A Multi-Criteria Decision Making Approach for ranking Business Schools

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ABSTRACT

The proliferation of management institutes along with the establishment of new business school (B-School) has caused a dilemma among students while choosing the management institutes because of a plethora of options. To address the issue, this article provides a ranking framework which first identifies the criteria important for students while selecting a business school using NVivo software on the semi-structured survey. Further, the multi-criteria decision making (MCDM) technique ranks the business schools based on the selected criteria using fuzzy analytical hierarchy process (AHP) and evaluation based on distance from average solution (EDAS). The study has found that the ranking obtained is different from the National Institute Ranking Framework (NIRF) and other ranking systems for selecting a business school by students based on student-centered criteria. The rankings of business schools are obtained based on eight criteria: placement, location, infrastructure, industry-institute interaction, NIRF ranking, fee, innovativeness, and student-faculty ratio. The results of the study are validated using comparative analysis with different MCDM methods and sensitivity analysis with respect to change in weights of criteria. The theoretical and practical implications are discussed.

KEYWORDS

EDAS, Fuzzy AHP, Multi-Criteria Decision Making, Ranking Of B-School

INTRODUCTION

In response to the growing need for management institutes in India, the Ministry of Human Resource Development (MHRD) has established fourteen business schools (B-Schools) in two batches after the primary six older B-Schools. Recently, the Government of India has passed the IIM bill which declares all the B-Schools established by Government of India as institutions of national importance. The B-Schools are continuously providing quality management educations to create future managers and global leaders. While the B-Schools strive themselves to achieve excellence in terms of teaching and research, the MHRD through its National Institute Ranking Framework (NIRF) ranks all the national institutes based on various factors. These factors are teaching, learning & resources, research and professional practice, graduation outcomes, outreach and inclusivity, and perception. In addition to the NIRF ranking, there are numerous researches where institutions are ranked in terms of certain factors. For example, Sahoo et al. (2017) have ranked institutes according to the research output.

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Till the last decade, there were only six B-Schools which made it easier for a student to select an institute. The proliferation of management institutes along with the establishment of new B-Schools has created confusion among students while choosing the management institutes because of a plethora of options. In this scenario, choosing an institute with similar attributes is challenging for a student. In addition to this, there are several organizations including public and private, which ranks the management institutes on different parameters. Students tend to assess all the parameters relevant to them and based on those parameters they take decisions to join a management institute. Therefore, it is essential to understand the parameters important for students while selecting an institution. To address the aforementioned challenges, this paper proposes a ranking framework based on the criteria the student consider significant for selecting a management institute. In addition to the advantage to the students, the framework also would benefit the management institute to focus on the critical parameters to improve the rank.

This study is conducted in three steps. First, a qualitative survey is conducted to explore the factors important for students while taking a decision to join an institute. Second, the factors from step 1 are weighed to understand the importance of each factor on the students’ decision to select an institution. Finally, the institutes are ranked based on the criteria and their weights from the first and second step respectively. The paper has used NVivo software to identify the important factors from the qualitative survey in step 1. Fuzzy analytical hierarchy process (AHP) and evaluation based on distance from average solution (EDAS) are used for step 2 and 3, respectively.

The organization of the article is as follows: Section 2 draws the literature on the background of the B-Schools and factors important for choosing a management institute. Section 3 explains the methodology used in the paper in detail. Section 4 explains the results followed by discussions and implications in section 5. Finally, section 6 presents the conclusion, limitations, and future scope for research.

LITERATURE REVIEW

Background of business school (B-School) established by Government of India

The B-School system was initially established to create suitable managers for the public sector enterprises in India post-independence in collaboration with the universities of the United States. The initial establishment of B-School in eastern zone of India was in collaboration with MIT Sloan School of Management whereas Harvard Business School significantly assisted in the initial years for the establishment of B-School in western zone of India. Since then, the B-Schools are creating world-class managers who are utilizing the management education to provide the rightest decisions to the organizations. The initial tier of B-Schools (B-School in eastern zone, B-School in western zone, B-School in south zone, B-School in north central zone, Second B-School in south zone, and B-School in south central zone) was established before the year 2000s. The second tier of B-Schools constitutes B-School 1, B-School 2, B-School 3, B-School 4, B-School 5, B-School 6, and B-School 7. The newest B-Schools (third tier B-Schools) are in Maharashtra, Andhra Pradesh, Bihar, Punjab, Odisha, Himachal Pradesh, and Jammu & Kashmir. The first tier B-Schools have shown innovation in the admission process, course design, course delivery, course schedule, course pedagogy, and examination system (Aithal, 2016). While the older B-Schools (first tier B-Schools) have already established themselves in terms of excellence in research and management education, the second tier B-Schools are reaching to achieve excellence. On the other hand, the newer B-Schools (third tier B-Schools) are yet to achieve excellence due to several setbacks such as infrastructure, faculty availability, etc.
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