Chapter 1
INTRODUCTION

Chapter 1: Introduction

1.1 Background of the study

Management education has emerged as a key economic factor in India, mainly in the city Pune. Management education in Pune city can be recognized as the remarkable extension witnessed. Managing an institute of MBA efficiently in the changing scenario is demanding and it is tough to meet the expectations of students as stakeholders.

Management education requires planned efforts to build and sustain quality and efforts which focus not only on increasing admissions but also on building overall quality. There is a need to study the relationship between the student's expectations and quality practices adopted by the MBA Colleges in depth. Also, it is important to understand the parameters of quality like academic excellence, career aspirations, institutional features, skills acquired and Infrastructure of MBA colleges against fee paid for the same. Hence, the present study titled “A Study of Fee Structure and Quality of Management Education with reference to Pune City” would be both useful and relevant to analyze the current status of quality of Management Education in Pune city.
The proposed research study will address the gap between the expectation and the perception of MBA students against the fee paid with reference to the quality of management education. It includes the analysis of fee perception and its impact on delivering quality of management education. The framework proposed in this study can be utilized by policy makers and educationist to develop strategies which are focused, practical and effective for overall understanding of the complete nature of education quality in management education to bring out quality educational changes.

1.2 Statement of the Problem:
The purpose and value of management education was always under the analysis but the propagation of M.B.A Colleges provoked a serious question on its quality in the Pune city. To understand this, researcher conducted qualitative research with a group of MBA students from the deemed university and Savitribai Phule Pune University of the Pune city. The concern was shown about fee hike and quality of management education. The discussion continued on the quality of management education in Pune city and concern was shown by students that quality is not in proportion to the fee paid. In the light of this discussion, the study was conducted to confirm whether quality is the result of fee and what is the value exchange in return of cost paid for MBA.

The purpose of this research is to answer whether quality is the result of fee paid by the students to pursue M.B.A with reference to MBA colleges affiliated to deemed and Savitribai Phule Pune University in Pune city and also to study the parameters of quality of management education with reference to appropriateness of fee perceived by MBA student with reference to quality of management education in Pune city. Thus, the said study is carried out to answer following questions.

1.3 Research Questions

Research question 1
What is the perception of fee appropriateness of MBA students of MBA colleges affiliated to Savitribai Phule Pune University and deemed university in Pune city?
Research question 2
Whether fee is an important criteria for seeking admission to MBA course?

Research question 3
Whether there is a gap between expectation and perception with reference to academic excellence, career aspirations, institutional features, skills acquired and infrastructure?

Research question 4
Whether quality of education is dependent upon fee?

Research question 5
Do Deemed and Savitribai Phule Pune University MBA colleges differ with respect to educational offering (academic excellence, career aspirations, institution features, skills acquired and infrastructure).

Research question 6 (Based on hypothetical Model)
6.a. Whether perception of fee appropriateness can influence infrastructure, academic excellence and institutional features?

6.b. Whether Infrastructure, academic excellence and institutional features is contributing to skills acquired?

6.c. Whether skills development can influence career aspiration?

6.d Whether academic excellence, infrastructure, institutional features mediate relation between perception of fee appropriateness?

1.4 Objectives of the study:
To formulate a conceptual framework for defining mutual relationship between perception of fee appropriateness, infrastructure, academic excellence, and institutional features and skills acquired and career aspiration. A quantitative, descriptive, analytical, questionnaire survey based research study is conducted to understand existence of mutual relationship between proposed variables. The study is designed with the major
objective of addressing the gap between perception and expectation of quality of service (measured in terms of students satisfaction) against appropriateness of fee paid for MBA colleges affiliated to deemed and Savitribai Phule Pune University with reference to Pune city. The following are the specific objectives of the study:

\[ O_1 \] To study the perception of fee appropriateness of MBA students of MBA colleges affiliated to deemed and Savitribai Phule Pune University with reference to Pune city.

\[ O_2 \] To study the importance of fee for seeking admission in MBA courses of MBA colleges affiliated to deemed and Savitribai Phule Pune University with reference to Pune city.

\[ O_3 \] To measure the gap between expectation and perception with reference to Academic Excellence, Career Aspirations, Institutional Features, Skills Acquired and Infrastructure against the appropriateness of fee paid for MBA colleges affiliated to deemed and Savitribai Phule Pune University with reference to Pune city.

\[ O_4 \] To study whether quality of education is dependent on fee.

\[ O_5 \] To study whether deemed and Savitribai Phule Pune University MBA colleges in Pune city differ with respect to educational offerings (academic excellence, career aspirations, institutional features, skills acquired and infrastructure.)

\[ O_6 \] To study predictive relation between perception of fee appropriateness and infrastructure, perception of fee appropriateness and infrastructure, perception of fee appropriateness and Institutional features, perception of fee and Academic excellence, perception of fee appropriateness and skills acquired and perception of fee appropriateness and career aspirations.
1.5 Hypotheses of the study

The study aimed at validating the following hypotheses.

**H₁**: Students of MBA colleges affiliated to deemed and Savitribai Phule Pune University tend to give more importance to fee than any other admission parameter.

**H₂**: There exists a gap between expectation and perception of students studying in MBA colleges affiliated to deemed and Savitribai Phule Pune University with reference to academic excellence, institutional features, infrastructure, career aspirations, skills acquired.

**H₃**: Deemed University and Savitribai Phule Pune University affiliated MBA colleges differ in educational offerings to their students.

**H₄**: Quality education components are independent of fee slabs

**A fee perception quality model for management education**

Students are stakeholders and the gap between perceived quality of Management education (measured in terms of students satisfaction) and actual quality delivered needs to be addressed by management institutes of Pune city. The study proposes a model to answer the research question whether quality is the result of fee. It studies the relation between perception of fee appropriateness towards institutional features, infrastructure and academic excellence. It also studies the relation between institutional features, infrastructure and academic excellence towards skills acquired and consequently the relation between skills acquired and career aspirations. Following is the hypothesized model
Based on the above hypothetical model the following additional hypotheses are proposed:

\( H_a \): Perception of fee appropriateness will make students positive about infrastructure.

\( H_b \): Perception of fee appropriateness will make students positive about academic excellence.

\( H_c \): Perception of fee appropriateness will make students positive about institutional features.

\( H_d \): Academic Excellence will contribute to Skills acquired

\( H_e \): Institutional features will contribute to Skills acquired

\( H_f \): Infrastructure will contribute to Skills acquired

\( H_g \): Academic excellence, institutional features, infrastructure will mediate relationship between perception of fee appropriateness and skills acquired.

\( H_h \): Skills acquired will lead to career aspiration

1.6 **Dependent, Independent and Mediating variables**

The model consisted of one exogenous variable four mediator variables and one endogenous variable.
Perception of fee appropriateness is considered as an Independent variable (input variable) whereas career aspiration is a Dependent variable (outcome variables). Independent variables are the antecedent variables as they impact the mediating variables which in-turn affects the dependent variables (MacKinnon et al., 2007).

Infrastructure, academic excellence, and institutional features and skills acquired) are mediator variables in the model. The mediator variables explain how the effect of independent variable is transmitted on the dependent variable and with mediator’s involvement the mediation effect can be assessed more accurately (MacKinnon et al., 2007). A summary of dependent, independent and mediator variables is provided in Table 1.1.

**Table 1.1 Types of Variables (Dependent, Independent and Mediator)**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Variable Type</th>
<th>Variable Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Independent Variable</td>
<td>Perception of fee appropriateness</td>
</tr>
<tr>
<td>2</td>
<td>Mediator Variable</td>
<td>Infrastructure, academic excellence, and institutional features and skills acquired</td>
</tr>
<tr>
<td>3</td>
<td>Dependent Variable</td>
<td>career aspiration</td>
</tr>
</tbody>
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1.7 **Scope of the study:**

This study is restricted to two year full time MBA colleges affiliated to deemed and Savitribai Phule Pune University with reference to Pune city. The proposed research will highlight the way in which students perceive fee charged by MBA colleges affiliated Savitribai Phule Pune University and MBA colleges affiliated to deemed university in Pune city. It will seeks to answer how perception of fee appropriateness will influence academic excellence, infrastructure, institutional features, skills acquired and how in turn skills acquired will influence career aspiration. It will also help in determining whether quality of education is depends on fee. Scope of the study is restricted to Pune city defined by Pune Municipal Corporation. The study is further restricted to perception of MBA students towards fees and quality of education.
The study offers suggestions to improve quality of MBA with reference to Pune city and to develop strategies for improvisation. The data are collected during the period of four months.

1.8 **Significance of the study**

Management education in India has grown significantly in the past 60 years with a wide spectrum of management institutes. Currently there is a lot of scope for the researchers to contribute in this area. Management institutions should produce future managers with the appropriate skills. Management education as profession has got considerable attention across the world from students, industry and academia. Research on quality of management education in context to Pune city has a lot of scope as there are no past studies linking quality of management education with perception of fee appropriateness.

This research will benefit the management institutes to improve on quality practices. The quality of management education has also been called for meeting student’s expectations in terms of academic excellence, institutional features, infrastructure, skills acquired and career aspiration. An attempt is made in this study to examine the existing quality practices in M.B.A colleges. The literature until now has been highlighting the factors and their association with management education largely.

(Gupta et al., 2003) discussed broad issues and challenges and implications for the academic quality. In education sector there is vital need of developing a tool to measure quality of management education. They emphasized on difference existing in quality of management education provided by different institutions. Many management colleges charge exorbitant fee from students and provide no academic value addition. Significant relationship can be revealed by studying the factors affecting quality of management education in India. It has become crucial to analyze and evaluate the entire structure, content and purpose of management education in India.

It has become important to re-examine the entire structure, content, purpose and pattern of management Education in Pune city. Many institutes have absence of focus and clarity in devising and employing measures for quality improvement. Consequently, the
gap between the expectation and perception of students need to be addressed. Following are the significance of the study

• It will confirm exact effects of fee perception on quality of management education and validate this relationship statistically.
• This research will confirm the relationship between independent variable (perception of fee appropriateness), mediator variables (academic excellence, infrastructure, institutional features, skills acquired), and dependent variable (career aspiration).
• It will influence the formulation and implementation of management policies with respect to quality parameters in management education.
• It will be a strong contributor in linking students perception towards fee and quality of education.
• It will guide management institutes towards improving their existing processes policies related to quality of management education.
• It will prompt institutes to be student-centric.
• It will be a guide to institutes to plan, implement, measure, improve quality Programs increasing students satisfaction.

1.9 Gap analysis

In India, growing pace of management institutes has raised a serious debate on quality (Jagadeesh, 2000; Palety, 2009) raised the issue on delivery of quality education. AICTE approved many management colleges but the decreasing quality has of management colleges has a negative impact on credibility of AICTE though NBA (National board of accreditation) is there as benchmarking system. (Gupta et.al, 2003). They have discussed pedagogy, placement, faculty development, students quality, infrastructure and admission process to measure quality in management education.

More than three hundred research papers on service quality, quality of education and quality of management education were filtered to find the ones that have exact correlation with research area. Some research papers were shortlisted with proposed criteria and rests of the papers were on different aspects and hence a crux of some of them was useful for writing chapter 2 and 3. Several past studies have examined service
quality, total quality management in services, quality of education, contemporary issues in management education, marketing models in education, student centric models of quality of management education factors affecting quality of management education, conceptual and ISM model on quality of management education. The literature until now has been highlighting the factors and their association with management education largely. In other words past research on quality of management education laid emphasis on parameters to measure and define quality of education in management institutes. However, none have been able to provide a complete structural view for perception of fee appropriateness with reference to quality of management education.

None of the past studies has linked students perception of fee appropriateness and quality of management education. Hence there lies a literature gap: studying quality of management. The quality of management education has also been called for meeting student’s expectations in terms of academic excellence and career aspiration. Putting more emphasis on themes or simulation, role playing and socio-drama (Kaul Natashaa,2011). An attempt is made in this study to examine the existing quality practices in M.B.A colleges. The literature until now has been highlighting the factors and their association with management education largely.

The world economy is changing and the criticism from academia and management and has put the business education at crossroads” (Datar, Garvin, Cullen: 2010).Many researchers have acknowledged the same (Pfeffer and Fong: 2002), (Bennis and Toole: 2005), (Khurana: 2007) as the most important concern for management institutes.

The first research gap identified through literature review was perception of fee appropriateness with reference to quality of management education. The study of existing literature in this domain reveals that at present no work has been done showing mutual relationship between perceptions of fee appropriateness by MBA students with reference to quality of management education. The second research gap found by the researcher was to measure and understand the expectation and perception of quality parameters against fee paid for MBA.
1.10 Originality of the study
The originality and uniqueness of the research lies in:

a) This research will attempt to analyse the fee perception, perception of quality of management education of MBA students under colleges affiliated to Savitribai Phule Pune University and deemed university in Pune city.

b) Establishing a framework to link perception of fee appropriateness, academic excellence, institutional features, infrastructure, skills acquired and career aspirations,

c) Providing a scales to measure constructs of the hypothetical model

d) Suggesting a model for assisting the management institutes, in evaluating quality of management education.

1.11 Research Assumptions
Following are the research assumptions for this study.
Secondary data used in the study and which has been derived from different sources are assumed to be complete, correct and reliable further secondary data are presumed to be unbiased.

Since primary data are based upon self-reporting, it is further assumed that the respondents were honest and correct.

1.12 Structure of the thesis
The thesis is organized into 6 Chapters. Below are the details of the same-

Chapter 1: Introduction
It provides introduction to the research study and has focused on the following-
Background of the study, Statement of the Problem, Research Questions, Research Objectives, Hypotheses of the study, Dependent, Independent and Mediating variables, Scope of the study, Gap analysis, Originality of the study, Research Assumptions and Structure of the thesis.
Chapter 2: DE jargonizing Quality of Management Education-theoretical concepts
This chapter focuses on overview of quality of Management education. Review of Literature is done to understand Quality, Service Quality, Quality of Education, Quality of Management education and 5 Quality of management education in Indi

Chapter-3 Theoretical framework and Hypotheses Formulation
It covers review of literature on perception of fee appropriateness and other latent constructs identified stated below-
Parameters of Quality -Academic Excellence, Career Aspirations, Institutional Features, Skills Acquired and Infrastructure. It is inclusive of Proposed Model and Hypotheses Formulation.

Chapter 4- Research Methodology
The objectives of the study were met through primary and secondary research. The methodology adopted to answer research questions is as follows and consists of five phases: Research design ,Plan for data collection ,Sampling design, Test of normality, Reliability and validity

Chapter 5 Data Analysis, Interpretation and Hypothesis Testing
The chapter shows the analysis of quantitative data for testing the conceptual model. It covers analysis and interpretation of data. Different statistical tests are employed to examine projected relations. The chapter is divided into five sections Reliability and validity analysis, descriptive statistics and frequency distribution, Hypotheses Testing, structural equation modeling and multivariate analysis of variance.

Chapter 6-Conclusion, Suggestion and Further research direction
It provides conclusive summary of the research conducted in this thesis. It provides concluding remarks on each research question that has been undertaken as a part of study. It also highlights scope for further research directions. Furthermore it provides limitations of the study, implications for academicians, implications for management institutes and implications for education sector. It also provides contribution to the body of knowledge.