

## COVER STORY



*A global outlook:* Students at ISB, Hyderabad

# The hunt is on

**MBA placements: Premier institutes are spoilt for choice; the lesser ones bask in their shadow**

By Rajesh Parishwad

**T**wenty-two-year-old Rajeshwar Dawar from the Institute of Management Technology (IMT), Ghaziabad, is every young graduate's envy. Wipro Infotech hired him as manager, IT infrastructure, during campus recruitment last December. Dawar had multiple offers, including one from an MNC with a much fatter pay packet. "It was a tough choice to make but I opted for Wipro as I had done my summer internship there," says Dawar. "Wipro showed

me exciting career prospects in the technology business."

Almost 250 wannabe CEOs from IMT were lapped up by corporates in less than two days of the recruitment drive. Many firms had to leave empty-handed. Average pay packet: Rs 10 lakh.

In Pune, Aparna Acharya, 23, from the Symbiosis Institute of Business Management (SIBM), is confident of bagging her dream job with an annual salary of Rs 8.5 lakh with FMCG giant HLL or ITC. SIBM, a Tier 1 B-School, has been attracting national and international firms during placement

week, year after year. Companies that offered an average salary of Rs 7.5 lakh last year are expected to scale up by 15-20 per cent this year.

Dilipraj Dongre, chairman (placement) at SIBM, is finding it difficult to accommodate corporates as demand eclipses supply. "I am worried that the companies with which we have built relationships over the years may not be able to recruit enough students," he says.

A mad rush is on at other prestigious institutes such as IIM-Ahmedabad, Bangalore and Kolkata, and the Indian School of Business,

THE WEEK-TMI First survey

## The boom!

The survey, conducted among the students of 26 management institutes across six cities, gauged the gap between premier and non-premier schools in the placement process. The colleges in the survey: AAIMS, AMC, BVB and IIM from Bangalore; BIMTECH, BVMR, IIPM and Jagan Institute of Management Studies from Delhi; BVMSR, KC College of Management Studies, NMIMS, PIIai Institute

of Management Studies and Research and SPMIR from Mumbai; Dhruva College of Management, ISB, ITM Business School, Pragati Madhavidyalaya, SSIM, ICFAI Business School and University College for Commerce and Business Management from Hyderabad; Sri Ram College of Engineering and Danish Ahmed College of Engineering from Chennai; IMT from Ghaziabad; IMED and MIT from Pune; ITM Business School from Warangal.

### Average salary in 2006



### Student expectations in 2007



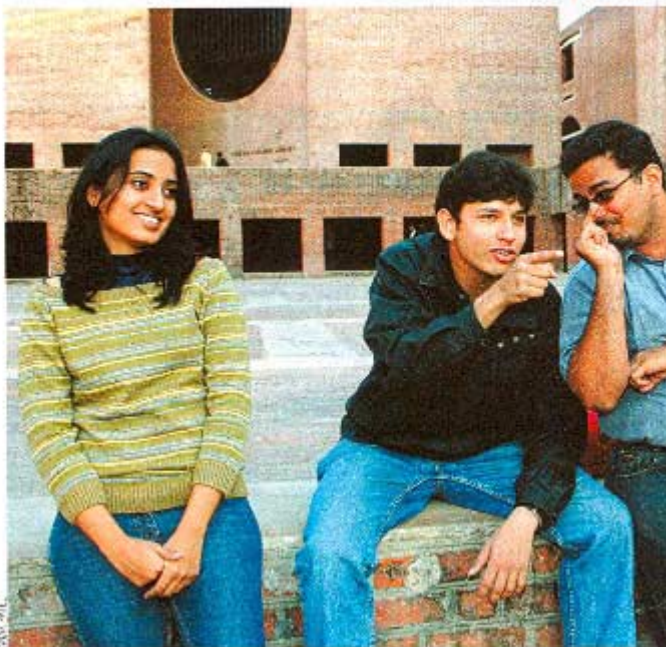
Hyderabad, where placement commences in January and February. Ever-bulging pay cheques, dream firms, foreign locations, meteoric career growth—never before were MBA grads spoilt for choice.

Some of this glory filters down to non-premier institutes like the Hyderabad-based ITM Business School. Corporates like Satyam, ICICI Prudential, Bennett Coleman & Co. and Net Elixir have already made offers. "We expect better job profiles and salaries for our students this year," says Arun Murthy Battula of ITM.

**His optimism stems** from the booming economic indicators. With the country's GDP expected to grow at a blistering 9 per cent this year, the corporate world is hungry for next-generation managers.

Insurance biggie ICICI Prudential went on a hiring spree in 2006. IT service player Cognizant, which has 1,000 MBAs on its rolls, enjoys a 1:25 (one MBA for every 25 software professionals) ratio in the industry, and has plans to up it over time.

Ironically, the scene is quite different at Tier III colleges. They have to make an extra effort to woo corporates. "A class system exists among Indian B-Schools. Students from Tier III colleges are considered children of a lesser God," says a professor from



a Hyderabad college. His students don't get campus placements at all.

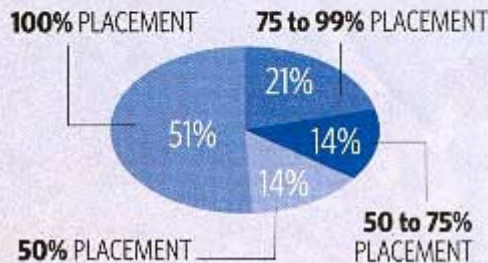
The chasm is clear in the THE WEEK-TMI First survey conducted among students from 26 management schools across the country, on the placement process in B-Schools. It showed that Tier I schools had 100 per cent placement whereas only half

of students in Tier III colleges managed to achieve the same. Almost 92 per cent of Tier III colleges got less than Rs 3 lakh average salary in 2006.

In fact, MBA freshers from non-premier colleges start low down the corporate ladder as sales executives, with a starting salary of Rs 1 lakh a

## Students placed in 2006

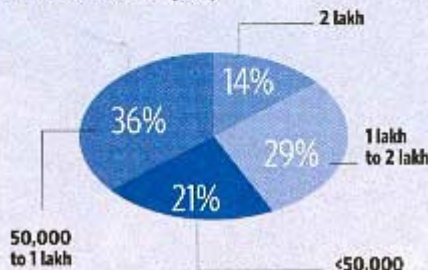
In non-premier colleges



International placements: premier colleges: 0.5%; non-premier colleges: almost nil

## Course cost

Annual fees (Rs)



Majority of students take loans to fund the course. 75% of colleges stress on an increase in fees



## Enterprise nix

**H**ard to resist a pay cheque of Rs 1 crore and the opportunity to work in a foreign country? Not so for two students from IIM-Ahmedabad, who passed up the temptation for entrepreneurship. Devashish Chakrobarty and Vineets Singh, who rejected Rs 1-crore offers from Deutsche Bank, plan to set up a chain of lingerie showrooms in the metros.

This is one of the few glimpses of entrepreneurial spirit in the corridors of B-Schools. And the reasons are not hard to find. When a fresh graduate is offered an annual

**The crorepatists:** Vineeta Singh, Bhushan Dabir, Vishal Prabhukhanolkar and Devashish Chakrobarty of IIM-Ahmedabad

salary of Rs 10 lakh, with the blanket of job security and exposure to global business, it is tough to resist.

Many students say they would love to start their own ventures but do not have the experience. Moreover, the risk of failure could shatter their confidence early in their career.

"We should learn the ways of business before setting out on our own," says Sourav Mukherjee of IIM-Bangalore. "However, a few students from our institution have opted for start-ups."

SP Jain Institute of Management and Research, Mumbai, and Wadhvani Foundation has launched a 17-week programme, Start Your Business, for potential entrepreneurs. N.S. Raghavan, co-founder of Infosys, has also set up a centre at IIM-Bangalore to encourage entrepreneurship.

year, instead of as management trainees with salaries of Rs 7 lakh to Rs 12 lakh a year, offered to Tier I students. This naturally miffs the have-nots. "We are no less capable than graduates from big management schools. It hurts when corporates make this discrimination," says an MIT School of Management student.

Bangalore-based Meritrac, a skill assessment firm, found that only 56 per cent of graduating MBA students had the right skill-set—mental application, verbal ability and group interaction—a pre-requisite for employability. The employable talent pool shrunk to 23 per cent when skill-sets and communication abilities were the selection criteria.

One reason is that good faculty is at a premium at Tier III institutes. They refuse to relocate to non-metros where most of these colleges are situated. And, companies fight shy of travelling to the interiors for recruiting one or two students. Also, Tier III colleges don't attach much importance to placement.

Compare this with premier insti-

tutes with a sophisticated system for placement. In this, IIM-Ahmedabad comes up tops. It has 40 of the top Fortune 100 companies attending placement. "Cent per cent placement at IIM-A is not an issue. Name the company and we have it," says Prof. Piyush Sinha, chairman of placements.

Every year, more than one-third of its students net international placements. The uniqueness of the place-

### JAVAD HASSAN

MIT School of Management, Pune  
BBM from St John's College, Bangalore  
Work-ex: Action Group of Companies and a BPO

I love the challenges of a marketing person. My job should seriously test my capabilities. I am ready to wait till I get the right offer. The company in which I did my summer internship offered me a job but I did not take it as the job profile was not very challenging. I would like to start my career in an FMCG or a technology firm. Five years down the line, I see myself in the top management of a big firm.



**SANTOSH KUMAR P.**

IMT, Ghaziabad

B Tech from Coimbatore Engineering College

Work-ex: HCL Infosystems

A degree in management helps in accelerating career growth. As an engineer, I felt my career would hit a glass ceiling, so I decided to pursue MBA. The standard of education and companies that came calling to IMT is on a par with IIMs and other reputed colleges. This year's campus recruitment attracted a record number of offers. I accepted Cognizant's offer as a business analyst. A couple of years down the line, I would love to work for one of the big global consulting firms.



ments lies in very strict policies: no placements are held outside the campus, which ensures that teaching schedules are not disturbed; the CVs of the students are online and the companies can register and shortlist the candidates. At summer internship this year, its students matched the assignments of the top 20 B-Schools in the world.

The placements are divided into three categories— summer internship (an academic requirement), lateral placement for students with previous work experience, and the final placement.

The placements are handled by

the students' placement cell; each student handles about 20 companies. The faculty is involved in strategy planning, guiding students and policy level planning, so that the academic schedule is not affected.

**At IIM-Kolkata, the placement for the laterals is the most robust,** says Vivin Prasad Hegde, recruitment coordinator. "We use our in-house software to coordinate the process. Last year, we had about 40 firms and 72 accepts," he says. Hegde expects this year's average Indian and international salary to climb up to Rs 10.5 lakh and \$190,000 respectively.

At most institutes, preparation for campus recruitment begins as soon as the second academic year commences. Students drive the hiring process by visiting firms to make presentations and also invite companies for pre-placement talks. Companies that come calling are asked tough questions on job profiles, career growth path, future of the company and compensation packages.

How students and young executives evaluate recruiters has undergone a sea change. Placements, the Holy Grail at a B-School, do not merely mean securing a job. "I am worried about the sector, not just

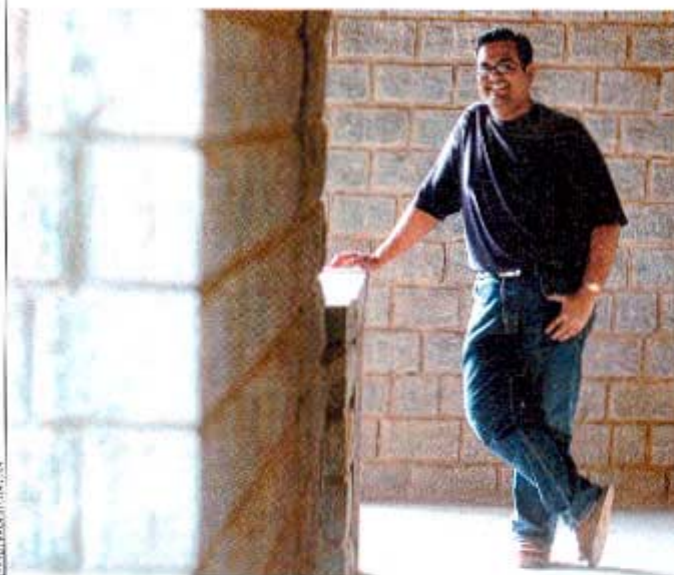
**NIVEDITHA N.**

Administrative Management College, Bangalore

BSc from Christ College, Bangalore

I was always interested in marketing so I opted for an MBA course after my graduation. Our college has not been able to attract big corporates during placement week as it does not enjoy the brand equity and pedigree of the IIMs. But, I am not disappointed with the list of companies visiting our campus for pre-placement talks. ICICI Bank, India Bulls, ICICI Prudential and others have made decent offers. I hope to get a job before I complete the course. I would love to work either in retail or FMCG firms, preferably with Reliance and Hindustan Lever, respectively.

PHOTO: ANAND KISHORE

**MADHURJYA BANERJEE**Indian Institute of Management,  
Bangalore

BE from BITS, Pilani

I had the choice of doing an MBA in an Indian university or a foreign campus. The Indian market is growing phenomenally and it represents a great opportunity, so it had to be India. Obviously, IIMs are the place to study management. Students actively participate in the placement process in our institution. Besides, old-boy networks are very strong. The mentorship programme, where each fresh student has a mentor from senior year, is quite helpful during the recruitment process. Seniors also come as ambassadors for some companies during placement week and share their experiences.

the job," says Vikas Kataria from Bharti Vidyapeeth's Institute of Management and Research, Delhi. "I did not sit in on interviews of 23 companies because none were from the real estate sector. I am ready to wait." If corporates fail to impress students during pre-placement talks, they can forget about landing a good slot during the interview process.

Students play a major part in deciding which company should be slotted on day zero (first day of campus hiring). Several companies

that get slotted on the evening of the first day of recruitment often return empty-handed as students are lapped up within a couple of hours.

Says Cognizant's vice-president Bhaskar Das: "Though the organisations that visit are many, the supply of talent is constant. So there is constant pressure to be the first to tap the best talent." Firms have to pay a fee to participate in the campus recruitment, besides the payment to the college for every student hired.

As there is a war on for talent,

companies employ strategies to hire the best. To get a scoop of the crème de la crème of the batch and be part of the day-zero slot, a company may increase the salary offer by a couple of lakhs.

Some colleges refuse companies that offer low salaries. "Students will not entertain a company offering less," says a placement officer of a reputed institution.

A feature common at all B-Schools is the focus on making students more employable and in honing their soft skills. The degree of preparation and hand-holding by campuses vary. Communication skills, preparation for interviews and making course modules more relevant to the times are some of the initiatives. Experts from different sectors are invited to give an insight into the recruiters' mind and how to handle them. Mock interviews and group discussions are set up in the run-up to placements.

Business organisations also use summer internships as a platform to spot talent. They offer pre-placement offers (PPOs) to promising interns even before placement interviews begin. "The two-month summer training gives an opportunity



PHOTO: ANAND KISHORE

**MEERA SRIDHAR**

Indian School of Business, Hyderabad

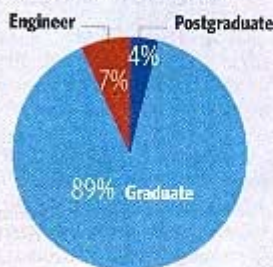
BE, MS from University of Michigan, USA

Work-ex: Motorola, USA

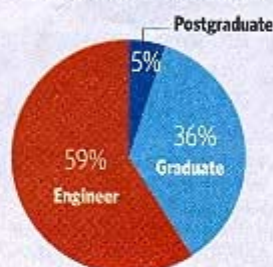
When I decided to pursue MBA in India, I chose ISB because of its holistic approach towards management education. With my educational qualifications and work experience, it is not hard to find a job in India. And, salary will not be a big factor. I don't mind working for a start-up instead of an MNC if the job is more challenging. Also, exciting things are happening in India and I want to make the best use of the opportunities.

## Educational background

### Non-premier colleges



### Premier colleges



In premier colleges, years of experience are higher and 82% of students are from urban areas; only 28% of non-premier colleges have the same percentage of urban students.

## Have & have-nots

### Premier colleges

- ▲ Students get more than two offers each
- ▲ Corporates flock to the campus
- ▲ Corporates pay for each hire from campus
- ▲ Institutes make the placement schedule with limited time for each corporate
- ▲ Students with faculty support form placement committee

### Non-premier colleges

- ▲ 100% campus placement is not a guarantee
- ▲ Proactive invitation from colleges are required for corporates to pay visits
- ▲ Either the college or the students fund placement expenditure
- ▲ Flexibility with corporates to decide time and methodology of selection
- ▲ Students may not be part of placement committee

for students and for the company to understand each other, unlike in campus recruitments, where we don't get much time to spend with them," says Rajorshi Ganguli, director of corporate IIR at Dr Reddy's Laboratories.

The batch of 2007 at the Faculty of Management Studies, Delhi University, has already received PPOs from Wipro, Hindustan Lever and GE Money.

Soaring salaries each year could be the direct result of whopping fees; students need to pay off loans taken to fund their B-School education.

"Thanks to the booming economy and lack of good talent, salaries are soaring and companies are paying, but the trend is not sustainable. It is a worrisome situation," says Abbasali S. Gabula of SP Jain Institute of Management and Research.

But an ASSOCHAM Business Barometer survey, conducted among 271 students of top B-Schools, showed that only 5 per cent opted for fat salary packets over a good job profile. Desire for a higher standard of living, family expectations and responsibili-



### ALOK DHAR

Narsee Monjee Institute of Management and Higher Studies, Mumbai

BE from D.Y. Patil College of Engineering and Technology, Kolhapur

Work-ex: Jindal Saw Limited, Gujarat

It is important to work before enrolling for a management degree. This definitely helps in understanding management concepts better. I am looking for jobs in the manufacturing and consulting sectors. Manufacturing firms have visited our campus for pre-placement talks. I hope to join one of them; I expect a pay cheque of Rs 6 lakh a year. I am also open to international assignments in consulting.

ties, compulsion to pay off education loans, saving for investment in entrepreneurship, were all replaced by a preference towards future growth prospects.

Multinationals are discovering the advantages of the large Indian managerial talent pool in a big way. Last year, about 30 per cent of ISB students were placed outside India. While the average international salary was \$1.2 lakh (Rs 54 lakh) a year, the highest international compensation package was \$2.33 lakh (Rs 1.04 crore). "The percentage of students placed internationally will definitely go up in 2007 as I see a lot of demand for our students who have been trained to play a role in the global economy," says V.K. Menon, director, career advancement services, ISB. More than 30 per cent of the 418 graduates at ISB have international work experience.

Mittal Steel has been recruiting managers from the IIMs and ISB, besides other global B-Schools.

## HOT SECTORS

## Buzz options

As the Indian economy fires on all cylinders, perennial favourites consulting, marketing and finance are making way for emerging sectors like technology, Internet, I-banking, biotech and media.

Some institutes offer special courses in these sectors. For instance, IIM-Ahmedabad has retail as an elective in the second year. Narsee Monjee Institute of Management and Higher Studies offers specialisation in pharmaceutical management, actuarial science, and capital markets and services management.

## RETAIL

With Reliance, Bharti Enterprises, Wal-Mart, Aditya Birla Group and Tatas entering the fray, there are many opportunities in this sector. NMIMS has introduced specialisation in retail management. "Our first batch graduating this year are already in great demand," says Dr N.M. Kondap, vice-chancellor of NMIMS.

## INSURANCE

The entry of private players has made this sector a hot spot. The growth is expected to continue, as insurance

## Sectors in demand

## The old order

- ▲ Finance
- ▲ FMCG
- ▲ IT & ITES

• A two-year and a one-year course in retail and insurance are offered by Birla Institute of Management & Technology, Delhi.

• BBA, (Bansal University (Gurgaon)) and WVI College of Engineering (Bangalore), have electives in retail and insurance.

## The new order

- ▲ Retail
- ▲ Insurance
- ▲ KPO
- ▲ Real Estate

• MBA (real estate) at weekends has been started by University School of Management Studies of Guru Gobind Singh Indraprastha University, Delhi.

penetration is low in the country. Bharti Vidyapeeth's Institute of Management & Research, Delhi, has a course for the insurance sector. ICICI Prudential is aggressively hiring MBAs across the country.

## FINANCE

Jobs in investment banking (I-banking), mergers & acquisitions and private equity research are hot. Goldman Sachs, Citi Group, Deutsche Bank and Lehman Brothers offer assignments outside India, with a dollar pay cheque.

## CONSULTING

This option continues to rule the

roost at campus recruitments. Global consulting firms McKinsey & Co, Boston Consulting Group and KPMG are the preferred ones as they offer good compensation packages and challenging job profiles in and outside India.

Thirty-six per cent of students from ISB took up consulting offers in 2006.

KNOWLEDGE PROCESS  
OUTSOURCING

After IT and BPO, the buzzword is KPO. KPO involves high-end work in equity research, diagnostic services, patent filing procedures and content development.

After its mega merger, Arcelor Mittal plans to double its hiring from Indian schools. "Indians are adaptable to different cultures and environments, and are willing to work harder," says Inder Walla, who co-heads the

human resources group at Arcelor Mittal.

This year, four students from IIM-Ahmedabad created a buzz when Deutsche Bank offered them a salary package of more than Rs 1 crore.

**Aparna Acharya of SIBM is confident of bagging her dream job with an annual salary of Rs 8.5 lakh.**

This is the first time that the bank is offering freshers an associate position—a seat usually filled by an experienced person. The compensation packages are in the same bracket as those offered to grads in top US B-Schools.

Many management institutes are now looking at placing their students internationally as global placements would help in enhancing the school's brand equity. A team comprising the faculty and students from SIBM visited the Gulf and South East Asian countries to network with companies and check out opportunities for students. "Our education is focused on making students globally employ-



able," says Dongre of SIBM.

Besides job offers, many global firms are offering summer internships to Indian students with a view to absorbing them later. For instance, a huge chunk of IIM-Bangalore students will work in the US, Europe and South East Asia for their summer projects. Says Shruti Rangarajan from IIM-Bangalore, who will be doing her summer training at Lehman Brothers in New York next year: "Summer placements give companies an opportunity to judge us on their home turf. It also gives us a chance to know our future employers better."

However, Hegde of IIM-Kolkata says there is an increasing trend among students to stay put in India as the market is more exciting.

**The recruitment process** has been gaining a lot of attention in the media, making students bagging the highest salaries instant celebrities. "We want to deglamourise our placement process. Most of our students are taking a short-term view of their job profile. They should not get influenced by six-figure salaries," says Sourav Mukherji, chairperson (placement), IIM-Bangalore. "Most MBA grads have unrealistic expectations from their jobs. This leads to 'infant mortality' or attrition," says Naresh Jhagiani of Nipuna, a BPO outfit of Satyam.

For this reason, companies are investing time and energy in retaining newly-recruited talent. "Retaining people is more important than hiring new talent," says Jhagiani.

SPJMR is making wannabe CEOs more responsive to the needs of society. As part of the curriculum, students work in an NGO or a welfare organisation for a project titled Development of Corporate Citizen. "The DCC programme helps to remove that 'chip-on-the-shoulder' of most students," says Gabula of SPJMR. Let's hope it makes them better citizens in a booming tomorrow.

**With Nandini Oza and  
Tathagata Bhattacharya**