

Quality matters, not size

With a competitive and a transparent selection process, the schools can always ensure a competent batch of students

With Indian companies stepping into big scale acquisitions of foreign companies, the demand for MBAs has only gone up. Doing successful foreign acquisitions means big conglomerates in India have to have a sufficiently large pool of trained managers. This puts a further strain on the capacity of B-schools to meet this growing demand.

Consequently the demand for MBA graduates is at a peak while B-schools are able to produce less than 30 per cent of what Indian industry needs. The government has responded to the demand by recently proposing to set up six additional IIMs across the country. While this step is welcome it will not go far in meeting the demand for MBAs. At present, the IIMs produce around 1,400 graduates every year and all the business schools combined provide nearly 80,000 MBAs every year. But demand for management graduates in 2007 is estimated at 150,000.

One way out of this trap is that the B-schools be allowed a larger intake of students every year. This is happening in the West and one wonders why the regulatory body, the AICTE, does not allow Indian B-schools to accommodate more students each year. Many of the top Indian B-schools have admissions ranging from 600 to 1,200 students every year while the IIMs stick to a ceiling of 240 admissions each. Doesn't having a large student body give management institutes economies of scale like their counterparts in the US?

One man who thinks such economies of scale are possible here is Uday Salunkhe, director, Welingkar Institute of Management, and president, Association of Indian Management Schools. "The numbers do play a role in the depth and quality of interaction that students can expect," he says, "If it balanced with the right number of faculty and provided the right resources, size can turn out to be a great advantage for all."

Considering the dearth in managerial talent in industry, the number of MBAs graduating from the top colleges of the country obviously does matter. Says Rahul Chaudhury, student, NITIE, Mumbai, "The total students' intake should be at par with the level of infrastructure and the number of faculty in the college."

"A large batch size of 600 or more would mean that many students will not get the electives that they specifically want. With a batch of 250 we are still able to accommodate almost all students who

want a specific elective taught by a specific faculty member," says Ganesh N. Prabhu, PGP chair, IIM-B.

But in large US schools like Wharton and Harvard or even at ISB, only a limited number of students (usually two sections of 80 each) can be offered an elective if it can be taught only by a specific faculty member. "This is the reason why many students prefer to join smaller schools in the US like Stanford or Tuck," observes Prabhu.

Adds Salunke, "If business schools offer opportunities in verticals such as retail, commodity trading, capital markets, e-business, and design, the increase in the number of students is justifiable." Students will find opportunities in growth sectors and corporates can hope to find better quality of manpower. The batch size has to be commensurate with the infrastructure of the institute. "The batch size should not matter as long as an institute has sufficient infrastructure and faculty strength to provide quality education for all students in the batch," says Gaurav Gupta, placement head, Jamnalal Bajaj Institute of Management Studies.

Student quality

Maintaining the quality of students getting into the institute should also be given due consideration for a sustainable change in the longer run. Few B-schools recruit a larger number of students to maintain the economies of scale. "As long as there is a competitive and a transparent selection process, the schools can always ensure a competent batch of students," says Sandeep John, student Narsee Monjee Institute of Management Studies, Mumbai.

Schools in the West recruit a large number of students from various backgrounds and they all start off at different levels. However, when they graduate, somehow they all tend to converge and enter the corporate world with the same set of skills. "This is what the quality of education does, and this is what B-schools in India are attempting to achieve," adds John.

"The IIMs, by restricting their numbers to 240 are able to maintain the quality and other requirements. Other B-schools with batches 600 to 1,200 may not be in a position to offer which is most essential in B-school education," says Rajat Verma, PGDM student, Indian Business Academy, Bangalore. While a larger number of students means that the B-schools are able to achieve economies of scale, there is a drop in quality, an overstretched infrastructure and a low faculty student ratio. These should be the top priority for B-schools that want to maintain standards.

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