

Strategic Management in Higher Education: Global and Indian Perspective

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Abstract:

Higher Education in India is heavily criticised for not meeting expectations. Their priority has become to enhance overall quality and effectiveness for institutions which battle existential concerns and student disconnect in changing and competitive scenario. Various industries have employed strategic management to articulate future vision and outline specific short-term and long-term goals with a view to drive competitive advantage. Higher education institutions globally and especially in the USA have led the adoption of formal strategic management frameworks with a high degree of success. This paper reviews the evolution of strategic management in higher education worldwide. The Indian higher education space is specifically examined for application of the strategic management practice. Finally, a strong case is made for institutionalizing the use of strategic management in India to cope with the prevailing challenge.

Introduction:

The last two decades have witnessed unprecedented growth of the Indian Higher Education (IHE) sector. As per the Deloitte Report on Indian Higher Education Sector (Deloitte, 2012) Figure 1 highlights the growth in higher education since Independence in terms of institutions, universities, colleges and faculty members. Despite its size and scope, the Gross Enrolment Ratio (GER) in IHE continues

to be far below the global average of 30 % whereas China has already surpassed the figure by mid-2014. As per the prediction made by National Knowledge Commission, India would need an investment of \$190 Billion to achieve the desired target GER of 30 % (Deloitte, 2012). IHE has emerged as the largest in the world in terms of number of institutions.

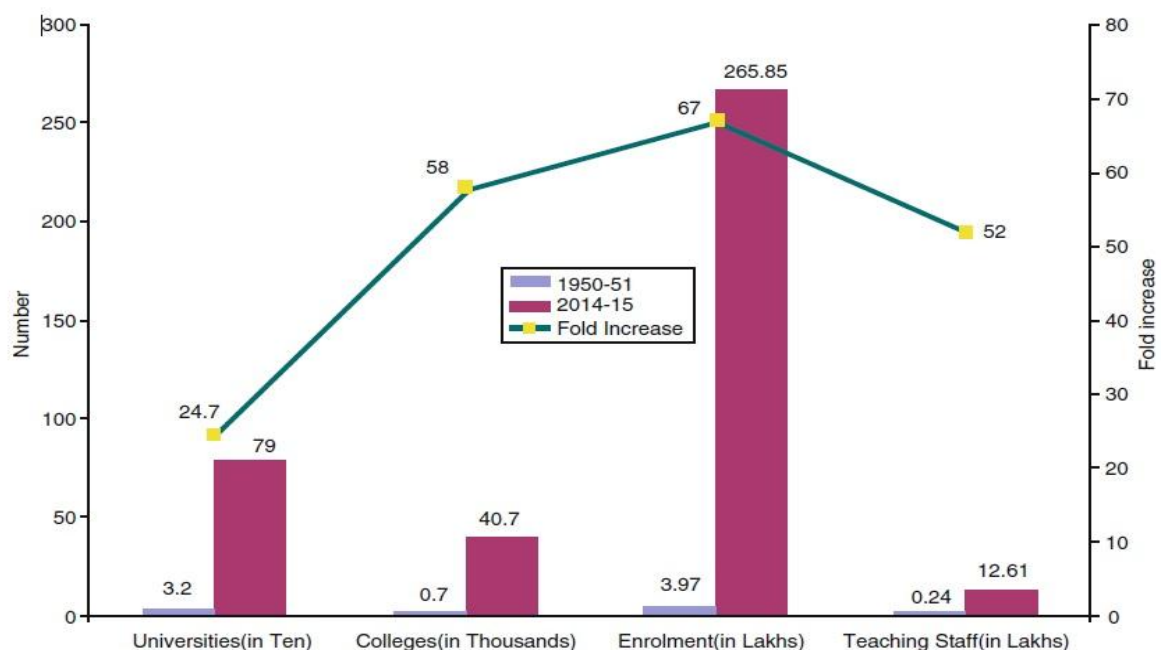


Fig.1 Growth of Indian Higher Education during 1950–2015 (UGC, 2014)

The rapid growth witnessed in the higher education sector has generated numerous challenges with the key ones being ensuring quality, increasing employability of graduates, and improving quality of research and achieving global standards. As per the Times Higher Education World University Ranking 2015–2016 India has only 4 universities among the top 400 with the highest ranked Indian Institute of Science (IISc) falling in the range of 251–300. China with 11, South Korea with 9, Japan with 6 and Singapore with 2 fares much better than India in the Asian context when the relative sizes of these countries and GDP growth are factored in. Therefore, there is an urgent need to reassess Indian policy on higher education while devising strategic frameworks for continuous and comprehensive quality improvement. This paper makes a strong case for the institutionalization of strategic management at the level of individual institutions of Higher Education in India with a special focus on institutions in the private sector. It traces the evolution of strategic management in higher education worldwide establishing a strong correlation between strategic management and sustained institutional excellence. The challenges in implementing strategic management in IHE at large are also discussed and finally some ideas for its successful adoption are presented.

OBJECTIVES OF THE STUDY:

These are the following objectives of my study:

- 1) To study the need of continuous Strategic Management in higher education.
- 2) To study the adoption and need of Strategic Management in Indian higher education.

RESEARCH METHODOLOGY:

The study has been conducted by consulting existing literature through historical, analytical and empirical approaches. Historical-analytical method has been taken into consideration while observing the reports related with the study and while examining the other literature

relevant to the study. Case study method, an empirical technique, is applied to study the evolution of strategic management for global higher education and India.

STRATEGIC MANAGEMENT IN HIGHER EDUCATION: GLOBAL EVOLUTION:

Strategy is the determination of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Chandler, 1962).

The discipline of Strategic Management originated in the business sector in late 1950s when many business organizations rapidly started adopting strategic management to plan, develop and execute processes for competitive advantage. The importance of Strategic Management by public and non-profit organizations was felt in early 1980s in the USA when the Higher Education system faced challenges like reduced financial support, lower enrolments and resource mobilization. As mentioned by Bryson (Strategic Planning for Profit and Non-Profit Organizations 2011), Harvard Business School through its Harvard Policy model had developed the most renowned and successful models of strategic planning for profit and non-profit organizations. The idea and thought process of applying strategic management and planning in the academic set-up was first brought by George Keller, in his book, Academic Strategy: The Management Revolution (1983). Before that, there were only discussions of the applicability of strategic planning to higher education.

As per Keller (1997) that effective strategic planning is what separates the average from the above average, and makes planning institutions emerge as leading institutions. Hunt, Oosting, Stevens, and Loudon state several reasons for implementing strategic planning in private higher education system, including:

1. To improve performance toward meeting the mission statement;

2. To improve performance toward increasing the academic standing;
3. To increase accomplishments with the same or lower level of resources;
4. To clarify the future direction of the institution;
5. To meet the requirements of accreditation or of a government agency;
6. To solve major problems (threats) or address significant opportunities.

INDIAN HIGHER EDUCATION SCENARIO:

Due to globalization and India's aim of becoming a knowledge power-house, providing quality education to sustain its growth has become one of key focus areas of government policies. IHE has thus witnessed a number of reforms, policies, regulatory bills unfolding since Independence with a view to achieve its aggressive goals of equity, excellence and access. Unfortunately, successive policies have missed out on strategic planning for IHE as a whole and also not envisioned the adoption of strategic management by individual institutions for overall quality improvement.

Even the accreditation processes in India make no mention of adoption of strategic management while evaluating institutional governance and leadership.

"...Our university system is, in many parts, in a state of disrepair...almost two third of our universities and 90 per cent of our colleges are rated as below average on quality parameters..."

Former Prime Minister of India Dr. Manmohan Singh (PM's address at University of Mumbai 2007). From being classified as a perennial sunrise industry, the Indian Higher Education Sector is in a state of deep recession.

The All India Council for Technical Education (AICTE) has disclosed that out of the nearly 16 lakh seats in engineering available across India, nearly 8 lakh seats remained vacant in 2015 leading to closure of several hundred institutions (Sahasrabudhe, 2015). The state of

this sector is counter-intuitive to the healthy state of the Indian Economy and an underperforming education sector can have long-term negative repercussions on the future projections for the Indian economy (Gupta, 2005).

STRATEGIC MANAGEMENT ADOPTION IN HIGHER EDUCATION:

The adoption of formal strategic management by institutions of Higher Education in India is in a nascent state. A survey of the top institutions of national importance indicates the stark absence of strategic management. Barring two Indian Institutes of Technology IIT Madras and IIT Bombay none of the other institutions have their strategic plans published on their websites. Even when strategic plans are available, it is not clear whether strategic management has been adopted both in processes or practices. The scenario is even bleaker in the private sector, which alone accounts for over 75 % of all enrollments in the higher education sector.

Very few researchers in India (Pingle & Kaul, 2011; Raghunandhan & Sequeria, 2013; Raghunandhan, 2009) have focused on strategic management. The sheer absence of studies and literature pertaining to implementation of strategic management highlights the lack of awareness and emphasis on strategic management in IHE as compared to institutions in developed and developing countries which were quick to adopt Strategic Planning for safeguarding their interests in a globally competitive environment. The future success of the IHE will depend on how quickly institutions adapt to this changed scenario and create strategic plans to build new capacities and capabilities to thrive. Adopting strategic management by institutions in India seems to be a logical, yet challenging due to the following reasons:

1. The current leadership is not equipped with the skill set to envisage and implement strategic planning in a vast majority of the institutions.

2. Decision-making processes in institutions have a long life-cycle being participative and consensus-based, preventing agile responsiveness.
3. IT-adoption and skills remain poor across a vast majority of institutions. Even when adopted, its success remains limited.
4. Institutions are caught up in regulatory hurdles and lack the autonomy needed to chart their own course.
5. Institutions have a very narrow understanding of strategic management, limited to devising the vision, mission and providing broad directions for institutional growth. Detailed mechanisms for tracking, monitoring and designing corrective or strategic interventions are missing.

THE ROAD AHEAD:

Given the huge challenges that confront Indian Higher Education, some ideas towards effective and successful implementation of strategic management at individual institutions are presented below:

1. Intensive training for the leadership teams at institutions on strategic management and modern management practices should be conducted on priority.
2. IT-adoption in the areas of learning management, student engagement, analytics and performance management to be fast-tracked.
3. Create financial outlays to support strategic management and invest in faculty development, research and innovation and unique student experiences.
4. Corporatize select functional areas. Create a pool of professional managers with specialized positions such as strategic managers to drive strategy adoption and implementation.
5. Identify mentor institutions and seek help in developing core competencies in strategic management.
6. Create strong incentives for stakeholders in achieving strategic objectives.

At the Government/policy/regulatory levels the following initiatives can be considered:

1. Formulate and articulate a National Strategic Management Framework for IHE with a buy-in from all State Governments for effective implementation.
2. Reduce regulatory obstacles for high-performance institutions rewarding them with autonomy. Let the free-market regulate.
3. Adopt IT analytics framework to create transparency, objectivity and effectively determine institutional output and outcomes. Gupta (2013) presents a cloud based analytics framework for managing institutional quality.
4. Create centers of excellence in strategic management in institutions of national importance which extend help to other institutions backed by solid research and demonstrated best-practices.
5. Make adoption of strategic management a core element of the accreditation process.
6. Introduce higher degree programs, certifications and world-class training programs on strategic management for institutions.

CONCLUSION:

Research, business case studies and empirical evidence establish a strong correlation between strategic management and organizational excellence. Internationally, institutions of higher education have strongly ingrained strategic management practices and processes. This has resulted in these universities obtaining consistently high ranks across several international rankings. We strongly advocate the adoption of strategic management by the Indian Higher Education sector to overcome the critical challenges facing it today. We believe that the survival of the sector and its ability to meet and exceed global standards in the next two decades shall depend inexorably on effective strategic planning and execution.

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