TRANSFORMING BUSINESS SCHOOLS IN INDIA FOR A KNOWLEDGE SOCIETY: A PREREQUISITE TO REMAIN COMPETITIVE

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Abstract

In a knowledge-society where economic development is driven by Knowledge as the true capital and knowledge workers as the new agents of change or the new capitalists of the economy, Business Schools have to create a stimulating environment congenial to autonomous research, breakthrough ideas and innovations. This is besides offering programmes on scientific and technical education that cater to the requirements of employment and corporate and industry requirements. In the light of these major developments, the Schools of this aeon of knowledge-society are not only social institutions committed to the welfare of the community at large but play a critical role as catalysts in transforming the society. The changing scenario demands an overhaul not only in the outlook and systems existing presently but also their roles and activities. The lacunae in the pre-existing structure, system, strategy and orientation of the Business Schools in India make them unable to do justice to the new roles thrust upon them by the knowledge society. This paper attempts to educate administrators of business schools and hone their skills to deal with challenges that they might face while advancing towards a knowledge society and suggests the framework that would help them to make a successful transition.

Keywords: Knowledge Society, Transformational Instructional Methodology, Autonomous Research, Technical and Functional Quality, Transition Management Strategy, Business Process Reengineering, Transformational Leadership, and Transparent Governance

Introduction

During the past one decade, many research works have brought into light an interesting observation that a radical innovation can be used as a strategic weapon for creating both wealth and employment in an economy and as such economic development of a country depends largely on advancement in fields of scientific knowledge (Trippl and Tödtling, 2008; Abbott and Doucouliagos, 2004; Etzkowitz, et all, 2000). Such a finding has given birth to the concept of Knowledge Society which is expected to become a reality across the globe by the end of the contemporary decade. Such a society recognizes knowledge not only as the most important factor of production but also as an agent for economic, social and cultural transformation of the society (Davenport & Prusak, 1998; Drucker, 1998; McInerney, 2002; and Smith 2002). In fact, knowledge is not only emerging as a key success factor in production but also undermining the significance of both capital and labour as factors of production (Drucker, 1998).

Consequently, knowledge is being recognized as a true capital for the economic development of a country and knowledge workers are being considered as the new agents of change and the new capitalists of the economy (Rifkin, 2000). Therefore, every country needs to develop capability to create, share and use knowledge not only for the prosperity of its economy but also for the wellbeing of its people. This kind of understanding has made many scholars believe that knowledge society economies shall be driven by the application of scientific and technical knowledge rather than traditional sectors of commerce and industry. As a consequence of this paradigm shift, there is a growing realization among both academicians as well as practitioners of management that the changing scenario calls for the application of scientific and technological knowledge with an emphasis on radical innovations and creativity. However, the mere use of knowledge is not enough; knowledge creation is also necessary in order for an industry to be regarded as knowledge-based (Trippl and Tödtling, 2008). This view is also corroborated by the works of Cooke (2002) in which he states that knowledge economy should be measured in terms of its ability to create new knowledge with the use of existing knowledge rather than mere

application of scientific and technological knowledge. However, the scholars generally suggest that knowledge economy must include both perspectives. This brings to light an important fact that successful transition of economies requires substantial and long-term investments in education and research, innovation systems, ICT infrastructure and good policies as well as institutional and economic environments (Derek and Dahlman, 2004).

The Rationale and Objectives of the Study

In order to remain relevant in a knowledge-based economy, Business Schools, in addition to, offering programmes on scientific and technical education that are relevant to employment and corporate and industry requirements, also need to focus on autonomous research with the aim to discover breakthrough ideas and foster innovations. Accordingly, the Schools in the era of knowledge society serve not only as social institutions that are committed to the welfare of communities in which they operate but also act as catalyst in bringing about requisite transformation in the society. The changing scenario would result in drastic changes not only in the outlook and systems of the schools but also in their roles and activities (Burbules and Torres, 2000; Mok and Welch, 2003). The author feels that the existing structure, system, strategy and orientation of the Business Schools in India are not adequate to meet the demands of the new role assigned to them by the knowledge society. Further these schools lack both direction and focus to prepare students, scholars, faculty and staff for such a society and as such administrators of the schools need to realize that the growing demands of knowledge society cannot be met by operating within the framework of traditional orientations and approaches. In fact, the schools have to go through radical transformational processes to make themselves capable enabling them to remain effective and competitive in knowledge society. It is in this context an attempt is made in this paper to educate administrators of business schools about the challenges that they might face while advancing towards knowledge society and to suggest the framework that would help them to make a successful transition.

The Current Scenario of Business Education

The establishment of the Indian Institute of Social Welfare and Business Management (IISWBM) at Kolkata in 1953 heralded the journey of quality management education in India. It proffered the first MBA program in the country in early 1950's. Subsequently, Andhra University, Delhi University and Madras University jumped onto the band wagon and formally launched MBA programmes in the latter part of the same decade to meet the growing demand for the programme in India. It was then that the government recognized the lacunae in the field of quality management education and established two centres of excellence in management education in the form of Indian Institute of Management in Kolkata and Ahmedabad in 1961 and 1962 respectively offering Post-graduate Diploma in Management. Over a period of time, the institutes took over as leaders in management education and set a precedent of quality for other institutions of higher learning. Besides, more than 3,800 private and state institutions also offer management education in India in addition to 11 IIM's in different parts of the country.

The functioning of the these institutions (business schools) is governed by the All India Council for Technical Education (AICTE) formed by the central government as a statutory body under the Ministry of Human Resources in 1988. The Council strives to achieve coordination and integrated development of technical and management education. It makes sure that various institutes follow the benchmarks established by the body. However, the various B-Schools are allowed to retain autonomy in certain spheres like curriculum development, assessment of students, conduct of examination, recruitment of faculty, tuition fee etc. Yet scholars believe that there are gaping loopholes in the mechanism regulating the functioning of management institutes in India rendering them inefficient.

To strengthen management institutions and enhance the quality of their programmes, the Government of India has at various points in time constituted different committees. The formulation of the Nanda Committee (1981), the Kurien Committee (1991) and the Ishwar Dayal Committee (1995) are examples of measures taken by the government in this regard. The recommendations made by these committees largely pivot around the role of IIM's as premier institutions in shaping other management institutions of the country. It has been observed that the role of IIM's in fostering management education has not been substantial. Largely, B-Schools do not have requisite faculty and proper infrastructure and therefore the environment conducive for disseminating management education is found lacking. They are operated on the lines of teaching shops. Unfortunately, most of the business schools survive mostly due to marketing gimmicks and advertising budget when they should thrive on a strong intellectual

environment. The scenario has a dominoes effect and this reflected in the low employability of management graduates. Since IIMs do not have statutory authority to influence the functioning of public as well as private business schools in Indian, therefore, the basic aim of the set of recommendations could not be attained. The AICTE has appointed a committee in 2003 for the purpose of formulating a policy and an action plan for streamlining management education in India. Although the committee came up with some effective recommendations, yet the functioning of the schools in India could not improve much.

The ever-changing business environment in general and emergence of knowledge-based society require an education that is intensive, comprehensive, and closely linked to the real world. Consequently, the degree programmes in business and management studies offered by Indian business schools which are supplemented by traditional curricula and lecturing method of teaching have lost their relevance in the changing business environment. Thus, most of the schools that are offering business programmes not only need to reengineer their curricula but also devise a teaching methodology that would transform the experience of learning into immediate results for students.

Challenges for B-Schools in a Knowledge Society

While progressing towards a knowledge society, the schools will face new challenges hindering the ability of the schools to remain relevant and competitive in the changing environment. In this regard, some of the major challenges likely to be faced by the schools could be listed as under:

- Keeping institutions relevant in the changing environment
- Retaining competent faculty
- Developing facilities for autonomous research
- Devising an inter-disciplinary curriculum
- Applying transformational instructional methodology
- Investing in information and communication technologies
- Developing institutional linkages and collaborations
- Enhancing competitiveness of institutions through creativity and innovation
- Integrating technical and functional Quality

Challenge 1:

Keeping institutions relevant in the dynamic environment

Recent developments in technology and a continuous stream of innovations have completely changed the nature of work and work environment across the industry and this in turn has affected not only the professional outlook of corporate jobs but also their prerequisites and requirements. Business Schools need to recognize this change and reflect it in their academic programmes. However, many business schools find it difficult to keep their academic and professional programmes in tune with this change from an 'operational' orientation to a 'strategic' one. Strategic orientation is the ability of an institution to keep itself relevant in a dynamic environment by developing a relationship between 'strategic intent' and market and industry demands. Such an approach continuously evaluates and assesses the relevance of programmes in the changing scenario and enables institutions to produce graduates/post-graduates who not only compete and win jobs available in knowledge-based society but also retain them. To make this happen, the schools must introduce 'Institutional Effectiveness Programme'.

Challenge 2:

Developing facilities for autonomous research

Since a majority of Business Schools in India are basically teaching institutions, therefore, their focus has always been teaching and not research. In fact, faculty members at these institutions strongly believe that their relevance in the given environment is purely because of their teaching capabilities and as such they concentrate neither on research nor on research seriously. Consequently, the scope of research in these institutions has been restricted to induced research which results only in incremental knowledge. The said research does not meet the demands of knowledge society which encourages creation of new knowledge and new practices for a newly emerging activity. In fact, the business schools can address challenges of knowledge through radical innovations and creativity. This is a two-fold challenge in that it involves both an in-depth understanding of the fundamental tenets of radical innovation and creativity and the capability to implement these in business education, work and organizations. Consequently, the business schools have to develop the capability for autonomous research which alone can help them produce radical innovations. Further, the orientation and attitude of educational administrators towards autonomous research must be transformed through workshops and counseling sessions.

Challenge 3:

Devising an inter-disciplinary curriculum

The development of business curricula calls not only for a reduction of functional barriers in business organizations, but also an increased emphasis on the importance interdisciplinary concepts and practices in business education. A genuine curriculum for educational programmes in business that meets the needs and expectations of students and business community in a knowledge-based society should focus on both conceptual framework and skills. In fact, such a curriculum would call for greater breadth in team work, creativity, adaptability, social responsibility, and communicative and interactive skills. Further, to make academic programmes in business pragmatic, the schools need to incorporate a substantial number of courses on technology in their curricula. Such an attempt would provide the students an opportunity to become technologically competent and help them enter the workforce confident to tackle the technological challenges of their positions.

Challenge 4:

Applying transformational instructional methodology

Although the traditional method of teaching i.e. lecturing helps in transmitting knowledge (study matter) to students yet it fails to create a climate of intellectual stimulation in the teaching-learning environment essential to promote creative and divergent thinking-a prerequisite for knowledge creation. In fact, such a vibrant teaching-learning environment has to be 'creatively centered' rather than 'memory centered' (a basic feature of the traditional method of teaching). Therefore, knowledge-based society promotes research-based teaching to all students at all levels including graduation and post-graduation. Such transformational and interactive learning demands in addition to case study the use of stimulating learning methodologies like role plays, group discussions, problem-based learning exercises, seminars and independent study, interactive video, multimedia, and Web.

Challenge 5:

Investing in information and communication technology (ICT)

The majority of Business Schools in Indian are not equipped with information and communication technologies that are used by the best schools across the globe and consequently, the schools in India not only fail to make their system of academic delivery system effective and efficient but also find it difficult to remain compete. To address this challenge Business Schools need to invest heavily in technology to ensure that the students not only enjoy the benefits of IC technology but also gain knowledge about the said technology which no doubt is an indispensable tool in every profession of a knowledge society. In fact, the faculty in business schools must be encouraged to resort to technology as an integral tool in the teaching-learning environment and invest significant time and energy to hone their skills thereof. To remain relevant and effective, the schools should not only expand intra and inter organizational networks but should also develop facilities and capabilities to offer technology-based courses which are adequately supplemented by course software.

Challenge 6:

Developing institutional linkages and collaborations

The changing needs of business and industry during the past few years have left the most prestigious business schools inept to meet the demands of corporate houses. To deal with such a situation strategically, business schools must opt for strategic alliance. To ensure effective strategic alliance, the schools have to know their respective core competencies-an arrangement under which each collaborator would contribute what it considers its core competencies. However, the success of strategic alliance depends, to a large extent, on the compatibility between the collaborators in terms of their goals, procedures, cultures and strategies.

Challenge 7:

Enhancing competitiveness of institutions through creativity and innovation

Research studies on market structure conducted in the recent past clearly indicate that creativity and innovations have different effects on the competitive status of an organization in a market. These studies state that when competition is knowledge-based, institutions can use superior knowledge--an outcome of creativity and innovation--as a weapon to sustain competitiveness. Realizing the significance of superior knowledge, it is essential for business schools to make creativity and innovation a pivot around which the school's programme for institutional change revolves. Therefore, the focus of business schools has to be on creativity and innovation while creating its structures, processes, systems and strategies.

Challenge 8:

Integrating Technical and Functional Quality

The success of any institution of higher learning in the era of knowledge society shall depend on its capability to produce knowledgeable graduates and post-graduates who possess the requisite skills and

talent of a knowledge worker. This calls for measures taken by business schools that focus more on their academic and professional programmes than satisfaction of the students. Such an approach would not only promote product-orientation approach but would also question the legitimacy and relevance of customer-orientation in knowledge society (O'Neill and Palmer, 2004). Many scholars believe that the student (customer) oriented approach to the programmes that advocates satisfaction of the students generally keeps the technical quality of the programme subservient to functional quality and thereby allow the overall quality of the programme to suffer. Although the business schools have to address technical dimensions of their programmes more seriously in order to meet the growing demands of a knowledge society yet at times the functional dimension of quality has greater implications for users as they generally evaluate the quality of a service product on the said dimension. Commenting on the significance of functional dimension in a service product for the user Saleh and Ryan (1991) state that in case of any deviation observed by the user in the said dimension between his expected and perceived quality might also create doubts in his mind about its technical dimension as well. Consequently, the schools need to address both the dimensions of quality in creating and delivering of programmes.

Precursors of Transition Management Strategy

The Business Schools in India need to take adequate measures to help themselves in addressing challenges that have been mentioned above. The existing institutional structure and design, systems of governance, learning processes and evaluation, and information resources within the schools are neither effective nor market-oriented to help schools in meeting the growing demands of the changing scenario. In fact, the advent of Knowledge society is bound to change not only the existing systems, but also the organizational orientation, culture and core values of the schools. Consequently, such systems and orientations will lose their relevance due to unprecedented changes both in the academic and professional requirements of the industry jobs as well as competitive and market structures across the country. Without a change in the existing system, strategy and staff, the schools will find it difficult not only to address the above mentioned challenges but also to remain competitive and relevant in the knowledge society. To make this happen, the schools have to use, on the one hand structured and radical approaches and on the other hand, comprehensive and flexible methodology in adopting Change Management to ensure proper and adequate transformation of both human and non-human dimensions of the institutions in the process of such transition. However, the chosen methodology must include both organizational change management processes and human change models to manage the human side of the organizations. Consequently, the chosen methodology for change management should include in addition to strategies that prepare the schools for a successful implementation of the required change in the management processes and systems, the adequate measures and appropriate mechanism to address emotional responses during a human change process.

To ensure successful transition to a knowledge-based system, the schools must adopt an appropriate Transition Management Strategy. In this regard they need to integrate and align the following three precursors of the said strategy:

1. Business Process Reengineering
2. Transformational Leadership
3. Responsive and Transparent Governance

Business Process Reengineering

The most widely used complementary approach for transforming an institution is the reengineering programme that aims to identify and attain key objectives of an institution through a radical overhaul of its business processes and methods to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed (Hammer and Champy, 1993). Such an approach to change would not only help these schools to reduce cost and enhance performance but also bring about flexibility in the systems and processes to make them more responsive and accountable to the users.

Since Business Process Reengineering involves radical redesigning of business processes, therefore, its focus is always on processes rather than tasks, jobs or people. Thus, the philosophy of reengineering lies in the fact that it considers a radical change of strategic and value added management processes rather than their simple patching up or a search for incremental improvements. This, in fact, brings to light an important fact that Business Process Reengineering transcends organizational boundaries in order to attain its objectives.

A study of the research works carried out in the area of Business Process Reengineering in the past few decades clearly reveal that such an approach can be used by the institutions of higher learning like

Business Schools to meet the demands of the transformational change (Penrod & Dolence, 1992; Dougherty, 1994; Casey, 1995; Kvavik, Goldstein, & Voloudakis, 2005). In the opinion of Penrod and Dolence (1992), Business Process Reengineering can serve as an effective tool in transforming administrative and financial systems of institutions of higher learning.

Since the existing systems and processes of schools in India are becoming obsolete due to emerging changes, therefore, there is no genuine argument for the schools to justify the existence of the existing systems and processes. Consequently, the schools must redesign systems that in their opinion have a direct bearing on their performance. However, the philosophy of Business Process Reengineering advocates the redesigning of only such core systems and processes that are vital to the performance of the institution (Thackray, 1993). Thus, the schools that seek to undertake BPR need to examine some key elements of their organizational structure in order to ensure maximum gains in the transformation of BPR. Three such analysis methodologies are functional coupling, architectural triad and the restructuring framework (Magutu, Nyamwange, & Kaptoge, 2010).

Although the process of implementation of Business Process Reengineering sounds apparently simple yet many institutions find it difficult to operate as they believe that the process is complex and needs to be checked against several success/failure factors to ensure successful implementation (Majed & Mohammed, 1999). As a consequence thereof, the success rate of institutions in executing reengineering programme has not been encouraging (Grint and Willcocks, 1995). The major reason for the poor success rate advocated by these research studies has been the failure of executors of the process to recognize the significance of human resources in the successful implementation of the process (Grint, 1995; Willmott, 1995; Geus, 1997). Unfortunately, the executors of the reengineering programme generally assume that the employees of the institutions will find the new systems and processes inconformity with their skills (Willmott, 1994). Consequently, the executors do not accept the objections of the employees as genuine despite the fact that they may be legitimate (Allen & Fifield, 1999). However, the implementers of the reengineering programme have to be systematic and careful in dealing with this resistance of employees.

Over the past few years, many institutions have used information technology in their reengineering programme with an aim to identify new ways of working (Grover & William, 1998, Ranganathana & Dhaliwal, 2001; Attaran, 2004). It has been argued that innovative uses of IT would inevitably lead many organizations to develop new, coordination-intensive structures, enabling them to coordinate their activities in ways that were not possible before (Attaran, 2004). Such coordination-intensive structures result in strategic advantages (James, Grover and Fiedler, 1994). The application Enterprise Resource Planning (ERP) software is the best example in this regard. ERP systems are configurable information systems packages that integrate information and information based processes within and across functional areas in an organization (Magutu, Nyamwange, & Kaptoge, 2010).

Transformational Leadership

The significance of leadership as a catalyst in the successful transition of institutions is underscored by the fact that transformation, by definition, calls for a radical change in orientation, strategy, power bases, structure and control mechanisms within the schools and therefore demands the creation of new philosophies, strategies and systems to meet the demands of rapid and radical changes and then institutionalizing those changes. The institution needs to develop capacity to facilitate smooth transition which calls for the following measures by the leader: (i) to examine and assess the readiness of followers to participate in the transformation process; (ii) to ensure that followers have the requisite skills; (iii) to provide the necessary training to the employees who would be the part of the transition; and (iv) to devise the procedure to deal with the emotional aspects of the people involved in the transition (Jansen,2000).

Unfortunately, the existing leadership style as prevalent in the institutions of higher learning in India in general and business schools in particular are highly characterized by the philosophy that aims to maintain status quo within the organization with an aim to attain operational efficiency. Consequently, the Directors (Chief Executives) of the schools are appointed on tenure basis from among the senior faculty members who have proved their worth over the years as teachers and researchers. In the past, however, this arrangement used to work because the operating environment of the schools at that moment of time used to be comparatively stable and management used to be associated with the common sense of administrators. Such an approach is, no doubt, inconformity with the prerequisites of

'transformational change' which call for strategic capabilities on the part of the administrators (Robbin, 2001). In fact, a leader has to be more transformational in his outlook with a purpose to institutionalize change that is adequate to meet the demands of the transition. Such ability can be found only in transformational leaders who not only have the vision, but also have the ability to get their employees to accept that vision as their own, thus developing the commitment needed to transform vision into reality (Oakley & Kruy, 1991). In fact, transformational leaders quickly engage in a process to recognize the need for change, create a new vision, and institutionalize the vision (Tichy and Devanna, 1990).

In the case of a radical transition that would lead to transformational change, leaders must have a formal methodical strategy to create the necessary stages of change implementation and management (Eisenbach, Watson, and Pillai, 1999). Thus, the schools need to have leaders who have both strategic capabilities and orientation needed to initiate and promote changes that are required for a successful transition. The transformational leader needs the ability to combine his vision with a strategic plan for the transition. To ensure a perfect alignment of the elements of the strategic plan, he needs to examine carefully the vital issues like identification and engagement of resources, process and strategies of implementation, and intended outcomes.

A transformational leader needs to not only demonstrate desired mindsets and behaviours but also to act as a role model in the process of transition. In fact, the actions and behaviour have direct impact on the transition. Research studies on change management reveal that there exists a positive correlation between the strategic behavior of the leader and response and adoptability of the followers towards the strategic change. These studies bring to light an important observation that transformational leaders' adaptability to change leads to enhanced manifestations of leadership that, in turn, enables followers to change (Parry, 1999). The leaders' adaptability in a radical change might result in unavoidable management of paradoxes (Francis, Bessant and Hobday, 2003; Sastry, 1997). The management paradox is technically referred to as an art that enables a leader to know when to listen with an open mind and when to stop listening to make a decision. Such a skill on the part of leader is considered vital to facilitate a smooth transition.

The transformational leadership has been helpful not only in reducing uncertainty during the transition but also in improving adaptability- a key element of transformational change. Moreover, transformational leaders are not only able to resolve doubts and alleviate uncertainty in their followers but also adapt themselves to uncertainty and turbulent conditions through the change process. However, such a leadership approach will not be risk averse, but will take the calculated risks necessary to ensure successful transition.

Responsive and Transparent Governance

An institution not only needs to be capable but also must be independent in its work to attain its purpose. The schools have to be committed to the vision of developing and executing their governance structure and system on such principles like accountability, transparency, participation and responsiveness to the society's needs that will ensure they are fully compliant with their additional responsibilities in a knowledge society. Such a system must meet not only the requirements of their stakeholders but also help them to compete and grow in a highly dynamic and competitive environment of the knowledge society. In fact, the institutions must be autonomous to decide about the issues as mentioned below that can help them in pursuit of their mission:

- Strategic direction and orientation;
- Focus of the institution on research and teaching;
- Designing and delivery of programmes;
- Selection of target markets;
- Devising and managing the administrative processes and systems;
- Selection of strategic collaborators; and
- Selection and deployment of resources

The institutions have to be accountable for the decisions they make within the context of the issues mentioned above. Generally it is believed that greater the autonomy higher is the accountability as they form two sides of the same coin. To have a perfect alignment and compatibility between autonomy and accountability, the schools need to:

- gain public trust and confidence by not only focusing on delivering results but also on prudent and transparent financial and human resources management;
- introduce and integrate information and communication technologies in governance that will make the management system and process not only efficient but also responsive;
- formulate such guidelines for human resources

that would ensure a fair and transparent treatment for all members of teaching and non-teaching staff with an aim to retain and develop competent human resources;

- develop an internal continuous monitoring, evaluation and impact assessment system to ensure that all their programmes are relevant; and
- align corporate and legal structures with their financial management system.

In the absence of autonomy and accountability, the schools will find it difficult to compete in a society that promotes creation and dissemination of knowledge. In fact the schools need not only to realize the significance of accountability but also to induct good management practices in their processes and system.

Further, in order to compete and grow in a Knowledge Society, the schools need to change their existing orientation and approach towards governance. Traditionally, the focus of the schools had been 'efficiency' which needs to be broadened by accommodating 'effectiveness' too within the scope of governance. Such a shift in the focus would help the schools not only in keeping themselves relevant and competitive in the face of a changing environment but also in sustaining efficiency in service creation and delivery.

To keep the schools and their programmes relevant and effective, they must devise a full-fledged institutional effectiveness programme. The concept of institutional effectiveness presumes that an institution is engaged in an ongoing quest for quality and can demonstrate how well it fulfils its stated mission. In addition, the institution is expected to document quality and effectiveness by employing a comprehensive system of planning and evaluation in all major aspects of the institution. Thus, institutional effectiveness which is oriented towards measuring results and using these results to aid decision-making and improvement is the systematic and ongoing process of collecting, analyzing and acting on data and information relating to goals and outcomes developed to support the institution's mission and purpose.

Institutional effectiveness is not a one-time process, but rather a cyclical process in which continuous improvements and refinements of goals and methods are undertaken. Furthermore, institutional effectiveness, like the institution itself, is not static, but rather an ever-changing and evolving process. Thus, it needs to be revisited continuously to ensure that the needs, purpose and mission of the institution are being met. To attain the basic goal of the institutional effectiveness programme, planning and evaluation of the institution's major activities like teaching, research, service, administration, and educational support have to be thorough, broad-based, integrated and appropriate. Since it is not possible to cover every activity of the institution within the framework of institutional effectiveness programme, therefore, many institutions across the globe have attained the goals of the said programme by focussing on such activities that have direct impact on the objectives of their academic programmes and ultimately on their mission. Consequently the chosen indicator to measure effectiveness should address the mission, key functions, and stakeholder's needs. Further, the criteria for measuring intended outcomes should be attainable. In fact, the baseline performance to assess and interpret actual results should be reasonable.

Overall, institutional effectiveness process includes an ongoing planning-assessment-improvement cycle as shown in figure 2 that is applied to specific functions and outcomes at each level of the institution, department, units and programmes. Regardless of the institutional level, six primary phases are typically identified as essential to this process:

1. stating central or core expectations of program outcomes that are related to the program's/ department's primary function;
2. identifying and/or developing specific assessment procedures appropriate for measuring each intended outcome;
3. systematically conducting assessment activities;
4. using assessment data to evaluate the extent to which outcomes have been accomplished and identifying possible explanations for results obtained (evaluative and diagnostic functions);
5. based on assessment findings, developing and implementing specific strategies for program enhancement and/or improvement; and
6. modifying program outcomes based on enhancements and starting the cycle over.

In order to carry out the institutional effectiveness process effectively, the schools must devote themselves to the following guiding principles:

- Ensure active involvement of both faculty and staff in the process.
- Make the process a continuous and ongoing affair.
- Application and use of multiple measures to

assess student-learning outcomes and to measure effectiveness.

- Make feedback of results to constituent groups an essential component of the process.
- Make use of the results obtained from effectiveness process compulsory for every department/centre/section.

Although a number of institutions of higher learning across the country in the recent past have been engaged in conducting assessment of their academic programmes and administrative support systems, yet many of them have not been successful in developing a systematic and effective evaluation system that is capable of assessing their Programmes, processes and systems. The effectiveness of the evaluation system mainly lies in its capability to help the institution not only to know how well it is doing but also to improve in strategic planning efforts, decision support, resource allocation, and operational excellence. To meet the growing demand of both competition as well as knowledge society, the schools are bound to focus on quality improvement programmes. Consequently, the schools need to have initiatives like Institutional Effectiveness Programme (IEP) and Continuous Quality Improvement (CQI) within their administrative system. In fact, during the past one decade CQI has emerged as a strategic tool to assess and evaluate programmes in educational institutions in general and business schools in particular.

Conclusion

The Business Schools in India need to take adequate measures in order to tackle challenges that have been posed by the emergence of a knowledge-based society. The existing institutional structure and design, systems of governance, learning processes and evaluation, and information resources within the schools are not effective in meeting the needs of the market so that B-schools come up to the challenges of the changing scenario. In fact, the advent of Knowledge society is bound to change not only the existing systems, but also the organizational orientation, culture and core values of the schools. Consequently, the unprecedented changes in a rapidly advancing Knowledge society hastens the obsolescence of such systems and orientations both in terms of academic and professional requirements of industry jobs as well as competitive and market structures across the country. The author strongly believes that the framework recommended in this article if implemented would help business schools not only in addressing the challenges posed by the knowledge-based society effectively but also make them highly competitive.

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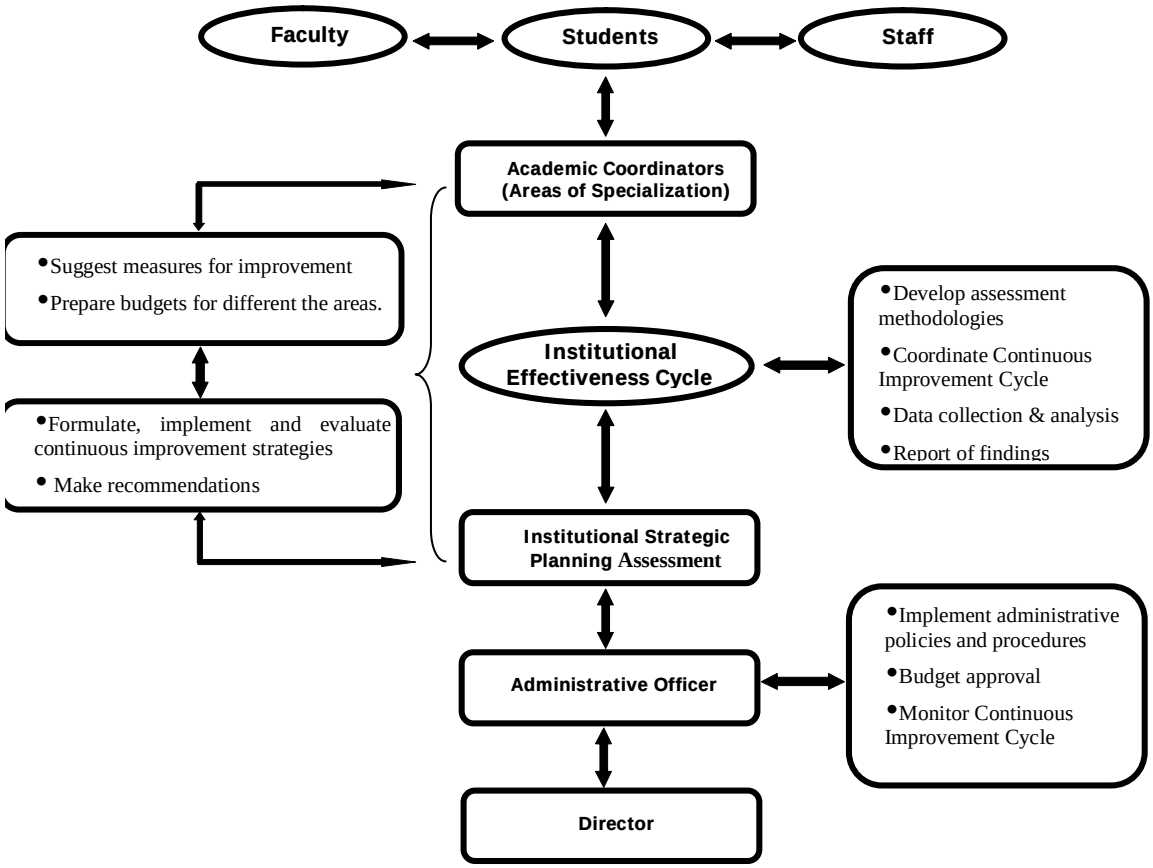

Figure 2: Institutional Effectiveness Model