Research Journal of Applied Sciences, Engineering and Technology 7(22): 4801-4805, 2014
DOI:10.19026/rjaset.7.867
ISSN: 2040-7459; e-ISSN: 2040-7467

Submitted: February 03, 2014 Accepted: February 10, 2014 Published: June 10, 2014

Research Article

Management Education: A Strategic Vista by Balanced Scorecard Method

R. Alamelu, S. Selvabaskar and S.C. Sivasundaram Anushan
School of Management, SASTRA University, Thanjavur, India

Abstract: Quality improvement is a highly vital objective for the intensely competitive global business. During the past, Indian firms have been subjected to the clarion call that the quality of products and services need to be improved to match the level of their superior counterparts in foreign countries. The shift of manager's role in 21st century provides the context of the quality challenges faced by graduate schools in management. There are several challenges of management education faces which require change in the character and structure of management education, integration of management education with corporate sector, up gradation of curriculum and course content, designing of different programs for executives, emphasis on research and consultancy. There is a huge gap between the vision and the strategy of management education institutions. The Balanced Score Card is a synergy tool that links vision and strategy to everyday action by translating the strategy in to strategic priorities and initiatives, relating these to clear tangible strategic outcomes and have to strive for: satisfied stakeholders, delighted customers, efficient and effective processes and motivated workforce. This study seeks to represent a framework for management education institutions in Madurai city using the four perspectives of Balanced Scorecard approach that can be used to identify critical success factors, possible measures for performance objectives and recommend strategies for realizing vision.

Keywords: Balanced scorecard, management education institutions, performance objectives, strategy

INTRODUCTION

The International economy evolving toward a global network pinpointing the value of knowledge, capacity of people and organizations to use techological advancements effectively and efficiently has emerged as a critical social concern. There is also a need that our dependence on foreign literature and techniques should be minimized and management teaching and thinking should be based upon practical experiences deriving strength from Indian ethos. It demands a Strategic change towards quality management practices. Now, the focus and role of management education institutions needs to transform their structures, mission, processes and programs in order to both flexible and more responsive to changing social needs. Change management is a structured approach to transitioning individuals, teams and organizations from a current state to a desired future state. There needs to be a strategic framework which provides a linkage between vision, objectives and measures to monitor the perform once of these institutions. It is feasible to use the balanced scorecard as a strategic management tool to manage strategy over the long run (Poll, 2001). Developed by Kaplan and Norton (1992) as a strategic management system, the model supported the translation of an organisation's vision and mission into objectives, measures and targets in four different areas: the financial perspective, the customer perspective, the internal business perspective and the learning and innovation perspective. Hence, the present study focuses on the strategic framework of management education institutions using BSC model (Fig. 1).

LITERATURE REVIEW

Though Indian B-schools maintaining its dominance role in the global business school scene (Pfeffer and Fong, 2002), alarming competitors responsive to local market needs now exist in Europe, Asia and Latin America (Antunes and Thomas, 2006). However, with the mounting competition in the business school environment recently, they need to be clear about their mission, strategic positioning and alignment to the competitive environment. In the literature, it is frequently argued that measures should be derived from strategy and they should be used to reinforce the importance of certain strategic objectives (Skinner, 1989). From the article 'Mukherjee' (1996) pinpointed that the management education system is a goal-centric and resource sharing system. Recognition of customers needs, categorization of the customers' expectations, orientation of various activities and evaluation of customer satisfaction has to be meticulously understood. Compared to other industries, management education institutions may disagree with

Corresponding Author: R. Alamelu, School of Management, SASTRA University, Thanjavur, India

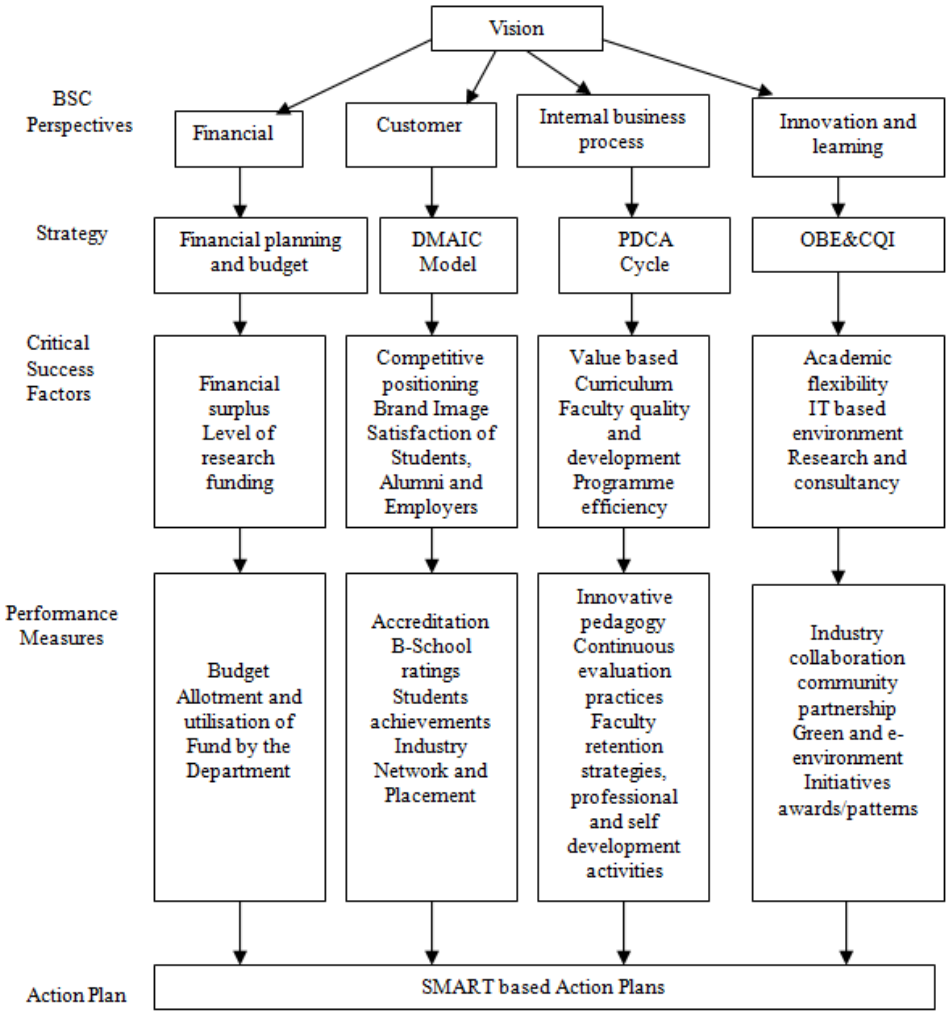

Fig. 1: Strategic framework or management institutions using BSC model

students as customers and the role of satisfying their needs. In order to address the issues and identify a strategic framework, the balanced-score card approach developed by 'Kaplan and Norton' is used by the researcher.

METHODOLOGY

An interview schedule has been designed which consist of five constructs to survey the different stakeholders such as faculties, supporting staff who are having minimum 3 years experience, administrators and students to empirically validate the BSC model for management education institutions based on an extensive literature survey (Fig. 1). It is executed through an interview with stakeholders in three aspects emphasizing their vision, corresponding objectives, related critical success factors and appropriate measures.The data used for the purpose of this study were collected for a period of one month from 1st to 31st May 2013.

Statement of the problem: Providing quality education is one of the basic objectives of management education institutions. The focus and role of management education institutions needs to be clear about their strategy, strategic positioning and alignment to the competitive environment. There is a huge gap between the vision and the strategy of the management education institutions. The Balanced Scorecard is a synergy tool that links vision and strategy to everyday action. This study seeks to present a framework for management education institutions in Madurai city using the four perspectives of Balanced Scorecard approach that can be used to identify critical success factors, possible measures and recommend strategies for realizing their vision.

Objectives of the study:

- To study the profile of the sample respondents
- To identify the factors which are accepted as their performance measures by management institutions

- To determine the critical success factors related to management institutions
- To articulate a relationship between critical success factors and the perspectives of BSC and suggest a strategic framework for management institutions

Sampling technique: The Madurai City is used as the sample area. A total of 160 have been reviewed from the 11 colleges chosen randomly out of 21 institutions.

Statistical tools applied for analysis: The techniques used for analysis are Frequency analysis, paired 't' test and rank correlation.

ANALYSIS AND INTERPRETATION

The profile of the management institutions were analysed based on category of the institution, years of experience and certification. The common performance measures and critical success factors were also analysed.The objective wise analysis and the results are presented below.

Objective 1: profile of the management institutions: In the present study, the management institutions were classified as Standalone B-School and single department. Table 1 clearly indicates the category of management institutions.

It is recognised that almost 64% of total institutions fall in the category of Single departments and 36% of the selected institutions fall in the category of Standalone B-schools.

Years of experience in management education of the sample respondents of below 5 years, 5 to 10 years and above 10 years have been identified. The years of experience of institutions may have their influence on the strategic practices. Thus, it is considered for the analysis and results are given in Table 2.

It is noticeable from Table 2 that 18% of institutions have less than 5 years' experience and 36% of institutions have experiences in the range of 5 to 10 years. However, 46% of the selected institutions are in their education practices for more than 10 years.

Quality certification is one of the important requirements for brand building activity. Certification may encourage institutions to adopt quality practices continuously. Thus, it is measured and treated as one of the profile variables.

It is observed from the Table 3 that almost 73% of selected institutions are non-certified and only 27% of institutions are certified. Institutions which are not certified so far also felt the importance of it and initiated the process of getting certification now. Certified institutions consider it as a prerequisite for quality improvement process.

Table 1: Category of management institutions

Category of institutions	Frequency	(%)	Cumulative (%)
Single department	7	63.6	63.6
Stand alone B-school	4	36.4	100
Total	11	100	

Table 2: Years of experience of management institutions

Years of experience of institutions	Frequency	(%)	Cumulative (%)
Below 5 years	2	18.2	18.2
5 to 10 years	4	36.4	54.6
Above 10 years	5	45.4	100
Total	11	100	

Table 3: Classification of sample management institutions based on the certification

Certification by any certified bodies	Frequency	(%)	Cumulative (%)
Yes	3	27.2	27.2
No	8	72.8	100
Total	11	100	

Objective 2: to identify the factors which are accepted as their performance measures by management institutions: To know about the respondents' perception towards factors for performance measures, the 't' was used and the results are presented separately for single department and stand alone B-School respectively in Table 4.

It can be inferred from the Table 4 that for standalone B-schools, placement plays an important role as a measure for the institution since its mean rank is 4.50. The next important factor is the academic flexibility and students excellence (mean = 4.51) followed by good infrastructure facilities (mean = 4.56) and excellent governance. The factors, innovative practices, accreditation and quality intake of students are the next important with a mean of 4.58 followed by quality team of faculties (mean = 4.59). The next important factor with the mean rank of 4.65 followed by updated curriculum.

For the Single Department B-Schools, placement and academic flexibility plays an important role as a measure for the institution since its mean rank is 4.37. The next important factor is the innovative practices (mean = 4.54) followed by updated curriculum (mean = 4.57). The factors, good infrastructure and excellent governance are the next important with a mean of 4.62 followed by quality team of faculties (mean = 4.63). The next important factor with the mean rank of 4.64 followed by accreditation and quality team of faculties and student excellence in academics are identifies with a mean of 4.67.

The rank correlation analysis was carried out to measure the relationship of agreement between the management institutions regarding their acceptance of performance measures and the results are shown in Table 5.

Table 4: Factors accepted as performance measures for management institutions standalone/single department

	Mean		
Factors	Stand alone	Single dept	't' value
Updated curriculum	4.57	4.65	0.931
Good infrastructure facilities	4.62	4.56	0.820
Quality intake of students	4.63	4.58	0.750
Students-academic excellence	4.67	4.51	0.951
Students-placement	4.37	4.50	0.752
Quality team of faculties	4.67	4.59	0.953
Academic flexibility in organizing development programmes	4.37	4.51	0.731
Excellent governance	4.62	4.57	0.830
Innovative practices-research and consultancy	4.54	4.58	0.823
Accreditation/certification by external bodies	4.64	4.58	0.608

Table 5: Relationship of acceptance of performance measures between management institutions

	Single department		Stand alone B-schools	
Factors	Total rank score		Total rank score	
Updated curriculum	454.2	2	506.7	5
Good infrastructure facilities	451.3	3	526.4	2
Quality intake of students	455.4	1	517.2	3
Students-academic excellence	450.3	5	510.1	4
Students-placement	450.8	4	529.2	1
Quality team of faculties	448.3	6	482.1	8
Academic flexibility in organizing development programmes	447.1	7	489.6	7
Excellent governance	440.3	9	476.5	9
Innovative practices-research and consultancy	446.2	8	471.4	10
Accreditation/certification by external bodies	443.1	10	465.4	6

Computed data; Rank correlation co-efficient (R) = 0.791; p-value = 0.026

Table 6: Critical success factors determined for performance measures-single department

	Single department		Stand alone B-schools	
Critical success factors	Total rank score		Total rank score	
Organization and governance	450.3	4	510.1	4
Learning and development	450.8	5	529.2	5
Faculty driven environment	448.3	3	482.1	2
Students excellence	447.1	2	489.6	3
Innovation and continuous improvement	443.1	1	465.4	1

Table 7: Relationship of acceptance of critical success factors between management institutions

	Mean		
Critical success factors	Stand alone	Single dept	't' value
Organization and governance	4.56	4.64	1.084
Learning and development	4.60	4.56	0.646
Faculty driven environment	4.59	4.65	0.891
Students excellence	4.55	4.63	1.122
Innovation and continuous improvement	4.39	4.55	1.328

The computed value of rank correlation coefficient R (0.791) specify that there exist a positive correlation among the variables 'Factors accepted for performance measures' between the single department and stand alone B-schools which is significant at 5% level which reveals that there is a significant relationship among the respondents in ranking the factors determining the performance measures of management institutions.

Objective 3: to determine the critical success factors related to management institutions: To know about the respondents' perception towards critical success factors for performance measures, the 't' was used and the results are presented separately for single department and stand alone B-School respectively in Table 6.

It can be inferred from the Table 6 that for standalone B-Schools, innovation and continuous improvement plays an important role as a measure for the success of the institution since its mean rank is 4.39. The next important factor is the students excellence (mean = 4.55) followed by organization and governance (mean = 4.56). The factor, faculty driven environment is the next important with a mean of 4.59 followed by learning and development (mean = 4.60).

For Single Department B-Schools, innovation and continuous improvement plays an important role as a measure for the institution since its mean rank is 4.55. The next important factor is the learning and development (mean = 4.56) followed by students excellence (mean = 4.63). The factor, organization and governance is the next important with a mean of 4.64 followed by faculty driven environment (mean = 4.65).

The rank correlation analysis was carried out to measure the relationship of agreement between the management institutions regarding their acceptance of

performance measures and the outcome are shown in Table 7.

The computed value of rank correlation coefficient R (0.857) point out that there is a higher degree of correlation among the component 'Critical Success Factors for performance measures' between the single department and stand alone B-schools which is significant at 5% level which reveals that there is a significant relationship among the respondents in ranking the critical success factors determining the performance measures of management institutions.

Implications of the study: Irrespective of their category as a single department or Stand alone B-School, the respondents are of the same opinion that the critical success factors and the performance measures are almost common for achieving their vision.

Keeping this in view, the vision, objectives, critical success factors and appropriate measures were identified and the researcher designed a common strategic framework for the management institutions using the four perspectives of BSC model (Fig. 1). The model explains the linkage between the vision, the four perspectives of balanced score card such as financial, customer, internal business process and learning and innovation. Based on interview with the stakeholders the researcher developed four different strategies for each perspective.

Financial planning and Budget is used for financial perspective. The DMAIC model which refers to define the customer's requirements, measuring, analyzing, inspecting the customer needs and control the customer oriented activities. The PDCA cycle is used to plan the various curriculums, faculty and programme development activities and execute, check and control the measures under the internal business processes perspective. The 'Outcome Based Education (OBE)' and 'Continuous Quality Improvement (CQI)' are used for the Innovation and learning perspective.

The various critical success factors as well as the performance measures are also included. Finally, the various action plans for all the performance measures using the SMART principles needs to be derived based on their vision.

CONCLUSION

A properly deploying BSC model could result in alignment of strategy with key performance objectives at all levels, effective control measures against plans and providing strategic feedback and organization wide communication platform. Apart from this, the components need to be evaluated and updated on a regular basis. This model could help the management institutions to understand the interrelationships and present a balance between different internal and external measures.

REFERENCES

Antunes, D. and H. Thomas, 2006. The Competitive Advantages of European Business Schools. Working Paper, Warwick Business School, Coventry.

Kaplan, R. and D.P. Norton, 1992. The balanced scorecard-measures that drive performance. Harvard Bus. Rev., 70(1): 71-9.

Mukherjee, S.P., 1996. Quality assurance in higher education. Proceeding of the National Seminar on Quality Assurance in Higher Education of Indian Association for Productivity, Quality and Reliability.

Pfeffer, J. and C.T. Fong, 2002. The end of business schools? Less success than meets the eye. Acad. Manag. Learn. Edu., 1(1): 78-95.

Poll, R., 2001. Performance, processes and costs: Managing service quality with the balanced scorecard. Libr. Trends, 49(4): 709-17.

Skinner, W., 1989. Manufacturing-missing link in corporate strategy. Harvard Bus. Rev., 47: 136-145.