 percent stated that there is hardly two or three request from institutions for Industrial visit while 40 percent did not have any request for industrial visit from institutions.
- vi) The management institutions focuses only on the theoretical aspect and not on skill development. The practical knowledge regarding the application of theories is not developed properly in the students.
- vii) 97 percent stated that there are no initiative from universities and management institutions regarding the guidelines and advice and relationship development.

#### Findings:

- 1) Sixty percent of faculty in most of the institute doesn't have any industrial experience.
- 2) Due to mushrooming of new institution, the result is that the low caliber students getting admission. They are lacking in the basic skill and industrial exposure.
- 3) Majority of the student who got high grade in their final examinations are not fit with the industrial criteria.
- 4) In most of the universities, the syllabus set only by the academician in the absence of industrial experts.
- 5) Most of the institutes conduct the industrial visits superficially.
- 6) Most of the entrepreneurs and industrial experts are not interested to conduct the lectures in management institutes.
- 7) Most of the institutes focus only on completion of theoretical syllabus instead of development of skills and attitude.
- 8) Location of Institute is important one regarding the availability of Industrial expert and Industries in that area.

#### Suggestions:

- 1) AICTE regulations regarding faculty recruitment two years industrial experience should be mandatory not desirable for the all posts.

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- 2)The candidate must have two years industrial experience after graduation for admission eligibility criteria.
- 3)University must form the industrial expert committee. The committee member should be expertise in their field.
- 4)Institute must visit to the minimum five local industries and two national industries.
- 5)To nurture the relationship with industries institute should develop the group constituting of entrepreneurs and industrial expert on the honorarium basis.
- 6)The curriculum setting committee should work with industrial expert committee.
- 7)University should develop proper system for the assessment of the student. The grade of the student must be measured with his performance.
- 8)AICTE – Pedagogy and inculcate creativity and leadership skills.  
There is a gap between skills desired and the skills that a typical faculty member possesses to deal with subject knowledge which require understanding of industry and ability to innovate suitable pedagogy to deal with them.
- 9)The institute should arrange the various seminars, workshops and invite the corporate leaders, experts to share their practical views and increase the relationship for long term.
- 10)In the CSR(Corporate Social Responsibility) regime not only to spend some portion of profit, but also compel to take active participation in the university as well as with technical institution regarding to develop the relationship between industry and institution. Management institution forms the various conclaves or student cell for the development of industry, institute interaction.

**Conclusion:**

C.K. Prahlad stated in his report India at 75 there is a need of 500 million certified and skilled people having technical and managerial skill. He further stated that overall development of country is totally depends on educational mission. The quantity and quality, eligibility and employability are very controversial terms in human resource development regarding to the demand and supply. Industrial and social development is inter-related with each other and this development is possible only when the educated people are technically, ethically, managerially sound.

Industries and management institutes are two sides of a coin, their development is interdependent. Due to the commercialization of management education, there is a gap between expectations and the requirement. There is a need of continuous research in education regarding teaching pedagogy and its implementation, proper regulations framework improves the quality of human resource and harmonize the relationship between industries and management institute. The industry and management institute should have collaborative approach which include the provision of skilled knowledge resources with business potential by institutes and the industries should develop open innovation approaches to external resources.

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