

## IBS Hyderabad

April 19, 2019

### Summary of grading action

Instrument	Grading Action	
	National	State
Management Programme	[ICRA]EB1 IN <sup>1</sup> ; assigned	[ICRA]EB1 TS; assigned

### Rationale

The gradings positively factor in ICFAI Business School, Hyderabad's (IBSH) established track record of operations, its position among the reputed business schools in the country, 100% case-based pedagogy which brings in a rich learning experience to the classroom, robust infrastructure facilities, strong governance and leadership attributes with the management council and trustees comprising members who have extensive experience in their respective fields. IBSH has a comfortable financial profile, characterised by a conservative capital structure and healthy liquidity position of ICFAI Foundation for Higher Education (IFHE, which operates the business school). The institute has accreditation from South Asian Quality Assurance System (SAQS), indicating IBSH's conformance to high standards. It is also in the process of obtaining accreditation from the Association to Advance Collegiate Schools of Business (AACSB) based on the quality of teaching, research and services (TRS) offered by the institute.

The gradings also consider the improvement in IBSH's faculty profile, as witnessed by a steady increase in the proportion of faculty members with doctorate degrees and higher industry and teaching experience. Further, improving faculty development initiatives paved the way for healthy contribution by the faculty members in publications, case study development and research assignments at the national and international forums. IBSH's student profile remains diverse, with representation from varied academic streams and locations along with an equal gender mix. However, weightage to work experience in the selection process remains limited with the representation of experienced professionals remaining low over the years. IBSH has maintained healthy enrolments of over 1,200 students per annum for its MBA program in the recent years. Despite the large batch size, the number of applications per seat remained above 35, indicating strong brand equity of the institute at the pan-India level.

IBSH's management program structure is holistic, focusing on all-round development of its students through a curriculum that is driven by industry requirements. Continuous efforts are undertaken towards increasing students' participation in various inter-collegiate events. Its course curriculum is regularly updated with introduction of new courses and replacing the outdated ones based on feedback from faculty, students, alumni and industry. The institute follows a 100% case-based pedagogy, with IBSH's in-house Case Research Centre having a repository of more than 6,000 cases. The management course follows a semester system, which constrains IBSH's academic flexibility to provide exchange programme for its students and faculty members. Further, the industry interface is relatively limited with the industry visits / projects executed for corporates being lower than other premier institutes. Nevertheless, IBSH arranges for guest lectures, simulation programme etc to improve the exposure of the students. Active participation of the alumni has supported the institute in this regard as seen through their involvement in course development, improving industry interface, career counselling and supporting placement initiatives among others.

<sup>1</sup> IN Stands for "All-India"; TS stands for "Telangana State"

IBSH has an established infrastructure set-up and its campus is spread across 91 acres with a built-up area of around 1.5 million square feet. The campus is fully residential, and its facilities are shared with other programme like law and engineering, run by the university. The gradings continue to factor in the relatively low median salary and the resultant higher payback period compared to other leading business schools in the country. Further, the institute has not been able to achieve 100% placements over the years owing to its large batch size. However, the median salary and payback levels improve to comparable levels upon considering the top quartile of students. The recruiters' profile is relatively diverse, comprising large and reputed corporates with a high proportion of repeat recruiters (~70%). Companies from the banking and financial services, and IT and IT-enabled services are among the larger recruiters and contribute around 60% to the overall placements. Going forward, given the large batch size and increasing competition in the management education segment in Hyderabad, ensuring healthy placements and faculty retention would be the key challenges for the institute.

## Outlook: Not applicable

### Key grading drivers

#### Strengths

**Established position supported by strong management team** – IBSH is among the premier business schools operating in the country, with an operational track record of more than three decades. Strong brand equity has aided the institute in attracting a diverse base of students and experienced faculty members, which are critical for imparting quality education and achieving the desired objectives of the program. The operations are governed by the management council, board of governors and trustees, comprising members with strong credentials in both the education industry as well as in the corporate world.

**Strong faculty profile** – The institute has a strong faculty profile with consistent improvement in their quality witnessed over the years, characterised by the rising numbers of PhD-qualified faculty members, higher than average teaching / industry experience, growing number of industry/consultancy projects undertaken and positive research output with increasing contribution towards publications and research journals. In each of the last four academic years, the faculty members have delivered around 200 publications in reputed journals and databases like Scopus and Web of Science etc.

**100% case-based pedagogy** – IBSH is one of the few business schools in the country to use 100% case-based method of instruction for its curriculum. IBS's Case Research Centre (CRC) has developed more than 6,000 cases, which are also used by reputed business schools across the world and remains one of the major contributors to 'The Case Centre' based out of the UK.

**Strong infrastructure and financial profile** – The institute enjoys financial flexibility on the back of comfortable financial profile of IFHE and for being a part of the larger ICFAI Group. Also, the institute has a robust infrastructure set-up with a large campus area and other facilities and generates adequate operating surplus to meet continuous infrastructure funding requirements.

#### Challenges

**Large batch size affects placement levels** – Owing to its large batch size, the institute has not been able to achieve 100% placement levels (around 95% in the recent fiscals). Further, the median salary levels are also lower. The institute, with the help of its alumni, has increased the number of companies visiting the campus to support better placements. With its batch size unlikely to increase further over the medium term, improving performance of the students and brand equity enjoyed with recruiters are likely to improve the placement levels to around 98% by the academic year 2020-21.

**Increasing competitive landscape** – The management education space in Hyderabad has been facing increasing competition on the back of new campuses established by reputed institutes in the recent fiscals. While IBSH has been able to continue to achieve its desired objectives to a large extent till date, its ability to attract and retain faculty over the next few years remains a key challenge. IBSH has taken several steps in the recent quarters to mitigate this risk by offering additional perks and incentives to its faculty members based on their research output, which helped it regain some of the lost faculty members in the current academic year.

## Analytical approach

Analytical Approach	Comments
Applicable Grading Methodologies	<a href="#">Grading Methodology for Management Education Institutes</a>
Parent/Group Support	NA
Consolidation / Standalone	NA

## About the institute

IBSH was established by the ICFAI Society in 1995 and has been offering various programme in business management. Apart from its flagship MBA programme, the institute offers BBA, doctoral programme, and faculty development programmes. Operations of IBSH were made a part of ICFAI Foundation for Higher Education (IFHE) from 2005. IFHE was declared as a deemed to be university under Section 3 of the UGC Act, 1956 in December 2008, with IBS, Hyderabad as a constituent institution. Apart from business programmes, IFHE also operates an engineering college, a school of architecture and a law school.

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Grading history for last three years:

Instrument	Current Grading (FY2020)	Chronology of Grading History for the Past 3 Years		
	Date & Grading	Date & Grading in FY2019	Date & Grading in FY2018	Date & Grading in FY2017
	April 2019	-	-	-
Management Programme	[ICRA]EB1 IN; [ICRA]EB1 TS	-	-	-

## Key financial indicators: Not applicable

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