

# New Challenges Ahead For Management Education & B-Schools

The quality of faculty remained the highest consideration and a strong networking with the national/international institutes, industry, corporate world, public/professional bodies, universities, etc. is the key strength for the success of a true B-School.

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## "Believe it or not, it is true"

Once again, CSR-GHRDC B-School Survey 2011 has been historical in more than one sense. We witnessed several outcomes of the survey, which are noticeable issues of concern for now and will remain for future reference.

The objective of the survey was focussed more towards institutional building, competency and capacity of the institute to sustain and improve the quality of Management education, specific strengths and weaknesses in terms of leadership & governance, retention of Faculty and Director in an institute, and the potential of an institute for future growth, etc. were looked at.

This is the 10<sup>th</sup> consecutive survey GHRDC has conducted for B-Schools in India; and the 6<sup>th</sup> in partnership with *Competition Success Review (CSR)*.

We once again, looked beyond the numbers to an in-depth analysis of different facets of Management education. This effort was made keeping in view the present scenario as to how B-Schools should improve the quality of Management education in India.

**While the ranking of institutes numberwise was unavoidable, the categories/cluster to which an institute belongs, is more significant and, relevant to judge the merit of the institute than merely the number that they are ranked by. The results of the Survey should be read keeping this in mind.**

We avoided pre-empted perceptions, bias and prejudices and, therefore, we have not included any institute which failed to provide the required data.

**The key strength and hallmark of our B-School Survey 2011 has been rigorous process of validation of data provided by the institutes through various channels of communication, particularly through visits to institutes, apart from verifying through website, e-mails, telephone, etc.**





### And the Winner is.....IIM-Calcutta!!!

IIM-Calcutta has emerged as the winner in the race of excellence, which has met the highest standards of performance in all respects to be on the top. They are ahead of any other institute in India as they have done remarkably well in introducing few innovative concepts with respect to teaching techniques to Management students, apart from being the richest in the area of publications and research.

As mentioned above, we believe that ranking of B-Schools by number alone will not justify the merit of the institute and, therefore we continued, like last year, with the concept of ranking B-Schools under different clusters like "Super Excellence", "Emerging Super Excellence", "Excellence" & so on.

The result shows that all the institutes which had participated in 2010 have either maintained or improved their position under different clusters (as shown in the detailed results).

Two of the IIMs-Kozhikode and Indore, along with ICFAI-Hyderabad which participated this year, were new entrants in the "Super Excellence Group".

IIM-A did not provide the data required and was, therefore, excluded.

**Four institutes**—Symbiosis HRD-Pune, IMT-Ghaziabad, IMI-New Delhi and K.J. Somaiya-Mumbai—have gone up from "Emerging Institutes of Super Excellence" in 2010 to "B-Schools of Super Excellence" in 2011.

Similarly, seven institutes which participated in 2010 have gone up from the group of "B-Schools of Excellence" to "Emerging B-Schools of Super-Excellence". The seven institutes are : IFMR-Chennai, RCM-Bhubaneswar, NIILM-Greater Noida, IMT-Nagpur, EIILM-Kolkata, ITM-Navi Mumbai and IHMR-Jaipur. There are others which have moved from the group of "Emerging Excellence" to "B-Schools of Excellence"—Taxila Business School, Jaipur; Accurate, Greater Noida; Galgotias Business School, Greater Noida and many

new entrants.

Similarly, many other B-Schools have moved from "Promising B-Schools" in 2010 to "Emerging B-Schools of Excellence" in 2011.

Some institutes have climbed within the group when compared to last year's results as mentioned above.

Despite the fact that many new institutes have participated this year, the institutes which had participated last year in our survey have either gone up to the next higher category or have improved their position in the same cluster.

### Academic-cum-Intellectual Competence:

Faculty being the core issue, our survey critically looked at the composition, combination, levels, numbers, academic/industry educational qualification and experience, percentage of faculty having Ph.D., their inputs through writing books and papers, research carried out, new courses introduced, MDPs and other executive programmes conducted, etc. of the institutes, and noted that these were critical differentiating factors which influenced to separate the excellent institutes (to be on the top) from the rest.

It was observed that only 22% of the total institutes which participated, have more than 50% faculty with Ph.D. degree. Amongst the top institutes ranked, they have 90% and above faculty with Ph.D. degree with excellent record of research & publications. In the middle group of institutes, they have between 20-50% Ph.Ds. and others have 0% to 20% faculty having Ph.D. degree. Apart from Faculty with Ph.D., another key differentiating factor even amongst top ranked B-Schools were their contributions towards books written, papers published, organised & attended national and international conferences, cases written, etc.

About 45% of B-Schools (many amongst top schools) have launched Ph.D. programmes and are producing Ph.Ds., apart from teaching MBA. This has added value to the institutes in placing them amongst the top.

Most of the institutes ranked amongst "Super Excellence", "Emerging Super Excellence" and few from the group of "Excellence" have done very well in meeting these standards and requirements.

The next cluster of institutes, which are about 50 in number, though competing to be amongst the top, at this point of time, fall short in one or more parameters related to research, publications, consultancy, MDP, admission, etc.

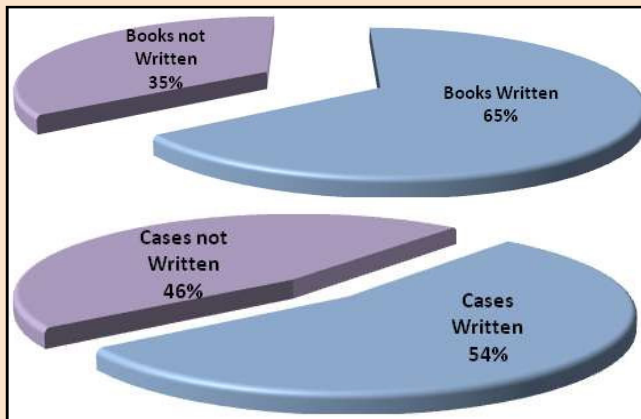
The next 50-60 institutes are primarily "teaching" institutes. They have not given due consideration in the area of research, consultancy, and publication, organising or attending seminars and conferences, as means to be on the top.

Others need to go a long way to improve their performance in these areas to be in the race, not only of excellence but even for their very existence and survival.

Another differentiating factor was “Student-Faculty Ratio”. It was noted that the variations in the ratio of students/faculty amongst the participating institutes ranges between 1:4 to 1:25 students per faculty. Amongst the top ranked B-Schools, however the ratio ranges generally between 6-10 students per faculty.

**Research:**

Research & publications remain at the heart of Management education. This year once again, IIM-Calcutta has topped the list followed by few other B-Schools ranked on the top like XLRI (Jamshedpur), IIM (K), IIM (Indore), NITIE (Mumbai), SVKM’S Narsee Monjee (Mumbai), MDI (Gurgaon), IMI (Delhi), IIFT (Delhi), IPE (Hyderabad), ICFAI (Hyderabad), XIM (Bhubaneswar) etc., in the field of research and publications. It is a kind of mandatory requirement to be amongst the top B-Schools in India. Most of the lower-ranked institutes are far behind even to meet the minimum output expected. Some of them have done nothing, which obviously is a reflection of poor quality of faculty in an institute.



Approximately, 35% of the participating institutes have to go a long way in this field to remain amongst the top B-Schools. Their future, therefore, depends on how they are going to accomplish and improve in the areas of research and publication.

**MDPs/In-Company Executive Programmes & Networking:**

MDP is an integral part of Management education and institutes. The question whether Management can be taught

in the classroom is still valid. Unless we create an environment in Management institutes through some specific activities like MDP, Executive Programmes, Conferences, Seminars, Training Workshops, networking with industry, inviting managers in the campus, inviting leaders from the industries, becoming members of professional bodies, etc., a Management institute cannot justify its existence to be a professional Management institute.

MDP, being one of the major activities in a Management institute, is not only meant for generating extra income for an institute but also to create an atmosphere of industry with the presence of professional managers of different levels and from different industries within the campus.

It also allows the MBA students to have the advantage of gaining some valuable insight into an industry. About 40% of the participating institutes have introduced MDP programmes, many of them are the top-ranked ones. However, many others have not focussed to the extent required. In some cases, they have not done anything at all. It was one of the indicators used to assess the quality of faculty in an institute.

About 15 institutes have done extremely well in this area and generated revenues through MDP worth more than a crore rupees. Some of them leading in this group are IIM (C), IIM (K), XLRI (Bhubaneswar), IIFT-New Delhi, SVKM’s Narsee Monjee-Mumbai, IFMR-Chennai, Kohinoor-Navi Mumbai, Shailesh J. Mehta- Mumbai, IMT-Ghaziabad, MDI-Gurgaon, IMI-New Delhi, IPE-Hyderabad, Loyola-Bangalore, Welingkar-Mumbai and few others.

**Admissions/ Quality of Intake:**

Admission in B-Schools has been a very critical issue and a matter of concern for many Management institutes for their survival this year. The results of the survey shows that almost 35-40% of the participating institutes did not receive application for admission to the extent of 30-50% of their approved seats. It was rather disappointing to note that students in general, have several questions in mind whether to pursue MBA course or not, in the present scenario of devaluation of Management education. This was noted particularly related to the admission in the lower-ranked institutes.



It appears that several factors have contributed towards the present scenario of students not seeking admissions in MBA. These include return against investment (as a source of anxiety for parents and students), and banks having withdrawn loan support for many institutes perhaps due to uncertainty and poor placement records of MBA graduates. Bank loan support has been one of the major factors which supported students to go for higher education in India, particularly for Management programmes.

Over the last couple of years, for MBA/PGDBM programmes, the fees structure has yet been another serious concern. The fees have been raised very much on the higher side by many old and new institutes, including lower ranked B-Schools without providing quality education matching with fees structure and return against investment.

This led to a wake-up call and doubts in the minds of prospective students whether to go for MBA/PGDBM programme or not. One of the major concerns of students has been, if they should pay such high fees without the support of bank loan and hope of return against investment.

Like last year, the ratio of applications for admission against the approved seats in many institutes, has significantly come down. The choice of selecting the best students for admission for many institutes was not the same, as it was for the last few years. The entrance tests for admission figure shows that the number of students who appeared for CAT/ MAT has gone down by 10-15% compared to that in the last couple of years. However, Engineering graduates have continued to show interest in going for further studies in MBA and hence their percentage of admission has gone up. The table attached to the results shows the details and percentage of students admitted for MBA programmes through various entrance tests.

**Placements & Entrepreneurship:**

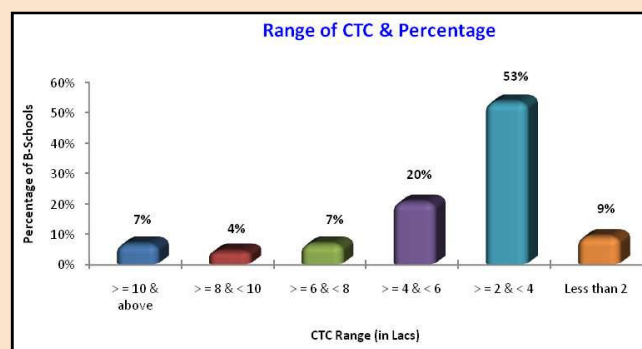
We, however, noted some improvement in the figures of placement in relation to last year's placement figures. Based on the data given by the participating institutes, about 17% of MBAs students passed out were not placed. Amongst top-ranked institutes, the percentage of students placed was better than last year. In the middle and lower group of B-Schools ranked, the percentage was on the lower side from previous year.

The CTC as given by the institutes has shown improvement. The highest average domestic CTC shows an increase of about 3.1% compared to the last year's figure. In general, across all participating institutes, every institute had different average domestic CTC ranging from Rs. 1 lakh 9 thousand to about Rs. 15 lakhs plus per annum.

As was done last year, low weightage was given for placements compared to previous years. We believe that the time has come to remind B-Schools to widen the scope of Management education. They need to produce not only job seekers, but also wealth creators/job givers through entrepreneurship programme. Accordingly, some weightage has been increased to widen the scope in this area.

It was encouraging to note that, the percentage of students who opted for entrepreneurship has gone up compared to last year's figure. About 4% of MBA graduates opted for entrepreneurship from about 50% of the participating institutes.

Internationally, placement figures are not significant enough to be mentioned here. However, some institutes did give some data of internationally-placed students, but it could not be verified.



**Networking:**

A strong networking with the national/international institutes, industry, corporate world, public/professional bodies, universities, etc. is the key strength for the success of a true B-School. We noted that, approximately 10% of the institutes have done extremely well, however others have to go a long way. It is important for B-Schools to realise that they need to bring industry environment in one or other form in institutes to teach MBA. The industry interface or networking in many B-Schools does not go beyond Summer Projects.

Of late, progressive B-Schools have realised the importance of industry interface and networking and are taking several steps like conducting more conferences, seminars, inviting guest speakers from the industry, paying stronger emphasis on alumni-student relationship, obtaining membership of the professional bodies, encouraging student & faculty exchange programme at national and international level, etc.

**Infrastructure:**

For the last few years, the physical infrastructure has not been an issue. Most of the B-Schools in the recent past, have given over due importance to physical infrastructure than other areas of Management education.

