CHAPTER - I

INTRODUCTION

Management education in India is gradually losing its charm. This is evident from sharp decline in the number of MBA aspirants so much so that a large number of seats in the Business Schools (B-Schools) across the country remain unfilled. Many colleges have opted for closure. Even the corporate looks at the B-School graduates with suspicion in terms of their competencies and employability. Unfortunately, regulatory body has focused more on granting approvals rather than improving the quality of management education in the country resulting into high proliferation and low quality of teaching-learning.

The problem is further compounded by faculty shortage, poor quality of faculty, short term focus of the management education providers, poor governance, lower degree of accountability, indifference of the corporate and above all competencies of MBA aspirants in terms of undergoing rigor of professional education. Emerging scenario demands immediate course-correction and greater involvement of all the stakeholders’ vis-à-vis management education.

1.1 Context & Current Scenario of B Schools

Looming Crisis in management education in India can be attributed mainly to the mushrooming of B-Schools. At present there are approximately 3,900 B-Schools in India which have a capacity of about 400,000 students a year (Sarkar, 2011). While in 2004 this number was 1200 with an annual intake of 75,000, the number of B-Schools in 1990 was only 130 with an annual MBA intake of 12,000 (8000 full time, 3000 part-time, and 1000 distance education) (Gupta & Gollakota, 2004). Interestingly only 4 B-schools were added in the first three decades since the launch of formal business education in India.
However, sudden mushrooming of B-Schools has put immense pressure on the available resources. Additionally, the quality of education in terms of student intake, faculty and curriculum has been compromised by most of these B-Schools. Recent trend shows a decline in the number of aspirants for the admission tests for MBA in various institutions. CAT saw a shocking decrease in number of aspirants from 275,000 in 2008 to 204,000 in 2010, while there were 2,05,000 aspirants in the year 2011. Simultaneously the number of Indians aspiring for GMAT, a standard test of proficiency in mathematics and English language for admission into graduate business administration programmes dropped from 21,612 in 2009 to 18,675 in 2010. Similar fall in the number of aspirants was observed in XAT where the number of aspirants fell from 103,427 in 2009 to 84,979 in 2010 and in case of NMAT from 45000 in 2009-10 to 40,500 in 2010-11 (Sarkar, 2011).

As a result of decrease in the number of MBA aspirants, around sixty five B-Schools in India are planning to close down as the trustees of these institutions believe that there is no future of management education in the country. Data reflects that many of such B-schools are located in Uttar Pradesh, Rajasthan, Maharashtra and Andhra Pradesh. It is feared that this number may increase before the start of the next academic session (Nanda, 2012). Further, there is no occupancy for about 40 per cent of management seats and there is a decline of 65 per cent of occupancy rate in B-Schools in 2011-12 (CRISIL, 2012). It is observed that the B-schools which want to close are mostly those in remote India which are of inferior quality and thus do not get students (Chhapia, 2012). The reasons for this acute decline may be attributed to increase in number of seats in the B-Schools across the country, shortage of competent faculty, absence of industry-institute interface, increasing awareness among students about the quality of education disseminated by the B-Schools of the country (CRISIL, 2012).
Additionally, the objective of most of the B-schools in India has interestingly been transformed since its establishment from imparting skills to placement. Even before the establishment of formal management institute in 1953 (Indian Institute of Social Welfare and Business Management), Tata Institute of Social Sciences (1936) and Xavier Labour Research Institute (1946) were already imparting training programmes for managers. The objective of imparting these training programmes was however, to create professional cadre of managers who would eventually run businesses and become entrepreneurs.

However, post-1980, business education was considered as passport to better jobs in corporate by students without facing intense competitive pressure in science stream. It was in this era that many parents encouraged their children to take up commerce education at their graduation level so that they could take up management education later to become successful managers in the corporate. Subsequently Indian economy witnessed major shift after liberalization when many multinational corporations entered the market to give stiff competition to the existing domestic companies. This resulted in huge demand for skilled business graduates. Many entrepreneurs and business houses tapped this opportunity and set up management institutes in various parts of India.

Although the number of B-Schools in India has increased since its formal establishment, the quality of education has not improved concurrently. Datar (2010) raised a question regarding the capacity of MBA programs to prepare managers for their career. B-schools are now being blamed for producing MBAs who do not suit the requirements of corporates. They are also blamed for not sensitizing MBAs of being socially responsible business leaders (Barker 2010). Leavitt(1989); Mintzberg (2004); Bennis & O’Tools(2005) have accused the MBA programs of focussing extensively on
theories and paying less attention on providing practical skills. Further Mintzberg (2004); Ghoshal (2005); and Khurana (2007) have criticized MBA programs of emphasizing less on teaching ethics as a result of which there are severe problems in contemporary management. Contrary to providing its students a holistic knowledge about business with more emphasis on increasing their skills, it has been observed that B-Schools encourage turbo capitalism in their students as a result of which they have one-sided thinking (Khurana 2007).

Datar, Garvin, & Cullen (2010) observed that with the existing pedagogy, B-schools students are:

i. Unable to understand the limitations of theories taught to them;
ii. Unable to logically apply the theories taught in classroom in actual life;
iii. Lack the skills and attitudes in the application of the theories;
iv. Fail to critically scrutinize context and draw correct conclusions.

MBA graduates are deficient in global perspective, leadership skills, integration skills, recognizing organizational realities and implementing effectively, acting creatively and innovatively, thinking critically and communicating clearly, understanding the role, responsibilities and purpose of business, understanding the limits of models and markets (Datar, Garvin, & Cullen, 2010). In the absence of these skills, the MBAs do not remain employable. This is furthered by the NASSCOM’s report (2012) indicating that not more than 25 per cent of engineers and MBA graduates are employable.

To add to the problem, there is a decrease in placements of MBAs. This phenomenon began in 2008 when getting lucrative jobs by MBA students declined (Times of India 2011). Slowdown in the economy has added to their problems as all B-Schools in India, including the IIMs, are feeling the impact of global slowdown in their
placements. This problem has compounded with the increase of students in their institutes. For instance IIM-Indore is feeling maximum heat as its batch size has increased from 240 in 2011 to 450 in 2012 (Rao 2012). Another premium institute, Xavier Labour Relations Institute reveal that the average job offer made to students in 2012 has come down to 50% from 75% last year.

Getting the right number and quality of faculty members is a challenge for Indian B-Schools. Additionally the quality of research of the Indian B-School faculty members is also not up to the global standards. Unfortunately, a majority of B-school promoters are least concerned about attracting, developing and retaining good faculty. They usually develop cold feet when it comes to faculty development while they do not mind spending lavishly on infrastructure, advertising, etc.

Ambiguities in vision, mission, purpose, and core values of majority of the Indian B-Schools have further worsened the prospects of management education in the country. It has been observed that there are fundamental flaw in strategic perspectives on managing the B-Schools. Governing bodies of most of the B-Schools have been constantly focusing on unmindful expansion while neglecting market realities, societal needs and stakeholders’ interests. Business education in India has grown mostly as a channel to make quick profits rather than nurturing managers with required skills, ability, aptitude and knowledge Chaturvedi (2012).

No wonder, the industry complains of unavailability of competent managers despite a large number of management graduates joining the labour market every year. The society looks at the B-Schools with suspicion in terms of their abilities to create solutions to social problems. The students, on the other hand, are reluctant to undertake management education due to seemingly uncertain employment opportunities after graduation.
1.2 Need for Revitalizing Management Education in India

Doing business in the current scenario is very different from what it used to be pre-liberalization. There is more stiff competition in the market and there is no place for monopoly. Organizations thus require people who are versatile in terms of their skills and approach. They require people who can help them in providing assistance in niche areas as well. With increase in cultural diversity, organizations are in need for leaders who have a global outlook with a domestic taste. Further, there is a need for the education system to focus more on application-based knowledge.

However, currently majority of the Indian B-Schools are less focused on case method teaching or out-of-classroom teaching methodology for imparting practical knowledge to their students. This leads to a gap in competencies developed by the B-Schools and the competencies required by the corporates. India has an advantage over other countries as over 770 million of its people are under the age of 35 years with an average age of its population being 25 years. On the other hand, the average age of population in China and Japan is 34 years and 40-45 years respectively. India thus can provide a major resource for the growth and development of the economy in the world.

Globalization has opened doors of employment opportunities across the world for Indian youth. As India has significant youth population, B-schools can capitalize the opportunity to convert the youth into highly employable workforce in the internationally competitive labour market. This opportunity is imbued with new challenge for the B-School especially as majority of them are ill-prepared to take on the future in term of resources, mind-set and strategies. Hence revitalization of B-Schools in the country is emergent need of the hour.
1.3 Mixed Signals over the Quality of Management Education Imparted

Management education across the globe is facing unique crisis of staying relevant in a fast-changing world. All aspects of business education – Such as quality of MBA aspirants, curriculum, business research, the quality of research publication, Industry-Institute interface, management development programmes, faculty development programmes, placements, compensation packages of B-School graduates, career development trajectory of alumni, diversity among faculty as a well as students, governance and accountability are under the scanner. Indian B Schools are not immune to the headwinds in management education in the international arena. Indeed, they are also facing a range of issues such as proliferation of B-Schools, the quality of education, faculty shortage, poor regulatory mechanism and governance and accountability like never before.

AACSB International reported in 2002 that students who complete their MBA programme find entering job market more lucrative than pursuing doctoral programme. The report also concluded that only 40 percent of PH.Ds opted for a career industry. Beside, not many of them have the competency to become good faculty in B-Schools. This problem was equally valid in 2012 as it was in 2002.

Nonetheless the phenomenal growth story of B-Schools in India continues unabated albeit at a slower pace. While the number of B-Schools is said to be about 4,000, the number of MBA aspirants has declined quite significantly over the last three years. As a result, many B-Schools have failed to constitute full class during this period.

In contrast, an extremely dynamic business world and rapidly developing knowledgebase service economy have put in an increased demand for professionals to manage business effectively. And this is precisely the reason why amongst various other
field of knowledge, desire for acquiring management qualification is growing, both amongst the fresh graduates and working executives.

In India, before the 60s, business education was not offered as a separate area of specialization. Employees in the businesses were mostly graduates or post graduates in ‘Commerce’ stream. In the 1960s, business education formally started gaining importance in India with the establishment of two Indian Institute of Management; IIM Calcutta in association with Slogan school of management and IIM Ahmedabad with Harverd Business School. After that there has been relatively slow but steady growth in the number of schools and popularity of business education in India. A massive upsurge of business schools was observed post 1991 when India was liberalised and this opened the global world. Many multi-nationals entered India, bringing to the fore increased demand for professionals. Business education now moved beyond domains of Government control with establishment of many private institutions.

Around the same time the Indian economy was also being integrated into the world economy. As many other ambitious society, Indian also started placing great importance on commercial activities as a catalyst to socio-economic development. Resurgent India sees wealth creation as a great equaliser among all sections of the society. In such a scenario a knowledge worker who can work at the cutting edge of technology, add value to the bottom line, and provide competitive advantage to the industry has become a hot commodity to acquire. In tandem with such rapidly escalating demand for business education, in year 2004, the number of business schools in India has grown to 1,320 from just 130 in the years 1991, offering more than 75,000 seats. As stated before that figure is now more than 4,000. Each year more than 2,00,000 students in India compete for admissions to prestigious business schools.
Though the very advent of business schools in India was to cater to the demands of the industry, the two entities have traditionally been operating in separate domains and as more or less isolated islands. Their partnership is only episodic and accidental, and without any strategic intent.

The trend of Management education indicates that knowledge creation is becoming more students based. This will usher in a variety of changes which paradoxically include a trend towards close interaction among students, industry and the faculty. Industry has also discovered the advantages of collaborative learning opportunities.

Corporations seek to play increasingly important role in activities of academic institutions to incubate the talent they need. The shift towards the short term performance metrics and shareholders interest has led to a number of changes in conduct of business, which has translated its effect on business school. The progress overall, B-Schools in India and by extension in Tamilnadu, need to revitalise management education to meet the expectations of all the key stakeholders such as students, faculty, society, Industry, Government and global community at large. The industry rather than just being the customers of business school output has become stakeholders and partners in progress. This really is what triggered the researcher’s curiosity to survey the B-School in Tamilnadu, India to assess the faculty perceptive of change management.

1.4 Strategies for Revitalization of Management Education in India

Management schools need an honest and objective introspection of self rather than pointing at its external environment for the current scenario. A macro analysis of the environment of B-schools will help them understand their position in the entire socio-economic milieu. The reflection process involving all the stakeholders will help in
setting agenda for change. It is imperative that the B-schools should look at fine-tuning vision and mission, leadership and governance, holistic development of faculty, pedagogical innovations and academic-industry interface.

a. **Fine tuning vision and mission**

   A well-defined and clearly understood vision and mission statement of any B-School is key factor that differentiates good quality B-schools from others. Not only that, the quality of education imparted and enhancement of employability of students also vests on the vision, mission and core values of B-schools. AACSB realizes the significance of mission and vision of B-schools. In fact development of sound organizational objectives depends essentially on clear definition of mission and purpose (Drucker 1973). It is thus obvious that B-schools should clearly communicate effectively to all the stakeholders. Mission, vision, and values are the three pillars of success of any organization.

   Mission helps organizations understand the core purpose for which it is existing (Scott, et al 1993). It helps in setting direction of organizations. Terrill and Middle brooks (2003) mentioned that mission statement answers the following fundamental questions:

   i. Why an organization is in business?
   
   ii. What it wants to become?
   
   iii. How growth is to be achieved?

   Key features of the mission statements of Business Week 1000 firms include Customers (Who are the enterprise’s customers?), Products or services (What are the core products or services offered by the firm?), Location (Where does the firm operate?), Technology (What is the firm’s basic technology?), Concern for survival (What is the firm’s commitment to economic objectives?), Self-concept (What are the
AACSB encourages B-schools to define their own unique mission statements which should reflect their goals and objectives. In fact, it grants accreditation only to those B-schools which actually comply with their mission statements. Besides, other accreditation agencies also emphasize on mission statements of the B-Schools. No doubt, mission statement of any organization determines its relevance to the community, overall organizational outcomes, and involvement of the stakeholders in gradual and sustained evolution of the institution.

A quick survey of web-sites of Indian B-schools to capture their mission, vision, and core values for the purpose of this study was quite revealing. While top Indian B-schools have clear and focused mission statements, the contrary is true for a number of other institutions as we go down on the ranking and rating scales. In many cases, the spirit of mission statement is missing as it fails to answer the fundamental questions that such statements should address. It seems that the institutions craft their mission statements in a superfluous manner using cliché and jargons such as techno-savvy, future ready, holistic development, secular values, emotional balance, world class education, eternal values, etc.

Interestingly, most Indian B-schools have mentioned in their mission statement the objective of creating managers. B-schools talk of philosophy of developing competent and creative managers/leaders who would serve the corporate world. A competent manager is expected to have the ability to respond to not only to the ever-changing external environment of business but also to the internal environment of business (Sanchez, 2004). However, the paradox is that the corporate, still complain
about poor quality of B-school graduates. Datar et al. (2010) have observed that the B-schools need to educate its students and help them develop a deep understanding about globalization, leadership, and innovation, as well as the ability to think critically, decide wisely, communicate clearly, and implement effectively.

Moreover, mission statement of B-school also mentions about creating ethical leaders. Trevio et al (2003) defines ethical leadership as the one which involves leading in such a manner that the rights and dignity of others are respected. Character and integrity of an ethical leader directs his beliefs, values, and decisions. Despite so many Indian B-schools having the mission of creating ethical leaders, the country has faced scams like Satyam scam, 2G Scam, Iron Ore scam and many other scams where crores of rupees were siphoned out of the economy. This is furthered by Geneva-based Transparency International which rates India as one of the most corrupt countries in the world. Hence, one ponders that if the B-Schools have the mission of creating competent ethical leaders for the corporate world, then why the actual situation is so different?

It seems that most of the Indian B-schools have used “ethical leadership” in their mission statements merely as a catchphrase. Concerted efforts to translate various dimensions of mission statements are generally missing. For instance, institutions claiming development of ethical leadership as a part of their mission statement may not have appropriate provision in their curriculum to teach ethics or integrate it with other subjects. This is not a typical Indian scenario. Global experience of teaching ethics is quite disappointing. It is either taught as an academic subject through intellectual analysis or as a ‘wake-up call to an assumed audience of blissfully self-centered future managers’ (Gentile, 2011).

Development of faculty is remarkably missing in mission statements of most of the B-schools. It is very amusing to observe that most of the Indian the B-schools have
mentioned in their mission statements phrases like “create set of socially concerned
corporate citizens”, “provide world-class management education and add value to
organization”, “impart skilled productive & utility-based education for youths”,
develop competencies of students with good value system”, “nurture creative
contributors with enhanced managerial and technical skills”, “to be most sought after
destination for quality management in education”, etc. without mentioning the
development and growth of faculty members who actually would be triggering thought
processes and would be disseminating knowledge among the students of B-schools.

Enhancement in knowledge, skills and aptitude of students will happen when the
faculty is trained and does more research work. However, survey reflects that in a
period of 20 years, from 1990 to 2009, Indians had authored only 108 research papers in
40 key academic journals with an average of five research papers in a year (Kumar and
Puranam, 2011). Furthermore, B-schools are feeling the pinch of shortage of good and
competent faculty members (Chaturvedi, 2012). It is a common observation that the
quality of students graduating from lower-rung B-schools lack required skill sets and
training (CRISIL, 2012). This may be attributed to the low quality of faculty members
available to teach students in these colleges. The faculty development programmes
available in the country either charge hefty registration fee or are sporadic in
occurrence. This leaves little room for the faculty members to develop their skills.
Mission statements of B-schools would be more meaningful if they reflect commitment
towards faculty development as well.

While surveying the websites of Indian B-schools, it was found that a number of
institutions had clubbed the mission and vision statements, ignoring finer differences
between the two. As such, vision refers to an idealized goal that the leader wants the
organization to achieve in the future (Conger and Kanungo, 1987). It helps to
understand the future picture or image of organization. It helps individuals understand
the core values of the organization, focus on mission and stretch themselves (Scott, et.
al., 1993). Vision-mission tangle leads to confusion among the faculty members as well
as administrators so far as overall direction of the institution, roadmap of the future and
core values is concerned. Some of the examples of vision-mission mesh are as under:

…is committed to provide high quality management education through distance
learning across the globe. The key benefit is the flexibility of learning anywhere. The
institute combines latest academic knowledge with international competence…..at …we
dedicate our intellectual resources to advancing the frontiers of business and educating
future leaders. To understand and complex interdependencies, we aim to empower
business and “their leader to understand and address the far-reaching changes affecting
the world.”

…to achieve excellence in imparting professional management education to the
participants of various academic pursuits of the institute by constantly updating and
innovating to achieve the super-ordinate objective of inculcating dynamic attitude,
professional skills, enterprising abilities and experiential knowledge amongst the
participants by benchmarking the best management institutions with respect to their
practices and offering the best possible human, physical and academic infrastructure to
facilitate the learning and sharing in an effective manner.

Interestingly, the top 10 B-schools globally do not mention vision statement in
their web-sites (Browning 2009). A survey of websites of many Indian B-Schools also
reveals that they do not even mention their vision on their websites. In addition to many
other reasons, this also reflects the lack of vision of the governing body or their lack of
understanding about the significance of vision statement in development and growth of
management institutions.
Core values of any institution aid in making decisions and leading. It also talks about the core priorities of an organization’s culture. Yet, it was found missing on the websites of many Indian B-Schools surveyed.

This leaves one wondering whether there is any relationship between mission, vision and core values of an institution and its growth and output. Palmer & Short (2008) observed a positive relationship between the elements mentioned in mission statements of B-schools and their performance. For instance, they found that those schools whose mission statement stressed upon growth, survival, or profitability had higher rankings and their operating budgets were, on an average $30,000 higher than those who did not. Thus, if the B-schools want to remain competitive and produce business leaders in true sense, they need to

a. Fine-tune their mission statements based on contemporary realities;

b. Align their strategies with their mission statements;

c. Involve all the stakeholders in defining mission statement.

Mission statements reflect goals and objectives of an institution. It also reflects personality of any organization. It should thus be realistic, focused and comprehensible which is in sync with the business environment. In order to be realistic, it is important that the mission statement is re-examined every 3-5 years involving all the stakeholders viz., students, faculty, non-teaching/administrative staff, alumni, society, funding organization, government, and representatives from the corporates. This is so because only when the employees understand mission of an organization in its true sense will they be able to execute and implement with utmost passion (Bart et al. 2001).

This can be accomplished when there is transparency in the system and the mission drafting committee is democratically constituted. It is imperative that the mission drafting committee has a fair representation of all the stakeholders. Moreover,
the suggestions which would evolve from brain-storming sessions of the committee should be duly considered by the management while finalizing the mission statement. Otherwise the entire exercise would be futile.

B-schools should avoid being verbose while re-drafting their mission statements. For any mission statement to be successfully implemented, it is important that the every word is simple, understandable and communicated adequately. Moreover, its length should be such that all the stakeholders can remember and recall and thus can imbibe in all their activities. Although even accreditation agencies like AACSB have not mentioned the number of words a mission statement should include or the length of mission statement, it is important that the mission statements should include words that define the questions like what does the institution do, who does it and how it is done.

b. Leadership and Governance

Quality of education and faculty attrition rate in B-schools are a function of governance. Decision-making is one of the important facets of governance. It is a common observation that B-schools in India follow a top-down approach in decision where the authority decreases down the hierarchy.

Moreover, the quality of governance depends to a large extent on the ability of directors of institutions to visualize future and their ability to make sure that all his faculty members and staff are able to imbibe the mission, vision and values of the institution (Palety, 2008). Many directors, especially those who have been promoted from faculty to director’s position, are found to be deficient in administrative skills. Many are also hand-picked by the proprietors. In fact Indian Institute of Management (IIM) Ahmedabad had to lock-horns with the Ministry of HRD to make amendments in the specific clause of the institution’s memorandum of association pertaining to role of the government in director’s selection process (Kasturi).
Further, the directors of the management institutions are vested with limited powers. This is evident from the fact that the chairpersons and directors of the 13 Indian Institutes of Management (IIMs) had discussions with the government demanding more autonomy in financial and administrative matters. The situation is worse in those institutions where the administrative and financial powers are vested in the trustees, while the director is just a ceremonial head.

There are instances where leadership positions and responsibilities are given to the faculty members without commensurate authority. Moreover, faculty participation in decision-making is minimal despite their representation in the governing bodies, academic councils and academic advisory councils. Most institutions, in fact have faculty participation in such bodies because it is mandatory as per the guidelines of regulating bodies. As a result, the decision-making power vests mostly in the trustees. Thus, the objective of autonomy, democracy and participation of faculty members in B-school appears to be only decorative.

c. Holistic Development of Faculty

Faculty members are backbone of any B-school. The brand of management institutions can be altered by the quality of faculty members in that institute. In order to achieve the objectives that the B-schools have mentioned in their mission statement, it is important that the strategies emanate from their mission. No B-school can grow and produce right skilled ‘business leaders’ without right skilled, good quality faculty with an aptitude to teach and engage in research. Barber & Mourshed (2007) stress that the quality of education system is a function of the quality of its teachers. Research and training are essential for the growth of faculty members as it ensures that they do not teach out dated theories. However, it is surprising to observe that except the top B-schools, not many have an environment that motivates faculty members to do research.
AICTE and UGC have not made it mandatory for the B-schools to allocate budgets for faculty development program. Barring the top management institutions, many do not have provisions to support the faculty for attending conferences, travel for research, leave for further studies, funds to purchase journals, books, etc. There are also such B-schools which do not have proper library, proper seating arrangement for faculty members, electronic database or adequate journal subscription (Palety 2009).

Thus, if B-schools want to survive in this turbulent environment, it is essential that they start investing in the growth and development of its faculty members. Not only this, the management institutions need to create research congenial environment for its faculty members.

d. Pedagogical Innovation

Except the top B-schools like the IIMs, which have tried innovative methods to teach their students stress management, team work, project management, strategic management, etc., most of the B-Schools are still adhering to the traditional classroom methods of teaching. Not many B-schools adopt case method of teaching. This could either be due to lack of competent faculty to handle cases or because the B-school has not allocated any fund to purchase those cases.

There needs to be integration between what is taught in class and what an individual would experience in corporate world. This calls for shunning the *straight jacketing approaches* and adopting more innovative and fresh ways of looking at the issues. Top Indian management colleges like IIM Indore have adopted innovative methods of teaching lessons on project management by taking its students to the Himalayas for a week to train them to handle tough situations. However, not many B-schools in India adopt these methods. In fact most of them are still content with downloading of theories rather than uploading new ones.
There are few colleges like Narsee Monjee Institute of Management Studies University and Institute of Public Enterprise, Hyderabad which do have formal auditing mechanism in which the committee monitors all the pedagogical systems and processes. However, it is required that all the B-Schools follow the mechanism of auditing of their pedagogy so that there is quality teaching in the management colleges.

e. **Enhanced Industry Interface**

There exists a symbiotic relationship between B-schools and the corporate houses. It is thus imperative that both institutions and companies work together towards improving quality of management education and enhancing employability of the MBAs. Many corporate houses have realized the need for increased interface between industries and academia and they have made concerted efforts in this direction. For instance, IBM has partnered with Indian School of Business (ISB), Hyderabad to perform researches in the areas of management, operations research and economics with focus on business-to-business services. Tata Consultancy Services (TCS) encourages its employees to take lectures at B-schools to improve the interface and has included this component in its performance appraisal as well. IIM Ahmedabad is supporting Performance Monitoring and Evaluation System for Government (PMESGD) in the area of capacity building. Institutions like School of Inspired Leadership (SOIL), Gurgaon has a consortium of companies to support its management education program.

However, not many B-Schools have adopted innovative methods of academic-industry interface. Inviting speaker for guest lectures, sending students for internship programs, and at times conducting management development programs are common methods that the institutions adopt for industry-academic interface. This however, is not sufficient for the B-schools.
In order to enhance the industry-academic interface, it is important that the students have an exposure to the corporate world right from the day they enrol for the course. Although engineers dominate the top B-schools, those who dominate the lower rung B-schools in India are mostly fresh graduates. Lack of industry exposure and more of theoretical knowledge is of no good to them. It just adds to their dilemma when they join organizations. As development and growth of B-school students is the responsibility of both the colleges as well as the corporates, it is suggested that every B-school student is assigned a corporate mentor right from the beginning. This corporate mentor may work in collaboration with B-school faculty and may expose the students to the practical aspects of business.

It is a common observation that majority of the faculty in Indian B-schools lack corporate exposure. They have either worked at the entry level for a very short-period of time in corporate or have never worked in any corporate house. As a result, they lack the practical application of the theories they teach to their students. At times they are not exposed to the recent developments in their area in the corporate world. This leads poor quality of teaching.

In order to overcome this problem, it is necessary that the B-schools work towards the development of its faculty members. This may include training of faculty members in companies either on a particular project or for a short period of time. For instance faculty members of XLRI conduct a number of in-company programs for leading companies from time to time. However, this practice is limited only to the top B-schools. It is recommended that more B-schools adopt this practice and motivate their faculty to undertake such projects.

However, the in-company projects should not be limited to big corporate groups only. Projects may be undertaken in SMEs as they contribute to the development of the
Indian economy to a large extent. Learning from these projects will help the faculty members to chisel and upgrade their knowledge. This would thus not only enhance the knowledge of faculty members but that of B-school students as well.

1.5 Restructuring the B-School Agenda

It is now the right time to recognize research as an important tool that facilitates academic institution to gain competitive advantage. Authorized bodies in Indian higher education like UGC, National Knowledge Commission, NAAC and AICTE are constantly promoting research as a collaborative platform for value enhancement in Indian education scenario as well as creating a win-win situation for sustainability of such institutes in India.

About seventy percent of management schools in India need to improve sustainability if they want to produce managers who can make a difference, In NITs (Department of Management) and IITs (Department of Management) and so on, research output by and large, of even the more prestigious institutions, has not been adequate (AICTE, 2003). Looking deep into this matter one finds that the number of Ph.D scholars churned out in management discipline is significantly low when compared to the ever rising number of business schools in India. The effort to research and publish have been more on individual basis rather than as institutionally supported activity (Dutta, 2013).

Porter and McKibbin (1988) accuse business schools on the following ground

(i) Quantity has become more important than quality

(ii) The intended audience of most research is the academic community rather than the dual community of scholars and practitioners.

(iii) As a result, there has been a proliferation arcane, trivial and irrelevant research.
Rynes and Trank (1999) argued that academicians might also include implications for management education in their article by highlighting how their key findings may change or assist the decision making process, so that it might tell students in a classroom or managers in a consulting situation.

1.6 Statement of the Problem

In India, the existing monitoring organization All India Council for Technical Education (AICTE), National Assessment and Accreditation Council (NAAC) and University Grants Commission (UGC) responsible for evaluating the performance of the institutions through the process of accreditation. The evaluation process is based on a set of broad-based criteria and these criteria serves to assess the principal feature on the institutional activities and programme effectiveness. Emphasis is given on entry qualification, intake of the students, duration of the course, structure of the programme, examination rules and regulations, infrastructure norms like computer facilities, library, teaching aids, etc. However, these norms and rules do not help to measure the performance of any institutions. Harris (1994) presented a generic approach to higher education. Primarily, a customer oriented approach where the service to students is promoted through training and development.

Secondly, a staff focus approach which tries to enhance the contribution of all the member of staff to the effectiveness of the institute and finally focus on service agreement. This definition reflects the unique characteristic of the education. An education process involves input, output and several others factors. Education process is a multi dimensional activity and only one indicator cannot assess it.

Leaving the few top institutions in India, rest of them can be categorized into private and government owned B-schools. Since intake of these colleges is not of high quality and the objective of the management is to make quick money by spending least.
Therefore, the focus on quality value addition becomes a necessary step.

A performance measure helps in monitoring real option, potential option, Change Management, Readiness for Change, Resistance to change, Firm Competencies, Industry threat, Change Management Performance Expectation of the institutions as it is strongly related to objectives of the institutions. There are very few studies available in the literature for measuring the Change Management of Management Institutions.

1.7 Goals of the Study

In a dramatically competitive and changing business climate, B-Schools must constantly adjust their organizational structures and strategies. However, organizational change, although vital for organizational development, means ceaseless change. Past studies about organizational change have focused on ways to overcome resistance against change, when organizational change occurs, and factors related to resistance, while others have focused on other organizational factors that influence organizational changes. Whether the desired effect of organizational changes can be achieved depends on the collective behaviours of B-Schools members on reaction to organizational changes. The core issues of organizational changes are not concerned with strategies, structures, cultures or systems, but with how to alter people’s behaviour. Thus, while an organization was adjusting its own structure, changes would also occur in the behaviour of its employees, which would affect the success of the changes. Whether B-Schools changes could be smoothly promoted or materialized usually depended on the psychological reaction of employees and their process of adaptive behaviour. Within this process, the employee’s readiness toward organizational changes was especially important. Thus, one of the research goals was to investigate employee’s readiness towards organizational changes when they are facing such changes.
Secondly, an organization and industry should continuously innovate to improve the core competencies of the B-Schools, reducing the negative impact of external competition and creating more growth space in the organization as well as in the industry. Thus the next goal for this research was to understand the influence of firm and industry innovativeness towards core competencies of the B-Schools and the influence of readiness for organizational changes.

One of the key factors of effective change management is the ability to increase potentiality during changes in the business environment and to adjust B-Schools effectively in response to the changes. Change management was the very essence of the life of B-Schools. New way of curse delivery, campus facility, faculty commitment, predicting and understanding industry threat can all be used for creating an effective response to an increasingly dynamic competitive environment. Thus, the final goal for this research was to understand the change management performance expatiations.

1.8 **Objectives of the Study**

1. To study whether the Business schools in Tamilnadu have experienced changes in last five years.

2. To explore the factors responsible for changes in Business school environment

3. To understand the potential option and real option of Select sample Business Schools in Tamilnadu

4. To identify the industry threat and firm competencies of Select Sample Business Schools in Tamilnadu.

5. To examine the level of employees Change readiness and resistance towards expected change management performance expectation of select Sample Business Schools in Tamilnadu.
1.9  **Significance of the Study**

This study draws from the streams of literature from change management, organizational behavior, and readiness and acceptance among faculty members in B School, and intends to contribute value to these areas. The findings of this study can help to understand how management of change effectiveness can foster increased user satisfaction, an indicator of success. Industry innovativeness, B-School Innovativeness, course delivery, campus facility are some of the strategies used in management of change that are expected to change resistance and readiness over the B-School.

This study adds to the body of knowledge by introducing an explanatory model of how management of change effectiveness can promote satisfaction and performance in business school settings. The research model includes both readiness and resistance, exploring how they are affected by management of change strategies and, in turn, how they may affect performance expectation. For the theorists, this study contributes to the understanding of the relationships between the readiness and resistance constructs longitudinally during an implementation and the relative importance of them. No known prior study has combined these constructs to evaluate their interactions, their relative importance to the implementation success, or if any of these relationships change during an implementation.

The primary stakeholders may believe that they are being supportive in communication but are unaware of the perceptions and attitudes of their faculty at the operational level. Top management in B-Schools need tools to identify implementation issues early on and to adapt the management of change strategies so as to better achieve a successful implementation by reducing resistance, increasing readiness to accept system changes.
For the practitioners, this study contributes an early indicator to capture issues and to provide feedback to enable management to adapt their strategies and direct their resources during the change management practices.

1.10 Scope of the Study

The study mainly concentrates on the main resources of the b-Schools like Firm and industry innovativeness, Campus facility, Course delivery and Faculty commitment. The above mentioned dimensions are considered as the main resources which will create impact on potential option and real option. The real option of the B-School will be measure based on industry threat and firm competencies and direct impact of potential option of B-School. Based on all the impacts the study will measure the faculty change management readiness and resistance towards change management performance expectations.

1.11 Limitation of the Study

1. Only B-Schools which participated in AIMA ranking were considered for the study.
2. Only faculty members and administrators were considered in the sample. Other stakeholders were not considered for the study.
3. Based on real option of B-School, faculty perception towards change readiness and resistance were predicted, other change management initiatives were not considered in the study.

1.12 Chapter Scheme

The rest of the study is organized as follows. Chapter II discusses the need for change management based on present issues and challenges of Management Education in India. Chapter III introduces the literature review related to change effectiveness, resistance to change, readiness to change, the strategy gap in b-school, competitive
advantage of organization, student feedback and satisfaction, commitment of top management, course delivery, campus facility, courtesy, Understanding the change, change process, employee commitment and organizational change, employee reaction to change and successful organizational change implantation. **Chapter IV** describes the survey research process with hypotheses development, Sample and Population, data Source, Validity and Reliability of the data, and **Chapter V** reports the results of the descriptive analysis. **Chapter VI** reports the results of statistical analysis and Structural Equation Modeling (SEM). **Chapter VII** discusses the research findings, Suggestions and implications for research and concludes.