

LRM IS THE KEY OF VALUE BASED MANAGEMENT PRACTICES IN ODL INSTITUTIONS OF INDIA

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ABSTRACT

Both values & skills are important for organizational effectiveness & managerial success in open institution of higher learning in India but values are more important than skills, because values inculcation is long drawn process, where as skills can be learnt faster. Value based management includes in itself values such as truth, honesty, sincerity, social responsibility, environment concern, etc. It brings sustainable managerial success. Management devoid of values is destined to collapse, society & management are interrelated. A high-class open institution of higher learning in India can't survive with poor administration and management. At a point of time in human history, we have been number one country in the world to provide value education NALANDA and TAKSHILA are the best ancient examples of it. It is because our forefathers must have practiced some kind of management strategies and tactics. In present horizon of Indian knowledge society value based management practices are taking place in open institution of higher learning through Lerner Relationship Management (LRM).

Keywords: LRM, ODL, Value, Skill, Bi-Directional, Learner Loyalty, Learner Bond

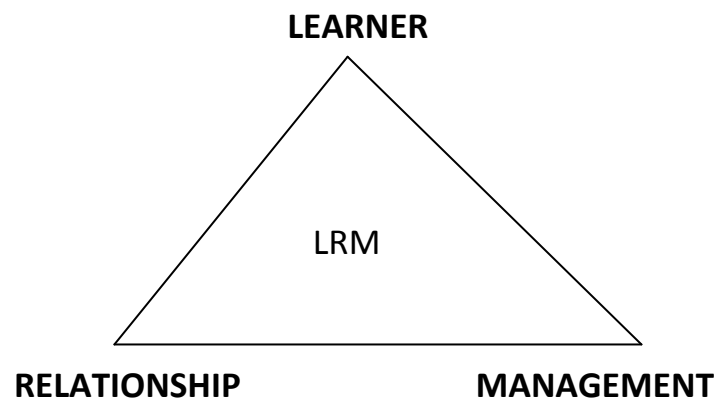
INTRODUCTION

Both values & skills are important for organizational effectiveness & managerial success in open institution of higher learning in India but values are more important than skills, because values inculcation is long drawn process, where as skills can be learnt faster. Value based management includes in itself values such as truth, honesty, sincerity, social responsibility, environment concern, etc. It brings sustainable managerial success. Management devoid of values is destined to collapse, society & management are interrelated. A high-class open

institution of higher learning in India can't survive with poor administration and management. At a point of time in human history, we have been number one country in the world to provide value education NALANDA and TAKSHILA are the best ancient examples of it. It is because our forefathers must have practiced some kind of management strategies and tactics. In present horizon of Indian knowledge society value based management practices are taking place in open institution of higher learning through Lerner Relationship Management (LRM).

In an Open & Distance Learning Institution the term Learner represents the student who is getting enrolled for higher education. Primarily LRM is a strategic institutional business & process issue rather than a technical issue; it is a business strategy that goes beyond increasing learner transaction volume. Their objectives are to increase market share, revenue through learner satisfaction. To achieve LRM, a distance institution adopts wide sets of tools, technologies, and procedures to promote the relationship with the learner. Thus, LRM is Value Based Management approach. It always tries to achieve a 'single integrated view of learners' and 'Learner Centric Approach' (Roberts-witt, 2000). It consists of three components i.e Learner, Relationship and Management.

The learner is the only source of the distance institution's present revenue and future growth. However, a good learner, who provides more revenue with less resource, is always scarce because learners are knowledgeable and the competition is fierce. Sometimes it is difficult to distinguish, who is the real decision maker behind the learner because the programme buying decision from distance education institutions are now frequently a collaborative activity among participants of the decision making process (Wyner, 1999). Information Technologies can provide the abilities to distinguish and manage learners. LRM can be thought value based marketing approach that is based on Lerner's information (Wyner, 1999).



The relationship between a distance institution and its learners involves continuous bi-directional communication and interaction. The relationship can be short-term, continuous or discrete, and repeating or one-time. Relationship can be attitudinal or behavioral. Even though learners have a positive attitude towards the institution & its products(programmes), their buying behavior is highly situational (Wyner, 1999). For example, the buying pattern (admission taking process) in MBA programme depends on whether a person wants a fresh job through acquiring managerial knowledge or just for pending promotion due to not acquiring the appropriate PG degree. LRM involves managing this relationship, so it should be mutually beneficial.

LRM is not an activity only within a student support services wing. Rather it involves continuous institutional change in behavioral pattern, attitude, culture & processes with value based management approach. The learner information collected is transformed into institutional knowledge that leads to activities that take advantages of the information & of market opportunities.

PRINCIPLES OF LRM

1. Treat learner individually.
2. Acquire & retain learner's loyalty.

3. Select "Good" learner instead of "Bad" learner based on lifetime value.

DRIVERS FOR LRM APPLICATION

Competition for acquiring learners are intense, from a purely economic point of view, distance education institution learned that it is less costly to retain a learner than to find a new one. The oft-quoted statistics is something like this: -

1. By Pareto's principle, it is assumed that 20% of an institution's learners generate 80% of its market share (UG+PG students).
2. In new admission, it takes an average of 08 to 10 physical calls in person to acquire a new learner, 2 to 3 calls to existing loyal learners to get new admissions.
3. It is 05 to 10 times more expensive to acquire a new learner then obtain repeat referral admission from an existing learner.
4. A typical dissatisfied learner tells 08 to 10 people about his or her negative experience with distance education.
5. A 5% increase in retaining existing learners translates into 25% or more increase in market share and revenue.

In the past, the prime approach to attracting new learner was through media & mail advertising about what the distance education has to offer. This advertising approach is scattershot, reaching many people including learner's and people who would never have any idea about working of open institution of higher learning.

FORMING STRONG LEARNER BONDS

Open Institutions, who want to shape strong learner bonds with the help of value based management services need to attend to the following basics: -

1. Get cross-departmental/schools participation in planning & managing the learner satisfaction and retention process.

2. Integrate the voice of the learner in all process related decisions.
3. Create superior total quality based services, and experiences for the target market learners.
4. Organize and make accessible a database of information on individual on individual learner on preferences, contacts, influential habits, and satisfaction.
5. Make it easy for learners to reach different levels of top management to express future needs, perceptions about institutional working, complaints and grievances.
6. Run award programs for recognizing outstanding suggestions of learners and popularized them on institutional cost.

BASIC ASSUMPTION OF LRM

1. Habitual action: - A basic idea of LRM is that the future behavior of learners is determined by or similar to their previous behavior. In other words, the people will have as they did yesterday and a month ago. This assumption is partially right and partially wrong. As time goes by, behavior patterns change. Therefore, the important thing is the prediction model of future behavior. By predicting future behavior, a company can better serve its learners, changing demands and preferences.
2. Current learner's information is always correct:-It is important to maintain the quality of learner's demographic and behavioral information. The right decision requires correct data and information. Can we believe or trust the learner data in the database or in the data warehouse. The learner data becomes from a variety of sources and is obtained by different input methods. Considerable attention (and expense) is required for cleansing the data periodically to make it useful for LRM.
3. Learner wants individual differentiated treatment services -The basic assumption of

LRM is that the learner always wants individualized services. However, this assumption can't always be satisfied because a institution can't always deliver all of the required services. Furthermore, instead of individualized, learner-buying decisions for programmes & services often follow trends. Technology developments are also important in the decision process. Therefore, some argue the importance of providing the right services at the time or movement rather than just providing individualized services.

COMMON MYTHS OF LRM

- 1. Excellent LRM system is guarantee of success:** -LRM is not a strategy but a tool to help and modify the marketing strategies of a open and distance institution. Before it achieves a viable LRM system, a institution needs the right value propositions and strategies to implement the learner centric philosophy of the LRM .it require more commitment and loyalty by the institution to the learner rather than by the learner to the institution. Without competitive services institution can't obtain the benefits of LRM.
- 2. To use LRM, a institution must be organized by learner segments-** Organizational restructuring is expensive, time-consuming, and painful process for a distance institution and also for the people working in the institution too. Without appropriate coordination with other functions in a institution, restructuring is not as effective as expected. For example, study centers strategies should be combined with LRM capabilities, so that learner's does not receive different offers from institution

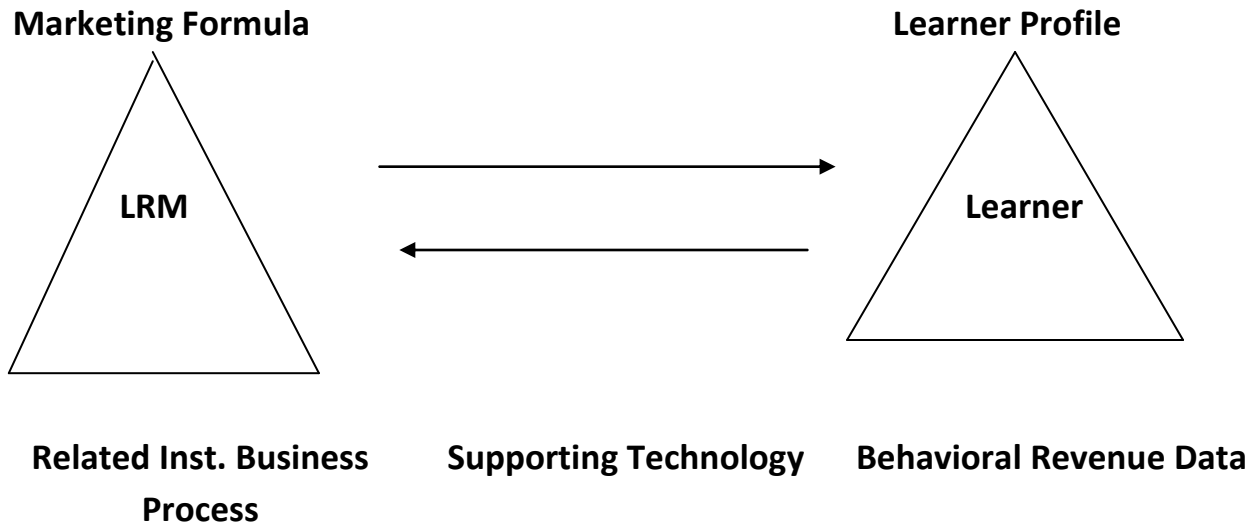
through different study centers of the institution.

3. Successful LRM requires a large centralized database with complete learner data: - Many successful financial companies maintain databases at the product level. By having a smaller database, a company can simplify the system design and maintenance and the learner ownership. Common standards of hardware and software are more important than large databases.

4. LRM requires the most advance and sophisticated analytical techniques:-Clean data is more important and effective than sophisticated analytical tools. Frequency incomplete, inaccurate and outdated learner information is used. If there is garbage in, the output is also garbage. Future-oriented and hypothesis-based analysis and anticipation are more effective than complex analysis

5. LRM is a turnkey project:- Database, infrastructure and supporting business process are required to start LRM programs. However, it is not necessary to set up everything together. Rather LRM is a 'test, run, test' process. An iterative and incremental approach is cheaper and more effective than turnkey based approach. Lessons from mistake are important to educate employees of open and distance education about how to use LRM.

The above discussion of common myths of LRM meant LRM is not perfect single solution to the business problems. LRM is a part of complex set of institutional business strategies and process to serve the learner. The below Figure shows the relation between LRM and the learner:-



The present LPG era is an era of loyalty towards the institution, in order to obtain learner loyalty to the open and distance institution, learners are more knowledgeable, than ever before and, because the learner is more knowledgeable, institution must be faster, more agile, and more creative & value oriented management services than a few years ago. The Internet allows information to be obtained almost instantaneously. The internet's permits firm to establish a personalized learner experience through online help, purchase referrals, quicker turn-around on learner's problems, and quicker feedback about learner's suggestions, concerns and questions.

LRM is very hard to implement throughout an institution within a short span of the time. The IT department needs extensive infrastructure and resources to implement LRM databases successfully. Top management of the open and distance institutions must be willing to support the LRM implementation process forever because LRM never ends. The principle benefits of LRM are to: -

1. Improve the institution's ability to retain & acquire the learners.
2. Maximize the lifetime value of each learner.

3. Improve institutional services without increasing cost of services.

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