

Comparison between Methodologies of two National Rating Agencies with Special Reference to NAAC & NBA: A Critical Analysis

Dr. Amarjot Verma,

Assist Professor, IMS , Bundelkhand University, Jhansi, India. amarjotverma@gmail.com

ABSTRACT - A Rating is an opinion of an authorized credit rating agency which is based on the available information at particular period of time and now it has become a standard feature in the higher education system which is increasingly accepted as an instrument for undertaking quality assurance & provides a roadmap for all the stakeholders. In India rating is done by national & international rating agencies. NAAC is an autonomous body of the UGC with the prime agenda of assessment and accreditation of HEIs in the country and continuously engaged in the promotion of quality in HEIs in the country. The NBA was setup to survey the subjective fitness of the instructive foundations from recognition level to postgraduate level in designing and connected science, administration, drug store, engineering, and related fields. SWOC analysis is a strategic planning technique which is used to identify strengths, weaknesses, opportunities, and challenges related to planning.

Key words: Rating, Rating Agencies, NAAC, NBA, SWOC analysis

I. INTRODUCTION

A Rating is an estimation based 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. It is usually expressed in terms of alphabet form or in alphanumeric form e.g., A, B, C or A+, B+, C+ etc. Rating is considered to be an objective of understanding the credibility of an institution given by some authorized credit rating agency and evaluate and analyze the performance according to the given rating by the agencies so that a person can get an idea about the institution & its credibility. 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.

A Credit rating agency is a company that assigns credit ratings to a concern that rate the trust worthiness of the service provider. A rating agency rate the institution's ability to perform such tasks which they are showing and committing to the concerned people. These CRA are also called as a ratings service. These are also called higher education quality assurance 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 (National Assessment and Accreditation Council) was set up in 1994 under the UGC Act to ensure quality in the HEIs. It is an autonomous body of the UGC with the prime agenda of assessment and accreditation of HEIs in the country. The NAAC has been continuously engaged in the promotion of quality in HEIs in the country, making a significant difference in the Higher Education System in India. The methodology adopted by NAAC for the appraisal and accreditation is based on the Criteria and Key Aspects for Assessment basis, which includes the seven criteria based functions and bodily functions of the Institution. Each criterion constitutes its key aspects on some pre-determined levels.

The NBA (National Board of Accreditation) was initially settled in September 1994 to survey the subjective fitness of the instructive foundations from recognition level to postgraduate level in designing and connected science, administration, drug store, engineering, and related fields. The NBA, in its present shape, has appeared as a self-ruling body with impact from seventh January 2010, with the goal of confirmation of value and significance of the specialized training through the instruments of accreditation of projects offered by the specialized establishments. The progress of the NBA Accreditation towards estimating exhibitions of the business colleges is receiving the 'information-process-

yield' system, the point of convergence is on result based positions and benchmarks. This touches base at the business

college receptive to its key partners, basically, guardians, understudies, industry, staff and society.

For the comparative study between methodologies of two Indian rating agencies e.g., NAAC & NBA we perform the SWOC analysis on the basis of the given below parameters:-

Particular	NAAC	NBA	Difference
Headquartered	Bangalore	New Delhi	In India
Year of Establishment	(1994) The Oldest Rating Agency in India	(1994) The Oldest Rating Agency in India	No Difference
Accreditation	At National level every College and University mandatory to Accreditation done by NAAC	Only Engineering/Technical Institute's Courses need to be Accredited from NBA in India	NAAC has wide area for Accreditation
Size	Biggest Rating Agency in India	Biggest Rating Agency for Engineering/Technical Institute's Courses in India	Difference in Institute & Course basis accreditation
Process	Review Done by Experts	Review Done by Experts	No Difference
Review Based on	Self-Assessment and Experts Report	Self-Assessment and Experts Report	No Difference
Accreditation Validity	05 Years	03 Years	NAAC has long Validity period
Advance Accreditation	NA	NA	Advance Accreditation Not provided by both the rating agencies
Rating	07 Grades	Only Accreditation	NAAC has Much Clear Rating Process
No. of Stages of Accreditation	03	03	No Difference
Maintain the Accreditation Status	By IQAC and AQR	AQR	Almost Same
Fee Structure	Two Level Fee Structure	Two Level Fee Structure	NAAC has Low Fee Structure in Compare to NBA
Review Process Time Frame	Lengthy (6-18 Months)	Lengthy (12-24 (Months)	NBA has Long Time Frame Duration
Flexibility	Flexible due to given Grades	Non Flexible	NAAC has Flexible System
Lack of Flexibility in admitting International Standards	The Review Process solely designed for Indian Quality Standards	The Review Process solely designed for Indian Quality Standards	Lack of International Procedure
Lack of flexibility in introducing innovative Techniques	Due to Government Organization Bound by set of rules.	Due to Government Organization Bound by set of rules.	No Difference
Working Area	Within India (Now Signed Washington Accord, to work in 16 Countries)	Within India	Almost Same
Reviewed Institutes	It is mandatory for Every College/University to Review By NAAC	Only 1,143 Institute reviewed by the NBA since Inception	Difference in Compulsory Form
Working Area	Can be spread out of India also	Can be spread out of India also	No Difference
Low Fee Structure	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.	No Difference
Time Frame	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.	No Difference
Eligibility Criteria	Relaxation given in Eligibility Criteria attracts more Institute to be get Accredited.	Relaxation given in Eligibility Criteria attracts more Institute to be get Accredited.	No Difference
Collaboration	Chance to Collaborate with other rating agencies worldwide.	Chance to Collaborate with other rating agencies worldwide.	No Difference
Meet the Varied Needs of Different Institutes	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	No Difference
Recruiting highly experienced full time experts of different fields	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	No Difference
More independence in Review procedure to attract international Institutes	The Indian rating agencies need more autonomous to attract international Institutes	The Indian rating agencies need more autonomous to attract international Institutes	No Difference

II. CONCLUSION

In the light of the crucial issues we found significant difference in rating process and ranking models between NAAC and NBA, but methodology, eligibility criteria, and parameters has no difference so there are some points at which both the rating agencies are same while at some points these are having differences.

REFERENCES

- [1] www.naac.gov.in
- [2] www.nbaind.org
- [3] National Assessment and Accreditation Council (NAAC): Institutional Accreditation: Guidelines to the Peer Team (Effective from 1st April 2007); The Director, National Assessment and Accreditation Council, Bangalore. (August 2010).
- [4] National Board of Accreditation (NBA): Accreditation Manual for Business Schools ii (Effective from November 2012).

