CHAPTER- 2

LITERATURE REVIEW

2.1. Introduction

The researcher wanted to convince oneself the relevance of the research topic. It was an enriching experience to read various books and articles appeared on education system in India and functioning of universities, management institutes in India. Number of articles even brought the healthy practices of institutions in different parts of the country.

Some of the articles were reproduced here as they were, as the researcher did not want to dilute the meaning and thoughts developed by the authors.

2.2. Situational Analysis

In the case of situational analysis a complete scanning of the environment is undertaken to find new opportunities to excel in the existing market. Environmental scanning further includes a. internal environment and b. external environment.

An organization should carefully analyze the environment in order to move towards perfection. Environmental forces are highly dynamic in nature. This requires continuous monitoring of the environment.

The same is applicable to the educational service sector also. Those institutions which failed to recognize these forces are either struggling to survive or have already quit the sector.

It is not just Globalization and signing of GATS that have resulted in such a situation; but with the change in the demography, social and cultural changes and more so with the revolution in information technology, the awareness of the general public is on rise.
Today a student has the freedom to choose between Central Board of Secondary Education (CBSE) course, Indian School Certificate (ISC) course, Higher Secondary Certificate (HSC) course, International Baccalaureate (IB) course and various diploma courses. So is the case with undergraduate courses. For instance, a student can choose a general course on B.Com or Special courses like B.Com with Accounts and Finance, B.Com with Banking and Insurance, and B.Com with Financial Market.

The researcher while conducting exploratory research came across an extremely valuable remark made by a senior teacher of a renowned college. He expressed that the reputed colleges of present day will soon face the situation like the government run municipal schools. It is high time to adapt oneself to the need of changing environment.

2.3. Strategy Development

After conducting situational analysis one should develop the right kind of strategy to follow. The impact will be of long term and therefore strategy formulation should be done with utmost care. A strategy formulation includes:

a. To decide the type of institution

Just like any business organization the educational institution is also required to finalize the right type of courses it has to offer to the prospective customers. For instance, it has to decide whether to offer general and contemporary courses like BA, BSc, or BCom courses or with or without certificate courses or technical and professional courses etc.,

Today one can find educational institutions offering pure science courses with humanities. For instance, most of the IITs are offering technical courses with courses in Humanities.
b. To define the positioning of the institution

Another crucial issue is to *differentiate* the course offered by the educational institution. The syllabus is prepared by the University, fee structure is fixed by the University; therefore it is difficult to create a positive image for the institution. This needs a lot of homework to be done by the Leader and the supporting staff of the institution. This can be done by exhibiting the strength of teaching-learning process, infrastructure, physical evidence, testimony made by the present students, a strong relationship with the alumni, tie-ups with well known companies, and certification like ISO or Accreditation by NBA or NACC etc.,

c. To determine the objective of the institution

Objectives are defined as the end result towards which an organization is moving. They are time-bound. Objectives are essential for both business and non business organizations. An educational institution has to determine its objectives based on its Mission and Vision.

**2.4. Marketing Programme Development**

The marketing programme for an educational institution includes:

a. Segmentation.
b. Product- i.e., Courses.
c. Price- i.e., fee structure.
d. Place.
e. People.
f. Physical Evidence.
g. Process.
h. Promotion Mix.
Keeping these in mind, the researcher has referred to a few essays related to strategic management, quality assurance, dynamic teaching, and case studies on institution building and so on.

A summary of the same has been presented in the following pages.

2.5. Strategic Management

An educational institution should be aware of the importance of using formal strategic management systems and techniques in their operations. Changing demographics, population shifts, new technology, political changes, participative management, financial challenges and tough competitive climates are making it necessary to apply strategic management. Those institutions considered to be “the best” are likely to be participating in the strategic management process that confirms their special status.

Studies have shown that low-performance institutions will often be preoccupied with solving internal, day to day operations, either ignoring or underestimating the strengths of competitors and other environmental factors. They may not appreciate or understand the dire need to devote equal or more time to formulating, implementing, and evaluating strategies for future growth and development.

Thibodealux and Flavilla defined institutional effectiveness as the extent to which an institution, by the use of certain resources, fulfils its objectives without depleting its resources, and without placing undue strain upon its members.

Strategic management could also be seen as an array of decisions and actions that lead to the development of an effective approach to achieve the institution’s objectives. Once

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certain basic elements such as mission and goals are accepted, then those activities that flow from these elements undergo analysis, choice, implementation and evaluation. The framework by which strategic management is applied to institutions is based on process. In addition, strategic management allows an institution to take advantage of key environmental opportunities, to minimize the impact of external threats, to capitalize upon internal strengths and to improve internal weaknesses.

It was established by Thibodeaux and Flavilla that the setting of clear standards, having several persons involved in the decision making process and readiness for change, were the most important variables of strategic management. They also found that everyone should be involved in change and that decision making is a “multi-phased” process.

The educational institutions cannot be effective without strategic management process. An effective strategic management process requires the involvement of different stakeholders of the institution.

Financial constraints, is a common feature of every project or institution. Like every sector, higher education should also promote academic excellence. The twin imperatives of managing with “less”, and maintaining quality of education, necessitate a key short term response from educational leaders: improving the efficiency and effectiveness of the academic and administrative dimensions of their institutions. Long term strategy has to be developed to attain quality of education and institutional sustainability.

2.5.1. Strategic Planning

The major components of strategic management efforts include; mission, vision, objective, and culture (values, norms, attitudes, and behavior). To choose a direction, a leader must first have developed a mental image of a possible and desirable future state of the institution. This image, which is called a vision, may be as vague as a dream or as precise as a goal or mission statement. The critical point is that a vision articulates a view
of a realistic, credible, attractive future for the institution, a condition that is better than the one which now exists.

A vision provides a shared mental framework that gives form to that future. It is essence, the institution’s “ambition of life”, a central motive designed not only to capture the imagination of the entire institution, but also to extend boundaries within the realm of the possible.

If the vision is the what, the mission is why. A mission identifies the role or activities and provides the overall direction for achieving the vision. It focuses on what the institution wants to be and to do and indicates values and principles. In order to make strategic planning effective, it is firstly necessary for top management to define clearly what is expected from the process. As a basic concept strategic planning amounts to planning the future success of an institution by matching and aligning all its capabilities with external opportunities. Thus, strategic planning is the process with which to systematically evaluate, plan and implement the most successful course of future development and to align all resources and functions within the institution toward a common set of achievable goals and objectives.

Higher education has become a “Participatory” environment. Various stake holders of an institution want sufficient information about the “surroundings” of the institution. More so, there is increasing demand from these groups for representation to voice their views.

2.5.2. Scanning the Environment⁴

The starting point for a strategic planning exercise is an assessment of the changes in one’s environment, covering such areas as resource constraints, manpower shifts, and

competing forces. A by-product of this exercise is the identification of the opportunities and the constraints or difficulties that the environment presents. In management literature this is called “Scanning the Environment”. It is a process that can help bring out a variety of implications for the institutions involved. There are four environmental shifts taking place today:

1. There is a growing pressure on the resources that are available.
2. Patterns of demand for certain disciplines can change.
3. Competition patterns may change.
4. Technology may undergo change. This change could be positive or negative.

Understanding the implications of these shifts is the first step in strategic planning. An appreciation of these shifts can force people to think in new ways that can result in creative answers. Their external environment can make a difference.

2.5.3. Assessing One’s Own Performance

Assessment of environmental shifts should be followed by a very careful analysis of the performance of the institutions. There is a need for institutional audit. Institutional audit is conducted to check the progress made by the institution in every sphere. This will help the institution to meet the ever changing environmental forces. Higher educational institutions, unlike business organizations, are not used to doing an audit of their own activities. Educationalists are always concerned about government interference as they are the financers. All the institutional builders including IIMs had the same apprehension. They expected the supervising ministry to be concerned about strategic issues. But typically the questions asked at the budget meetings were: “Do you need three more clerks? Why do you need another office?” Relevant and crucial questions like, “What are your programs achieving? And can you give us some evidence on the impact that you have made?” were missing. In industry they do this by asking whether particular products’ profitability is adequate. Such questions are asked because their own money is at stake. In public higher education, perhaps, those responsible do not feel the same kind of ownership. If one is serious about strategic planning, then there is need to pay attention

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5 Ibid 17-19
to performance by asking questions about basic objectives and outputs. It is only when strengths and weaknesses have been understood, that new opportunities can be spotted.

A proactive higher education institution will adopt strategic planning, make adequate arrangement for its performance appraisal and constantly identify and update its strength and weakness.

The researcher recalls the two recent episodes where the Human Resource Development (HRD) Ministry was worried about the fees collected by IIMs and the Government’s denial of permission to Indian Institute of Management, Ahmedabad (IIMA) to open its branch at Singapore.

The researcher has come across the examples of surplus institutional infrastructure as a result of falling enrolments. At the same time, there is a need for upgrading the skills of people in industry. In order to bridge this gap such institution should encourage the industry to use its underutilized capacity to meet the requirements of the industry. Thus one can find management institutions are exploiting this opportunity and are announcing numerous executive development programmes. Many institutions have created this demand. This is a strategic response that comes out of not merely understanding environmental shifts, but relating this understanding to the institution’s own strengths and weaknesses. The Indian Institutes of Management came up when India was embarking on an era of industrialization. Some people in the Ministry of Education, some foreign advisers, and many others, identified this as an opportunity. Ahmedabad related this to an assessment of its own strengths and potentials. Bombay (Mumbai) had a large and well known university, but was unable to benefit from the environmental shifts or exploit its own strengths. Thus it lost the chance of starting the country’s premier management

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institution to Ahmadabad. This trend is still continued as it is failing to attract international management schools, perhaps the constraint of space.

Recently, the researcher came across a very interesting example of strategic response in India. Colleges of law and art and commerce colleges do not cost much to set up. The quality of legal education is reported to have fallen in India, but the universities have done little to rectify this situation. But the Bar Council of India (and not the government) took the initiative to assess the weaknesses of the system and to find ways to make legal education more relevant to current needs. It started an institution called the National Law School at Bangalore. It expected little from the government for financing the said course. The money came from private, professional sources. A small group of faculty was put together. High quality students were attracted. Good admission procedures were put in place. The administrative staff strength was kept to a minimum; for about five hundred students there were only twenty seven administrative staff members. In its tenth year it underwent an international review process. The institution was rated very highly. Its students are well placed now in the corporate sector and elsewhere. This is an example of a strategic response. Corporate Law had not been identified (until the National Law School had been set up) as an opportunity by the hundreds of law schools in this country. Thus the interaction between environmental scanning and institutional assessments can result in the identification of new answers.

2.5.4. Involving Stakeholders

The success of a new strategy will depend a great deal on whether the major stakeholders involved are committed to it. Governments are not often very good at creating this sense of ownership. There are, of course, exceptions. When the IIM’s were set up in India, the government did make an effort to consult widely with a variety of stakeholders. The government officials who initiated the concept of IIMs had meetings with industrialists, engineers, management professionals, businessmen and selected experts from outside the

\[7\text{ Ibid 19-20}\]
country. The cross-fertilization was important. It not only spread the message, but created a greater sense of ownership. Bringing in external consulting groups (e.g.: Harvard Faculty in this case) may facilitate the process of cross-fertilization. One of the early programs the IIMA started was the “three-tier” executive development program. This brought together middle-level, senior-level and top-level managers over a period of one and a half months, with the middle level spending about four weeks in the program and the senior people visiting for a couple of days. The design was unusual. The reason was that management education was new in India at that time. Although it was seen as a good idea, there was no guarantee that industry and family firms in particular would take to the products of the new programs. Hence in fusing a particular philosophy across the various management tiers in an enterprise was seen as important. This also helped the institution to bridge the gap between academia and industry. These courses helped the institution to meet its need of information for preparing case studies. This example illustrates a strategic response by IIMA since it came out of an assessment of how the new institute should influence enterprises.

Here is another example from the United States. At the end of the Cold War, many large defense oriented research laboratories found that defense was no longer a dominant issue in the future scenario of the country. They knew the Russian capabilities were no longer a threat. Many scientists went through a traumatic period. But the governments created incentives for the scientists to readjust by putting them in touch with industry. The idea was that scientists would work on the peace time research needs of industry. The process forced the scientists to rethink their institutional strategy. Many laboratories are today reported to have reoriented themselves. It is an example of how research institutions were made to go through a strategic planning process in a changed environment that was beyond their control.
2.5.5. Mobilizing Resources

Shifting strategies invariably calls for new resources and new alliances to source these resources. Alumni are seen by United State universities as important allies and resources. In India as well as in many other countries few thought about alumni as partners or resources. One reason perhaps may be the Indian institutions are pampered by government financing. None of the institutions are motivated to tap their alumni. The scenario is now changing. Both IITs and IIMs are tapping this source. It is interesting to watch the response is spontaneous- they all are emotionally attached to their alma mater and want to give back much more than what they have received.

They also tap industry funds to work on interesting research problems. There are rich donors and organizations which can probably help. In the United States most universities set up new consulting and research outfits to tap this market. The formation of a separate organization or a subsidiary will enable the bigger universities to get new resources without violating the norms the academic faculty believed in. This can be a beautiful strategic alliance based of give and take.

2.5.6. Organizations and Life cycles

Research in organization theory suggests that organizations experience life cycles in much the same way as products. The four stages of the life cycle are readily discernible. Kimberly and Miles, note that organizations are born, grow, and decline. Weitzal and Jonsson suggest that there are five stages in the decline process. In the first stage of organizational decline, the organization is blind to the onset and signs of decline. In the second stage, the organization recognizes the need for change, but is either unable to or does not choose to take any action. In the third stage, inappropriate actions are taken.

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8 Ibid pp 20-21
which lead to the point of crisis in the fourth stage. Finally, in the fifth and last stage, dissolution or extinction occurs.

Educational institutions exhibit behaviour similar to those of other organizations so far as their life cycles are concerned. Poor or declining standards of education, frequent disruptions in the functioning of the institutions and the conduct of programmes, poor maintenance and lack of facilities, accessibility to higher education by the poor and the minorities, are some of the commonly cited problems. In addition, the whole system faces the threat of a break down in the context of drastic financial constraints.

2.5.7. Institutional Excellence

While there is controversy on what constitutes “good” organizational performance, there is also substantial agreement on the notion of excellence. After all, as stated by Professor Ravi J. Matthai, the first director of IIMA and also one of its principle architects, “the building of an educational institution is often an act of faith and the expression of that faith is in a philosophy on the basis of which those who build such institutions act the initial assumptions that are made are simple and sound naïve. At IIMA it was assumed that knowledge must be used and that it should be characteristic of this institute that its concern was with the application of knowledge. Very broadly, the philosophy of IIMA has been to start an educational process which will eventually endeavor to integrate disciplines, academic activities with operations of the real world and integrate knowledge of the working sectors.”

Following are some of the pre requisites for institutional success.

1. The institution must respond to, and fulfill, a felt market need. It must be responsive to the market and should be able to meet the challenges of the market in a competitive environment.

2. The institution should identify a market niche and it must develop core competence in that niche. This could either be in terms of products, the

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10 Ibid pp 35-36
educational process or even the system input.

3. The institution requires financial resources, which it should be able to mobilize from the environment by marketing its product or through the goodwill it generates in the internal and external community.

4. It must have qualified and competent professionals to pursue the institution’s mission and objectives. It should be possible for the institution to attract, retain and develop the capabilities of these persons, for in the ultimate analysis, it is the “people who make it happen”

5. The institution requires leaders who can create an ethos, inculcate values, promote a culture, and design structures which foster innovation and encourage creative expression.

6. Due attention must be paid to internal institutional processes. In order to ensure that an appropriate organizational environment is created and individuals can achieve the desired outcomes as well as contribute to institution building.

2.5.8. Institutional Process

It is a well accepted principle of management that those who are responsible for outcomes must also have the freedom to choose their paths to achieve those goals i.e., autonomy. The crucial issue over here is how this autonomy can be effectively obtained from those who have the power to grant autonomy by those who have a need for it.

1. The CEO needs autonomy from the governing body to determine institutional strategies and policies.
2. The faculty needs autonomy to design and manage academic programmes.
3. Employees need autonomy to create spaces for their effective functioning.

Autonomy has to be carefully and delicately balanced by accountability and responsibility. An internal discipline is therefore required which can guide at all times the

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11 Ibid pp 36-38
actions of individuals and groups of people. Such a discipline should not be in the form of rules and regulations, or manuals, but should preferably be in the form of *self regulation*, guided by *collectively evolved norms of behavior*. This means trying to build attitudes within the institute communities that would foster and sustain self discipline.

### 2.5.9. Institution Building

Esmann and Blaise in their pioneering work on institution-building proposed that there are five aspects of institution building that can be measured.

1. **Technical Capacity**—The ability of the institution to deliver innovative technical services.
2. **Normative Commitment**—The internalization by its staff of the innovative ideas, relationship, and practices for which the institution stands.
3. **Innovative thrust**—The ability of the institution to continue to innovate.
4. **Environmental Image**—Institution is being viewed in its environment as having intrinsic value which in turn can be tested by the autonomy it has gained.
5. **Spread Effect**—Specific relation and action patterns embodied in the organization which has become normative for other social units with which it interacts.

These five aspects of institution-building combined in some manner are expected to provide a measure of success in institution-building which Esmann and Blaise term “Institutionality.” In fact, Siffin, another authority on institution building, has observed “as praxis, institution building is heuristic rather than prognostic.”

One can arrive at the following conclusions:

1. Institution building activities and processes are a set of examples which may serve to stimulate interest in further investigation.
2. It is difficult to know *a priori*, or to predict whether an institution having come into being, will succeed by the excellence of its result or fail.

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12 Ibid pp 48-58
The two institutes of management at Ahmedabad and Calcutta were established at about the same time in 1962. The tasks of these institutions were to train men and women for the practice of management as a profession and to develop new knowledge that might be relevant to improving the operations of business and other types of organizations. This training was expected to take place in a variety of ways and several levels.

1. Offering Post graduate courses to young person’s intending to be managers or even entrepreneurs;
2. Offering post-experience courses for managers at various levels of responsibility in organizations;
3. Offering research programmes for persons wanting to train themselves for careers of teaching and research in management.

The IIMA started its two-year post graduate programme and short term post-experience programmes soon after its establishment. The doctoral programme started a few years later.

According to Tom Hill and his colleagues (1973), “the IIMA has at this point the strongest claim to institutionalism as measured by creation of technical capacity, normative commitment, innovative thrust, environmental image and spread effect.”

2.5.10. Academic Leadership

Thus it shows that the academic leaders have to play facilitating and balancing roles. They have to be concerned about the equity and efficiency effects of their choices. They must plan for the transition because whenever the product mix changes, it is likely that some people may be hurt more than the others. Take the example of Humanities. In some of the academic institutions there are not enough students for history courses. There may be a case for preserving disciplines like history. There may be other subjects for which the market does not provide opportunities, but which are nonetheless important from an educational point of view. The leader has either to cross subsidize, or identify endowments so that what is valuable in the institution’s mix of disciplines is maintained.

13Ibid pp 21
But leaders also have to play an anticipatory role, and think about these issues well before disaster strikes. Financial problems might become more severe, demographic shifts may take place, and competition may increase. Those who are going to make the best strategic responses are the ones who spot external changes early.

In any institution that utilizes strategic planning for excellence requires the CEO to play a vital role, i.e., a CEO with strong leadership skills who can implement strategic management. Almost all the time new challenges require a transformation of the institution, departments and staff. Without transformational leaders transformation cannot take place with the result that strategic management will not be successful.

2.5.11. Empowerment

In this new world, the traditional management model of “the manager in control and the employees being controlled” does not work. The shift from a bureaucracy to an empowering management calls for massive, difficult change throughout the institution and if this does not take place, strategic management cannot succeed. The staff must be empowered to transform the vision into action through a participative and supportive leadership. At the most practical level, empowerment is recognizing and releasing into the institution the power that people already have in their wealth of useful knowledge and internal motivation. Most people talk about empowerment without understanding what it means. Some suggest it means “giving people the power to make decisions” others claim it means “getting people involved in participative way” or expecting people to work in teams without creating a team spirit. As long as the leader sees him/her self as the main source for decision making, teams will never develop. Randolph came to the conclusion that empowerment consists of a set of values, attitudes and behaviours different from those that guided institutions in the past and the question is how higher educational institutions must empower their staff.

Empowerment clearly involves a high form of leadership—transformational leadership—

14 Ibid pp 63-63
sorely needed in future. A great number of top management think that simply announcing their desire for an empowered workforce will make it happen. Others realize that empowerment is a process that involves action and they understand the changes that they, too, must make if empowerment is to become more than just the buzzword of the year.

In the initial steps toward empowerment and transformation, transformational leaders must show the way. The world of transformation is an unfamiliar place for many managers and employees alike. To expect them to abruptly shift behaviour and conform to a new world order is difficult. Habits must change and relationships must be altered. Transformation cannot be left to fate; it must be driven by transformational leaders with a value-oriented approach to increase responsibility, relying on new values.

2.5.12. Transformation

A sensible mission and vision is required for transformation effort which will provide right direction to the institution. Failed transformations often find plenty of plans and directives and programmes, but no vision. A paralyzed institution is often formed from having too many managers and not enough leaders. The Management’s mandate is to minimize risk and to keep the current system operating. Change requires creating a new system, which in turn always demands leadership. Phase one is the renewal process which typically goes nowhere until enough real leaders are promoted or hired into senior level jobs.

Transformations often begin, and begin well when an institution has a new head who is a good leader and who sees the need for major change. If the renewal target is the entire institution, the CEO is a “key.” If change is needed in division, the division general manager is a key. When these individuals are not new leaders, great leaders, or change champions, phase one can be a huge challenge.

\[^{15}\text{Ibid pp 64-68}\]
a. Transformational Leaders

Successful transformations begin to involve large numbers of people as the process progresses. Followers are emboldened to try new approaches to develop new ideas and to provide leadership. The more the people involved, the better the outcome. Kelly (1995: 7) is of the opinion that mobilization is the process of mustering the mental energy needed to feed the transformation process. It involves expanding the realm of motivation and commitment from the level of the individual to the team, and finally, to the entire institution. In human terms, it musters and liberates the mental energy needed to feed the transformation process.

Avolio comes to the conclusion that transformational leadership involves the articulation of a compelling mission or version that involves each individual in seeing where he or she can contribute best to his her achievement. An alignment around a common purpose promoted by such leadership is the basis for creating the “vital forces” within individuals, groups, institutions and communities to accomplish if not, to exceed, extremely challenging and inspiring goals. Transformational leaders work to create a climate and culture where each individual and the group can achieve their full potential. They create vital forces in teams and institutions by articulating an ideal future state, balancing the rights of individuals and the group, sacrificing their own gain for the gain of the group and exhibiting a strong moral obligation to group members. A core characteristic of transformational leadership is to develop followers to higher levels of potential and perspective.

b. Strategic Management and Transformational Leaders

No academic institution can be successful without a sound strategic planning process and strategic management. This requires a CEO with a mission and a vision, who can transform the institution. The need for higher education transformation represents a fundamental shift in the way educational institutions are managed. The task of
transforming our education is within the reach if the institutions have transformational leaders. In short, successful transformation depends on transformational leaders.

Transformation starts with strategic management and the empowering of followers to accept responsibilities and challenges in a changing world. The transformation process—at all levels, must be driven by transformational leaders.

c. Characteristics of transformational leaders

If educational institutions and higher education in general, are to succeed, transformational leaders must transform them. Transformational leadership is a widespread phenomenon. While more of it occurs at the top than at the bottom of an institution, it has also been observed by many employers in their first level supervisors and in their informal leaders. It appears in every sector of the community. It separates the politician from the statesman. Transformational leadership can be learned by leaders at all levels and in all sectors. Successful programs have been conducted for first level leaders as well as for senior executives, school principals and managers of higher education. Managers can learn how to improve the transformational leadership and transformational leaders can change their subordinates into transformational leaders in their own right. Transformational leaders are more highly judged in leadership by followers and superiors and exhibit higher rates of performance. They provide appropriate direction and followers prefer to work with transformational leaders because they focus on continuous improvement and strive towards total quality management. The cultures they develop are more responsive to innovation and risk taking. They create high performance teams that accomplish extremely challenging objectives. Team members support the development of each other and work effectively with other teams. They believe strongly in the basic premise that to develop others one has to be willing to develop one. The philosophy is expressed in the way transformational leaders reward others, develop others, stimulate others, inspire others and gain their respect on an individual basis as well as group.
d. Individualized Consideration

An essential challenge for all leaders is to allow time and energy to work individually with each follower. The leader must be able to diagnose the needs of each follower’s desires and capabilities. The motto must be “I care about your development and about you as an individual”.

The general characteristics of these leaders are that they are caring, concerned and display empathy. They are alert to individual needs, provide appropriate challenges and learning opportunities and delegates to help develop followers. These leaders show individual consideration by appreciating each colleague’s potential to contribute and by providing support and encouragement.

e. Intellectual Stimulation

The type of leadership that is needed when change and innovation are essential is referred to as intellectual stimulation. These leaders encourage followers to take intellectual risk, to be creative, to question the assumptions; underline the way they operate and top align the institution and different departments to cope with the changing environment. Such leaders provide followers with a new lens for viewing the world around them and for solving problems.

These leaders value the intellect, encourage imagination and challenge the old ways. They question the status quo; generate simpler solutions and use reasoning as well as emotion. The result is that followers are willing to think because the leader discusses new trends and ideas and offers good examples to encourage followers to change their basic way of thinking. The leader provides them with reasons to change the way they think about problems, emphasizes the use of intelligence to overcome obstacles and gets followers to identify key aspects of complex problems. It is of vital importance for academic leaders at educational institutions to display intellectual stimulation to followers to enable them with the dramatic changes facing these institutions, and to
develop innovative strategic plans.

f. Inspirational Motivation

Inspirational leaders offer their followers a sense of mission and purpose and raise the expectations of the group. They call for actions from followers, introduce new challenges, focus followers on what is the key to success and help them to envisage exciting new possibilities.

They clarify future challenges, treat threats as opportunities and meet the expectations of followers by clarifying the mission, encouraging individuals and aligning individual and institutional goals. The result is that followers are willing to try and are willing to exert extra effort.

The inspirational leader convinces followers that they have the ability to achieve levels of performance beyond what they feel is possible and to include this in their strategic plans. Managers who demonstrate an optimistic attitude with followers, who provide them with the confidence to tackle difficult task or who jump in when needed to help others complete their work can also be seen as inspirational.

Inspirational motivation can occur in small or very large amounts. Some managers and executives can inspire simply by showing that they believe in followers and are optimistic about the future.

g. Idealized Influence

Idealized leaders are role models who hold up ideas that move followers to go beyond their immediate short term needs, desires and ideals which move them to align their own objective with the goals of the group or the institution. Such idealized influences are often referred to as charisma. Among the reasons why followers want to succeed in their work is to show their support of the leader in whom they have a great deal of trust, faith
and confidence. Idealized leaders are achievement oriented, but not so much in terms of their own or personal achievements, rather in terms of achievements of their followers and the institution.

Because of the strong commitment followers have to these leaders, they are able to wield a great deal of power. The power comes in the form of consensus to move forward with a vision, as well as from the power over individual followers that motivates them to go to extraordinary levels of efforts to accomplish the leader’s vision, mission and strategic objectives.

The general characteristics of these leaders are that they have confidence in the vision, mission and objectives of the institution, take full responsibility for their actions, display a sense of purpose and trust and identify with their own leaders.

They normally emphasize accomplishments, set high moral standard, stand as role models and demonstrate out-of-the-ordinary capability. The result is that followers are willing to trust such a leader, they decide to be liked by the leader, they decide to show support for the leader and have an emotional attraction to the leader.

Finally, the idealized leader influences followers by showing them the way to attain shared ideals. This means that the idealized leader sets high standards, presents a clear vision, expresses important purposes, develops ways to encourage followers, give encouraging talks to followers and communicate expectations of high performance to followers.

The leader will also encourage followers to share his / her vision and mission for the institution to develop strategic plans in their individual departments to enable the institutions to achieve its total mission and vision.
2.6. Quality Assurance

Quality is the focal point, the hub, around which the intellectual effort of an educational institution is organised. While it is difficult to define quality it is possible to define processes and actions which contribute to quality. "It is also possible to suggest conditions and prerequisites under which quality can be expected to flourish. The focus is, therefore, on "quality assurance" rather than "quality" in higher education.

Quality Assurance is a concept which has been borrowed or extrapolated from the industrial context of production of goods and services for the client and emanates from the concern that the consumer gets "value for money". It is the concern for accountability to the customer.

For a long time higher education was the preserve and privilege of a handful of university institutions, with an elite faculty teaching a narrow range of subjects to a small elite group of very able students. Institutions were allowed considerable freedom to set their academic goals and run their own affairs. Academic staff was expected to aim for and achieve quality and, comparability of quality between institutions and over time was assumed.

However since the beginning of twentieth century, higher education has witnessed massive expansion and growth, with all the attendant characteristics of a system for mass-consumption, like

1. Rapidly increasing number of institutions.
2. Emergence of different kinds of institutions, e.g. engineering, medicine, liberal arts, business studies, polytechnics.
3. Substantial increase in percentage and absolute number of students.

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4. Significant changes in the composition of the student body in terms of gender, class, age, participation.
5. Diversification in the degree programmes offered, and initiation of whole new sets of subjects and programmes.
6. A corresponding increase in the size of the faculty and its structural change.
7. More Complex management and a verity of management or mismanagement patterns.

With higher education becoming a mass phenomenon, involving large investments of public and private resources, and the economy demanding an adequate supply of ever-more complex knowledge and skills, the public is no longer willing to place total confidence in the ivory-tower image of tertiary institutions, but expects independent evidence that higher education is providing good quality and value for their investment. **Quality Assurance is a response to this concern for accountability.**

The question which immediately arises is accountability to whom? There are at least three different groups to whom higher education is accountable
a. Society and the government in as much as government acts as a proxy for or agent of society,
b. Clients: students and employers, and
c. The subject/discipline: the professions and professional colleagues’ concerned.
Accountability to these groups arises out of the following facts

**2.6.1 Accountability to Society**

1. Society pays for higher education through taxes.
2. Government acts on behalf of society in distributing funds to institutions, grants/scholarships to students.
3. Government is responsible to society for ensuring that higher education provides value for money and for setting up agencies/mechanisms for the purpose.
Accountability to society is not merely a matter of returns on investment, rather society needs assurance that institutions of higher education do not fail in their duty to safeguard and transmit a cultural heritage.

2.6.2. Accountability to Clients

Students and employers require

1. Courses those are relevant to the needs of the clients, as expressed in terms of profile of jobs, needed knowledge and skills.

That they receive reliable certification about levels of knowledge and professional competence achieved.

2.6.3. Accountability to Subject

This means that the knowledge, skills and attitudes which comprise each subject must not be distorted, suppressed or misused. Higher education institutions are also accountable to the related professions and professional colleagues so that the integrity of their discipline is upheld and students develop positive attitudes towards the subject and its use in society.

How is this responsibility to be discharged? For making the higher education system more accountable, the following two strategies are often used-

2.7. Quality Control

Through rejection of the sub-standard product on failure to meet predetermined standards. Control is exercised at the final stage. The drawback of this strategy is that it tends to externalize the concern for quality and limits it to quality controllers. It gives little guidance or insights towards improving quality.
2.8. Quality Assurances

The major advantage of this strategy is that it involves internalising the concern for quality and encompasses all elements of the system—the inputs, the processes and the outputs.

In this strategy:

1. Quality becomes everyone’s responsibility.
2. A sense of ownership arises.
3. The focus is on enhancing quality based on understanding the role of each element.

Management becomes responsible for checking the validity and viability of the system for checking/improving quality.

2.9. Accreditation

Accreditation of institutions and programmes is seen as a strategy for quality assurance in higher technical education. "Accreditation is a process by which an institution or a specialized unit of higher education periodically evaluates its educational activities and seeks an independent judgment by peers that it achieves substantially its own educational objectives and meets the established standards of the body by which it seeks accreditation." Also, "accreditation is a status granted to an educational institution or a programme that has been found to meet or exceed stated criteria of educational quality." Accreditation is both a process and an outcome of the process.

Sufficient intellectual resources are just not available to ensure high quality in the growing number of educational institutions; and unless higher education produces higher quality students, higher quality products, it does not deserve to be called ‘higher’ education.

Another reason for keeping in mind the overall scene in which higher educational
institutions have to operate is that leaders of higher education, and of educational institutions, have responsibilities beyond their own institutions. They have to understand what the rest of the community is saying. They have an even greater responsibility to influence public opinion. They have a responsibility to ‘market’ higher education in the best possible way. Higher education is important if the society is to remain in some kind of ‘cultural surge’ and not get frozen into a particular mould. Higher education is about searching for the new, for something which is better and worthwhile. If one has to retain and develop and nurture fine institutions, especially leaders of higher educational institutions, will have to play this public role, the role of salesman.

Every institution of higher education worth the name has to ask this simple question, “Do I turn away any student of quality he or she does not have the financial capability?” If a student does not have the financial means I have to find them. If I do not do this, then I don’t think I deserve to be called a higher educational institution”. 17

Thus strategic planning and strategic responses may well lead to different product mixes in the higher educational institutions. Institutions may be required to perform new tasks and services. What are the implications or consequence? There are bound to be both positive and negative impacts. Considerations of equity as well as efficiency will have to be taken into account. Will only the elite benefit? Are we likely to ignore people who do not have adequate resources? Will be tied up only with big businesses and forget about others? At present, the Indian Council of Agricultural Research has substantial funds for research, while elsewhere in the world funds for agricultural research are shrinking. This is because the Indian Government imposes access on commercial crops that is earmarked for research. It is high time to introduce change in the existing product mix. The product mix change, should lead to new resources, without hurting the rest of the institutions.

One cannot manage higher academic institutions unless the managerial input is in some

sense committed and continuous. Leaders of higher education have to include the ethical dimension in the training that their institutions offer. The world would be poorer if the institutions start teaching only management or technology, ignoring ethical dimensions.

2.10. Scope of Research

The researcher gathered lot of insight after reading various articles related to educational sector especially building of institutions. It had clearly enhanced the inquisitiveness for learning more about the current practices of educational institutions. These institutions are of Indian origin but are management institutions or universities of India.

The success story of these institutions, the strategy that they had applied to overcome the problems inspired the researcher to apply the same principles and healthy practices to educational institutions that offer conventional courses. At present these institutions are struggling hard to keep alive their conventional courses.

The researcher is concerned with the survival of Higher Education Institutions offering conventional courses like B Com, B A, B Sc., in the present scenario and the following views of the researcher felt the need for conducting this humble study.

1. Indian students will become international global customers.

2. Institutions and courses will compete for students and students will compete for courses.

3. ‘Quality in Education’ will be the only differentiating factor.

4. Foreign universities will soon be permitted to confer degrees on Indian students with government approval.

5. Universities, private investors of developed nations are waiting to invest in Indian higher education on a large scale.

6. GATS and related changes are irreversible and uncontrollable by individual players.
7. The GATS era will demand ‘Quality Assurance’ and ‘Quality Management’ in the higher education system.

8. Students’ evaluation of teachers, course content, physical facilities will be vital for quality.

2.10.1. Significance of Study

Education is a means to development and social change. The role of higher education in national development is well-established. Higher education in India has expanded very rapidly in the last five decades after independence. Therefore, unlike most developing countries, India can be proud of having developed a system which is capable of meeting most of the human resource needs of the country in all disciplines and professions. However, the issues which are of paramount concern today, for all of us, are the quality and the relevance of education with specific reference to the incessantly changing socio-economic milieu.18

It is universally, unequivocally and holistically proclaimed that, education is the most powerful and vital instrument, which can meet the challenging, demands of the present society, particularly when the societies in large context are, in their transitional phase of cultural fusion and social revolution. The education system clearly determines the socio-economic and political doctrines of a country and a sound education policy with innovative thoughts mark social progress of the nation.

The strong class related, income related, and highly politicized current Higher education failed in offering the concept of equity and accessibility. Foreign universities will

increase the magnitude of this problem.

The educators have so far been lucky that the impact of ‘Liberalization, Privatization and Globalization (LPG) has been delayed. However, with the signing of General Agreement on Trade and Services (GATS), the impact would be a *tempest*. Foreign universities have begun to make a backdoor entry. These *world class* foreign universities are sure to enter Indian higher education on a big scale. Thus it necessitates the educationalists to be proactive. This research is a beginning and a preemptive move by the researcher as an educator.

### 2.10.2. Statement of the Problem

Education comes under the booming services sector. The contribution of services sector to GDP is about 50.8% for the year 2003-2004 (The Government of India Economic Survey 2003-2004). In view of the changing needs of society, changing life styles, technological innovations, and fierce competition, market has become *customer service oriented*. Therefore, it is inescapable to learn about services marketing, service quality, service delivery and service management, if one has to cater to a sector so overwhelmingly important.

The researcher would like, therefore, to study *education* as a *service*, which would now be privately funded; both foreign and indigenous investors will look for short and long run returns, which in turn depend upon service quality, delivery and so on. The vision of the research proposal is to assess and suggest ways to improve service quality in education, while not losing sight at its social aims and viability.

There are several services models or frameworks that are useful to address the changes in services marketing and management decisions at both the strategic planning and
implementation levels. Some such tools are services marketing triangle, services marketing mix, gap models of service quality and causes - effect analysis. These models can be applied to improve the effectiveness and efficiency of education as a service. This is one of the areas of proposed research.

The problem can be stated as:-

‘To build Conventional Courses Higher Educational Institution i.e., colleges offering graduation courses, Market Oriented’.

2.10.3. Research Objective

1) To identify areas of challenges in Globalization and GATS.
2) To identify opportunities.
3) To classify, analyze and learn from pro-active Organizations and ‘star’ performing managers.
4) The prime objective is to develop effective and efficient strategies for improving quality of education and pass Indian culture, heritage & values to coming generation

2.10.4. Hypothesis

1. Signing of GATS will increase FDI in education.
2. FDI will flow more in higher education than in Secondary or Primary Education.
3. “Slowly but surely Government funding in Higher Education will be replaced by private funding.
4. Foreign Investors will prefer urban areas to rural areas.
5. Privatization and FDI will intensify the competition amongst the Institutions imparting Higher Education.

6. Higher Education institutions should be pro active and pre emptive.

7. Private and foreign investors will set higher goals and objectives and performance standards.

8. The quality of Higher Education will be a joint responsibility of management and teachers.

9. The need to build up a ‘Knowledge Economy’ and participate in ‘Global Economy’ is important.

10. Linkage to the global economy is impossible without improving the quality of education.

11. Performance Appraisal of teachers will be the key to ensure overall quality enhancement in the performance of the academic committee.

2.10.5. Limitations

1. ‘Quality’ in education is difficult to define (however it can be understood).

2. A college is not a ‘Factory’ and a student is not a ‘Product’; education of the student is a product.

3. Product quality depends on “Total Development”.

4. The study limits itself to colleges in Mumbai that are affiliated to Mumbai University and it is proposed to cover the under graduates courses offering conventional courses only.

5. The limitation of sampling.
2.10.6. Delimitations

The scope of the study is limited to Mumbai colleges. The researcher had given more stress to exploratory method. As the issue i.e., FDI in higher education and GATS role are in primitive stage, a non random sampling method was adopted to understand the awareness of teaching fraternity of undergraduate colleges and students as well. The researcher took utmost care to conduct a study that can be indicative and provide basis for policy formulation, strategic choice and decision making to proactive management in the forthcoming GATS era.