



A UNIVERSITY IS NOT A CORPORATION

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(MAINS GS2: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.)

Context:

- Universities are unique social organisations where different cultures, customs along with studies come in contact, merge and give rise to a unique way of living.
- They are not corporations, nor are they think tanks, research organisations, NGOs, media organisations, government agencies or civil society organisations.
- Universities perform roles that may reflect some intentions and goals of these other entities, but they are sui generis and uniquely situated in the larger context of the society.

Importance of university:

- In the celebrated work, The Idea of a University, John Henry Newman observed, “If then a practical end must be assigned to a University course, I say it is that of training good members of society.
- It is the education which gives [them] a clear, conscious view of their own opinions and judgements, a truth in developing them, an eloquence in expressing them, and a force in urging them”

Challenges that universities faces:

- One of the greatest challenges that universities around the world face today is in relation to their governance. Indian universities are no exception.
- University governance has become complex due to the multifaceted nature of the organisation and the fact that there are social expectations from different stakeholders – faculty, staff, students, parents, accrediting bodies, government departments, regulatory agencies, international partners, and donors.
- It is in this context that stakeholders need to recognise the role of universities in society and how to govern them in a manner that will fulfil these expectations from a diversified set of stakeholders.

Corporations will not fulfill the very purpose of universities:

- While corporations have historically played a role in creating wealth and contributing to the economic and social development of a nation, they remain focussed largely on adding value to their shareholders.
- The social expectations from a corporation are also limited to that objective.
- However, there are new forms of challenges to this paradigm in which corporations are also reimagining their wider role in the society.
- The Global Compact and the UN's vision for implementing the Sustainable Development Goals (SDGs) encourage businesses to examine their larger role in society.
- Corporations are founded on the principles of profitability and return on investment.
- This vision of a corporation shapes and impacts a large part of its decisions.
- The pursuit of profit and the creation of wealth for a society, including the generation of employment are legitimate and useful objectives pursued by corporations.
- Universities, on the other hand, are founded on the twin principle of creation of knowledge through research and its dissemination by teaching.
- Regardless of the public or private character of a university, they are universally expected to pursue the vision of a common good.
- Universities are endowed with the responsibility of providing access to education and are involved in the democratisation of knowledge.
- They provide opportunities for teaching, learning, and research as public service to society, especially to its youth.

The difference of parameters between university and corporations:

- Financial parameters such as turnover, margin, sales, market-share and resource-utilisation have temporal dimensions on which the success of a business and the corporation is measured.
- Even in assessing the social impact of a corporate entity, quantifiable parameters such as money invested in CSR initiatives annually or the reduction in the carbon footprint define the level of success.
- However, universities, for the most part, drive individual-specific intangible outcomes of intellectual growth and holistic development, inspiring young people to become transformative leaders, enabling learners to embrace the real world and preparing them for careers that can help society progress.
- These functions cannot be measured in quarters, financial years or, for that matter, even in a few years.
- We need a long-term horizon to understand the pivotal role of universities in accelerating the socio-economic growth of a nation and the vision of building a knowledge society.
- Universities work in the realm of ideas — ideas that can shape the future of our society and the world at large.

- Many such pursuits of ideas may lead to impactful outcomes only in the long term, but it is necessary to pursue those ideas.
- This is true not only in the case of disciplines such as STEM and medicine, but also in broader areas of humanities and social sciences.

Corporations are profit centric:

- Corporations measure sustainability in terms of profit, which requires maximising revenues and minimising costs.
- Marginal revenue and average productivity that can be ascribed to each employee, directly or indirectly, are important indicators of the strength of the workforce.
- The steadfast focus is on generating maximum possible revenues with a productive workforce that minimises costs.
- Universities, on the other hand, are constantly working on improving their faculty-student ratio that reflects the importance of specialised attention to students and the time at the disposal of faculty members to pursue original and impactful research.
- For example, two of the oldest universities in the world, Oxford and Cambridge take pride in the fact that they have a tutorial system of learning and mentoring where faculty and students engage, mostly on a one-on-one basis, discussing the written work of the student in a threadbare manner.
- The idea of personalised engagement with students across liberal arts colleges in the US or the different forms of faculty mentoring support systems adopted by other leading universities in the world is a natural aspiration for every good university.

Universities need to recognising their contributions to the society:

- Having recognised the distinctive roles played by universities and corporations, it is important for universities to reimagine their role and impact in society.
- Stakeholders need to make universities, public or private, more committed to their stated mission, which requires a different paradigm of recognising their contributions to the society.
- The three ways to accomplish this are promoting excellence in teaching and research, creating favourable regulatory structures and financially empowering universities to fulfil their mission.
- Universities strive to improve their faculty-student ratio, establish more research centres and schools, generate more socially relevant knowledge, and provide an interdisciplinary learning environment.
- Universities cannot function within binding organisational structures that breach the very academic freedom and autonomy that drive them.

Corporations need to support universities monetarily:

- Corporations can provide resources through CSR initiatives and philanthropic donations for the creation and development of universities.

- While public universities receive government funding, private universities to a large extent depend on private, philanthropic funding.
- But in both cases, the dependence on financial resources should not weaken the autonomy or independence of the university.
- This has also been underscored in the National Education Policy 2020.

Conclusion:

- The accountability of a university is to be achieved on the basis of its own commitment and capacities to fulfil its stated mission, which in turn must be benchmarked against global standards of quality.
- The pursuit of excellence in teaching and research ought to be the most important objective of a university.
- The students remain at the centre of institutional governance and all efforts need to be taken with a view to fulfilling their goals and aspirations.