CHAPTER III

LITERATURE REVIEW

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Introduction

The Indian B-School scenario has witnessed numerous changes in the recent past. Mushroo ming of B-Schools, global competition and changing expectations of the corporate world. Shortage of well-qualified faculty, strong influence of changing technologies and heightened student expectations are some of the issues faced by Indian B-Schools.

Global management education has seen multiple challenges in the recent past. Various scholars (Pfeffer and Fong, 20021 Leavitt, 19892, Pfeffer and Fong, 20043 Ghoshal, 20054 O Toole, 20055) have highlighted different, often conflicting, reasons for postgraduate management education in the US becoming rudderless. An underlying idea, emerging from these scholars is that, pressures from various sources like media, stakeholders like students, have forced management institutions to adopt practices that may make sense in the short run but are likely to have serious negative effects in the long run.

The literature review is presented in a logical manner starting from definitions of quality in business followed by definitions of quality in services, particularly educational services. International and national journals have been reviewed. Four approaches to quality exist in literature which have been reviewed namely services marketing perspective, total quality management perspective, balanced score card perspective and holistic perspective. Empirical studies in all four approaches have been analyzed. As only conceptual papers are available in the Indian context, these have been thoroughly reviewed.

3.1 Quality in Business

The ISO (1986) definition—"The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs". The words 'characteristics' and 'satisfy needs' in the definition imply two important points, which are
also in line with TQM principles: (a) quality is what satisfies customer's needs (b) quality is a set of characteristics that can be measured qualitatively or quantitatively.

Quality has been defined in business as conformance to specifications (Srabec, 2000\(^6\)). Garvin (1984)\(^7\) has given attributes of quality in product/service models (TQM) in business they are performance, features, reliability, conformance, durability, serviceability and perceived quality.

Total quality management is a general management philosophy that holds that quality is continuous improvement (Seymour, 1992\(^8\)) and measures quality through customers' satisfaction with the services they have experienced.

W. Edwards Deming's chain reaction theory, demonstrates that better products are produced by focusing on such diverse areas as statistical analysis of defects, delivery and service, customer relations and employee communications. Therefore, productivity is increased as less products are rejected (Madu and Kuei, 1993\(^9\))

Juran identified the costs incurred by a company to maintain a certain level of quality. These are categorized as: (1) Prevention costs, those costs expended in an effort to keep non-conforming products or services from occurring and from reaching the consumer (2) Appraisal costs, those expended on maintaining quality levels through measurement and analysis of data in order to detect and correct problems (3) Internal failure costs, those that result from unsatisfactory quality that is found prior to the delivery of a product or service to the customer; and (4) External failure costs, those that occur after poor quality products or services reach the customer. The purpose of quality cost measurement and analysis is to expose the top management of an organization to the high cost of ignoring quality issues (Madu and Kuei, 1993\(^{10}\))

### 3.2 Quality in Educational Services: Services Marketing Perspective

Quality is an elusive and indistinct construct (Parasuraman, Zeithaml and Berry, 1985\(^{11}\)). Quality is a complex and difficult construct to measure in service sectors. The
following features-characterize the education industry, as a services industry (Kotler, 2002\textsuperscript{12}) Services are intangible- education cannot be seen, touched, heard or felt, before enrolling, it has to be experienced.

Services are inseparable- there is immediate consumption of the service (education) provided. Service quality varies- the quality of service varies from time to time depending on the administrators, type of faculty, infrastructure modifications, library facilities provided etc and lastly services are perishable- education provided last semester/year cannot be stored for consumption next semester/year.

Brown, Keonig and Harold (1993)\textsuperscript{13} suggest that one approach to measuring quality is to use a standardized set of questions. For example, SERVQUAL lists 10 general service quality issues that are measured from the standpoint of the customer (Parasuraman, Zeithaml, and Berry, 1985\textsuperscript{14}). This approach has been adapted to higher education (Davis & Allen, 1990\textsuperscript{15}) and the standard questions facilitate comparisons among schools (Brown, Keonig and Harold, 1993\textsuperscript{16}).

Mahapatra and Khan (2007)\textsuperscript{17} constructed a scale called “EduQUAL” having 43 items drawn from SERVQUAL and other studies. The scale was administered to students, alumni, parents of students and recruiters of different technical institutions across India. Factor analysis showed significant alpha values for the following dimensions: learning outcomes, responsiveness, physical facilities, personality development and academics.

Standardized questions may have their limitations. Some authorities believe that unique customer concerns are the essence of quality and that quality is idiosyncratic to individual schools or classes of schools (Ewell, 1992\textsuperscript{18}; Keller, 1992\textsuperscript{19}).

Sahney, Banwet and Karunes (2006)\textsuperscript{20} conducted an empirical study using SERVQUAL dimensions. The focus of the study was on identifying a framework of design characteristics able to provide for quality in education and aimed at identifying and establishing linkages and relationships between the customer requirements (students of Engineering and Management) and the design characteristics. The study measured the
perceptions and expectations of students for both the customer requirements and design characteristics. The gaps between perceptions and expectations were studied. By using interpretive structural equation modeling a path analysis comprising of independent and dependent variables was developed and tested using quality function deployment. QFD may be defined as, ‘a system for designing a product or a service based on customer demands and involving all members of the organization’ (Maddux et al., 1991).

Sahney, Banwet and Karunes (2006) described the path analysis; quality of education was the only dependent variable. The independent variables were effective and efficient leadership, clear and specific policies and procedures, machinery for evaluation and control, well-defined curriculum design, suitability and relevance of curriculum content, curriculum planning, design, periodic review, instructional competence – expertise and adequacy, instructional arrangement – class size, adequate, infrastructure and facilities are well-defined.

3.3 Total Quality Management (TQM) in Education

Quality in Education has been defined variedly as, excellence in education (Peters & Waterman, 1982), value addition in education (Feigenbaum, 1951), fitness for purpose (Reynolds, 1986; Brennan et al., 1992)

Fitness of purpose was given by Tang & Zairi, (1998) also and fitness of educational outcome and experience for use Juran & Gryna, (1988).

Gilmore (1974) defined quality in education as conformance of education output to planned goals, specifications and requirements (Gilmore, 1974; Crosby, 1979), defect avoidance in education process (Crosby, 1979), and meeting or exceeding customer’s expectations of education (Parasuraman et al., 1985).

Spanbauer defines TQM in education, as “TQM is a management philosophy which puts systems and processes in place to meet and exceed the expectations of
customers. It is a relentless quest for continuous improvement through documentation and the use of tools in a problem-solving atmosphere that features team action and good leadership practices (Spanbauer, 1995). TQM is known by many different terms such as continuous process improvement (CPI), total quality leadership (TQL) and continuous quality improvement (CQI). According to Spanbauer, education is a service with customers like any other business, and those customers express satisfaction and dissatisfaction about school services and instruction. When TQM is applied to education, it is essential that customers be identified by the supplier and that processes be established in order to determine their specific needs.

Spanbauer identifies two types of customers: external (students, employers, the community at large, taxpayers, other educators from different institutions) and internal (other instructors, service department staff). Visionary leadership, team problem solving, scientific methods and tools, organizational climate, education and training to faculty and staff and using meaningful data are the elements of TQM in education.

The key elements of TQM in education as defined by Spanbauer is depicted in Figure 2.1.
Spanbauer (1995) proposes that the results of applying TQM in higher education should be assessed by four parameters: improvement in learning, improvement in institutional efficiency, graduates possessing TQM competencies and cultural change in the institution. Scrabec (2000) argues that in a TQM approach to quality in higher education...
education, the major drawback is considering the students as customers. The customer driven approach lacks a focus on who the primary customers are and who is to set the service specifications. If the TQM approach is followed, a high level of student satisfaction does not necessarily measure the quality of education, though it may be one indicator.

Garvin (1984)\textsuperscript{34} has distinguished between TQM and TQE (Total Quality Education). Garvin has compared the attributes of quality in product/service models with quality education. Table 3.1 depicts the comparison.

Scarbec (2000) opines that to operationalize the concepts of TQM to quality in education is very difficult. Scrabec (2000) has proposed eight potential measures of quality education; they are standardized national tests, certification of educational institutions, student satisfaction measures, industry feedback, international text and quantitative measures, national indices such as patents, government of independent audits to set standards and student evaluations.

\textbf{TABLE 3.1}

\begin{tabular}{|l|l|l|}
\hline
Sl. No. & Total Quality Management & Total Quality Education \\
\hline
1 & Performance & Student performance \\
2 & Features & Degree options, courses \\
3 & Reliability & Capabilities and skills developed \\
4 & Conformance & Conformance to national, state and professional standards \\
5 & Durability & Marketability of learned skills/ knowledge \\
6 & Serviceability & Ability to meet professional requirements and accreditation \\
7 & Perceived quality & Contribution to improving society \\
\hline
\end{tabular}

Scrabec (2000) has given a total quality education model based on benefits and on quality education attributes. The model shows recipient or student satisfaction as a result of a total quality education approach, but not the main feedback to improve the system. This model allows student evaluations to be a part of the overall process. The model uses internal auditing to improve the education process continuously. According to Scrabec (2000) the TQE model is much closer to the reality of the complex nature of education, like the TQM model where planners use evaluations as the performance feedback loop, ignoring the specifications and expectations of the beneficiaries (society, industry, parents and professions).

**FIGURE -3.2**

TOTAL QUALITY EDUCATION MODEL

![Diagram of TQE Model]


Widrick, Mergen and Grant (2002) have measured three quality dimensions (quality of design, quality of conformance and quality of performance) in higher education. They have developed a set of measurement parameters used in evaluating the quality of research and curriculum development and the tools/techniques necessary for evaluating them. This study limits itself to measuring quality of research and curriculum development only, two case studies are cited, Master of Science in manufacturing management and Leadership at Rochester Institute of Technology. The study does not propose an overall quality framework for higher education institution.
3.4 **B-School Students: Customers, Products, Partners or Stakeholders?**

3.4.1 **Students as Customers:**

While some authors believe that, because of the complex, dynamic and intangible outcomes of education, an objective measurement of quality is very difficult or impossible (Toft, 1993; Sayed, 1993), many view it as essential if quality improvement is to be monitored (Seymour, 1992; Morris & Haigh, 1993; Burkhalter, 1993). The terms 'customer' and 'market' have also met with resistance from some educationalists, who argue that they are applicable only to commercial environments (Sallis, 1993; Corts, 1992). Another complexity arises from the dynamic and interactive nature of higher education. It is with respect to the role of students. Students play different roles while acquiring an educational degree. They are the inputs, as well as the recipients of education.

"While students are prime customers of colleges and universities, they are also their raw material, suppliers, co-processors, and products" (Harris, 1992). For this, a clarification is necessary for specifying customers and prioritizing or reconciling their different requirements based on a university mission (Taylor & Hill, 1993).

While some administrators find it difficult to accept the idea of students as consumers, in reality, that’s what they are. In today’s competitive marketplace, schools are sellers offering courses, a degree, and a rich alumni life. Students are buyers who register for courses, apply for graduation, and make donations as alumni. The longer these ongoing transactions are satisfactory to both parties, the longer the relationship will endure, to the benefit of everyone (Bejou, 2005). Textbook literature classifies B-Schools in the “not for profit” service category, promotions by B-Schools indicate otherwise. Market share, competitive analysis, positioning, and customer-centric service delivery were concepts reserved for the business sector and were not applicable to the realm of higher education (Kotler and Fox, 1995).
Though not stated explicitly, there is an increasing trend among B-Schools to view students as customers. Students are consumers and products of education (Conway and Yorke, 1991)\(^{47}\) a survey conducted by Delucci and Korgen (2002)\(^ {48}\) for sociology undergraduates, with a 41-item questionnaire, confirmed that students believe that higher education operates as a consumer-driven marketplace. If students are treated as customers, are we compromising on the broad, overall benefits (good citizenship, professionalism, ethical values, life skills, etc) of B-School education, with immediate, short-term student goals of lucrative employment?

Carlson and Fliesher (2002)\(^ {49}\) opine, “This treating of the student body as customers has lessened the rigor of the curricula and teaching methods”. In a student-customer orientation, it is difficult to define the “product”, it could be education, but this is a slippery construct even for educators, let alone for students (Clayson and Haley, 2005\(^ {50}\)).

The student-customer model has some drawbacks; Students may shift the responsibility of learning and placement success from themselves to the faculty and B-School. Accountability no longer rests with the student and if the faculty or B-School (service providers) do not meet up to the student (customer) expectations, then the student fills a service form (teaching evaluation and feedback) which indicates service failure, resulting in, a “bad word of mouth” for the service providers (faculty and B-school). If a total TQM based approach is adapted to measure quality in a B-School, then students have to be considered as customers and the drawbacks of considering students as customers are many. Clayson and Haley (2005)\(^ {51}\) argue that treating students as customers is inappropriate and has negative influence on the student’s educational welfare. The symptoms of this student as orientation has certain undesirable effects like Short-term perspective or an “easy A”- students may choose those courses, where instructors give easy grades and focus is on achieving grades rather than real learning. Absence of student accountability- Students may transfer responsibility of learning and outcomes of learning from themselves to service providers (B-School and faculty).
Students as judge- If the service provider does not satisfy the customer (reasons may be unrelated to teaching), students fill up evaluation forms (faculty evaluation). Student evaluations may be biased or skewed for various reasons. Adversarial relationships- If instructors insist on a rigorous curriculum, instructors may be seen as adversaries that stand in the way of what the student wants, a figure to dislike, or an object to get around using some game-playing tactic.

Education as a commodity- In a student-customer model, the product is not readily identifiable. It could be “education,” but this is a slippery construct even for educators, let alone for students if “education” is a product, then the customer should be able to buy it either with money or effort. A degree may be seen as just another commodity to be purchased (Emery et al. 2001\(^5\)).

Failure to secure desired employment- With a student as customer perspective, not securing a good job can be seen as the fault of the service providers.

Curriculum and allocation of resources- Although students are typically unfamiliar with the configuration of employment marketplaces, educational resource allocations, and societal needs, they have definite ideas about what they would like to study and B-Schools may provide those courses, which may not really help students or society, in the long run.

3.4.2 Students as Products:

Belohav (1984)\(^5\) proposes two views; one to consider the student as the final customer and second to consider government and business sectors as the ultimate consumers. Education is a value-added process, the student is the final product and the institution is a manufacturing organization, thus-
3.4.3 Students as Partners:

The student can be considered as a collaborative educational partner (Bay and Daniel, 2001\textsuperscript{54}: Henning-Thurau et al 2001\textsuperscript{55}). Bell and Emery (1971)\textsuperscript{56} and Fieldman (1971)\textsuperscript{57} suggested the ‘societal marketing orientation’ which emphasizes that an organization exists to not only meet its own needs and the needs of the customer, but also to maintain and advance individuals’ and society’s long term interests. Under this model, the function of a university or college would be to advance the interests and goals of students, faculty, staff, parents, government, and the society as a whole. While student needs are central in this orientation, a balanced constituency far exceeds the students’ immediate wants and desires (Clayson and Haley, 2005\textsuperscript{58}). Groccia (1997)\textsuperscript{59} has interpreted the student as “a real learner” by virtue of which, a student becomes a producer and not a consumer, of the knowledge he or she gains.

3.4.4 Students as Partial employees and clients:

Students as Partial employees: The fundamental notion behind customer labor contributions is that though customers are primarily interested in the consumption of a service, when their skills match those required to fulfill a task required by the organization, the organization should employ the customers’ skills, making them “partial employees” (Mills & Morris, 1986\textsuperscript{60}). This view of customers (or students) as partial employees suggests that they can and should be managed as human resources of an organization (Halbesleben, Becker, Buckley, 2003\textsuperscript{61})
According to Laskey (1998)\textsuperscript{62}, an educational institution can take at least three views of its mission of educating students

- Produce citizen-as-product for society-as-customer
- Produce worker-as-product for employer-as-customer
- Provide self-improvement services-as-product for student-as-customer

According to Sharrok (2000)\textsuperscript{63} on any given day, a student might be:
1. A customer wanting routine information (from a department or faculty office),
2. A client in need of expert guidance (choosing a course, or reviewing an assignment),
3. A citizen with certain rights (borrowing a book or appealing against an act of discrimination), and
4. A subject with certain obligations (being fined for an overdue book, or working to make a grade)

Litten (1980)\textsuperscript{64} defines a student as a client, part of the process, and a quasi-product at the end of the process. Armstrong (2003)\textsuperscript{65} suggests ‘the students-as-client model’ clients who pay to receive professional services from that firm. A client is a person who engages the professional advice or services of another.

The findings of a survey conducted by Pitman (2000)\textsuperscript{66} on “Perceptions of Administrative Staff towards Students and Faculty” indicate that in dealing with students, administrative staff tend to relate closely to students, perceiving them as internal customers.

3.4.5 Students as Stakeholders: A New Perspective

Extant literature review shows that treating students as customers may compromise on course content and rigors of learning. Treating students as products characterizes students as too passive and accepting. Treating students as partners would be assuming that students are self-directed and are willing to share the responsibility of learning, along with faculty on the same level. A student may be viewed as a stakeholder.
A stakeholder who has a vested interest in acquiring higher education. Student’s needs will be given utmost priority by faculty in all aspects of curriculum design and delivery. Faculty will be the final decision maker, by virtue of acquired knowledge and meaningful real world experience (Shahaida, Rajashekar and Nargundkar, 2006). In an empirical study Shahaida, Rajashekar and Nargundkar found that B-School students do not seem to have clear-cut preference between product, partner, customer and stakeholder viewpoints, where as the perception was that students felt they were being treated as stakeholders.

A similar finding was seen in a study conducted by Obermiller, Fleenor and Raven (2005) where in Perceptions and Preferences of undergraduate and graduate students towards two orientations- Students as Customers or Products was done. The students preferred both orientations –customer or product almost the same. Empirical research in this area is inconclusive but extant literature review indicates that more B-Schools treat students as Customers.

Some questions to be answered are if students are not the customers, how should students be treated? what is the role of faculty, parents, recruiters and society? How should the other beneficiaries be treated? There is considerable debate and difference of opinions among researchers, faculty, recruiters, administrators and students as to who are the true customers of higher education. Are students really customers?

The exact role of the student in B-Schools is yet unclear. The stakeholder perspective offers a balanced approach to viewing students in a B-School.

3.5 Critique of adopting TQM in B-School Education

Spanbauer (1995) raises a very pertinent question, who is the education intended to benefit? Students are primary customers but the customer relationship is somewhat different from a customer in a restaurant or bank. In the view of Scrabec (2000) the inability to classify “customers” is at the heart of the failed TQM efforts in education.
In both the industrial and general service sectors, the customers are well defined whereas in a university, as Madu and Kuei (1993) suggest, the definition of customers is quite broad.

While students are accepted as the primary customers by many authors (Sallis, 1993\(^6\); Corts, 1992\(^7\); Hittman, 1993\(^8\)), other potential customers, like parents, employers, government and society, should be considered.

TQM approach lays emphasis on market orientation (doing what the customer requires) but in application to higher education, both market-orientation and measurement pose problems.

While considering quality of B-School education, it is necessary to incorporate the expectations of many stakeholders, students, faculty, government, employers, board of directors, society etc. The TQM philosophy centers on continuously exceeding customers’ expectations, In higher education, specifically B-Schools, which have many stakeholders to satisfy, applying TQM like processes (like in manufacturing industry) seems impractical. “The number of institutions that have actually implemented TQM successfully in any meaningful way is comparatively small, and the gains generated in these institutions often appear to be overshadowed by the time and effort” (Koch and Fisher, 1998\(^9\))

Quality is difficult to implement and capture in a meaningful sense. Given the forces that place intense, sometimes conflicting pressures on the providers of MBA programs, it becomes incumbent upon us to reflect on what quality means in today’s world. (Rapert et al, 2004\(^10\))

Studies conducted in U.S.A higher education institutions have shown mixed response about the effectiveness of adopting TQM (Total Quality Management)-type quality processes. A study of 32 higher education institutions found that administrators
believed that their TQM programs were making a great contribution to organizational effectiveness, and benefits were greater than costs (Elmutti and Manippillili, 1999). Out of the 32 higher education institutions, 12 institutions had given up on TQM programs after a 3–year trial, citing reasons such as, detrimental effects on creativity, threats of standardization and uniformity and lack of appropriate rewards. Very few institutions have meaningfully made a success of implementing TQM programs (Koch and Fischer, 1998).

Despite various issues involved in the implementation of TQM–type programs, many higher education institutes are using it to improve academic administration, teaching and learning. The AACSB is supporting the use of continuous process improvement programs to improve teaching and learning (Vazzana, Elfrink and Bachmann, 2001). In 2001, Vazzana, Elfrink and Bachmann, carried out 2 surveys in 400 colleges and universities throughout U.S.A taken three years apart using the following typology- TQM in the curriculum, TQM in nonacademic functions, TQM in academic administration and TQM in the core learning process.

The major findings were the percentage of schools that included TQM in the curriculum increased from 78% in 1995 to 86% in 1998. 38% in 1995 to 50% in 1998 was the increase in the use of TQM in administrative and academic activities. The use of TQM in core learning processes increased from 52% in 1995 to 57% in 1998.

The major problems facing universities today relate to curriculum, experiential learning, funding, the allocation of faculty time, teaching versus research, faculty status and tenure, student access, distance learning and the use of technology, the pricing of higher education, restraining cost increases, relationships with business and government, governance and leadership arrangements, faculty compensation and intercollegiate athletics.

Koch and Fisher (1998) state that TQM has little to contribute to the solution of fundamental questions of value, direction and resource allocation. TQM can be of
Fundamental issues such as the nature of the curriculum and the allocation of faculty time have been extremely resistant to TQM campaigns, not the least because faculties usually cast a jaundiced eye on any development that threatens to loosen their grip over course and degree requirements, or their ability to allocate their own time (Koch and Fisher, 1998).

Many education professionals believe that TQM directed at academics is not the answer. They note that higher education is a very humanistic area where autonomy and academic freedom are highly valued, where specialized faculties avidly protect their turf (Satterlee, 199676)

It is important to consider the objective or purpose of education before any initiative is taken to develop or measure the quality of education in a B-School. As literature has proved that applying TQM like practices has not met with great success in many B-Schools, other quality techniques have to be considered, but the purpose of education has to be addressed first.

### 3.6 The Purpose of Education

The government, students and industry consider different attributes as the purpose of education. Montmore and Stone (199077) opine that industry’s view about purpose of education is to produce graduates who can communicate, cooperate, solve problems and
work in a team effectively. The student views purpose of education as a means to improve earnings and further career prospects. The government’s perspective about purpose of education may be to enhance aggregate student achievement.

Wicks (1992) propose other purposes of education such as, acquisition of knowledge, building a value system in the individual, against which to make personal, social and moral judgments etc. Faculty may perceive imparting subject knowledge and honing the conceptual skills of the students as the purpose of education. The board of directors’ viewpoint of purpose of education could be three fold to instill a sense of discipline, to impart effective teaching and to provide good infrastructure etc. The opinions of various stakeholders are diverse and also highly subjective. Montmore and Stone (1990) suggest that there is no one-dimensional measure of quality and it is possible to discuss the quality of different components of education.

Adam smith referred to quality of teaching as quality of education. Smith’s notion of educational quality adheres to consumer’s perception of quality, J. S. Mill contested this opinion, who pointed out that consumers of educational service are often unaware about the quality of the service they are buying (Bose, 2006).

Bose (2006) argues quality of education provided by for-profit and non-profit providers of education is different. The resources available to an institute can also be a measure for quality of education. Whether the institute is government funded or private funded has an impact on both, the quality of education and the tuition fees charged. For government-funded institutions, the pressure to increase number of students and satisfy the preferences of the median voter is less intense. Students’ achievements during the course (ranks, awards) and after the course (placements, professional success) may also be considered as another indicator of quality of education rendered in the institute. Epple and Romano (1998) and Basu (1989) propose that a better peer quality implies superior quality as assured by ‘students’ achievements. Profit maximizing behavior determines quality of a school as assessed by its peer quality (Basu, 1989). A profit
maximizing school chooses the quality of students, to maximize profit. Consumers should be willing to pay a higher price if a school is offering better quality.

The school would like to fill in as many seats as possible as long as the number is less than or equal to the ‘size’ of the school, or governed by government rules. A profit seeking school would like to fill in all seats with students who are both rich and clever. If the number falls short, then the rest of the seats can be filled by (a) some clever-poor students or, (b) some mediocre rich students or, (c) some of both (Bose, 2006).

The presence of clever-rich and clever-poor students will enhance quality, thereby raising the willingness to pay by all students and hence the profit. The price that the mediocre rich are willing to pay will compensate for the lower price that the clever yet poor students pay. Rothschild and White (1995) state that this kind of price discrimination internalizes the externality that clever-poor and mediocre-rich students create within the school. Assuming that public schools admit all students, hence government is not concerned about the quality of public schools, as long as they provide education, Epple and Romano (1998) assert that profit-maximizing schools will be of better quality. This assertion has not been proved empirically. There are many non-profit-maximizing schools which are of better quality both in India as well as other parts of the world. Research in this area is not substantial to arrive at any meaningful conclusions.

The Business model followed in the B-School has an impact on the quality levels at which the B-School operates. In private institutions the tuition fees is the major source of revenue, all income and expenditure is accounted for, therefore spending in all areas of teaching-learning, research, consultancy etc has to considered carefully. In funded institutions (state governments, central government etc) tuition fees is only one means of raising revenue, the government and various funding agencies provide for research projects and other initiatives. This creates more opportunity for spending in all areas of B-School development. In funded institutions it may be easier to invest in research and development, consulting and other areas as compared to purely private institutions. This will have an impact on the research output, quality of teaching, industry-institute
interaction etc. Private B-Schools have to face more challenges to in building a profitable B-School in the short term as well as ensuring appropriate investments in developmental areas for long term sustainability in the competitive market.

3.7 Quality Measurement

3.7.1 Measuring Quality in B-Schools

There are different approaches by which attempts have been made to develop a method for measuring quality in B-Schools.

The first approach follows the services perspective and various researchers such as Sahney et al (2006), Brown, Keonig and Harold (1993), Davis & Allen (1990), Mahapatra and Khan (2007) have tested service quality in higher education institutions: Engineering and B-Schools. These researchers have used modified SERVQUAL scale proposed by Parasuraman, Zeithmal and Berry, (1985).

The second approach adopts the total quality management approach. Various Universities and B-Schools in U.S.A and U. K have adopted TQM type policies since the 1980’s. Researchers such as Garvin (1984), Burkhalter (1993), Morris and Haigh (1993), Spanbauer (1995), Owlia and Aspinwall (1998), Scrabec (2000), Widrick, Mergen and Grant (2002) have researched TQM in higher education. Different models have been suggested to improve quality using TQM.

The third approach suggests using the balanced score card technique to improve quality in B-Schools. The balanced score card is a technique suggested by Kaplan and Norton (1996) for measuring performance in business organizations.

According to Kaplan and Norton (2001), financial measures are lagging indicators of actual organizational performance and suggest an approach that retains financial
measures but adds measures "on the drivers, the lead indicators, of future financial performance" (Kaplan and Norton, 2001)

Drtina, Gilbert and Alon (2007) have explored the possibility of applying the Balanced Score Card (BSC) to measure quality in B-Schools. Figure 3.3 depicts the University Strategy Map suggested by Drtina, Gilbert and Alon (2007).

The balanced scorecard offers a way to close the loop between strategic planning and business school practices so that the strategic management system will drive organizational changes (Conger and Xin, 2000). The strategic planning process incorporates a systems approach, tying an organization's mission to employees by giving frequent feedback on daily actions. Before an organization can implement balanced scorecard, it must define its strategy and its plan for the way to compete. The customer value proposition is central to this strategy because it defines the targeted customers and how the organization will attract and retain them (Drtina, Gilbert and Alon, 2007).

They identified 10 core values depicted on a “values proposition worksheet”. The respondents were students, faculty and administration staff. The core values were: student centered culture, small classes, globalization emphasis, excellent teaching, use of technology, experiential learning, career management emphasis, faculty involvement, leadership and ethics and academic reputation.

The study revealed inconsistencies in a seemingly uniform and focused business school. It revealed much disparity among students, faculty, and staff about the importance of many core values, particularly leadership and ethics, career management, use of technology and to some extent, even academic reputation and excellent teaching.
FIGURE 3.3
UNIVERSITY STRATEGY MAP

Leading indicators

Learning And Growth
- Shared Values
- Qualified Leaders
- Learning Culture
- Technical Support

Internal Operations
- Excellent Teaching
- Respected Publications
- Administrative Effectiveness
- Sufficient Research Support
- Successful Student Recruitment
- Excellent Student Support
- Continuous Community Involvement
- Active Donor Relations

Customer Relations
- Capable Graduates
- Satisfied Employers
- Supportive Donors

Financial Performance
- Growing Revenues
- Growing Endowment
- Financial Stability

These differences raise questions about key components of competitive advantage for the school. Drtina, Gilbert and Alon (2007) suggest that B-Schools should revisit their mission statement, identify potential core values, survey key stakeholders and prioritize core values.

3.8.2 Evaluation of the three approaches: Services marketing perspective, TQM perspective and BSC perspective

The central premise of all the three approaches: Services perspective (using SERVQUAL based scales), TQM perspective and BSC perspective for building and measuring quality is treating “students as customers” and the objective is to delight the customer by providing services which satisfy the customers needs.

Services Marketing Perspective

SERVQUAL was developed to measure service quality in services where, the definition of customer is clear and in for profit-maximization setting as businesses. Most of the service sectors deal with a single customer base and customer satisfaction is of prime importance to them. Various researchers have applied modified SERVQUAL and used it in education. There are various stakeholders involved in an educational setting, the primary stakeholders being students, faculty and recruiters. The secondary stakeholders are parents, society and government. Each stakeholder has different expectations and perceptions of quality from the B-School. Measure quality through a SERVQUAL based scale accords all the different stakeholders in one segment or group. The results obtained may not be an accurate measure of service quality, since different stakeholders expect different attributes of quality, attributes that are significant for one stakeholder, for example, student may not be significant to another stakeholder such as a recruiter.
An educational setup must satisfy the needs of wide range of stakeholders. This results in difficulties to plan for quality control programmes and formulating policy framework (Mahapatra and Khan, 2007).

**Total Quality Management Perspective**

Though Universities and B-Schools have adapted TQM policies in U.S.A and U.K, studies have revealed a mixed response towards implementation and the success of such initiatives. Vazzana, Elfrink and Bacchman (2000), Satterlee (1986) and Koch and Fischer (1998) have shown the problems arising out of following TQM policies in education.

**Balanced Score Card perspective**

Drtina, Gilbert and Alon (2007) have adopted the BSC approach as a tool to enhance quality in a B-School. This approach considers students, recruiters and donors as the customers of the B-School, and emphasis is laid on linking strategic planning process with the goals of students, faculty, recruiters and academic staff. Their study showed that the importance attached to different core values was not uniform across the customer groups. BSC allows an organization to measure the performance from all aspects.

The quality of all higher education programmes cannot be measured using the same measurement scales. B-Schools belong to a niche segment and the selection process, cost of education, career prospects, etc differ from other higher education programmes. The stakeholders’ expectations and perceptions of quality from B-schools are unique, so there is a need to develop a separate measure of quality for B-schools. Different stakeholders have different notions about quality, so quality has to be researched from the perspectives of all the important stakeholders, students, faculty and corporate (recruiters).

Following a particular approach such as services marketing, TQM or BSC may not provide a complete measure, which takes care of all the complexities existing in
managing a B-School. A holistic approach that combines all the three approaches has to be developed. B-School Management involves strategic planning at top management level, which involves the assessment of actions and goals assumed by individual actors or groups. The planning process involves assessing each institutions objective along with a thorough analysis of the external environment. B-Schools need to measure stakeholder satisfaction, considering students, faculty and corporate world and not just student satisfaction. Though performance measurement and evaluation is very difficult in an educational setting, evaluation today is highly necessary and an unquestionable reality. All processes such as teaching, research, service-providing activities etc have to be instituted.

3.7.3 Holistic Perspective

Rosa, Saraiva and Diz (2001) conducted an empirical study to identify all the complexities involved in higher education in Portugal. The survey covered Portuguese public and private higher educational institutions, including universities and polytechnic schools. They analyzed management, quality–related, evaluation and strategic thinking practices in the sample institutions. The survey revealed varying degrees of planning activities in the institutions, the areas in which quality institutional policy was implemented were: teaching, research, community services, administrative services, social services, technical services, documentation services and computing services.

The sixteen subjects reflected in the institutions global development plan were; relationship with the environment, teachers and researchers’ training, internationalization, services provided, student’s insertion in active life, new teaching methods, curricular development, technological development, culture, interdisciplinarity, geographical/ space expansion, administration, research management, learning success, regional development and secondary education/ higher education transition.
Based on this study, Rosa, Saraiva and Diz (2001) proposed a model called: The excellence model for Portuguese higher education institutions. Figure 3.4 depicts this model. Roza et al (2003) validated this model through structural equation modeling.

**FIGURE 3.4**

![Excellence Model Diagram](image)

**ACTORS**
- European Union
- Professional Associations
- Society Organizations

**PROCESSSES**
- Partnerships
- Resources
- Internal catalysts
  - Leadership
  - Structure and organization
  - Policy, structure and culture
- Outcomes (Stakeholders)
- External regulation

**ASSESSMENT, INNOVATION AND IMPROVEMENT**

Fig. 3.4: Source: Roza, Saraiva and Diz (2001). The development of an excellence Model for Portuguese higher education institutions, Total Quality Management, Vol. 12 (7&8), pp 1010-1017.
The AACSB, the Association to Advance Collegiate Schools of Business, U.S.A and EQUIS, the European Quality Improvement System adopted in the developed countries for accreditation and assessment have incorporated many of these concepts.

3.8 Quality of Management Education in India

Extant literature review has revealed that applying industry-type, quality programs in education may be very difficult to implement and measure. TQM in academics has been found practical for processes like, admissions, quality of teaching-learning, administrative practices etc.

There is a need for a holistic perspective for measuring quality of management education, which considers all aspects- academic, nonacademic, admissions process, placements, perspectives of different stakeholders, government, external bodies, etc.

Laha (2002\textsuperscript{103}) has identified the following determinants of management education

a. Academic environment- library facilities, journals available, computer facilities etc.

b. Intellectual capital- number of faculty, books and journal articles published, seminars and conferences attended etc

c. Physical infrastructure- classrooms, laboratories, campus, hostels etc

d. Industry interface- number of MDPs (Management Development Programs), in-company programs, consultancy projects, industry professionals visiting campus etc.

e. Placements- percentage of students recruited through campus selection, average salary offered etc.

f. Stakeholder satisfaction and perception- Faculty, student and recruiter’s perception and satisfaction.

g. Innovation- Courses modified, updated, new innovative courses launched etc
Gupta, Gollakota and Sreekumar, (2003\textsuperscript{104}) have proposed five yardsticks to measure quality of business education in India they are, (1) Quality of students including the admission process, (2) Pedagogy, (3) Placement (4) Faculty development and (5) Infrastructure.

Rao (2006\textsuperscript{105}) has proposed a model for achieving continuous quality enhancement and global standards for B-Schools. The parameters of the proposed model are, (1) Academic curriculum- benchmarking, responsiveness and orientation to shifting corporate needs, (2) Internal branding (3) Leadership and institutional governance, (4) Forging international alliances and alignments (5) Global admissions and internships (6) Benchmarking for global accreditation.

There is a strong need to develop a framework for measuring quality in a B-school. Students, faculty, university, top management, and industry have different perceptions and expectations about B-school quality. Quality has to be researched from the perspectives of all the different stakeholders.

The most sought after MBA program, regarded as having the best quality, is from the IIMs, which are government funded. However, with the spurt in the number of private B-schools, there is increasing difference in the quality of business education provided by different providers. Gupta, Gollakota and Sreekumar (2003\textsuperscript{106}) cite various reasons for the existence of wide differences in quality, there is no uniform entrance test for admission to an MBA program, CAT, MAT, XMAT, etc. The Government of India tried to introduce a common admission test for the B-schools but the Supreme Court of India rejected that attempt. The Court ruled, “Private educational institutions have a personality of their own, and in order to maintain their atmosphere and traditions, it is necessary that they have the right to choose and select the students who can be admitted” (Goswami, 2003\textsuperscript{107}). India does not have a body like AACSB (The American Assembly of Collegiate Schools of Business) in USA, the apex body AICTE (All India Council for Technical Education) is responsible for defining the basic framework for quality of the business-
education and approving entry and expansion of all institutions, there are in practice, many problems that undermine its effectiveness. (Gupta, Gollakota and Sreekumar, 2003)

There are many areas like, infrastructure, teacher-student ratio, number of Ph. D faculty in an institute, etc which feature only in plans, to get AICTE approval. It is reported that many business schools got AICTE approval on the basis of attractive project plans, which never got implemented, so that some of them operated “virtually from sheds and garages” (Raghunath, 1998). AICTE has launched NBA (National Board of Accreditation) using a benchmarking system with regard to factors such as physical infrastructure, quality of inputs, and faculty training. However, falling standards of schools approved by AICTE dropped its credibility (Gupta, Gollakota and Sreekumar, 2003). In 1998, All India Management Association (AIMA) used ISO 9000 to develop a quality assurance system, known as QBS 1000. QBS 1000 program determined and assessed B-school’s quality and processes and certified their capacity across crucial and desirable parameters. The QBS 1000 system was intended to evaluate quality at 100-plus institutions associated with AIMA (Raghunath, 1998). Rao (2005) suggests B-School classification as: Research based Schools, Specialized Schools, General MBA Schools and Practice Oriented and Industry linked (Rao, 2005)
3.9 A Bird’s Eye View of Literature

**TABLE 3.2**

**LITERATURE REVIEW: A BIRD’S EYE VIEW**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Year and Author</th>
<th>Excerpts/ key contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality in business</td>
<td>ISO, 1986</td>
<td>Totality of product’s characteristics and features</td>
</tr>
<tr>
<td>Definitions of quality</td>
<td>Srabec, 2000</td>
<td>Conformance to specifications</td>
</tr>
<tr>
<td>Attributes of Quality</td>
<td>Gravin, 1984</td>
<td>Performance, features, reliability, conformance etc</td>
</tr>
<tr>
<td>TQM</td>
<td>Seymour, 1992</td>
<td>Quality is continuous improvement</td>
</tr>
<tr>
<td>Purpose of quality measurement</td>
<td>Madu &amp; Kuei, 1993</td>
<td>Exposed management to high cost of ignoring quality</td>
</tr>
<tr>
<td>Characteristics of quality</td>
<td>Parasuraman, Zeithaml and Berry, 1985</td>
<td>Elusive &amp; indistinct</td>
</tr>
<tr>
<td>Service</td>
<td>Kotler, 2002</td>
<td>Intangible, has to be experienced</td>
</tr>
<tr>
<td>Standardized method of measuring quality</td>
<td>Brown, Keonig &amp; Harold, 1993</td>
<td>Standardized set of questions</td>
</tr>
<tr>
<td>EduQUAL scale</td>
<td>Mahapatra &amp; Khan, 2007</td>
<td>43 items drawn form SERVQUAL and others</td>
</tr>
<tr>
<td>Quality is idiosyncratic</td>
<td>Ewell &amp; Keller, 1992</td>
<td>Quality concerns are unique to individual</td>
</tr>
<tr>
<td>Definition of QFD</td>
<td>Maddux et al, 1991</td>
<td>Designing a product based on customer demand and involving all members of the organization</td>
</tr>
<tr>
<td>Empirical survey using SERVQUAL</td>
<td>Sahney Banwet &amp; Karunes, 2006</td>
<td>To identify framework of design characteristics able to provide quality education</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Peters &amp; Waterman, 1982</td>
<td>Excellence in education</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Frigenbaum, 1951</td>
<td>Value addition in education</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Reynolds, 1986</td>
<td>Fitness for purpose</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Brennan et al, 1992</td>
<td>Fitness of educational outcome and experience for use</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Tang &amp; Zairi, 1998</td>
<td>Conformance of educational output to planned goals</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Juran &amp; Gryna, 1988</td>
<td>Defect avoidance in educational process</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Gilmore, 1974</td>
<td>Meeting or exceeding customer expectation of education</td>
</tr>
<tr>
<td>Quality in education</td>
<td>Parasuraman et al, 1985</td>
<td>Is service, has 2 types of customers: external and internal</td>
</tr>
<tr>
<td>Education</td>
<td>Spanbaur, 1995</td>
<td>Differentiated between TQM and TQE</td>
</tr>
<tr>
<td>Drawback of TQM in education</td>
<td>Scrabec, 2000</td>
<td>Considering students as customers</td>
</tr>
<tr>
<td>Distinction between</td>
<td>Garvin, 1984</td>
<td></td>
</tr>
</tbody>
</table>
### Quality of Management Education

**Chapter III  Literature Review on Quality of Management Education**

<table>
<thead>
<tr>
<th>TQM and TQE (Total quality education)</th>
<th>Scrabec, 2000</th>
<th>Standardizes national tests, certified educational institutions etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eight potential measures of quality education</td>
<td>Widric, Mergen &amp; Grant, 2002</td>
<td>Quality of design, conformance &amp; performance</td>
</tr>
<tr>
<td>3 quality dimensions</td>
<td>Montmore &amp; Stone, 1990</td>
<td>Produce graduates, communicate, cooperate etc</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Wicks, 1992</td>
<td>Acquisition of knowledge, building value system etc</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Epple &amp; Romano, 1998 Basu, 1989</td>
<td>Profit maximizing schools chooses quality students to maximize profits</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Bejou, 2005</td>
<td>Students are the buyers who register for courses offered by B-Schools</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Harris, 1992</td>
<td>Students are also raw materials, suppliers and products</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Kotler &amp; Fox, 1995</td>
<td>The advertisements, market analysis and promotions indicate that schools are no more ‘not for profit organizations’</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Delucci and Korgen, 2002</td>
<td>Study says that higher education operates as consumer driven marketplace</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Carlson and Fliesher, 2002</td>
<td>Has lessened the rigor of curricula and teaching methods</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Belohav, 1984</td>
<td>Consider student as final consumer and Government &amp; business sector also as final consumer</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Bay and Daniel, 2001: Henning-Thurau et al 2001</td>
<td>Students can be considered as collaborative partners</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Mills &amp; Morris, 1986</td>
<td>Students can and should be managed as human resources of organization.</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Litten, 1980 Armstrong, 2003</td>
<td>Clients who pay to receive professional services</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Shahaida, Rajashekar and Nargundkar, 2006</td>
<td>A stakeholder with a vested interest in acquiring higher education. Student needs given utmost priority but faculty remains final decision maker.</td>
</tr>
<tr>
<td>Purpose of education</td>
<td>Garvin 1984, Burkhalter 1993 Morris and Haigh 1993</td>
<td>Total Quality Management approach</td>
</tr>
</tbody>
</table>
### Quality of Management Education in India

#### (A Case Study of B-Schools in Karnataka State)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>The excellence model for Portuguese higher education institutions</td>
<td>Rosa, Saraiva and Diz, 2001 and 2003</td>
<td>Holistic perspective: Based on empirical study to identify all the complexities involved in higher education.</td>
</tr>
<tr>
<td>Model for achieving continuous quality enhancement</td>
<td>Rao, 2006</td>
<td>Academic curriculum, Internal branding, Leadership and institutional governance, Forging international alliances and alignments, Global admissions &amp; internships</td>
</tr>
</tbody>
</table>
Conclusion

The comprehensive literature survey has revealed that the subject of quality in management education is approached in different perspectives such as services marketing approach, TQM approach and balanced scorecard approach. A combination of approaches is required to study the quality of B-Schools. Holistic approaches overcome the drawbacks of individual approaches and combine the benefits of each approach also. A holistic approach to quality measurement has been adopted in this study. Unlike all previous studies which have considered quality measurement in B-Schools from the perspective of only one stakeholder: either students or B-School heads. This study considers the perspectives of four stakeholders: Students, recruiting companies, faculty and B-School heads of departments. Data is collected from four stakeholders, the expectations and perceptions of students, recruiting companies and faculty on different parameters of quality are recorded and analyzed through appropriate statistical tools.
End Notes


10 Ibid. 09


14 Ibid 11
Chapter III  Literature Review on Quality of Management Education


16 Ibid 13


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30 ibid.29

31 ibid.11


38 ibid.08.


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48 Deluca, M and K. Korgen (2002), We’re the Customer – we Pay the Tuition: Student Consumerism among Undergraduate Sociology Majors, Teaching Sociology, 30 (January), pp 100-107.


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58 ibid. 50

59 Groccia, James E (1997). The student as Customer versus the Student as Learner, About Campus, (May- June), 31-32.


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68  Obermiller, Carl Fleenor, Patrick and Raven, Peter (2005). Students As Customers or Products: Perceptions And References Of Faculty And Students, Marketing Education Review, Volume 15 (2) (summer).


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82 ibid.81.


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85 ibid.20

86 ibid. 13

87 ibid. 15

88 ibid. 17

89 ibid. 11

90 ibid. 07

91 ibid. 40

93 ibid. 32
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95 ibid. 06

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100 ibid. 17


Chapter III    Literature Review on Quality of Management Education

106 ibid.104


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