

Strategic Human Resource Management and Sustainable Growth: A Study with Special Reference to Management Educational Institutions in India

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Abstract

The transition from a socialistic pattern to an era of cut-throat competition, certain policies and modalities pertaining to the fulfillment of the aforesaid dynamic phenomena had necessitated towards policy reforms in Indian subcontinent since 1991-92. Thus, the genesis of the recent growth in the context of Indian economy can be attributed to the liberalization process and thereby the nations' tendency of going towards a global civilization by the means of realization, which can be dubbed as *Globalization*. Last two decades of globalization in India has its imprint on different sectors of economy, and eventually the educational sector has also not been able to escape from the intrinsic worth of the same. Off late India is at the crossroads of positioning herself as a knowledge hub with an indomitable spirit and treasure since the ancient period.

Thus, the present paper encompasses different facets of ideal management educational institutions from the perspective of a farsightedness vision which inculcates into the domain of Strategic Human Resource Management (SHRM). Further, the descriptive discourses identified different aspects of SHRM in particular, which pave towards conceptualizing an Axiomatic Model. Thus, the basic tenet of the study is directed towards the key ingredient of economic jargon, viz; *Sustainability* of management educational institutions across the country.

Keywords: *Management Educational Institution, SHRM, Sustainability.*

Introduction

India is merely a geographical expression, because it embraces the extraordinary mixture of ethnic groups; the profusion of mutually incomprehensible languages; the varieties of topography and climate; the diversity of religions and cultural practices and the range of levels of economic development. And yet India is more than the sum of its contradictions. It is a country held together....*by strong but invisible threads*. The country is a land of myth and an idea, a dream and a vision, and yet very real and

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present and pervasive. One of the few generalizations that can safely be made about India is that, nothing can be granted about the country, all in which the avenues are open and everything is possible. All the convergent influences of the world run through this society: Hindu, Islam, Christian, Secular, Stalinist, Liberal, Maoist, Democratic Socialist, Gandhian etc. There is not a thought that is being thought in the West or East that is not active in some Indian mind. The Indian mind has been shaped by remarkably diverse forces such as ancient Hindu tradition, myth and scripture, the impact of Islam, Buddhism and Christianity and two centuries of British colonial rule. The result is unique, not just because of the variety of contemporary influences available in India, but because of its diversity of its heritage.

India has witnessed a radical transformation in both political and economic system with the passage of time, ranging from a socialistic-structure towards a more liberal and a capitalist regime. But, it is not surprising that the economic life of modern India has been rather like traditional Indian educational ethos: the broad basic rules are firmly set, but within them one is free to improvise, unshackled by a written score.

In the era of galloping modernization in the country, due to the confluence of Globalization and liberalization of certain policies, so as to align the country's economy with global intersection, thus, the need of the hour necessitates revamping and rethinking of static thoughts to a more situational and strategic avenues. As India is now at the crossroads of becoming an economic powerhouse and corporate leader, the age of legacy of Indian Educational system, dating from the ancient "*Guru-Sishya Parampara*" to an era of "*Digitalization of Education*", cannot be ruled out, but importance be prearranged on transformation of Indian educational system, so as to make the country a "*Knowledge Hub*".

Realization of Liberalizational Buoyancy (*RLB*) in India since 1991 has lead to the growth of economy in the recent years. The sporadic setting up of firms ranging from medium scale to a diversified Transnational Corporations, the spurt in the macro-economic indicators of the country, narrowing down of the disparities of economic wealth within the country etc. are all testimony to the fact in regard to the phenomenon of "*RLB*". The aforesaid parameters are fuelled by a well-groomed and a competitive "Human Resource", particularly trained in the sphere of management domain so as to cope-up with diversities and adversities of cutting-edge competition in the era of industrialization and consolidation of National prowess.

Indian educational thinkers and philosophers were able to appraise the importance of management education during 60's, with the setting up of IISWBM (*Indian Institute of Social Welfare and Business Management*) in Calcutta. The setting up of aforesaid first ever management institute in the country can be dubbed as a strategic view-point of the then thinkers and educationalists. Today, the imprints of Indian management graduates can be seen in widely acclaimed corporate sectors across the world coupled

with the establishment of some of the finest management institutes, viz. IIM's, XLRI, ISB, FMS etc.

However, in the ever changing socio-political and economic scenario in the global order due to unstableness of the economy, which also results in the advent of management educational giants like Yale University, Harvard, LSE, Stanford etc. to India. Thus prevailing discourses in the Indian management institutes can be a threatening, if pro-active steps are not undertaken from the view point of a robust strategic alliance towards development and preparedness of human resources in the Indian management institutes and also future dominance of the same from the framework of resource sustainability.

Review of Literature

Getting right people at the right place is the prime function of HRM which contribute to higher productivity of an organization (Huselid, 1995). Suitable employee-selection process determines the future growth trajectory of an organization by reducing employee turnover to a greater extent (Verburg, 1998), which ensures better organizational performance (Delaney and Huselid, 1996). Investments in the recruitment and selection process; and the scientific Human Resource Planning (HRP) process have positive relations with productivity of employees in the organization (Koch and McGrath, 1996). Employees' reward-system has positive relations with their satisfaction level and organizational growth thereby, i.e., better reward system contribute to superior organizational-relations between management and employees (Kalleberg and Moody, 1994). Better reward system, decentralization of authority, more investments in training etc. reduce employee-turnover rate, increase productivity and ensure higher market-value of the organization (Arthur, 1994). Performance-Linked-Pay-Package (PLPP) motivates sincere employees (Dowling and Richardson, 1997). Workers' Participative Management (WPM) practice and superior ambience in the organization positively influence the productivity (Ferne, Metcalf and Woodland, 1995). WPM has positive role in enhancing employees' commitment and job satisfaction level (Wallace, 1995). Healthy personnel management policies positively influence employee commitment level (Leijten, 1992) and good HRM practices are linked with higher productivity (MacDuffie, 1995). Training plays a positive role to enhance employees' performance and ensures better relationship with management (Kalleberg and Moody, 1994). Training and internal promotional opportunities of employees have positive relations with the future of the organization (Verburg, 1998), and training and management development is positively related with profit of the organization (Leget, 1997). Employee satisfaction, motivation, commitment etc. are positively related with productivity and performance of an organization (Guest, 1999). High employee-turnover and bad-organizational climate reduce productivity and product quality (Katz, Kochan and Weber, 1985). High-

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performance organizations use advanced human resource management strategies and techniques in order to attract and retain talent (Hiltrop, 1999).

Objectives of the Study

The present study considers the following objectives:

- To highlight some SHRM components of management educational institutions.
- To understand the contributions of those SHRM components for ensuring sustainability of management institutions in India.

Methodology

The present academic discourse is descriptive in nature, where the information are primarily sourced from various websites, reference books and articles published in the academic journals in India as well as abroad. The paper has exclusively dealt with the SHRM of management institutions operation in India and also tries to establish a cause-effect relationship with sustainability; therefore, an axiomatic model has been proposed to corroborate the aforesaid objectives of the study.

Major SHRM Components

SHRM is the way of managing people strategically towards attainment of competitive-edge in the cut-throat market. Organizational triumph depends on the way the stakeholders are being managed in competitive situation. For an educational institution, faculty and students are the prime stakeholders; therefore, organizational success lies with their hands to a greater extent. Management education, being professional service, used to adopt '*7Ps of Service-Marketing Philosophy*' which considers seven elements of service marketing such as *Service; Service-charge; Service-place; Service-promotion; Service-provider; Service-process and Service-evidence*. But, following section of the paper will discuss only the HRM aspects as strategic tool for the management institutions in India with a view to ensure sustainability of this sector.

(i). Organizational Structure and e-Governance

Good governance and decentralized system offer much-needed greater autonomy and status for the teaching-fraternity. Further, Horizontal-Organizational-Structure (HOS) and e-governance implementation is the suitable alternative for smooth functioning of modern management institutions, which collectively ensure organizational functioning very fast, hassle-free and accurate. Functions such as information sharing; receiving and sending all types of applications and pay-slip; conducting admissions and examinations; issuing admit card, registration card and mark-sheets; sending complaints and receiving feedbacks through online etc. are the

essential functions of e-governance, which make the system very effective and efficient for the management institutions towards sustainability in the competitive world.

(ii). ICT and HRIS

Information and Communication Technologies (ICT) implementation and systematically monitoring the same enable fast communication process for staff mobility, job rotation, training, performance measurement etc. by the management institutions. With the digitalization of educational system, ICT culture can meaningfully transform the entire Teaching-Learning-Process (TLP) by making the system more interactive. Further, ICT can enhance administrative process and can bring efficiency in Human Resource Information System (HRIS) for storing and retrieving all pertinent information of stakeholders of management institutions.

(iii). Industry-Academia-Interface (IAI)

For a modern management institute, only Academia-Academia-Interface (AAI) is not adequate to finally placing students in their dream organizations. Therefore, strong linkage with industries and well-build Industry-Academia-Interfaces (IAI) are much-needed survival mantra. Management institutions must make the industry as their strategic-partner for sustaining in the competitive ambience. Inviting resource persons from the industry for sharing their corporate experience with the budding-managers is necessary. IAI works in many ways such as summer placement as well as the final placement for the students, which is the prime focus of any modern management institute.

(iv). Pedagogy

Well-designed pedagogy includes continuous case-based-learning on corporate-world which provides need-based-orientation to all the students. The pedagogy must include professional-development-projects; behavioral assignments; off-campus workshops and seminars where there is scope for adequate interactive-sessions with premier management institutes across the world through video-conferencing. It must have ample scope for research-orientation; group-discussion and mock-interview; etc. Pedagogy must be developed as per the market and industry demand, which must not include only theoretical TLP. Whatever pedagogy is introduced in the management institutions, it must ensure employability among the students.

(v). Faculty Selection Process

The success of a management institution surely depends on quality and contributions of faculty members associated with the system. But, recruiting suitable teaching staffs becomes a herculean task. Unscientific selection process followed particularly by some of the government run management departments which is not very rigorous also. Selection is primarily done based on academic-scores and performance in the interview. UGC-NET or Ph.D is even not required as per AICTE guidelines for

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selecting faculty for such management departments. Sometimes, political and other interventions are also experienced. Therefore, for selecting suitable faculty, rigorous selection process consists of presentation-skill, communication-skill, interactive-skill, group-discussion, case-presentation, in-depth subject knowledge etc. must be judged thoroughly in addition to counting Composite-Academic-Scores (CAS). Faculty with core competency in a particular field should be selected at any expense if the management institutions are to sustain in the long run irrespective of their ownership (government or private). Therefore, quality should not be compromised at any cost in the faculty selection process.

(vi). Faculty Training and Development Program

After selection, imparting rigorous training program in the core area for the concerned faculty is essential for developing core-competency. The present government institutional system permits only attending Orientation Program (OP) and Refresher Course (RC) to a limited extent, which is really inadequate and relatively less effective for the teachers in enhancing their skill and knowledge for making professional MBA-students employable. Resulting, the faculty members become '*jack of all trades, master of none*', whereas, they should be '*jack of all trades, master of one*'. Therefore, for developing faculty-competency; attending and organizing Faculty Development Program (FDP), Management Development Program (MDP), Executive Management Program (EMP), etc. is the need of the hour. Strategic investments on education and training for the core-faculty-members have become prerequisite for attaining competitive advantage in the perfectly-competitive-market.

(vii). Faculty Exposure and Experience

The faculty should have adequate industry exposure, academic knowledge (implicit and explicit) and adequate experience for transforming the management students to budding corporate professionals. Developing strong linkage with All India Management Association (AIMA), University Grants Commission (UGC), All India Council for Technical Education (AICTE), etc. can help the members of teaching-fraternity in many ways. Senior teachers to avoid obsolescence of knowledge should keep in touch with the other good academicians, academic institutions as well as industry professionals.

(viii). Assessment of Faculty Performance and Remuneration

Assessment of faculty performance and contribution to the management institutions must be measured scientifically. The nature of assignment of faculty members is primarily qualitative; therefore, it may not always be possible to quantify their performance. In the present system, student-feedback, number of project undertaken, number of publications or books published (with ISSN or ISBN number), numbers of

seminar, conference, workshop attended etc. are counted for measuring the performance of a faculty by the management department of government institutions, which should not be the sole criteria to evaluate the performance, because a specific faculty may tactfully develop unholy-nexus with the students with a view to gain cheap-popularity and better-evaluation, and also the quality of publications may not be very satisfactory and up to the mark. The management institutions must be concerned about the quality, not to count the numbers only, which is the common practice in India. Therefore, performance in the regular open-access-classroom, performance in the faculty-discourse, performance in departmental annual-interview (irrespective of seniority and designation), etc. must be the component of 360-degree-performance-appraisal for a faculty; based on which promotion; pay-scale and other facilities can be determined accordingly.

(ix). Faculty Retention

An institute is known by its best faculty members. Experienced and best teachers are the assets of an organization, therefore any management institute cannot afford to let them switch-over or leave and the vacuums created cannot be filled up so easily. Therefore, the faculty members having adequate exposure, quality and experience must be retained at any expense by the organization. Adequate facility; infrastructure; good academic-ambience and academic-culture; job satisfaction; career-growth-opportunity; remuneration at par industry; academic freedom to work must be ensured to retain them. Retention of best faculty and sustainable growth of management institutions are the two sides of the same coin.

(x). Student-Selection-Criteria

Student selection criteria must be made scientific considering many factors such as calculation of academic-composite-scores; performance in group-discussion, personality-test, psychological-test; physical and mental-fitness-test; studying group-behavior; in-depth interview etc. to select suitable candidate for pursuing management program. Success in placement depends on quality of students admitted and the way they are processed to finished products. Starting journey with poor quality raw-materials (students) will result poor outcome and bad experience or vice-versa. In this particular context, GIGO (*Garbage In Garbage Out*) concept is very pertinent. Therefore, adequate precautions must be taken for selecting suitable students for pursuing management course. Management Aptitude Test (MAT) and GMAT are very common selection tests conducted which does not reflect much quality among the students in true sense. Entrance test such as CAT with certain minimum cut-off marks can be considered as benchmarked test for potential management graduates. In this regard, some private management institutions in India with money-making motive do not follow any strict admission rules and guidelines in real sense.

(xi). Assessment of Students' Performance

Honest practices for evaluating the performance of students are essential. MBA certificate should not be sold like *grocery-items*. Deserving students only be given higher grade (or CGPA). Therefore, students' performance appraisal process must be comprehensive and preferably with 360 degree system of performance appraisal. Examination evaluation process also must be free from all sorts of pitfalls such as *halo effect*, *leniency effect*, *stringency effect*, *primacy effect*, *central tendency effect*, *stereotyping*, and *fundamental attribute error*.

(xii). Employability and Placement of Student

The ultimate mission of a management institute must be to ensuring employability of students and well-placement in their dream-organizations. Therefore, all efforts, policies, strategies, functions must be directed towards attainment of the same. Utmost care must be taken for summer-placement and final-placement through vibrant and dedicated-placement-cell to ensure good placement for all as per the quality of the students of the institute. Summer-placement or training provides birds' eye view about the corporate-realities in a short span of time and also gives exposure, skills and knowledge to the trainees which further help developing employability. Employability leads to ensure final-placement of students, which is the key factor for the management institutions to survive and sustain in the competitive market-place.

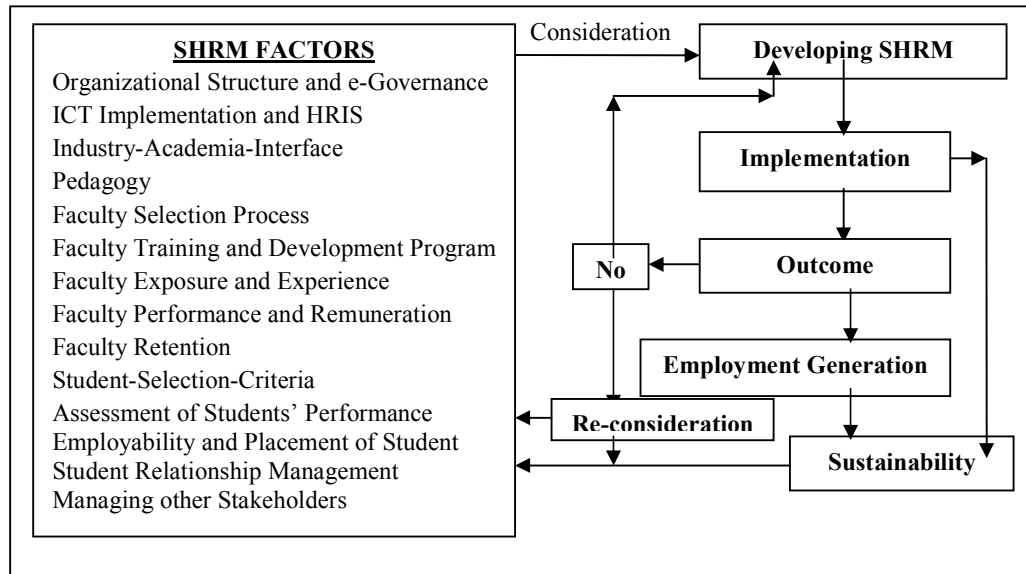
(xiii). Student Relationship Management (SRM)

The strength of a management institute depends on the alumni and their contributions for parent organization. Alumni enhance the brand value of the institute and contribute in many ways such as financial assistant, acting as visiting faculty and help in the placement process. Therefore, all the management institutions need to manage their own alumni for getting support from them in every possible ways. Therefore, strong SRM is advocated for the sustainable growth of a management institute.

(xiv). Managing other stakeholders

In addition to managing the students and faculty; the management institutions must have vibrant office for assisting and supporting in all activities such as admission process, students' enrollment process, examination process etc. Parents are also to play very vital role for continuously motivating their wards. Therefore, these groups of stakeholders of management institutions must be the strategic-component for sustaining in the turbulent situation.

Figure - 1: SHRM Model for Sustainability



Source: Self-developed.

An Axiomatic Model

The entire strategic human resource management components discussed earlier may help in sustainability of management institutions in India. Following axiomatic model gives the clear picture and direction towards attainment of sustenance of management educational institutions.

Conclusion

Indian professional are excelling in a variety of professions across the world due to their innovative thinking and hard work, but still there is a long way to go. The management education in India is broadly a synthesis of American concept, imported during 60's, which lacks the Indian fusion of philosophy and ground realities, unlike the Japanese Management philosophy of their own.

The management institutes in India draws a very cynical approach in the pedagogy, as most of the institutes offers and imparts relatively the same stuff. The phenomena can be dubbed as *"everything to everybody model"*. Thus, contemplating on the aforesaid model though helps the institutes to draw large influx of students and faculties but at the expense of sacrificing the core-competency and USP's of the same. Top B-Schools in the West, over the period of time has able to develop the USP's of their own and a global-identity. Some notable examples are Stanford:

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Entrepreneurship; Kellogg: Marketing; Wharton: Financial Management; Sloan: Engineering management and Harvard: General Management. In the Indian context except few of the leaders like IIM's who-so focuses on core-specialization and USP's, but the majority of the B-schools in India still failed to inculcate this.

A well-crafted and well-designed teaching mode is essential, keeping in view the changing and the dynamic corporate environment. Industrial field visits, case studies, brain storming sessions and deliberations and options for modern electives etc. are required to be a part of a B-school discourse. Excessive classroom teaching and less numbers of advanced-level elective subjects are related to a very low level research outputs and consequently low levels of competence. Lack of competence reduces the income generating capacity of the school. It is believed that 2/3rd of the income of Harvard Business School come from non-fee collection, viz. from Executive Training and Publishing, Consultancy etc. In contrast, for all India B-schools, fee collection is the most important source of revenue for its expansion and survival.

Selection of faculties plays a pivotal role in shaping the future direction of the B-school. Bureaucratization and politicization of the faculty selection process should be negated keeping in view the long term strategic objectives of the institute. Stress should be given in attracting research minded and experienced faculties in the selection process. As well as concomitantly, Industry-Academia-Interface should be given a strategic importance with a prime vision of training the students with the real life situation of a corporate world and also for facilitating and expediting the placement procedure.

As the Indian Government is opening its doors to permit foreign universities to set up their campuses in the country, there is a genuine fear that many global brands will invade the country to capture the existing market in India for a reputed international MBA degree at affordable costs. Though it is too premature to ignore such a possibility, but the current Indian market leaders, the IIM's and a few others may not immediately face any competitive threat because of their established brand image and infrastructure facility, however, gradual loss of faculty to some strategy-focused institutions arriving from abroad is a real possibility. Under the prevailing situation, for the rest of the 2385 B-schools in India, the day of reckoning has come and it is time to migrate from management education to the next emerging field of potential easy money.

Thus, in the state of crisis during 60's (i.e transition of Indian economy from agriculture to Industry), in India had lead to the importation of management education from U.S. and Europe. Even after four decades of introducing management education in India, the B-school lacks strategic focus, with *everyone trying to teach everything*, adopted by the IIM's and few others and copied by the rest, this

representation leaves little tile for creative thinking. It has also led to faculty shortage (in terms of expertise, quality and core-competency) and has lead to low levels of research orientation and output and thus ensuring mediocrity in the management education system. The Indian B-schools has off-late become *teaching-shops* and with the entry of foreign schools it will be for thousands of B-schools to look for some other avenues for survival.

“Leaders establish the vision for the future and set the strategy for getting there; they cause change. They motivate and inspire others to go in the right direction and they, along with everyone else, sacrifice to get there”John Kotter.

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