

The Statesman/ New Delhi/ 26/ 04/ 09

Choosing the right B-school

The number of Aicte-approved institutes has gone up from 1,888 in 2005-06 to 3,858 and the academic quantum has escalated, yet there's a lot to be desired in terms of quality, fee structure and delivery, says jk goyal

OVER the last two decades, there has been a substantial shift in enrollment from traditional degree courses to professional/technical courses. The biggest component of technical education is management. Management is all about decision-making; a formal training in the discipline sharpens and enhances latent decision-making skills of aspirants. A manager has to choose one alternative out of a wide range of available options.

Ironically, a fresh entrant to a management course has to make choices even before he is trained to do so. For example, which B-School to apply? In the post-liberalisation era — generally taken to be after 1991 — the demand for fresh MBAs/ postgraduate diploma-holders has far outstripped supply. Anyone who with a degree from anywhere usually got a decent job in the fast-growing private sector.

The state-funded educational structure was ill-prepared to meet this growing demand. The private sector stepped in a big way followed by the mushrooming of self-financing, privately owned institutes across the country.

One natural outcome of such reckless expansion was deterioration in quality. A degree from anywhere is no longer a gateway to a decent job. It's important we understand how to pick the right B-school. Those, however, who have managed to get into premier B-schools deserve congratulation for their effort. But a vast majority of MBAs don't make it to the best schools. They have no option but to opt for private schools.

Over the last decade, there has been a phenomenal rise in private B-schools. For example, the number of the All India Council of Technical Education-approved institutes has gone up from 1,888 in 2005-06 to 3,858 and the number of seats offered has risen from 120,000 to 380,000 during the same period. There still is a large variation in terms of quality, fee structure, delivery — the Aicte's norms and procedures notwithstanding.

Besides Aicte-approved institutions, there are a large number of study centres offering programmes under various state universities. I would like to address students keen on joining a two-year programme in a self-financing Aicte-approved institute.

This year, the number of Cat aspirants is a little over 200,000. In December last year, nearly 50,000 students were reported to have taken the Management Aptitude Test. Assuming the two sets didn't overlap, the total number of admission-seekers this year will exceed 250,000 against an "installed" capacity of over 380,000 seats in Aicte-approved institutions.

So the demand supply equation has reversed somewhat. Unlike in the past, supply is far exceeding demand. Students with a decent Cat/Mat score — not so decent, however, as to make it to the “super league” — will have at least a dozen offers from private self-financing institutions. This, though, adds to further confusion. Which school to choose?

Step one: Why an MBA?

This is a common question in a personal interview. Most students are trained by coaching centers to handle this question in different ways. Please do not start giving the answer in a haste. We are asking you to introspect and deliberate. Experience tells us that there are four categories of admission-seekers to private B-schools. The first category is that of female students that we refer to as the “waiting to get married” type. These students have no particular intention of taking up a career. Their parents — obviously with considerable resources — “park” their daughters in private institutes till such time as suitable match is available. These are people who go about proclaiming that their daughters are doing an MBA, which undoubtedly adds to their value in the matrimonial market. If you belong to this category, pick up a B-school in your vicinity that emphasises soft skills and with an examination system not too regimented offering the opportunity to improve communication skills through presentation programmes and outdoor activities.

The second category of students — exclusively male — is called the aish kareng type. These usually come from families with a background in business. Small families ensure that these students usually get to inherit their family business and usually have no goal except joining their family business. They don’t attend classes and are casual to a fault. Their parents don’t mind giving them a two-year sabbatical before joining an established business. Moreover, an MBA degree increases their capacity to extract dowry from desperate fathers-in-law. Such students should concentrate on developing entrepreneurial skills.

The third category comprises both male and female students called “Tina students” (those with no other alternative.) These students consist of unsuccessful candidates; once they fail to crack a tough competitive exam they join private B-schools. If you belong to this category I would advise you NOT to seek admission in a school unless you have completely dropped the idea of sitting for another competitive exam. Please do not cherish contradictory thoughts. No point joining an MBA course and wasting time and money if you are not interested.

However, a vast majority of students want to build a career with the knowledge that they would never be able to make it to the ivy league. As most students belong to this category the question as to how to choose the right B-school still remains primary.

Step two: At what price?

There is a large difference between private self-financing institutes and sarkari ones in terms of fees charged. The fee for a two-year course in most B-Schools varies from Rs three to 10 lakh. In India, in a majority of cases, it is the parents who have to bear the burden at the postgraduate level. A small section of aspirants take bank loans as well. However, that too is guaranteed by their parents. Therefore, you must not only consult

your parents but also make an objective assessment of their capacity to pay. Even if your parents have the capacity to pay, do not just go for an expensive B-school if the benefit does not match the cost. Most of you do calculate your return on investment these days. Sometime, it is better to settle for a marginally “inferior” school if the difference in fees between two schools is too large. Suppose x and y are two schools offering admission and x charges Rs four lakh while y charges Rs eight lakh. And suppose x’s placement record indicates that the median salary offered during campus placement is Rs three and that of y Rs four lakh. In these circumstances, it is obviously better to opt for x since it a better return on investment.

A few other things that you need to check out are the payment schedule (that is in how many installments would you have to pay the course fee.) If the first installment is too heavy it indicates that everything is not right. Some schools offer alternative payment schedules, offering discounts for down payment. Please check thoroughly before you think of applying to these.

Make sure that there are no “hidden” and/or additional charges. Read the brochure’s fine print. Do not hesitate to ask uncomfortable questions.

Some schools offer “free” laptops and “foreign trips”. These are part of the fee component. Find out whether these components are compulsory or optional. You may opt out of these add-ons if you do not find them worthwhile.

Some schools publicise the availability of a lot of scholarships and fee discounts for meritorious students. Most of these promises are marketing gimmicks. However, there is no harm in seeking these scholarships or finding out the details before taking admission. Something is always better than nothing.

Step three: home or away from home?

This is another major issue you must sort out in your quest for the right school. As regards the fee, you must seek the advice of your parents in this regard. The benefits of being a day scholar are that you do not have to incur an extra hostel fee and other expenses over Rs two lakh or so during the entire study period. You are assured of the comforts of your home. However, there are some distinct benefits of pursuing a course away from the comforts of your home. Hostel or postgraduate accommodation makes you more responsible. You remain focused on your studies as you keep away from day to day happening at home. You spend much less time travelling. In case you opt for hostel or postgraduate accommodation, it is better to take admission in a school well beyond a 200 km radius from your home. A school within this radius would always prompt you to go home every weekend and come late on Mondays. You would be neither “here” (at home) nor “there” (in hostel). You must check out facilities. In case you have to make your own accommodation, do scan the nearby area thoroughly and act accordingly. Remember if you do not get proper physical amenities and decent food, you cannot concentrate on studies.

Step four: verifying conflicting claims

This is perhaps the most difficult part. Every school flaunts the standard six parameters — “state-of-the-art infrastructure”, a “well-stacked library”, “excellent computer labs”, “experienced faculty”, “updated curriculum” and “100 per cent placement”. Education and healthcare are such services where we have, what is called, “information asymmetry” ie the “seller” knows more than the “buyer”. A doctor knows much more than a patient; similarly, an education provider knows much more than a student. How can a student judge the competence of teachers? How to find out the authenticity of placement claims. It is ironical indeed that all schools claim a 100 per cent placement record, yet as per the Aicte’s own admission, 73 per cent of the graduates “produced” by the regulatory body get jobs. In this connection, I would like to remind students the oft-repeated marketing term — Caveat Emptor: buyer beware. It is your duty to take all possible precaution.

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