Quality Strategy Improves Business School Placements

by Janet Jacobsen

At a Glance . . .

- At Ramaiah Institute of Management Studies (RIMS), 98 percent of graduate school students cited employability as the primary factor for selecting a school.

- Unfortunately, data showed that only 25 percent of students graduating with an MBA in India were employable.

- In response, a cross-functional team used quality tools to improve placement numbers as well as attract recruiters, enhance salaries, and earn revenue.

- This project was entered in the 2012 International Team Excellence Award competition and earned finalist honors.

Students at Ramaiah Institute of Management Studies (RIMS) expected opportunities to interview for challenging jobs that pay a competitive salary; employers sought business school graduates who were capable of making immediate contributions to their organizations. While this seemed like a balanced equation, there was conflict implicit in the recruiting process at RIMS as employers wanted to conduct job interviews on campus during the third of a four-semester program. At this stage, with their education not yet complete, many graduate students were unprepared to interview successfully and thus were passed over for job opportunities. Leaders at RIMS uncovered this conflict between education and job placement and looked for solutions through a comprehensive quality strategy.

About the Ramaiah Institute of Management Studies

RIMS was established in 2005 to offer post-graduate and doctoral business degrees. Currently 500 students are enrolled, and the institute employs 27 full-time faculty as well as 25 adjunct and visiting faculty members who also are successful in industry as vice presidents and general managers. Located in Bangalore, India, RIMS features business practitioners who interact with students in weekly workshops and seminars to improve the school's relations with business and industry and to better understand their requirements.

All RIMS students have completed an undergraduate program—either in engineering, commerce, life sciences, or other fields of study. Industry leaders such as Ernst & Young, Deloitte Consulting India Private Ltd., ICICI Securities Ltd., and SBI Life Insurance Ltd. are just a few of the organizations that recruit RIMS graduates.

Using Benchmarking and Customer Data to Uncover Opportunities

After reviewing voice of the customer (VoC) data from 100 top recruiters covering seven business sectors as well as 1,000 graduates, RIMS leaders discovered some alarming statistics—most notably that a mere 25 percent of all MBA graduates in India were deemed employable by recruiters. RIMS used the failure mode effects analysis (FMEA) technique to identify the major reasons why the school's graduates were not receiving job offers from recruiters in the first opportunity.

In addition to the FMEA exercise, the school also conducted best-in-class benchmarking for areas including the following:

- Knowledge base—the core of domain knowledge that students are supposed to have mastered. The MBA program at RIMS has 17 core courses and six concentration area courses each in marketing, finance, human resource management, operations management, and international business.
- Critical thinking and communication—two of the learning goals for the RIMS program.

- Attitude, as assessed through psychological tests and interviews.
- Opportunities for interviews. In the best schools, students receive a job offer at the very first opportunity.
- Placement revenue for the school. Top-tier schools derive significant revenues from the process by asking recruiters to pay a certain amount for every offer made.

Table 1 provides benchmarking scores, showing how RIMS compared to top-tier schools.

Table 1—Benchmarking activities provided important comparative data for the project

Criteria	Best-in-Class Score	Business School	RIMS Score
Knowledge base	0.95	Harvard	0.36
Students' critical thinking abilities	0.93	MIT	0.09
Students' communication abilities	0.91	Chicago—Booth	0.28
Student attitude	0.92	Kellogg	0.30
Opportunities for interviews	1.00	IMD (Switzerland)	12.50
Mean salaries of graduating students	$150,000	Kellogg	$36,000 (PPP)
Placement revenue for the school	$1.25 million	Indian School of Business	zero

For knowledge base, critical thinking, communication, and attitude, the scale used is 0-1. Thus, an ideal score of 1.0 would denote a student's complete mastery over domain knowledge, ability to solve complex business problems, excellent oral and written communication skills, and a positive, winning attitude. In terms of opportunities for receiving a job offer, the less the better—the ideal score is 1 where the student receives an offer at the first opportunity. Mean salaries have been compared using purchasing power parity (PPP) to maintain integrity in comparison. Revenues derived from the process are as claimed by the schools.

Forming the Employability Team

The project was initially identified in August 2008 and was completed three years later by a core team of five members including B.V. Krishnamurthy as project sponsor; Kavitha D'Souza, the placement officer, as project champion; Dilshad Jalnawalla, a faculty member and accreditation coordinator, as the co-champion; Manita Deepak Shah, a senior faculty, as a member; and Anil B. Gowda, also a senior faculty, as a team member. As sponsor, Krishnamurthy developed the strategic architecture; designed the pilot studies; finalized testing protocols both during the project planning and implementation, and for the final validation of results at each stage with experts; and monitored progress within the plan, do, study, act (PDSA) concept. The champion obtained customer feedback and conducted focus group interviews while Jalnawalla, as the co-champion, analyzed survey results, developed the initial plan, selected control groups, and administered the tests—domain-based knowledge tests, tests to assess critical thinking, oral and written communication skills, and tests to ascertain attitude. Shah and Gowda were instrumental in performing cost-benefit analysis and statistical analysis at each stage of the project.

The group, known as the employability team, completed three in-house and two external training programs to prepare for this project. The training sessions covered:

- Analytical processes
- How to identify causes and improvement opportunities
- Use of statistical methods and tools
- Leadership, motivation, delegation, and synergy as a team
- How to align every process and activity with organizational goals

Refining Improvement Opportunities

Other data pointed to additional improvement opportunities regarding the amount of time and money spent on the placement process. Starting with the VoC data, school leaders analyzed the initial situation, identified how it impacted the organization's goals, and as a result of this process, defined six opportunities for improvement, as follows:

- Reduce the cost of placement activities
- Generate revenue from placements
- Ensure every employer recruits
- Enhance salary offers
- Reduce cycle time for placement efforts
- Lower the number of interview opportunities that each student completes before receiving a job offer

Project goals ranged from enhanced job offers to improved placement revenue as key stakeholders included students, employers, customers, and society. Performance measures were customer satisfaction (both student and recruiting employers), number of repeat customers (recruiters), and the number of new customers. The team's goals were closely aligned with organizational goals as shown in Table 2. For example, the project goal of enhanced job offers was projected to have an operational impact of attracting high-caliber students. In addition, placement services could lead to revenue generation and shift the process from a cost center to a revenue-producing opportunity.

Identifying Stakeholders

The team identified both internal and external stakeholders through a variety of means such as brainstorming sessions and process maps as well as student, parent, and employer satisfaction surveys. In addition, the team completed a suppliers, inputs, process, outputs, customers (SIPOC) exercise and identified the following components for each section:

- Suppliers: admissions tests and undergraduate colleges
- Inputs: students, faculty, staff, and infrastructure
- Process: pedagogy (knowledge delivery), assessments, and feedback

Table 2—Project goals were well aligned with operational impacts and organizational goals

Project Goal	Operational Impact	Organizational Goal
Enhanced job offers	Increased mean, median, minimum, and maximum salaries Improvement in quality of enrolled students	Student focus
Increase in mean and median salaries	Enhanced brand equity and reputation	Owner focus Society focus
Fewer job interviews per student before job acceptance	Increased employer satisfaction Increased student confidence levels	Employer (customer) focus
Revenues from placement facilitation	Self-sustaining processes as opposed to cost centers	Owner focus

- Outputs: graduates, research, community, and service
- Customers: corporations, government, and nongovernment organizations. As an organizational philosophy, RIMS treats students as internal customers.

Searching for Root Causes and Improvement Opportunities

Using data from independent pretests (administered at the end of two semesters when students would have completed all the core courses) and customer requirements, as well as data from four years of placement performance, and then applying tools such as SIPOC, process maps, cause and effect diagrams, and prioritization matrices, the team arrived at a starting point for root causes and improvement opportunities. They found that 60 percent of RIMS students lacked a sound knowledge base and 82 percent of poor placement performance was related to poor intake quality. A tracking process map showed that students who lacked adequate knowledge could not secure employment even after eight interviews. Similarly, data from customers about students with poor communication skills showed these students typically did not receive job offers even after 12 opportunities. Finally, those students who demonstrated poor attitudes did not earn employment opportunities despite 20 or more job interviews.

Additional brainstorming sessions, analysis, and input from 55 recruiters helped the team reduce the list of possible root causes to three items—knowledge base, communication, and attitude—as well as two improvement opportunities—critical thinking and ethical behavior. All were validated through statistical testing and the use of control groups.

Developing Solutions

Next, team members used brainstorming sessions, affinity diagrams, control charts, and multivoting to develop 18 possible solutions, all of which had to meet the project goals and align

with the organization's mission and goals. The team utilized seven criteria to select their solutions:

- Criticality to project success
- Impact on stakeholders
- Repeatability across different programs
- Cost of implementation
- Time to achieve results
- Revenues likely to be generated
- Constraints to overcome

Again, quality tools were essential for paring down the list of potential solutions to arrive at the best possible course of action. One key technique was a net priority index where each team member assigned a vote of high (five points), moderate (three points), or low (one point) for each solution, ultimately yielding a priority score for each potential solution. For example, in the area of knowledge base improvement, only two potential solutions—incorporating case studies into the curriculum and using learning rubrics—scored a net positive priority index and were chosen as final solutions for improving students' knowledge base. This same method was applied to all potential solutions to yield nine final solutions. The case method, also known as participant-centered learning, was pioneered at Harvard Business School and was deployed at RIMS as part of the curriculum. Further, in addition to the usual method of measuring student performance through marks and grades, the school developed a set of learning rubrics that have empirically been shown to be superior to either marks or grades.

Validating Solutions

As illustrated in Table 3, various methods were used to validate the final solutions. The third and fourth columns highlight the improvement demonstrated after just one pilot cycle.

As this project focused on employability, the outcomes of this one pilot cycle were important in demonstrating the strength of the solutions. Validation activities helped the team gain buy-in for full implementation as did the projected tangible benefits, which included a 15 percent increase in starting salaries of graduating students, a reduction of the number of job interviews needed to obtain a job offer (two fewer), and a 10 percent increase in student and employer satisfaction. In addition, the expected intangible benefits ranged from improved brand image to grateful parents and from an enhanced work environment to satisfied employers.

Overcoming Resistance

Resistance to the project was identified in the early stages, and the greatest challenge was convincing students that reducing the number of opportunities was beneficial to them. This challenge was met through mentoring, counseling, and training. "Once students started seeing the results [improved acceptance rates], buy-in became

Table 3—The team used a variety of methods to validate solutions

Final Solution	Validation Method	Scores at Project Commencement	Scores After One Cycle of Pilot
Incorporate case studies into curriculum	Student control group	Median score in domain knowledge test: 54.5%	Median score in domain knowledge test: 63%
Use teaching rubrics	Assurance of learning	Median score 1.2 on scale of 0-3	Median score of 1.6 on scale of 0-3
Require Business English Certification for students	Testing by British Council	Median score 42%	Median score 51%
Provide soft-skills training	MERITRAC testing*	Median score 3.6 on scale of 1-10	Median score of 4.5 on scale of 1-10
Require students to deliver team presentations	Expert evaluation	Median score: 55%	Median score: 64%
Require thesis defense	Expert evaluation	Median score: 51%	Median score: 59%

*MERITRAC is an independent organization that specializes in testing methods.

complete and unconditional," Krishnamurthy recalls. Buy-in was also achieved by providing stakeholders with detailed plans and projections, and by piloting solutions before full implementation.

Achieving Results Above Projections

A phased implementation strategy was adopted, with the first month devoted to strategic planning and the second to pilot runs using control groups. Finally, in the third month, the team validated the results and performed a gap analysis to make modifications to the process.

Krishnamurthy says that results exceeded expectations as mean salaries increased significantly and the acceptance rates improved as well. He adds, "Stakeholder satisfaction levels have shown a high degree of improvement. Thus, our project is closely aligned to our mission and vision." Table 4 highlights the tangible benefits achieved during this three-year project.

The team created and installed a robust system for measuring and sustaining results, and to date, RIMS has completed four cycles of continuous improvement with outcomes exceeding expectations on every dimension.

While team members learned a great deal from this project, Krishnamurthy says the most important lesson was that change management requires patience, passion, and commitment. He cautions that results do not come easily, nor does the buy-in of stakeholders. He also warns of the possibility that team members may become frustrated during a long-term project. "Such projects are not for those who look for instant results. If one is prepared for the long haul, one

Table 4—The project exceeded expectations on all measures

Measures	Expected Improvement	Actual Improvement
Top 100 employers recruiting RIMS students	10 of 100	32 of 100
Mean salary offer	$50,000	$70,000
Interview opportunities before receiving job offer	4.0	2.3
Student satisfaction	4.90/7.00	5.85/7.00
Customer satisfaction	4.90/7.00	5.60/7.00
Placement revenue	$40,000	$90,000

can accomplish significant results. Indeed, this philosophy is the cornerstone of all of our efforts," states Krishnamurthy.

Eager to share its success with others and to receive independent feedback, the school entered this project in the 2012 International Team Excellence Award (ITEA) competition where it earned finalist honors. This team was invited to participate in the live presentations during ASQ's World Conference on Quality and Improvement.

Looking Forward

This successful initiative was quickly followed by another team-based improvement project, which has qualified for the 2013 ITEA finals. The latter project focuses on research productivity—one of the most complex challenges in higher education. Currently, RIMS teams are working on two additional improvement projects: the first focuses on a 360-degree performance measurement system and the second makes extensive use of Dr. W. Edwards Deming's tools to improve the learning experience in the classroom.

For More Information

- To learn more about RIMS, go to http://www.rimsbangalore.in/index.php.
- For additional information about the International Team Excellence Award Process, visit http://wcqi.asq.org/team-competition/index.html.
- Read another case study about RIMS at http://asq.org/2011/02/continuous-improvement/business-school-tqm.pdf, and find more case studies in the ASQ Knowledge Center at http://asq.org/knowledge-center/index.html.

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