CHAPTER 1

INTRODUCTION

In an organization, there is nothing more crucial than fitting the right employee in the right position. Or else you would be trying to fit a square peg in a round hole. When people do jobs that just don't suit their liking, inclination or temperament, the results, or rather the lack of them will be disastrously obvious. Low productivity, dissatisfaction, low morale, absenteeism and other negative behavior will become typical till the employee is shown the door. Or perhaps, there is another option - Talent Management.

1.1 DEFINING AND MEASURING TALENT

Talent management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a particular job profile and any other position will cause discomfort. It is the job of the Management, particularly the HR Department, to place candidates with prudence and caution. A wrong fit will result in further hiring, re-training and other wasteful activities. No matter how inspiring the Leaders are, they are only as effective as their team. A team's output is healthy only if the members are in consensus with each other.
To achieve such harmony, the key ingredient is “putting the right people in the right jobs”. But there is no magic formula to manage talent, the trick is to locate it and encourage it.

Talent Management is beneficial to both the organization and the employees. The organization benefits from: Increased productivity and capability; a better linkage between individuals' efforts and business goals; commitment of valued employees; reduced turnover; increased bench strength and a better fit between people's jobs and skills. Employees benefit from: Higher motivation and commitment; career development; increased knowledge about and contribution to company goals; sustained motivation and job satisfaction. Ken Shelton, the founder of Executive Excellence, a 26-year-old training and publishing firm in values-based personal and team development, ethical management, and principle-centered leadership, defines talent in the business context as 'capability applied to create value that is recognized and rewarded by primary stakeholders, owners, managers and customers' (Shelton 1999).

People with “talent” always know how their jobs fit within the value chain and excel in performing the routine tasks at the high-leverage components of their jobs. They are a vital source lending comparative advantage to their employers in the global market. Successful businesses use a combination of human capital metrics and decision support tools to leverage on the performance of their human capital. Such reporting systems cover different employee-specific focus areas like recruitment trends, attrition trends, growth trends, skill gaps, risk factors, costs, performance, professional goals vs. corporate goals, and profitability.

Several methodologies are mooted by experts to measure talent quantitatively and therein calculate the return on investment in human
capital. Grow Talent Company Limited, offering services in the areas of acquisition, assessment and development of talent, advocates quantifying talent using the concept “House of Talent”.

1.2 TALENT MANAGEMENT SYSTEM

The development of an organizational talent management plan requires the assessment of each employee based on a framework of accepted definitions and measures of competency performance and potential. These core/institutional competencies are expectations of behaviors/skills/values that are crucial to the success of each employee and, therefore, to the success of the entire organization. There are not more than 30 core institutional competencies and most organization use between nine and eleven competencies in their talent assessment process (Lance A. Berger 2004).

In order to create an improvement program for individual employees, the organization must map a set of appropriate training and development options for each selected competency. When a gap exists between an employee’s demonstrated proficiency in a competency and an organization requirement, a supervisor can use training and development to help eliminate the gap.

The assessment tools, based on institution’s core competencies created in the first step, provide the framework for the employee assessment, which is now the task at hand. After each employee is assessed using the assessment tools, Institution and individual action places can be prepared. Coaching key employees is becoming an increasingly popular trend. Coaching focuses on the individual, its successful implementation bring significant benefits to both the individual and the organization.
These benefits include retention of valued talent, increases in productivity, development of high-potential performers, greater job satisfaction for the participant and achievement of organization objectives.

Many organizations are assessing these potential benefits and extending coaching deeper and deeper into their organizations. Karol Wasylyshyn says the trend of super keeper coaching that targets “must keep” individuals. She defines super keeper coaching as “a company-sponsored ‘perk’ for top high potential employees, a customized development process intended to accelerate effectiveness at work. This coaching is based on a collaborative relationship among the employee, his/her boss, his/her human resource manager, and an executive coach”. The key to coaching success is that “Coaching for super keepers must be positioned in the company as an essential ‘perk’”.

1.3 OUTSOURCING AND OUTSOURCERS

Organizations are increasing outsourcing business functions and eliminating or downsizing the departments that historically ran those functions. In response to this trend and their disenchantment with corporate existence, more and more workers are becoming independent contractors, operating as contingent workers in response to ever changing business requisites. These free agents will decide when and where they will work.

Workers may become independent contractors for brief periods of their work life. Eg., while on sabbatical from a job they intend to return to or after retiring from a corporate position, or may opt for this form of employment on a career basis. This cadre of workers will further decrease the talent pool that is loyal to one organization. Organizations will be challenged to attract needed contractors as an environment where these
individualists choose to offer their services. Organizations will need to incorporate these “contract” workers into their cultures.

1.4 SUCCESSION PLANNING

In a survey of 150 Fortune 500 companies, a majority of the companies expect at least 33% turnover at the executive level in the next five years and one third of the companies felt that they would not be able to find suitable replacements. Three-quarters of corporate officers surveyed for a study by McKinsey (2007) said their companies had insufficient talent to fill crucial positions.

Old solutions to succession planning - computer programs that slot people on organizational charts without regard to organization competency considerations or specialized training - won’t work in an increasingly complex business environment. Succession planning processes that include individualized prescriptions for mentoring, training, and coaching are mandatory preventative for key position gaps and ensuring that Super Keepers realize career mobility.

1.4.1 Developing Leadership Through Competencies

Succession planners must find ways to prepare the next wave of leaders to operate effectively in various cultures. More and more focus will be on the competencies needed to lead-teamwork, collaboration, and coaching. Leaders will be chosen for their interpersonal skills that impact the psychological needs of workers. Organizations are seeking to develop leaders who can inspire others and lead teams.

Dennis D. Dammerman, General Electric’s chief financial officer, in a speech about developing leaders for the 21st century, stated,
“these individuals, in addition to possessing the obvious non-optional qualifications of absolute integrity, high intelligence, global and diverse business experience, and the like, will have what we can the three ‘Es’ - High Energy, the ability to Energize others and the ‘Edge’ - the courage to remove from the organization those who can’t or won’t buy in”. Rohm and Haas’ Leadership 2000 (now Leadership 3000) and comment made in 1985 by Mark X. Feck, head of corporate human resources for Rohm and Haas: “We need to go inside out. We need to assess the whole person, not just their profile of leadership competencies. We need to have real relationships with these people. They need to know themselves and understand what influences their behavior in good times and bad. The accurate self awareness is essential for continued learning and personal growth. Continued learning and personal growth are essential for the evolution of world class leaders”.

1.5 EMPLOYMENT BRANDING STRATEGIES

Creating a “most desirable work environment” corporate image through branding is viewed by more and more companies as the ‘ideal’ means for attracting and retaining Super keepers. Companies are realizing that, to stay competitive, comparable marketing and branding practices used to market products and/or services must be applied to recruitment and retention programs. The labor market’s perception of the employment value proposition of the company—the impression made on employees and the labor market—is as vital as its view of service or product integrity. Human resource departments will increasingly treat employees like consumers who can spread the work about a company’s positive attributes throughout the marketplace. Companies are not only assessing their strategic plan, organizational goals, and objectives but also analyzing the labor market and the sought after workforce segments for recruitment and
retention. Successful employee branding includes a consistent and common theme that employees relate about their work experience it also includes a public image of the organization’s culture that induces the best potential candidates to apply for positions while allowing the company to retain its Super keepers.

1.6 BUILDING BLOCKS OF TALENT MANAGEMENT

1.6.1 Competencies, Performance Management, Career Track Planning

Competency models concern making transparent the skills an organization needs to be successful. There are a variety of ways of developing and first it is useful to understand some of the history of how competency models came popular in many HR departments. Until the early 1970s, most organizations viewed the characteristics required for success as either very solidly based on the technical skills needed for roles or a belief that intelligence mattered most. Some organizations, particularly the military, that depended so much on deep leadership skills, had tried to classify some of the personality traits that their leaders needed.

They tested for these but rarely made them transparent and certainly could not translate what they meant in terms of the roles that people had to perform. Furthermore, they certainly could not train for these traits. David McClelland was not only interested in describing and measuring these characteristics, he was also deeply convinced that anything that could be measured could also be trained. He was also suspicious of IQ as a measure of success. For one thing, IQ was a rather gross measure that combined a number of metal aptitudes. It was also remarkably unsuccessful at predicting who would be most successful in
roles. While baseline mental aptitudes are required for entrance into key roles, once within a role differences in IQ do not predict success. Take, for example, the fact that all surgeons need enough mental skills to get into and complete medical school. Beyond that, most measures of intelligence or scholastic success do not predict success. In other roles, IQ plays less of a role. Research has shown that successful entrepreneurs have a wide variance in IQ scores.

McClelland had already shown that a measure of motivation he termed “need for achievement” predicted success among entrepreneurs. He measured this through a modification of an established test that tapped into how people tend to describe or imagine their world when they feel reasonably unconstrained. He had also showed that this characteristic, that many thought was deep seated, could be dissected and presented to people in ways that could be trained. McClelland’s 1965 article, “Toward a Theory of Motive Acquisition” describes this process. Then, in his groundbreaking article in 1973, “Testing for competence Rather Than for Intelligence”, he expanded his argument further and proposed that, for any role there are characteristics that distinguish superior from average performers. These characteristics are describable and measurable in relatively concrete terms and therefore could be trained. Almost immediately following this groundbreaking article, a number of large organizations were intrigued with this idea.

1.7 USAGE OF 360 DEGREES FEEDBACK IN TALENT MANAGEMENT

The practice of using multi-rater feedback systems - usually referred to as 360 degrees feedback-has long been popular with training professionals and human resource departments. It has a demonstrated
record of effectiveness as a tool that supports the development of management and leadership skills and as such, can be an important element in an organization’s talent management strategy, helping to assess the strengths and weaknesses of employees and providing a basis for training or coaching plans that address the weaknesses and further capitalize on the strength. A CPA report (1991) explains, “In the 1980’s and 1990’s as organizations became flatter, the average manager’s span of control increased dramatically”.

The reasons for the enthusiasm surrounding 360 degrees feedback are fairly clear: direct, honest observations, coming from co-workers-including direct reports, bosses, and peers alike-can help individuals understand the impact of their own behavior, and this kind of realization can result in measurable changes that benefit the individual and the organizational this approach can be particularly useful to assessments of super keepers-employees who greatly exceed organization expectations- and keepers-employees who exceed expectations-but it can also help simplify evaluations of Solid Citizen-employees who meet expectations.

Nevertheless, as in the case of many good tools, 360 degrees feedback is often subjected to misuse, which nearly always yields disappointing interventions, rather than as an integrated feature of human resource management systems. In this kind of environment, time constraints can frequently lead to inadequate design and administration of the instrument, ineffective presentation of feedback, and missed opportunities for follow-up. With careful attention to the following fundamentals of this potentially powerful tool, one can dramatically increase the level of its effectiveness in the organization.
1.8 IDENTIFICATION OF THE SUPER KEEPERS

If 20 percent of every organization’s workforce consists of ‘MVPs.’ (Most Valuable Player), then 2 percent of the total workforce-are super keepers. Super keepers are the people who are instrumental in carrying out the corporate mission, whose performance skills and abilities serve as an example to the organization, and whose departure would have a significant impact on the business. Every organization has them and would like to have more. Yet interestingly, not every organization can identify them.

It is puzzling, therefore, to observe in this decade, when it seems organizations are truly starting to acknowledge the strategic importance of human capital, that the processes used to manage that capital are not optimally designed to place quality-in both the talent selection process and the employment experience-at the center of the equation indeed, the primacy of the time to hire metric reflects a worldview still oriented around time. Organizations have failed to adopt advanced practices for using information about candidates, potential candidates, and employees to facilitate and improve the act of finding and retaining the Super keeper. It’s an unfortunate misstep, because quality employees are essential to any organization. In order to identify the super keepers; organization uses ‘Employee Ranking Grid’.

A pilot study was done for B-schools on a two dimensional matrix with performance on the horizontal axis and potential on the vertical. During the survey it was found that only 3 to 5 percent of the total population in the B-schools falls in the category of super keepers. The names in this category is usually known to all, however, there shall be few names that results in strong disagreement. This rather a natural process
of sharing results would reveal how the top level accurately identifies the super keepers.

1.9 INTEGRATING COACHING, TRAINING AND DEVELOPMENT WITH TALENT MANAGEMENT

Coaching as a developmental strategy is not a “once-and-done”. High potential leaders still need a succession of counselors, teachers, coaches, and guides during the course of a successful career. The role may be filled by a variety of people over time in different job roles inside and outside of the organization at levels equal to a well as above that of the individual in focus.

Someone new to the organization may need an equally skilled peer in a similar job to show him or her how to overcome routine hurdles and get things done with a minimum of noise. Peer coaching is also helpful to bring an individual up to speed in a particular skill or the elements of a business plan in process. Research is beginning to show that minorities on a fast track need not only a good coach but also opportunities to share their experiences with peers of similar racial and ethnic backgrounds.

Ideally, a formal assignment is linked to other leadership development activities, business strategy, and human resource practice (Kram and Bragar 1992). Matching at the time of need is intentional and is best done outside of reporting hierarchy. Those identified as coaches or mentors agree to a specific time commitment; in some organizations this may be four to six hours per week.

Designated coaches should be recommended for the role as a result of demonstrated success, not just personality traits and need to
receive specialized training to ensure that coaching practice adheres to an institutional standard. Not all senior leaders are able to provide the time and have the motivation or feedback skill to serve as an effective coach or mentor. As mentioned earlier, coaching is an ongoing development strategy. Its focus grows from orientation to the business and task at the beginning of a relationship to feedback and counseling around behavioral practice that builds self awareness.

Whether arriving from the outside with a change mandate or moving into a fast-track leadership pathway as a junior professional, effective development occurs when there is a plan for learning and development.

This plan should match the interests, learning needs, and style of the individual with the developmental strategy selected and be timed so that the strategy stretches the individual without damaging confidence. Every learning methodology does not work with every individual on a growth tract. It is imperative that there be a ‘go-to’ person outside of the business division who can serve as a coach and sounding board. Consistent, ongoing feedback and reinforcement is what leads to lasting behavior change. So, when the highly sought-after talent walks in the door, resist the temptation to assign him or her challenging project before acculturation takes place. Instead, craft a transition and development plan that includes designated coaches and mentors that will ensure success from the start.
1.10 USAGE OF COMPENSATION TO IMPLEMENT A TALENT MANAGEMENT PLAN

Given a shrinking labor market that continually presents challenges to attract and retain strong performers. It is not just about retention. High performing companies are seeking to achieve multiple objectives when compensating their top talent. Long term incentives may help to achieve some of these objectives, but other compensation (non-compensation) elements are important as well. The objectives of high-performing organizations include the following:

1. Attract top talent- using a competitive rewards strategy tied to market.

2. Engage and motivate employees-driving business performance and connecting results to compensation outcomes.

3. Retain top performers-differentiating pay opportunities based on performance, and lengthening the timeframe associated with pay receipt.

4. Create succession plans-knowing the next generation of leaders.

5. Lengthen the performance horizon-focusing on longer-term results (beyond one year).

6. Create line of sight-aligning individual performance, business outcomes and shareholder expectations.
Organizations tailor their compensation strategy to help meet these objectives, and where by long term incentives can play an important role.

1.11 RECOGNIZE TALENT

Talent recognition is tied directly to retention and ultimately, organizations results. The recognition associated with incentive eligibility is an important outcome for high performers.

Organizations have found that the amount of incentive pay is often less important to certain employees than the fact that they are eligible for an incentive pay award.

1.11.1 Awards / Rewards for Performers

Perhaps it is time to ignore internal equity and ensure that superstars understand how important they are to the success of the business - both in the short and the long run. Top performers are not born in top management positions; top performers often rise from lower levels within the organizations- they shall be the next generation of leaders. Hence organization must use selective awards of long term incentive opportunities to connect them more deeply to the business.

1.11.2 Give Top Talent More

By differentiating reward sizes, organization’s can boost morale, suggesting that performance is rewarded. To have the greatest impact, organizations must have a clear strategy, understand what they are trying to accomplish, and tailor the incentive strategy to fit its objectives.
1.11.3 **Build Excitement**

Make employees love their jobs. Clear communication is expected out of employees and vice-versa. Organizations must engage employees in producing results by linking performance with rewards.

1.12 **USAGE OF INFORMATION TECHNOLOGY TO SUPPORT A TALENT MANAGEMENT SYSTEM**

Software and consulting firms have rapidly seen the potential of creating talent management information systems for organizations. Their effort to create software and information systems has manifested itself in three areas.

1.12.1 **Enterprise Resource Providers**

Initially, enterprise resource providers (ERPs) saw the potential of the enormous base of organizations utilizing their software skills to develop talent management solutions. These solutions tried to use powerful payroll and benefits systems to create software packages for measuring employee retention, resources, mobility and compensation. These software approaches to talent management have many characteristics similar to their other, older systems processes and were actually basic data collection devices rather than employee planning and development tools.

ERPs are still oriented toward basic data collection and analysis methodologies. Organizations typically require a blend of technical and business expertise to develop tools that use their data and analyses for strategic human resources planning.
i. **Areas of Strength** - Demographic and basic human resource activity monitoring.

ii. **Areas of Weaknesses** - Ease of implementation.

1.13  **CUSTOMER RELATIONSHIP MANAGEMENT**

Large players in the customer relationship management (CRM) industry and the training solutions industry focus their solutions on providing stakeholder feedback. This approach is based on software systems that were initially created to manage continuous stakeholder feedback and program delivery. The derivative talent management systems provide continuous information for employees through assessment data and then apply the input to training and development programs. The assessment and development information is generally provided directly to employees and their supervisors to enable them to effect behavioral change that is intended to improve client relationships. If this all sounds steeped in the sales force automation industry, it is, and companies that have adopted these systems generally have come from the same industries that adopted customer relationship management software in the first place and have a clear understanding of applying those concepts to talent management. The areas of strength are training, surveys, sales information management and area of weaknesses very difficult to implement, requires buy in at all levels of organization.

1.14  **MANAGEMENT CONSULTANTS**

A third approach to developing information systems for talent management grew out of the management consulting industry. These consulting firms adapted existing management models for employee
survey and talent management into strategic database or Internet analysis systems. Grounded in the HR management solutions industry, these software tools were basic but focused, being built from platforms created by software providers. The focus on these software systems is simplicity and utility. Using simple and transparent relational database tools, the software was used to clearly articulate and manage talent strategy.

The software is typically not designed for extensive use by every person in the organization and is more focused on being a strategy tool for executive with the HR department supporting the system. The systems are scalable; they can be expanded without major modifications. They usually provide snapshots rather than an ongoing stream of usable information. Recently big software vendors like Microsoft and IBM entered the business solutions industry with a series of scalable programs that can link HR databases to analysis and reporting software on an ongoing basis. This encouraging trend can lead to the best of both worlds: the technical sophistication of highly connected software with the ability to adapt to any management requirement.

1. **Areas of strength:** integration of employee information into reports, ease in getting started, lower cost.

2. **Areas of weakness:** not a real time solution, limited data mining and sorting capability.

There is a push among software companies to include talent management software systems in the pantheon of on demand enterprise solutions like supply chain, accounting and inventory software. While talent management is crucial to corporate success, organizations must beware of fitting talent management solutions around old software.
Creating a talent management system that can be easily used at all levels of the organization and addresses management as well as employee requirements takes much consideration and ongoing development.

When created properly, such a talent management system will be a critical component of long term organizational strategic success. It has now been established beyond doubt that education is the most crucial input for socio-economic development. Education provides strength and resilience to people to respond to changing situations. Education enables people to cause and to contribute to societal development. Education is the tool for un-herring in changes in an orderly manner. Education is the mainstay of all national endeavors. Education has the responsibility for transferring human beings into human resources. Development of human resources is the main function of education.

In particular, higher education is the main instrument for development and change. It has the important task of preparing leaders for different walks of life-social, intellectual, political, cultural, scientific and technological. Universities function as the focal centers of higher education. The place and role of universities have undergone major changes. In addition to their usual scholarly functions of teaching and research, they have now been assigned the extension and development function also. They play a key role in the generation, transfer and application of new knowledge.

They produce trained manpower required for industry, agriculture, administration, services and all other sectors. The intellectual dynamism, resourcefulness and economic prosperity of a country are reflected in the quality of university education. The ideological climate required for a better quality of life and pace of development is created by
the universities and intelligentsia nurtured by them. The role of universities in societal formation, nation building and scientific development is very big and all pervasive.

India has significant advantages in the 21st century knowledge race. It has a large higher education sector - the third largest in the world in student numbers, after China and the United States. It uses English as a primary language of higher education and research. It has a long academic tradition. Academic freedom is respected. There are a small number of high quality institutions, departments, and centers that can form the basis of quality sector in higher education. The fact that the States, rather than the Central Government, exercise major responsibility for higher education creates a rather cumbersome structure, but the system allows for a variety of policies and approaches.

Yet the weaknesses far outweigh the strengths. India educates approximately 10 percent of its young people in higher education compared with more than half in the major industrialized countries and 15 percent in China.

Almost all of the world's academic systems resemble a pyramid, with a small high quality tier at the top and a massive sector at the bottom. India has a tiny top tier. None of its universities occupies a solid position at the top. A few of the best universities have some excellent departments and centers, and there is a small number of outstanding undergraduate colleges.

The University Grants Commission's recent major support of five universities to build on their recognized strength is a step toward recognizing a differentiated academic system - and fostering excellence. At present, the world-class institutions are mainly limited to the Indian
Institutes of Technology (IITs), the Indian Institutes of Management (IIMs) and perhaps a few others such as the All India Institute of Medical Sciences and the Tata Institute of Fundamental Research. These institutions combined, enroll well under 1 percent of the student population.

India has survived with an increasingly mediocre higher education system for decades. Now as India strives to compete in a globalised economy in areas that require highly trained professionals, the quality of higher education becomes increasingly important.

So far, India's large educated population base and its reservoir of at least moderately well-trained university graduates have permitted the country to move ahead. But the competition is fierce. China in particular is heavily investing in improving its best universities with the aim of making a small group of them world class in the coming decade, and making a larger number internationally competitive research universities. Other Asian countries are also upgrading higher education with the aim of building world class-universities.

Educational institutions are expected to serve people by developing their knowledge, skills, and personality, including their values and attitudes. They are expected to influence the environment through the people they develop and through the models they set up in terms of the values and behaviors of the people who work in these institutions.

When India became independent in 1947, there were only 19 universities and 636 colleges with a student enrolment of about 1,06,000. By 1994, the higher education system had 220 universities and university level institutions, and more than 7,500 colleges accounting for
about 3,00,000 teachers and around 5 million students. This is indeed a huge network with enormous dimensions (UGC Report 2006).

The present day universities and university level institutions in India have several types of organizational structures. There are central universities, institutions of national importance, state universities, and institutions deemed to be universities.

They all exist making the mosaic of higher education system polychromatic. These institutions offer a wide variety of courses and programmes in all relevant branches of humanities, science and technology.

The best that the country has produced in science, technology, industry, trade, education, and even in politics and administration, owes its sprouting and blossoming to these institutions.

No other developing country has attained as much self reliance in the field of education and training as India has done. It is common knowledge that even advanced countries welcome and employ highly qualified personnel from India.

All the credit goes to the contributions made by our higher education system; we have made significant advances in agriculture, atomic energy, space technology and such other fields.
1.15 MANAGEMENT OF THE SYSTEM

1.15.1 University Grants Commission (UGC)

It was in 1956 that the Government of India established the University Grants Commission (UGC) to discharge the functions of promotion, coordination and maintenance of standards in higher education. During the past 56 years, not much has happened in improving, modernizing and reorienting the management system to suit the many developments that have taken place and the unprecedented expansion of higher education that India has witnessed. The UGC did make several efforts and did launch numerous schemes from time to time, but they have all ended up as bureaucratic rituals. The UGC has to be a little more assertive in fulfilling its statutory and intellectual responsibilities (UGC 1990). Even today there are no proper organizations in the states to plan and develop higher education and to assist the UGC in its responsibilities of coordination and maintenance of standards, consequently, there has been unplanned and haphazard proliferation of universities and colleges leading to deterioration of standards. Many of them have been established not based on needs. They do not have the approval of the UGC.

They do not have enough students, or teachers, or basic minimum facilities like buildings, classrooms, laboratories and libraries. In 2003, there were as many as 55 state universities and 3,000 colleges in this category. They have been declared as non viable and they do not receive any assistance from the UGC. But they exist and continue to impart substandard education producing ill equipped graduates with doubtful social values and attitudes. This is a reflection of the lack of perspective planning for higher education (UGC Report 2006).
It is paradoxical that the institutions of higher learning always reiterate the value of adopting a futuristic perspective in development, and yet they themselves ignore this important aspect of growth. In the absence of adequate information on manpower requirements, it will be difficult to anticipate areas of growth and plan for manpower development. Forecasting of manpower needs, especially in the emerging areas, is therefore a priority requirement. The efficiency of higher education depends upon the efficiency and performance of universities. The management structure of most universities in India leaves much to be desired (Alag 1990). The university administration is dominated by non-academic persons who do not know proper academic orientation to administration. In terms of their composition and curriculum, academic council have become totally outdated. Absence of effective decentralization, failure to evolve priorities and pursue objective oriented programmes, weak personnel management system and ineffective intra departmental and inter departmental coordinating mechanisms has adversely affected the performance of our higher education system.

1.15.1.1 Autonomy and accountability

The affiliating university system which has a history of nearly a century and a half has outlived its utility. It has been discredited and abandoned long ago in the country of its origin, namely Britain. It has become irrelevant and counter productive.

In spite of all this, more and more affiliating universities are being set up in this country year after year. Universities should be divested of the responsibility of regulating courses, conducting examinations and awarding degrees to students enrolled through the system of affiliated colleges, and left to concentrate on postgraduate education, research and
development. There is a need for restructuring the existing system by conferring autonomy on the colleges and making them independent institutions. Autonomy means and implies only that the college and its teachers assume full responsibility and accountability for the academic programmes they provide, for the contents and quality of their teaching and for the assessment of their students.

Since the creation of autonomous colleges is the best way to enhance the standard of higher education. The issue of autonomy is closely related to the imperatives of accountability. Unfortunately, universities have rarely shown enthusiasm in fulfilling the norms and requirements of accountability. Autonomy should not be misconstrued. It has its limits. It is not sovereignty. It is not license. Instances are legion where our universities have misused the autonomy vested in them. Universities and colleges are public institutions. They are accountable to the nation. Their performance should be accounted for and assessed from time to time. Performance audit must be held within the institutions to apprise them of shortcomings and possibilities for improvement (UGC 2006).

Several advanced countries have developed mechanisms of assessment and accreditation of educational institutions, the main function of accreditation being to look at the quality and standard of the institutions and their programmes, and rate them. It is gratifying to note that at long last the UGC has recently set up a National Assessment and Accreditation Council (NAAC) for the assessment and accreditation of institutions of higher education. This is in addition to the national Board of Accreditation (NBA) set up by the All India Council of Technical Education (AICTE) last year to assess and accredit technical education institutions. These agencies are bound to produce a positive impact on the quality of
higher education in India. Autonomy and accountability should form the foundations of our higher education system (UGC 1990).

1.15.1.2 Decongesting campuses

The Indian higher education system is over crowded with non students who do not know why they are there. In no worthwhile country in the world are such students admitted for higher education. Unrestricted and indiscriminate admissions have given rise to an unmotivated and undedicated student population teeming in colleges and universities. This has led to serious deterioration of standards and numerous other problems. It is time to understand that higher education is neither a birth right nor a fundamental right. It is only for those who are fit for it. There is a strong need for the framework to increase the strictness in the admission policy so that higher education is made accessible only to those who have genuine interest in pursuing the same.

Admissions should be made strictly on merit and the numbers should be decided on the basis of facilities available in each institution. Those who are unfit for higher education should be provided with other avenues for occupational/ vocational/ technical training in close collaboration with employing agencies. It is unfortunate that in our country the minimum qualification prescribed for many jobs even at clerical level is a university degree. So as long as this condition remains, the craze for entering a college and securing a degree will continue unabated. Therefore, this condition should be abolished. Over the years many expert committees and commissions have been advocating delinking of university degrees from jobs in selected areas. This is an important reform which should be implemented.
Delinking should be applied in services for which a university degree need not be a necessary qualification. Its implementation will lead to a re-fashioning of job specific courses and afford greater justice to those candidates who, despite being equipped for; given job, are unable to get it, because of an unnecessary preference for graduate candidates. At the same time, avenues for higher education and continuing education should be provided for all those with interest and aptitude through a well organized, well managed and flexible system of open learning/open universities.

1.16 RESEARCH AND DEVELOPMENT

Research is an essential component of higher education. Research imparts excitement and dynamism to the educational process. There is a symbiotic relationship between the two. Research cannot be carried out without the vital support of higher education. It is research carried out in higher educational institutions—not only in science and technology but also in social sciences and humanities that make them play a crucial role in national development, self-reliance and security. Unfortunately, most of the research effort in the sector of higher education is concentrated in a few institutions. It has not spread over the entire system. The infrastructural facilities available for research in the vast majority of our higher educational institutions are very poor. Even in otherwise well equipped institutions, there is no adequate provision for library, inadequate information system, absence of computational and reprographic facilities are endemic to the majority of higher educational institutions. The expenditure on research and development (R & D) in India is less than 1% if the GNP. Many developed countries spend as much as 6% of their GNP on R & D. the expenditure on R & D in the higher education sector (expressed as a percentage of the total national expenditure on R & D) is between 20% and 30% in the developed
countries. The corresponding figure for India is less than 5%. This is alarming, because almost all the R & D manpower of the country is produced by higher education sector, whereas the universities in advanced countries are the fountainheads of R & D activities. India has practically barred the higher education system from access to the avenues of generation of new knowledge.

This situation arose mainly because, soon after independence, India established a network of exclusive research establishments in a variety of specialized fields all over the country. This included a number of national laboratories and R & D institutions under a few umbrella organizations such as the CSIR, ICAR, ISRO, DRDO and ICMR. In addition, several central agencies such as the Indian Council of Social Science Research, Indian Council of Historical Research and Indian Council of Philosophical Research were set up to look after and support research in social sciences and humanities.

Establishment of these categories of research institutions had an adverse impact on research in the higher education sector. Most of the funds available for research were channeled to these new categories of institutions. Because of shortage of funds, research in the university sector was pushed to a subordinate place. Moreover, because of the autonomous nature of universities, the research institutions outside the university system developed almost on parallel lines with hardly any exchanges and interaction with the universities. As a consequence, even the postgraduate students and research scholars coming out of Indian universities know very little of the research advances that take place within the country even in their own specialized fields.
The productive functional linkages between teaching and research are of crucial significance. Higher educational institutions must encourage research culture on much wider basis. They have to set up some of the major national facilities required for carrying out research in the institutions. A long term plan should be formulated and implemented for increasing access to world literature, particularly in science and technology. Educational institutions should be assigned challenging mission-oriented projects to give better focus to their R & D efforts.

Resources for research should be allocated on the basis of priorities rather than ‘something-for-everybody’ basis. Problem oriented research projects of national importance have to be identified in consultation with industry and other concerned national agencies. There is a requirement of multi disciplinary, trans-disciplinary and trans-organizational research with emphasis on design and development. There should be regular and continuous interaction between universities. Mobility and exchange of faculty between academic institutions, national laboratories and industrial establishments should be encouraged.

In spite of a large number of universities carrying out social science research, there are not many centers of real excellence in this area. Without in any way underestimating the value of fundamental research, it must be said that there is a felt need for social scientists to deal with research of national relevance and to disseminate their findings to policy planners. There is also a need for establishing linkages between social science research and other sectors of research. The scheme of networking of well established and reputed institutions with less developed ones has to be further expanded and strengthened. National laboratories and such other institutions must be recognized by the universities as centers for doing research. It is also necessary to ensure that the research programme
undertaken by postgraduate students and research scholars are properly screened and pre evaluated.

1.17 INDIAN ACADEMIC SECTOR AND TALENT MANAGEMENT

1.17.1 Background

The Indian economy has been growing ever since the economic reforms process began in the 1990s. Even now when the economies of several developed countries are going through recession, it is growing at more than 7 percent per annum. It is therefore; quite likely that India will need a huge talent pool to keep its growth engine running in future. The government will have to ensure that the infra-structure for higher education is expanded and the quality of education continuously upgraded to meet the future needs.

Secondly, as an emerging economic power, India will have to play an increasingly important role in future. According to a study by the US based Boston Consulting Group, there will be a global workforce deficit of the order of 46 million by 2020. India would have an estimated 47 million strong surplus young work force by then. So, to use this huge human resource pool to the country’s economic advantage as well as to benefit the global economy a massive program of education cum skill development program is necessary on one hand and on the other infra-structure of the colleges needs to be improved. The development of infra-structure, particularly, filling the vacant faculty positions, no doubt, remains a big challenge. As of now, about 30 percent of faulty positions in our universities are vacant.
1.17.2 Higher Education - An Expanding System

At the time of its independence, India lacked a national network of universities and affiliated colleges that could provide outreach to a country with vast diversities. Similarly, the feeder secondary institutions were of unequal quality making it difficult to provide a high quality academic curriculum while also ensuring access for a wide swath of the population. Over the last fifty years, India has endeavored to expand access to (i.e. provide a greater number of seats) higher education, but there does not appear to have been a corresponding focus on improving quality. In fact, in an effort to meet the primary goal of creating social mobility and equality of opportunity, many say the government has overcompensated, instituting strict commonalities in terms of fee structure and curriculum across 250-odd universities.

This “excessive egalitarianism” is an unusual goal for tertiary systems and has served to minimize distinction and excellence in institutions. The emphasis on leveling has served to make the majority of higher education degrees meaningless in the marketplace. And rather than respond, the middle class, in large part, has opted for either education abroad or via a private institution. India’s current system of higher education is centralized and highly politicized, offering relatively limited access to higher education. (Only ten percent of the age cohort was enrolled in 2004, however, seven percent of a college-age population of 90 million still equates to more than 9 million students, with 2.5 million graduating from university each year).

Over the course of the 1970s and 1980s, politicians acquired a vested interest in universities, seeing them as ways to expand patronage. The result is that in many cases, universities are inextricably intertwined
with government officers who oversee and/or fund them. The hiring and promotion of teachers is also politicized, providing teachers with unconditional job security and no accountability in improving student achievement. It is only because India has such a large population overall, and therefore large total numbers of students, that the success of the IIT and IIM graduates provides a strong impression of the higher education system overall. In some sense, one could argue that the greatest achievement of the IIT’s and IIM’s is the fact that they have managed to keep their stringent admission standards free of corruption.

However, since they manage to select the very best, it is unclear as to how much of their highly-publicized success is due to “value-addition” as opposed to simply to “selection.” The greater value to society from the existence of these apex institutions perhaps comes from the fact that so many students attempt the entrance examinations (More than 200,000 students take the IIT entrance exam for less than 3,000 seats) and in the process of studying for these stringent exams, they sharply raise their own academic standards relative to that of the normal grade 12 public exams.

This, of course, creates huge demand for university education, and over the past few decades, India has seen phenomenal growth in the number of higher and technical education institutions, and a corresponding growth in enrollment.

The higher education system has seen a 13-fold increase in the number of universities and a 26-fold increase in the number of colleges since Independence in 1947. As of 2009-10, there were 505 universities, 130 Deemed Universities, five institutions established through State and central legislation, 33 institutes of national importance established through
Central legislation, and nearly 13,150 colleges including around 1,600 women colleges in the country. Recent growth is much greater in professional colleges (especially engineering, management and medicine), as well as in private vocational training courses catering especially to the IT sector (UGC 2009).

In the Indian system, higher (tertiary) education starts after the 10+2 Stage (i.e. ten years of primary and secondary education followed by two years of senior secondary education). Student enrollment has grown about five percent annually over the past two decades. This growth is about two-and-a-half times the population growth, and results from both a population bulge in lower age cohorts as well as increased demand for higher education overall. Yet only ten percent of the age cohort is enrolled today, a number higher than developing country averages, but lower than the Asian average (11 percent) and much lower than developed countries which average 40 percent. Enrollment ratios vary across Indian States, with the Southern and Western States having higher numbers than their Eastern counterparts. Most of colleges in India are Arts, Science, Commerce & Learning Colleges and these enroll the bulk of the nearly 6 million current tertiary students. Nearly two-thirds of students are enrolled in arts and science, with another 18 percent in commerce/management.

This is important because most private investment in higher education is concentrated in engineering, medicine and management and therefore, does little for the majority of students. Almost nine in ten students pursue bachelor’s degrees, one in ten pursue post-graduate degrees. There is a trend towards privatization, although of course the degree to which states have allowed private higher education institutions and the quality of such institutions varies widely. In the case of engineering
colleges, the private sector, which accounted for just 15 percent of seats in 1960, now accounts for 86.4 percent of seats.

In State medical colleges, the proportion of private seats has risen from 6.8 percent in 1960 to 50 percent in 2009. Privatization does not imply a release from the state monopoly of regulation which dictates teaching methods, courses taught, and syllabi. Privatization simply means that institutions are self-financing; they draw on student fees rather than government funding. It is presumed that the efficiency of such schools is much greater than in government-supported schools. And, of course, there are an estimated 110,000 Indian students studying abroad - approximately 80,000 in the U.S, although they are turning to Canada, the U.K. and Australia with the effects of the terrorist strike in September 2001 making entry into the U.S. much more difficult. Indians are spending between $700 million and $1 billion on higher education abroad, a sum total that exceeds expenditures by the State.

Public institutions have been limited in the fees they can charge students which sends a somewhat perverse message to those with means: “If you have money, you can spend it on education abroad, you can come to a private arrangement, or even waste it on any form of consumption, but the one thing you will not be allowed to do is to spend it at public institutions or on getting an education in India”. And, those who leave, typically the most capable and financially well-off, have little stake in improving the home system.

However, while the majority of Indian students graduating from U.S. institutions used to stay and work in America, more and more are now returning to India as profitable and challenging job opportunities become available back home, and in response to reduction in the number of H-1B
visas relative to the internet boom years. So perhaps with greater numbers returning, there might be additional pressure to strengthen educational offerings overall. There has also been a recent emphasis on women’s education since almost sixty percent of girls/women in India remain illiterate. The number of women’s colleges has recorded a substantial increase and women now constitute a greater proportion of enrollment figures. They represented just 31 percent of the student population in 1991 which had climbed to 46 percent by 2006. Additionally, India’s most marginalized social groups (scheduled castes and scheduled tribes) are enrolling in greater numbers, moving from eight percent of students in the late 1950s to 12-13 percent in the late 1980s. There is also strong evidence to suggest that the proportion of first generation graduates has been rising in State and Central Universities.

The University Grants Commission (UGC), established in 1952 and awarded statutory authority in 1956, is responsible for the development of higher education, allocating and distributing grants from the Central Government to all eligible central, State and deemed universities based on an assessment of their needs. Universities established under the Acts of Parliament are eligible for both development and maintenance grants; those established by State legislatures are eligible for development grants only.

There is a growing consensus that the UGC needs to be restructured, with less emphasis on the grant dispensation, and more emphasis on becoming a monitoring organization that benchmarks Indian colleges and universities with the best in the world in order to strengthen academic standards. Currently only 6,000 of India’s colleges qualify for UGC grants and recognition because the other colleges lack sufficient resources or qualified faculty (UGC 2006).
The UGC established an autonomous body, the National Accreditation and Assessment Council (NAAC), for carrying out periodic assessment of volunteering universities and colleges. NAAC’s process of assessment and accreditation involves the preparation of a self-study report by the institution, validation of this report by peers, and final decision by the Council. Criteria include: curricular aspects; teaching-learning and evaluation; research, consultancy and extension; infrastructure and learning resources; student support and progression; organization and management; and healthy practices.

The NAAC’s main initiative is to address the qualitative problems that have arisen because of the recent explosion in higher education. However, the agency's authority is confined to institutions that are already recognized by the University Grants Commission as degree-granting institutions or as affiliated institutions. They have no power to assess or regulate private, unrecognized institutions. And accreditation is voluntary, with very few institutions participating to date.

The All-India Council of Technical Education (AICTE), established in 1948 and awarded statutory authority in 1988, is responsible for planning and developing technical education (engineering and technology, architecture, management and pharmacy). It oversees the review and update of the curriculum and facilities of the engineering colleges and other technician-training institutions. The AICTE also regulates the establishment of new private professional colleges in order to limit their proliferation. A significant feature in the development of technical education in the last twenty years is the emergence of “self-financing” institutions in the private sector that charge student fees and do not depend on government grants. The AICTE recently established a National Board of Accreditation (NBA) to initiate the accreditation of
technical institutions (like its counterpart, the NAAC). In 2004, AICTE announced that it will constitute a National Engineers Registration and Licensing Board (NERLB) to provide registration and licenses for the engineering graduates of IITs with a view to enhance the level of proficiency and ethics. NERLB would among other things represent the engineering profession at national and international levels, facilitating international mobility of Indian engineers.

All universities are members of the Association of Indian Universities (AIU). The AIU has no executive powers but plays an important role as an agency of dissemination of information and as an advisor to the government, UGC and the universities themselves. The quality of education hinges on the skill and ability of teachers. Teachers today have multiple roles to play including teaching, research and consultancy, and extension work, development of instructional resources and management of institutions. It is necessary to update their efficiency as a precondition for improving the quality of higher education. Only persons of high caliber should be appointed to faculty positions through impartial and objective recruitment procedures. Appointments to teaching positions should be made on merit and merit alone.

Teachers selected on parochial, caste, communal and such other considerations can never build up a faculty of quality. And a poor quality faculty can never raise the standards of higher education. It is generally held that institutions of higher education and learning in India have failed to generate and nurture intellectual culture.

One of the prime requisites of a socially conscious education system is teachers work besides being inquisitive learners and proficient in their profession; possess social sensibility and commitment to create a
better social order. Our system of one year probation is too inadequate to
determine the suitability of a teacher for permanent appointment.
As in many advanced countries, faculty must be judged over a longer
period of time not only by the head of his department, but also by his peers
and even by his students.

Student reaction surveys are a method employed by several well
known universities abroad. Teachers’ performance should be continuously
assessed. Assessment of teachers should be made on the basis of their
comprehensive performance appraisal and their continuous education and
improvement. An important reason for the inefficient working of our
higher education sector has been, as in the case of public sector
undertakings, assured salaries and absence of a monitoring system for the
performance of the teachers and the institutions. An open, participative and
data based system of teachers’ evaluation should be created and
implemented.

The criteria for excellence in teaching have to be well
publicized and made available to the teachers in advance (Kapur 1998).
The UGC has instituted certain schemes such as the academic staff
colleges for updating teachers’ competence. But these do not have
comprehensive and extensive coverage of the essential contents and
techniques. Moreover, they cater only to a small portion of the total
teaching community.

Senior faculty members are outside the scope of this scheme.
Even the refresher courses in various specialized fields do not cater to
updating the knowledge and skills of senior teachers who ideally are
expected to exert the greatest impact on the educational system.
The existing facilities for the in service training of teachers are woefully inadequate and should be strengthened considerably.

The teachers should on their own use the vacations for updating themselves by undertaking self study and research. The system of sabbatical leave, so popular in some of the advanced countries, should be introduced in India on a large scale. It has to be said that by and large the norms of academic behavior are not being observed in most of the institutions of higher learning.

Hence, serious attention needs to be paid to the issue of professional ethics of teachers. This is of great importance because the conduct of teachers directly influences the impressionable minds of students who generally see in their teachers their role models. Teachers have the obligation to ensure that the highest level of scholarship, objectivity and recognition of merit distinguish all their activities.

The primary responsibility for ensuring that the teachers adhere to a professional code of conduct rests on the teachers’ organizations. But its implementation has not been insisted upon either by the UGC or by the central and state governments. It is high time to take effective measures at the national as well as state levels to monitor the adherence to the professional code of ethics already adopted by the UGC.