CHAPTER – 9

PROPOSAL TO USE VALUE ADDITION IN EMPLOYABILITY AS A RANKING FRAMEWORK FOR BUSINESS SCHOOLS

9.1 Introduction

This chapter presents the current practices in ranking business schools in India and proposes that the ranking of an educational institute should be based on gain in the employability level among the students. A case study on change in the employability level of management graduates of batches 2012-14, 2013-15, 2014-16 of a select ongoing business school is discussed. Also, perception of students of select government business school and private business school regarding industry requirements is compared in order to know the role of educational institute in making students aware of composition of employability attributes as per industry requirements. Transition in the perception of students at the time of entry to the institute and at the time of exit from the institute is also discussed. The study also identifies the pitfalls of the proposed ranking framework and provide suggestions to overcome these loopholes.

9.2 Objectives and Technique used

This chapter attempts to achieve following research objectives:

1. To develop a ranking framework of business schools based on the value addition in employability
2. To compare the transition in students’ perception regarding employability attributes viz. Attitude, Knowledge and Skills during the course at select Private and Government Business school

Descriptive statistics has been used to achieve the above mentioned objectives.

9.3 Current criterion to rank business schools

Ranking is a credible index to judge the quality of business school. It has been used by the students while selecting the business school for taking admission. Ranking of business school is conducted by various magazines, newspapers, organizations, Government etc. Few of them are listed in Table 9.1:
The ranking of the business schools is done using various factors. The list of factors may differ for each publication. However, these factors can be broadly classified under three sub-heads i.e. Input, Process, and Output.

### 9.3.1 Input

This section is related to quality of students admitted for the program. It has a direct relationship with the output/outcomes. It majorly covers the following:

1. **Academic credentials** – It covers the percentage/grade scored by the enrolled students in his/her 10th standard, 12th standard and graduation.
2. **Work Experience** – It covers if the enrolled students have any work experience before enrolling for the program.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Ranking Publication</th>
<th>S.No.</th>
<th>Ranking Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Career 360</td>
<td>10</td>
<td>Higher Education Review</td>
</tr>
<tr>
<td>3</td>
<td>The Week- Journalism with a Human Touch, Hansa Research Survey</td>
<td>11</td>
<td>CII, Confederation of Indian Industry Indian Citation Index</td>
</tr>
<tr>
<td>4</td>
<td>Chronicle</td>
<td>12</td>
<td>Indian Management, AIMA</td>
</tr>
<tr>
<td>5</td>
<td>CSR, GHRDC</td>
<td>13</td>
<td>Education World-The Human Development Magazine</td>
</tr>
<tr>
<td>6</td>
<td>Outlook</td>
<td>14</td>
<td>Business Standard</td>
</tr>
<tr>
<td>7</td>
<td>India Today-Nielsen Survey</td>
<td>15</td>
<td>Business &amp; Management Chronicle</td>
</tr>
<tr>
<td>8</td>
<td>Mint Survey</td>
<td>16</td>
<td>MBAUniverse.com</td>
</tr>
</tbody>
</table>
3. Score in CAT/ XAT/MAT/GMAT - It covers the marks scored by the enrolled students in CAT/ XAT/ MAT/GMAT or any other exam.
4. Number of students enrolled for the program – It covers the total number of students enrolled for the program and what was the acceptance rate; all the seats are filled or not. It also caters to the diversity within the enrolled students with respect to gender, state, country etc.

9.3.2 Process

This section is related to various factors related to Business schools so that the desired outcome can be achieved. It majorly covers the following:

1. Faculty profile – It covers the total number of faculty including full-time, part-time, adjunct, visiting and their qualification. It also caters to the diversity within faculties with respect to gender, citizenship etc.
2. Faculty-student ratio – It covers the faculty-students ratio where mostly the focus is on full time faculty.
3. Academic resources – It covers the various academic resources provided to the students and faculty by the business school. It checks available number of books, periodicals, magazines, journals etc. in hard copy. Also, the access/ subscription taken for online research databases to be used by faculty and students
4. Curriculum coverage – It covers the coverage of curriculum with respect of areas/topics covered during the entire duration of the program. Also, it checks whether the curriculum is updated regularly in order to meet the industry requirements.
5. Pedagogy – It covers the various types of pedagogy (lectures, case study, simulation etc.) used by the faculty members in order to deliver the knowledge to students.
6. Accreditation earned – It covers whether the business school has earned some accreditation. Also, whether specific courses of business schools are approved by any regulatory body.
7. Research Quality – It covers number and quality of publications; IPR and Patent filed (published / granted & licensed); development programs organized like MDP, FDP, and EDP.

8. Infrastructure – It covers the infrastructure facilities of business school. It covers quality of facilities with respect to computer lab, lecture rooms, tutorial rooms, seminar hall, physical challenged students etc.

9. Industry Interface – It covers the involvement of business school with the industry in terms of guest lecture, industrial visits etc.

10. Financial Assistance – It covers the financial assistance provided by the business school to economically and socially challenged students.

9.3.3 Output

This section is related to the status of enrolled students after completion of the MBA program. It majorly covers the following:

1. Placements – It covers the percentage of students placed after successfully completing their MBA and their annual package. It also checks the highest, lowest and average salary got by them.

2. Entrepreneurship Initiatives – It covers the percentage of students who have started their own ventures after completing their MBA.

3. Enrolment for Higher studies in Top Universities – It covers the percentage of students who got enrolled for higher studies in Top Universities after their MBA.

9.4 Proposal to use value for money as a ranking framework for business schools

A new ranking framework of business schools is being proposed based on gain in employability. The ranking should be based on the value for money proposition obtained by the ratio of the gain in employability by the cost of education (value ratio). The objective of
the educational institute should be to maximize the gain in employability level between the
time when a student enters and leaves the institute. This gain is the value addition by the
institution. It will give intrinsic worth of an institution. The ranking should be based on
decreasing order of the intrinsic worth i.e. highest value gain and lowest fees as it is a more
meaningful basis of ranking.

9.4.1 An Illustrative Case

An experiment using the proposed model was done in an ongoing business school to
illustrate the application of the model and methodology to calculate value addition in
employability. This experiment was conducted for management students pursuing MBA of
batches 2012-14, 2013-15 and 2014-16 respectively.

Over the years, the data was collected from different batches of management students at the
time of their entry into the program and at the time of completion of program. They were
asked to self-assess themselves on all employability parameters viz. Attitude, Knowledge
and Skills (listed in chapter 4) using likert scale. Then using the proposed employability
model, methodology and employability index as described in chapter 6, employability value
in terms of percentage and employability index is calculated for the students of all the
batches. The results are shown in Table 9.2.
In the batch of 2012-2014, 11 students have reached the employability index of outstanding at the exit of the course while 1 student is still not employable. Similarly, 9 and 6 students have reached to outstanding level in the batches of 2013-2015 and 2014-2016 respectively. To look at the combined analysis of all the three batches, 2 students did not cross the employability index of ‘not employable’. However, there are huge number of students who have moved to ‘Very Good’ and ‘Outstanding’ level at the time of completion of their MBA.

Also, average employability at the time of entry, average employability at the time of exit and change in employability is calculated to give the overall picture of gain in employability. It is done using descriptive statistics and the results are as shown in Table 9.3.

**Table 9.3: Gain in employability (%) among MBA students of different batches at select ongoing business school**

<table>
<thead>
<tr>
<th>Batch</th>
<th>No of students</th>
<th>Avg Emp at Entry</th>
<th>Avg Emp at Exit</th>
<th>Change in Emp</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2014</td>
<td>41</td>
<td>65.9</td>
<td>84.4</td>
<td>18.5</td>
</tr>
<tr>
<td>2013-2015</td>
<td>47</td>
<td>65.7</td>
<td>82.5</td>
<td>16.8</td>
</tr>
<tr>
<td>2014-2016</td>
<td>33</td>
<td>67.4</td>
<td>84.4</td>
<td>17.04</td>
</tr>
<tr>
<td>Combined</td>
<td>121</td>
<td>66.2</td>
<td>83.7</td>
<td>17.4</td>
</tr>
</tbody>
</table>
The change in employability in terms of percentage for the batches of 2012-2014, 2013-2015 and 2014-2016 is 18.5%, 16.8% and 17.04% respectively. It can be said that business school has helped its students to improve their employability index and the average change in employability is 17.4% for all the batches collectively. This average change in employability level among the students is the intrinsic worth of the business school and therefore, it should be a part of the ranking framework.

### 9.5 Perception of students with respect to industry needs at entry and completion of the course

The study is conducted to understand the transient behavior of students (belonging to first year and final year) with respect to their perception of weightage given to Attitude, Knowledge and Skills for being employable among Government and Private sector business school. Perception of 100 students each in first year and final year of private business school and government business school are taken and further descriptive statistics have been used to do the analysis. The results are as shown in Table 9.4.

<table>
<thead>
<tr>
<th></th>
<th>Private Business School</th>
<th>Government Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>K</td>
</tr>
<tr>
<td><strong>First year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Mean</td>
<td>30.22</td>
<td>36.97</td>
</tr>
<tr>
<td>Mode</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td><strong>Final year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>Mean</td>
<td>39.1</td>
<td>28.8</td>
</tr>
<tr>
<td>Mode</td>
<td>50</td>
<td>20</td>
</tr>
</tbody>
</table>
As the perception of industry people with respect to weightage given to attitude, knowledge and skills is already discussed in chapter 6 and chapter 7, it is known that attitude gets the highest weightage followed by skills and knowledge. In the current study, it is evident from the results that during the first year of their course, students of both private and government business school gave priority to knowledge followed by skills and lastly attitude. Also, the students in final year of the course of private business school have understood the industry requirements and started giving maximum weightage to attitude followed by skills and lastly knowledge. However, there is no shift in the perception of final year students of government business school. This transition in perception takes place when students become aware of industry needs and that is the important role of a business school to perform.

Business school can help students become aware of the industry needs by many ways and few of them could be as follows:

1. Industrial Visit: Business school could organize industrial visits for the students where students will explore the working within the company. Students get a chance to talk to industry people.

2. Guest Lectures: Business school could organize guest lectures by industry experts at campus. Experts will come to the business school and share their knowledge and experience with the students.

3. Internships: During the break between semesters, internship should be made mandatory for the students.

4. Industry Projects: Students could be assigned some projects by the faculty members where they need to interact with industry people.

9.6 Limitations of the proposal and methods to overcome

There are certain limitations of all the systems but there are ways to overcome them. Same way, the proposal to use value for money as a ranking framework for business school has some pitfalls and they are as follows:
1. Student’s assessment on employability attributes
   In the case discussed in section 9.4.1, students have self-assessed themselves every time. There could be a question whether they have self-assessed properly or not. However, this can be overcome if there is some external agency doing the assessments.

2. Manipulation of data
   Business schools sometimes manipulate the data given to ranking agencies for getting higher ranking. There should be an auditing team to verify and audit the data provided by business schools.

3. Ambiguity in Ranking process
   Sometimes the Institutes who give their advertisement in any research publication or sponsor the events of any ranking publication (magazines, newspaper etc.) are given better ranking. The process should be made clear and transparent so that such wrong practices could be stopped.

9.7 Conclusions

Value for money proposition should be the basis of evaluating the institutional performance for the purpose of ranking. It is value addition in employability done by the Institute divided by the cost it is charging (fee structure). Therefore, the intrinsic value of money of business school is the gain in employability divided by the comprehensive cost paid by the student. It is better that this becomes a basis of ranking business schools and not through advertisements in magazines where more the ads, more the ranking. Also, business schools should perform their responsibility of making students aware of industry needs and employable.