

## SWOC analysis of Indian Educational Rating Agencies

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**Abstract**— Accreditation is the most widely used method of external quality assurance. Accreditation agency evaluates the quality of a higher education institution. A Rating is an estimation based (Accreditation) on the available information at particular period of time. In this paper we focus on two national education rating agencies i.e. NAAC and NBA.

**Keywords**- SWOC analysis, rating, Management Education, Accreditation

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### I. INTRODUCTION

Education is the Knowledge, skills, values, beliefs, and habits of a group of people which transferred to other people through storytelling, discussion, teaching, training, or research. Education plays a vital role in the development of any country. The Indian Higher Education system is the Second largest education system in the world. The mission of higher education is to provide education, training, carrying out research work and provide educational service to the country.

Education beyond the secondary level, especially education at the college or university level is called higher education. It includes teaching, research, exacting applied work (e.g. in medical schools) and social services activities of universities. Within the realm of teaching, it includes both the Undergraduate level and Postgraduate level. Colleges, universities, and institutions of technology /management/Medical/ Pharmacy etc., are the main institutions that provide higher education.

Higher education promotes social and economic development by enhancing human and technical capabilities of society. The higher education system in India grew rapidly after independence. India has to consistently pay attention to her higher education system as a source of growth.

Accreditation is the most widely used method of external quality assurance. It is the outcome of a process by which a governmental, parasternal or private body (accreditation agency) evaluates the quality of a higher education institution as a whole, or a specific higher education programme/ course, in order to formally recognize it as having met certain predetermined criteria or standards and award a quality label. Accreditation ensures a specific level of quality according to the institution's mission, the objectives of the programme(s) and the expectations of different stakeholders,

including students and employers. The process usually results in the award of a recognition status (yes/no, a score on a multipoint scale, a combination of letter grade and score, an operating licence, or conditional deferred recognition) for a limited period.

A Rating is an estimation based (Accreditation) on the available information at particular period of time. It is the judgment of a rating agency on the basis of the ability and willingness of a company. Rating is usually expressed in terms of alphabet form or in alphanumeric form. Ratings are considered to be an objective of understanding the credibility of an institution given by some authorized credit rating agency and evaluate and analyse the performance according to the given rating by the agencies so that a person can get an idea about the institution & its credibility.

The rating measures the percentage, express in terms of Alphabet/Alphanumeric, of its quality standards, based on pre-defined parameters, so that people will get an idea about its future prospects & credibility. Credit rating is the opinion about credit quality of the Institutions on the basis of some parameters. A rating is an opinion expressed by an independent agency on the extent to which individual course offerings in higher education. It has become a standard feature in higher education system which is increasingly accepted as an instrument for undertaking quality assurance & provides a roadmap for the stakeholders, students, and companies etc. to take decisions on the basis of these ratings. Rating variate every year on the basis of various parameters prescribed by the agencies.

Rating is done by two types of agencies e.g., National Rating Agencies & International Rating Agencies. National rating agencies evaluate the creditworthiness of national organizations or institutions in the country. Rating agency assign a letter grade to the organization/institutions which

represents an opinion to the public. Ratings are made on a descending scale: A++ is the highest and C is considered as unfit because it is likely to default. The main two national rating & accreditation agencies in India are NAAC & NBA. The NAAC is an autonomous body established by the UGC and NBA was established by AICTE.

The NAAC, Bangalore is an autonomous body under the UGC. NAAC was established in 1994 as an autonomous institution of the UGC. The mandate of NAAC as reflected in its vision statement is in making quality assurance an integral part of the functioning of Higher Education Institutions (HEIs). The NAAC functions through its General Council (GC) and Executive Committee (EC) where educational administrators, policy makers and senior academicians from a cross-section of Indian higher education system are represented. The Chairperson of the UGC is the President of the GC of the NAAC, the Chairperson of the EC is an eminent academician nominated by the President of GC (NAAC). The Director is the academic and administrative head of NAAC, and is the member-secretary of both the GC and the EC. In addition to the statutory bodies that steer its policies and core staff to support its activities, NAAC is advised by the advisory and consultative committees constituted from time to time.

## II. LITERATURE REVIEW

Wicks (1992) propose other purposes of education such as, acquisition of knowledge, building a value system in the individual, against which to make personal, social and moral judgments etc. Faculty may perceive imparting subject knowledge and honing the conceptual skills of the students as the purpose of education. The board of directors' viewpoint of purpose of education could be three fold to in still a sense of discipline, to impart effective teaching and to provide good infrastructure etc. The opinions of various stakeholders are diverse and also highly subjective.

Montmore and Stone (1990) suggest that there is no one-dimensional measure of quality and it is possible to discuss the quality of different components of education. Adam smith referred to quality of teaching as quality of education. Smith's notion of educational quality adheres to consumer's perception of quality, J. S. Mill contested this opinion, who pointed out that consumers of educational service are often unaware about the quality of the service they are buying ( Bose, 2006).

Bose (2006) argues quality of education provided by for-profit and non-profit providers of education is different. The resources available to an institute can also be a measure for quality of education. Whether the institute is government funded or private funded has an impact on both, the quality of education and the tuition fees charged. For government-funded institutions, the pressure to increase number of students and

satisfy the preferences of the median voter is less intense. Students' achievements during the course (ranks, awards) and after the course (placements, professional success) may also be considered as another indicator of quality of education rendered in the institute.

Epple and Romano (1998) and Basu (1989) propose that a better peer quality implies superior quality as assured by 'students' achievements. Profit maximizing behavior determines quality of a school as assessed by its peer quality (Basu, 1989). Maximizing school chooses the quality of students, to maximize profit. Consumers should be willing to pay a higher price if a school is offering better quality. The school would like to fill in as many seats as possible as long as the number is less than or equal to the 'size' of the school, or governed by government rules. A profit seeking school would like to fill in all seats with students who are both rich and clever. If the number falls short, then the rest of the seats can be filled by (a) some clever- poor students or, (b) some mediocre rich students or, (c) some of both (Bose, 2006). The presence of clever-rich and clever- poor students will enhance quality, thereby raising the willingness to pay by all students and hence the profit. The price that the mediocre rich are willing to pay will compensate for the lower price that the clever yet poor students pay.

Rothschild and White (1995) state that this kind of price discrimination internalizes the externality that clever-poor and mediocre- rich students create within the school. Assuming that public schools admit all students, hence government is not concerned about the quality of public schools, as long as they provide education.

Epple and Romano (1998) assert that profit-maximizing schools will be of better quality. This assertion has not been proved empirically. There are many non-profit maximizing schools which are of better quality both in India as well as other parts of the world. Research in this area is not substantial to arrive at any meaningful conclusions. The Business model followed in the B-School has an impact on the quality levels at which the B-School operates. In private institutions the tuition fees is the major source of revenue, all income and expenditure is accounted for, therefore spending in all areas of teaching-learning, research, consultancy etc has to be considered carefully.

In funded institutions (state governments, central government etc) tuition fees is only one means of raising revenue, the government and various funding agencies provide for research projects and other initiatives. This creates more opportunity for spending in all areas of B-School development. In funded institutions it may be easier to invest in research and development, consulting and other areas as compared to purely private institutions. This will have an impact on the research output, quality of teaching, industry-

institute interaction etc. Private B-Schools have to face more challenges to in building a profitable B-School in the short term as well as ensuring appropriate investments in developmental areas for long term sustainability in the competitive market.

### III. OBJECTIVE OF THE STUDY

- There is no significance difference between methodology of Indian rating agencies & its relevance.
- There is no significance difference between the two Indian rating agencies that rate Technical/Professional colleges.

### IV. OVERVIEW OF NATIONAL RATING AGENCIES

NAAC (National Accreditation & Assessment Council)

Methodology

The methodology adopted by NAAC for the assessment and accreditation is based on the Criteria and Key Aspects for Assessment basis which includes the seven criteria based functions and activities of the Institution. Each criterion constitutes its key aspects on some pre-defined points.

The criteria-based assessment of NAAC forms the backbone of the Assessment and Accreditation. The seven criteria represent the core functions and activities of an institution and broadly focus on the issues which have a direct impact on teaching-learning, research, community development and the holistic development of the students. The Criteria-based assessment promotes judgment based on values. The NAAC has identified the following *seven criteria* to serve as the basis for assessment of HEIs:

1. Curricular Aspects
2. Teaching-Learning and Evaluation
3. Research, Consultancy and Extension
4. Infrastructure and Learning Resources
5. Student Support and Progression
6. Governance, Leadership and Management
7. Innovations and Best Practices

NBA (National Board of Accreditation)

The NBA works very closely with stakeholders (faculty, educational institutions, government, industries, regulators, management, students, recruiters, alumni and their parents) to ensure that the programmes serve to prepare their graduates with sound knowledge of fundamentals and to develop in them an adequate level of professional competence, such as would meet the needs of the engineering profession locally as well as globally. The objective of the NBA is to assess and accredit institutions as well as professional

programmes offered at various levels by the technical institutions on the basis of norms prescribed by the NBA. In this manual, the phrase “Business School/B-School” means colleges/ university departments offering masters level management programmes (MBA/PGDM).

Vision

The vision of the NBA is “to be an accrediting agency of international repute by ensuring the highest degree of credibility in assurance of quality and relevance of professional education and fulfill the expectations of its stakeholders, viz., academicians, corporate, educational institutions, government, industry, regulators, students, and their parents.”

Mission

The NBA is working with the mission, “to stimulate the quality of teaching, self-evaluation, and accountability in the higher education system, which help institutions realise their academic objectives and adopt teaching practices that enable them to produce high- quality professionals and to assess and accredit the programmes offered by the colleges or the institutions, or both, imparting technical and professional education.”

Institution seeking accreditations are required to follow the above process for successful accreditation

Input (Enablers)

- i. Student / Admission Process
- ii. Faculty / Faculty Recruitment
- iii. Standards that relate to learning goals
- iv. Physical Infrastructure
- v. IT Infrastructure
- vi. Library
- vii. Global Input
- viii. Quality Assurance Policy
- ix. Finances

Processing (Processes)

- i. Teaching and Learning Process
- ii. Placement Process
- iii. Research and Development Process
- iv. Leadership and Governance
- v. MDPs and Consultancy Process
- vi. Faculty Appraisal, Development and Promotion Process
- vii. Internationalisation Process
- viii. Staff Appraisal, Development and Promotion Process
- ix. Student Overall Development
- x. Curriculum Improvement Process

**Outcome (Results)**

- i. Academic Result
- ii. Placement
- iii. Value and Ethic-Centric Outcomes
- iv. Entrepreneurship and Job Creation
- v. Industry Interaction

- vi. MDPs
- vii. International/ Global Reach and Linkages
- viii. Research and Innovation
- ix. Stakeholders' Satisfaction
- x. Contribution to Society

**SWOC Analysis**

<b>A. Strength</b>		
<b>Particular</b>	<b>NAAC</b>	<b>NBA</b>
<b>Headquartered</b>	Bangalore	New Delhi
<b>Year of establishment</b>	Oldest Rating agency in India	
<b>Accreditation</b>	At national level every college and University mandatory to Accreditation done by NAAC	Only Engg/Technical Institute's Need to be Accredited from NBA in India
<b>Size</b>	Biggest Rating Agency in India	Biggest Rating Agency for Engg/Technical Institute's in India
<b>Process</b>	Review Done by Experts	Review Done by Experts
<b>Review Based on</b>	Self-Assessment and Experts Report	Self-Assessment and Experts Report
<b>Accreditation validity</b>	05 Years	03 Years
<b>Advance Accreditation</b>	NA	NA
<b>Rating</b>	07 Grades	Only Accreditation
<b>No of stages of Accreditation</b>	03	03
<b>Maintain the Accreditation status</b>	By IQAC and AQSR	AQSR
<b>Fee Structure</b>	Two Level Fee Structure	Two Level Fee Structure
<b>Review Process Time Frame</b>	Lengthy	Lengthy
<b>Flexibility</b>	Flexible due to given grades	Non Flexible
<b>Lack of flexibility in admitting International Standards</b>	The Review Process solely designed for Indian Quality Standards	The Review Process solely designed for Indian Quality Standards
<b>Lack of flexibility in introducing</b>	Due to Government Organization	Due to Government Organization

<b>innovative Techniques</b>	Bound by set of rules.	Bound by set of rules.
<b>Working Area</b>	Within India (Now Signed Washington Accord, to work in 16 Countries)	With In India
<b>Reviewed Institutes</b>	It is mandatory for Every College/University to Review By NAAC	only 1,143 Institute reviewed by the NBA since Inspection
<b>Working Area</b>	Can be spread out of India Also	Can be spread out of India Also
<b>Low Fee Structure</b>	Onetime Fee or Low fee Structure inspires more institutes to get Accredited by NAAC	Onetime Fee or Low fee Structure inspires more institutes to get Accredited by NBA.
<b>Time Frame</b>	Taking short time in Review process attracts more Institute to be get Accredited.	Taking short time in Review process attracts more Institute to be get Accredited.
<b>Eligibility Criteria</b>	Relaxation given in Eligibility Criteria attracts more Institute to be get Accredited.	Relaxation given in Eligibility Criteria attracts more Institute to be get Accredited.
<b>Collaboration</b>	Chance to Collaborate with other rating agencies worldwide.	Chance to Collaborate with other rating agencies worldwide.
<b>Meet the Varied Needs of Different Institutes</b>	Rating Agencies in India need to more diverse to meet difference aspects for rating Institutes in India	Rating Agencies in India need to more diverse to meet difference aspects for rating Institutes in India
<b>Recruiting highly experienced full time experts of different fields</b>	Currently Rating agencies practices that they appoint different experts form industry/academia for review, sometime experts get biased and report accordingly	Currently Rating agencies practices that they appoint different experts form industry/academia for review, sometime experts get biased and report accordingly
<b>More independence in Review procedure to attract international Institutes</b>	The Indian rating agencies need more autonomous to attract international Institutes	The Indian rating agencies need more autonomous to attract international Institutes

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