

Role Of Business School Reputation And Rankings In Shaping Employer Hiring

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Abstract

The increasing focus on business school rankings has profoundly affected views of graduate quality and institutional prestige. Employers are increasingly dependent on these rankings for recruitment decisions, prompting inquiries into the influence of reputation and perceived competencies on hiring preferences. This study examines the correlation between rank perception, perceived graduate competencies, and employer recruiting choices within firms in Pune City, India. Data were gathered from 167 recruitment decision-makers across several businesses using a structured questionnaire. Reliability study demonstrated exceptional internal consistency across all dimensions, while regression findings indicated that both rank perception and graduate competence strongly forecasted employer hiring preferences, with graduate competencies having a more pronounced impact. The data indicate that although rankings are significant, employers prioritize graduates' exhibited skills and competencies during the recruiting process. The research enhances existing literature by elucidating the intricate influence of business school reputation on recruiting, providing actionable insights for business schools, employers, and policymakers.

Keywords- *MBA Colleges Ranking, Employers' perception, College Ranking impact on hiring, MBA students' employability*

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I. Introduction

In the current competitive business landscape, the employability of MBA graduates has become a significant concern for both business schools and companies. Business schools under mounting pressure to not only provide information but also improve their graduates' visibility and marketability in the employment sector. A significant element influencing this visibility is business school rankings. Rankings released by numerous agencies frequently act as indicators of quality and institutional reputation, thus shaping the perspectives of potential students, employers, and other stakeholders.

Employers' hiring decisions are intricate and multifaceted, generally encompassing the evaluation of reputation-based indicators (such as institutional rankings) and competency-based assessments (such as technical, analytical, and interpersonal abilities). Previous research indicates that reputation may act as a surrogate for graduation quality, particularly in situations when employers possess little information regarding individual applicants. Nonetheless, there is increasing discourse over the potential overshadowing of more substantive elements, such as graduate competences, flexibility, and workplace preparedness, by an overreliance on rankings.

The Indian context, specifically Pune City—a significant center for education, IT, finance, and manufacturing—offers a pertinent backdrop for our study. Employers in this region often recruit MBA graduates, influenced by a dynamic interaction of institutional reputation, perceived skills, and organizational hiring practices. Despite the growing impact of rankings, limited empirical research has examined how these views actually affect hiring preferences in the Indian labour market.

This study seeks

- ✓ To investigate the degree to which rank perception affects employer hiring preferences.
- ✓ The influence of perceived graduate competencies on employer decision-making.
- ✓ The comparative significance of reputation and competence in influencing hiring preferences.

The study enhances both academic and practical discussions around the employability of MBA graduates by addressing these inquiries. The findings elucidate how reputation and rankings influence employer perceptions, offering companies guidance on reconciling reputation-based and competency-based factors in recruitment.

II. Literature Review

The reputation and rankings of business schools serve as complex indicators that influence employer focus and recruitment strategies; companies frequently emphasize student qualities and relationships with schools above prominent rankings, while rankings significantly affect institutional conduct and public perception.

Theoretical frameworks

This section connects significant theories and motifs from the literature to employer hiring practices and school rankings in two to three sentences, followed by a more detailed summary of the frameworks.

Academics define business-school reputation as a multifaceted construct (including research, alumni, and employer opinions) and regard rankings as public indicators that may or may not reflect genuine excellence [1]. Alternative work frameworks categorize rankings as a strategic "game" that influences schools' image management and, subsequently, employer perceptions

[2]. Reputation is multidimensional; it consists of various stakeholders' evaluations (employers, alumni, academics) rather than a singular metric and should be conceptualized accordingly

[1]. Rankings serve as conspicuous indicators for employers and students; yet, their legitimacy as assessments of intrinsic excellence is disputed [1]. [2].

Image versus substance dynamics – Educational institutions strategically manipulate data and presentation to affect rankings and employer views; consequently, rankings create feedback loops that influence strategy and hiring visibility [2].

The market-based value view posits that labour-market results, such as graduate earnings and employer demand, serve as an alternative lens for assessing program value and the rewards institutions receive from employers.

Reputation production systems — National and regional ranking producers, along with academic research measures, both play a role in establishing reputational hierarchies; however, their methodologies and incentives vary by environment

III. Methods And Empirical Findings

Researchers utilize qualitative interviews, survey analysis, labour-market econometrics, and conceptual/theoretical models to examine the impact of reputation and rankings on employer behaviour, yielding complementing insights regarding signals, recruiting practices, and institutional tactics [2] [3][4]. Empirical research indicates that recruiters place significant emphasis on observable student traits, while additional studies reveal that the connections between schools and companies, as well as labour-market value-added, influence recruitment outcomes.

Approach	Typical data	Strengths	Representative studies
Qualitative interviews	Deans, administrators, recruiters	Rich process detail on strategy and perceptions	Corley & Gioia — interviews with top 50 schools [2]
Recruiter surveys / institutional data	Recruiter preferences; placement records	Direct measurement of recruiter decision drivers	Safon — cross-school recruiter analysis showing student characteristics dominate recruiter choice [3]
Labour-market econometrics	Graduate salaries; student inputs	Objective value-added measures tied to employer payments	Waldfoegel — market-based ranking and value-added analysis [4]
Conceptual frameworks	Literature synthesis	Theory development and construct clarification	Vidaver-Cohen — model of reputation beyond rankings [1]

Essential empirical findings synthesized from the referenced studies:

Factors influencing recruiter decisions — Recruiters frequently emphasize candidate characteristics (skills, experience, selectivity) rather than relying solely on a singular ranking number when determining which institutions to recruit from [3].

Labour-market methodologies indicate that employer compensation and placement trends can yield different rankings that emphasize program value-added in relation to the quality of incoming students [4].

Institutional responses to rankings – Interviews with educational officials disclose intentional actions aimed at enhancing ranking indicators that influence employer perceptions of schools and prospective candidates [2].

Moderators, geographical variations, and evolution

This section connects moderating factors, regional and industry variations, and temporal changes to the relationship between employer and school reputation in two to three phrases, followed by an exposition of evidence and conclusions.

Various factors influence the extent to which reputation and rankings impact hiring: the discernible quality of students, employer-school relationships, regional ranking systems, and employer preferences (skills

versus credentials) affect recruiters' dependence on school indicators [3][4][1]. Evidence indicates variability between geographic contexts and a shifting focus on labour-market signals and institutional image management throughout time [5] [2].

Characteristics and qualities of students, moderate the impact – Employers often base recruitment decisions on candidate attributes and competencies, hence diminishing reliance solely on academic ranking [3].

Employer–educational institution connections — Robust local or sectoral affiliations (internship pathways, alumni networks) enhance employer interest regardless of published rankings and are associated with program value-added in labour market evaluations [4].

Regional disparities exist, as ranking systems and reputation generators vary by location; European research-oriented rankings and national league tables establish unique reputational hierarchies in contrast to US/FT-style rankings [5].

Industry diversity exists, with certain sectors, such as consulting and banking, prioritizing academic credentials, whereas others focus on tangible skills and experience. The literature acknowledges this variability; however comparative industry datasets are few [2][3].

Chronological progression — Over time, rankings have gained prominence in public perception, eliciting strategic responses from schools; concurrently, scholars have suggested new market-oriented and multi-dimensional metrics to more accurately represent employer valuation [2] [4].

Supplementary observation regarding skill priorities:

Soft skills impact recruitment decisions — Research conducted by companies highlights the significance of soft skills and employability abilities, which may diminish the sole impact of a school's ranking when these characteristics are prioritized in the selection process.

Gaps in the current literature

Notable deficiencies encompass inadequate longitudinal labour-market tracking linking ranks to long-term hiring outcomes, insufficient cross-national comparative studies on employer heuristics, and a scarcity of causal designs that differentiate the impact of rank from student quality and employer connections [1][4][5].

Research Methods

This study employed a quantitative, descriptive, and explanatory research approach to investigate the influence of business school reputation and rankings on employer hiring decisions. The aim was to ascertain causal correlations across constructs—specifically rank perception, perceived graduate competencies, and employer hiring preference—utilizing survey methodology with structural equation modelling (SEM) and multiple regression analysis.

Population and Sampling

The target population included employers and recruitment decision-makers (HR managers, hiring managers, line managers, senior management, and HR executives) from various sectors in Pune City, India. A total of 167 valid responses were gathered, which is adequate for Structural Equation Modelling, satisfying the suggested criterion of a minimum of 5–10 replies per indicator. The sampling method employed was purposive sampling, as it exclusively comprised respondents directly engaged in MBA graduate recruitment.

Development of Instrument

A systematic questionnaire was created utilizing established constructs from previous literature. All items were evaluated using a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The instrument comprised four sections:

Demographic Information - organizational sector, size, respondent's function, experience, and frequency of MBA recruitment.

Rank Perception (RANK_PERCEP) - Four items evaluating employers' dependence on business school rankings (Cronbach's $\alpha = .913$).

Perceived Graduate Competence (PGC) - Five measures assessing employers' assessments of the technical, analytical, communication, leadership, and adaptability skills of MBA graduates (Cronbach's $\alpha = .960$).

Employer Hiring Preference (EHP) - Four items indicating employers' inclination to shortlist, interview, and remunerate graduates from esteemed or ranked institutions (Cronbach's $\alpha = .944$).

Reliability was confirmed via Cronbach's alpha, with all structures surpassing the 0.7 benchmark, signifying internal consistency.

Data Collection

Data were gathered through online and offline questionnaires conducted with HR experts and managers from many sectors, including education, finance, IT, hospitality, manufacturing, and others. Participants were guaranteed confidentiality and anonymity to mitigate social desirability bias.

Data Analysis tools

Data were examined utilizing SPSS.

The examination encompassed:

- Utilize descriptive statistics (mean, standard deviation, frequency) to encapsulate replies.
- Tests for reliability and validity (Cronbach's alpha, composite reliability, average variance extracted).
- ANOVA to assess model significance.
- Regression analysis to evaluate the predictive capacity of rank perception and graduate competencies on hiring preferences.

Ethical Considerations

Participants engaged voluntarily and were apprised of the study's objective. No personal identifiers were gathered, hence safeguarding confidentiality. The study complied with academic integrity and ethical research norms.

IV. Result And Discussion**Demographic Profile**

		Frequency	Percent
Org_Sector	Manufacturing	22	13.2
	Finance	29	17.4
	Hospitality	26	15.6
	IT	28	16.8
	Education	36	21.6
	Other	26	15.6
	Total	167	100.0
Org_Size	<50	44	26.3
	50-249	30	18.0
	250-999	25	15.0
	1000-4999	31	18.6
	5000 and above	37	22.2
	Total	167	100.0
Role	HR Manager	34	20.4
	Hiring Manager	37	22.2
	Line Manager	32	19.2
	Senior Management	33	19.8
	HR Executive	31	18.6
	Total	167	100.0
Experience_Yrs	Up to 5	33	19.76048
	6-10	41	24.5509
	11-15	28	16.76647
	16-20	32	19.16168
	21-24	33	19.76048
	Total	167	100.0
Hire_Frequency	Rarely	32	19.2
	Occasionally	33	19.8
	Often	27	16.2
	Frequently	41	24.6
	Very Frequently	34	20.4
	Total	167	100.0

The poll gathered responses from 167 employers across all industries, with education (21.6%) and finance (17.4%) being the most prominent, followed by IT (16.8%), hospitality (15.6%), and others, while manufacturing constituted the smallest number (13.2%). The distribution of organization sizes demonstrates a favourable equilibrium, with 26.3% including tiny enterprises (fewer than 50 people) and the remainder

distributed among medium to big organizations, including 22.2% from very large firms (5000 or more employees). The respondents were rather evenly distributed among roles, with hiring managers (22.2%) and HR managers (20.4%) constituting the largest segments, in addition to senior management, line managers, and HR executives. A significant variation in experience was noted, with the 6–10 years' category comprising 24.6%, while other categories such as up to 5 years (19.8%), 16–20 years (19.2%), and 21–24 years (19.8%) were also notably represented. Employers indicated a robust recruitment of MBA graduates, with 24.6% hiring frequently and 20.4% very frequently, while 19–20% reported rare or occasional hiring, implying that MBA recruitment is a persistent practice across organizations of diverse sizes and sectors.

Reliability Statistics

Reliability Statistics		
Construct	Cronbach's Alpha	N of Items
Rank Perception	.913	4
Perceived Graduate Competence	.960	5
Employer Hiring Preference	.944	4

The reliability study indicates that all three constructs exhibit exceptional internal consistency. Rank Perception ($\alpha = .913$), Perceived Graduate Competence ($\alpha = .960$), and Employer Hiring Preference ($\alpha = .944$) all surpass the required threshold of 0.70, signifying that the items within each construct exhibit good reliability and consistently assess the intended notion. This indicates that the scales employed are reliable and appropriate for subsequent analysis, including SEM.

Descriptive Statistics

Ranking Perception					
	N	Minimum	Maximum	Mean	Std. Deviation
C-RP1. I consider published business school rankings to be a reliable indicator of school quality.	167	1.00	5.00	2.8383	1.36354
C-RP2. Higher ranking schools are more visible to our hiring team.	167	1.00	5.00	3.1377	1.24143
C-RP3. Rankings influence our shortlisting of business schools when planning campus recruitment.	167	1.00	5.00	3.1377	1.36177
C-RP4. (R) I believe rankings exaggerate differences between schools. (reverse-coded)	167	1.00	5.00	3.0778	1.34878
Valid N (listwise)	167				

The average scores for rank perception questions fluctuate between 2.83 and 3.14, indicating that employers exhibit a reasonable consensus on the significance of rankings in MBA recruiting decisions. Respondents moderately concur that higher-ranked schools possess greater visibility (Mean = 3.14) and impact the shortlisting process (Mean = 3.14). The perception that rankings amplify disparities (Mean = 3.08) reflects divergent opinions, lacking a robust consensus. The elevated standard deviations (about 1.24–1.36) indicate variability among companies in their dependence on rankings.

Perceived Graduate Competencies					
	N	Minimum	Maximum	Mean	Std. Deviation
C-PGC1. Graduates from reputed/ranked business schools demonstrate strong technical knowledge.	167	1.00	5.00	2.7365	1.21340
C-PGC2. They possess superior problem-solving and analytical skills.	167	1.00	5.00	2.7725	1.22069
C-PGC3. They show strong communication and presentation skills.	167	1.00	5.00	2.7844	1.21794
C-PGC4. They exhibit high levels of leadership and team-working ability.	167	1.00	5.00	2.7844	1.20800
C-PGC5. They adapt quickly to workplace processes and culture.	167	1.00	5.00	2.7425	1.24651
Valid N (listwise)	167				

The average ratings for perceived graduate competency items regularly fall below 3 (about 2.74–2.78), indicating that employers are generally indifferent to somewhat disagreeing with the assertion that graduates from esteemed/ranked institutions are markedly more competent. Technical knowledge (Mean = 2.74) and problem-solving ability (Mean = 2.77) exhibit comparatively lower scores, although communication, leadership, and adaptability also stay at moderate levels. The standard deviations (about 1.20–1.25) indicate significant heterogeneity in perceptions. This suggests that employers may not entirely associate school reputation with enhanced skill.

Employer Hiring Preference					
	N	Minimum	Maximum	Mean	Std. Deviation
C-EHP1. We prefer to shortlist candidates from higher-ranked business schools over similarly qualified candidates from lower-ranked schools.	167	1.00	5.00	3.1796	1.26732
C-EHP2. Business school reputation is an important criterion in our final hiring decisions.	167	1.00	5.00	3.0599	1.36081
C-EHP3. We allocate more interview slots to candidates from reputed/ranked business schools.	167	1.00	5.00	3.1078	1.36227
C-EHP4. We are more likely to offer higher starting salaries to candidates from reputed/ranked schools.	167	1.00	5.00	3.0838	1.33269
Valid N (listwise)	167				

The employer hiring preference items indicate averages between 3.06 and 3.18, demonstrating a moderate tendency to favour graduates from esteemed or ranked institutions. The preference for shortlisting (Mean = 3.18) is marginally greater than the choice for paying higher compensation (Mean = 3.08) or providing additional interview slots (Mean = 3.11). The results indicate that although reputation is significant, it is neither the exclusive nor the primary determinant in final employment decisions. The elevated standard deviations (about 1.26–1.36) signify varied employer perspectives.

Hypothesis Testing

H1- Rank Perception and Perceived Graduate Competencies significantly affect the Employers' Hiring Perception.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942 ^a	.888	.887	.41467
a. Predictors: (Constant), Graduate Competencies, Rank Perception				

The regression model explained a substantial portion of the variance in employer hiring preference. The model yielded an $R = .942$, indicating a very strong correlation between the predictors (rank perception and graduate competencies) and employer hiring preference. The $R^2 = .888$ suggests that approximately 88.8% of the variance in employer hiring preference is explained by the model, which is highly substantial. The adjusted $R^2 = .887$ confirms the robustness of the model, and the standard error of estimate (.415) indicates relatively small prediction errors.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	223.735	2	111.868	650.587	.000 ^b
	Residual	28.200	164	.172		
	Total	251.935	166			
a. Dependent Variable: Employer hiring Perception						
b. Predictors: (Constant), Graduate Competencies, Rank Perception						

The overall regression model was statistically significant, $F(2, 164) = 650.59$, $p < .001$, indicating that the combination of rank perception and graduate competencies significantly predicts employer hiring preference. This confirms the suitability of the model for further interpretation.

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.023	.092		.802
	Rank Perception	.436	.041	.419	.000
	Graduate Competencies	.635	.043	.585	.000
a. Dependent Variable: Employer hiring Perception					

Examining the individual predictors, rank perception was a significant positive predictor of employer hiring preference ($B = .436$, $\beta = .419$, $t = 10.51$, $p < .001$). Similarly, graduate competencies also significantly predicted hiring preference ($B = .635$, $\beta = .585$, $t = 14.68$, $p < .001$). Graduate competencies had a stronger standardized effect ($\beta = .585$) than rank perception ($\beta = .419$), suggesting that employers place greater emphasis on the actual competencies of graduates than on the reputation or rankings of the business school when making hiring decisions.

Hence we accept alternate hypothesis- H1- Rank Perception and Perceived Graduate Competencies significantly affect the Employers' Hiring Perception.

V. Practical Implications

Business schools should not depend exclusively on rankings to entice recruiters. They should concentrate on curriculum development, experiential education, and partnerships with industry that enhance graduate competencies. Improving employability-oriented training helps bolster employer confidence in graduates.

Employers can adopt recruitment tactics that incorporate a dual perspective, valuing school prestige as a signalling mechanism while prioritizing demonstrated competencies during interviews, exams, and internships. This guarantees enhanced long-term employee performance.

Policy makers should encourage accreditation bodies and higher education regulators to transition from rankings-based assessments to competency-based outcomes. Policies that promote skill acquisition, industry engagement, and lifelong learning can more effectively link MBA education with industry requirements.

For MBA Graduates: The findings provide reassurance to graduates from lower-ranked institutions that robust skills can surpass the impact of institutional ranking in employment choices. This emphasizes the significance of ongoing skill development, networking, and experiential learning.

VI. Conclusion And Limitations

The results demonstrate that the impression of business school rankings and the perceived competencies of graduates substantially affect corporate hiring preferences. Graduate competences proved to be the more significant predictor, underscoring that although rankings and institutional reputation hold relevance, they are subordinate to the actual skill sets and capabilities exhibited by MBA grads. This indicates that businesses are increasingly emphasizing outcomes, preferring practical skills such as technical expertise, problem-solving, leadership, and adaptability over the mere prestige of the business school.

This study is confined to employers in Pune City, perhaps limiting the applicability of the findings to other locations or countries with distinct labour market dynamics. The data were gathered by a self-reported questionnaire, potentially susceptible to respondent bias. The study exclusively concentrated on rank perception, graduation competencies, and hiring preferences, neglecting other significant elements such as organizational culture, economic situations, and unique industry demands. The cross-sectional design precludes causal inferences over time.

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