

A Sign Of The Times



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IIM-A Among those who passed out this year was an IPS officer of 1998 batch who bagged the highest domestic offer of Rs 34 lakh per annum



DEEPAK G. PAWAR

IIM-B Almost a third of its graduating class was placed on Day Zero—a record of sorts. Some firms like Lehman Brothers only recruited here

Like every year, salary packages touched new highs at the top B-schools. What's more interesting is that an increasing number of students spurned bulge-bracket i-banks for jobs at home or entrepreneurship. A BT-Coolavenues.com study.

IN A YEAR WHERE INDIA'S BELL-wether stock index, the Sensex, overtook the Dow Jones Industrial Average, it was only apt that salary offers at the top Indian B-schools came within spitting distance of those of the Ivy League. At Harvard Business School, for instance, the median base salary last year was \$100,000 (minus bonuses and tuition reimbursement), not too much

THE B-SCHOOL SALARY STACK-UP

IIM Bangalore snagged the highest

dollar salary, while IIM Ahmedabad got the highest rupee offer.

Institute	Students	Recruiters	Avg. Indian Salary (RS lakh/Year)	Highest Indian Salary (RS lakh/Year)	Average \$ Salary	Highest \$ Salary	Total Offers Made	Offers Accepted	Offers Per Student	Students Not Participated In Placements	Highest Domestic Offer Came From	Highest Overseas Offer Came from
IIM Ahmedabad	245	110	9.72	34	92,500	185,000	510	235	2.17	10	RPG Enterprises	Barclays
IIM Bangalore	183	68	9.80	30	86,000	193,000	305	179	1.7	4	Barclays	Barclays
IIM Calcutta	249	89	9.81	23	Not disclosed	152,000	505	247	2.04	2	Not disclosed	Not disclosed
IIM Lucknow	249	102	8.74	16.0	75,000	75,000	491	240	2.04	9	McKinsey	JP Morgan
IIM Indore	113	55	8.5	12.5	60,000	70,000	295	113	2.6	0	Air-India	Olam International
IIM Kozhikode	133	47	9.02	16.67	70,000	70,000	423	132	3.2	1	Ocwen Financial Solutions	US Technologies
XIM, Bhubaneswar	122	52	6.67	9.0	85,000	85,000	206	121	1.7	1	Not disclosed	Olam International
FMS, Delhi	89	67	8.9	14.5	62,500	65,000	184	86	2.14	3	HSBC	Olam International
IIFT, New Delhi	98	35	8.11	10.55	94,147	100,000	97	97	1	1	HP	Glenmark
SPJIMR, Mumbai	147	63	8.50	15.5	34,500	35,900	328	147	2.23	0	Genpact	Schlumberger
MDI, Gurgaon	173	57	9.01	12.35	33,537	65,000	203	173	1.17	0	Air-India	Olam International
NITIE, Mumbai	98	33	8.2	12.50	76,500	76,500	221	98	2.26	0	Eicher Consulting Services Ltd	Olam International
SJMSOM, IIT Mumbai	47	30	7.83	11.0	38,150^	38,150^	83	47	1.76	0	Inductis (2)* & Birlasoft (1)*	Jumbo Electronics
IMT, Ghaziabad	173	58	5.98	9.5	85,000	85,000	172	164	1.05	9	Genpact	Olam International
IMI, Delhi	119	45	6.3	8.1	n.a.	n.a.	140	118	1.17	1	ITC Ltd	n.a.
JBIMS, Mumbai	122	58	8.17	14.5	n.a.	n.a.	247	122	2.02	0	Sand Stone Capital	n.a.
SIBM, Pune	149	52	7.2	8.9	85,000	85,000	192	145	1.32	4	JP Morgan Services India	Olam International

The schools are arranged in random order

Salary details have been provided by a third party and have not been verified with recruiters. Here "Recruiters" refers to those companies that actually recruited from the campus and not those that registered for the process n.a.: Not applicable ^ : The original offer was UAE Dirhams 1,40,000

For FMS, Delhi University, the data included in the survey is only for the MBA (FT) Placements (North Campus), and not of the first batch of MBA (Management of Services) Placements (South Campus) *Number of offers

Not disclosed: The data was not disclosed to us by the B-school, and alternative sources weren't available

FUNCTION WISE PLACEMENTS AT TOP B-SCHOOLS

Institute	Batch Size	General Mgmt	Consulting	Marketing/Sales/Advertising	Operations Mgmt	Information Systems	Finance/Banking	HR	Owner/Partner/Entrepreneur Or Opted Out
IIM Ahmedabad	245	4.9	24.08	11.43	2.04	15.1	38.37	0	4.08
IIM Bangalore	183	5.46	22.4	17.49	0.55	13.11	38.8	0	1.64
IIM Calcutta	249	8.03	20.89	16.06	2.81	9.23	41.78	0.4	0.8
IIM Lucknow	249	3	23	25	6	14	28	1	0
IIM Indore	113	14.12	-	32.15	0	15.69	38.04	0	0
IIM Kozhikode	133	5.26	23.31	18.04	3.01	30.83	18.8	0	0.75
XIM, Bhubaneswar	122	4.96	22.31	21.49	0	23.96	16.53	9.92	0.83
FMS, Delhi	89	6.74	14.61	20.22	0	21.35	31.46	2.25	3.37
IIFT, New Delhi	98	0	0	45.92	0	16.33	28.57	0	0
SPJIMR, Mumbai	147	2.72	10.2	14.29	3.4	42.18	26.53	0	0
MDI, Gurgaon	173	3.47	19.65	29.48	0.58	13.87	9.83	23.12	0
NITIE, Mumbai	98	2.04	30.61	16.32	14.29	22.45	14.29	0	0
SJMSOM, IIT Mumbai	47	0	17.02	23.41	8.51	25.53	25.53	0	0
IMT, Ghaziabad *	173	0	9.25	40.46	0	0	14.45	14.45	5.2
IMI, Delhi	119	0	20.17	22.69	2.52	19.33	26.89	7.56	0.84
JBIMS, Mumbai	122	0	7.38	12.29	0.82	15.57	35.25	0	0
SIBM, Pune	149	0	0	57.33	0.66	0	16.67	22.67	2.67

The schools are arranged in random order * (PGDBM + PGDHRM) Except batch size, all figures in %; not a complete break-up

MOCKING AT MERIT

THE GOVERNMENT'S PROPOSAL TO RESERVE 49.5 per cent of the seats at institutes of higher education, including the Indian Institutes of Management (IIMs), is the worst thing that can happen to B-school education in India. Already more than a quarter of the seats are reserved (15 per cent for Scheduled Castes, 7.5 per cent for scheduled tribes and 3 per cent for the disabled), leaving just 900 of the 1,200 seats at the six IIMs open to regular candidates. The number of people who take the Common Admission Test (CAT) every year: 130,000. The new proposal will take another 300 seats out of competition. While the IIMs are planning to add seats, doing so may be neither simple nor significant enough to offset the resulting crunch. Finding quality faculty, for one, will be a big challenge. More worryingly, reservation will strike at the very root of what IIMs stand for: competitive excellence. Will Indian and foreign recruiters continue paying top-dollar salaries if half the class made it for reasons other than merit? Fat chance. Instead of ensuring social justice, the move will only ensure the slow death of India's best-known management education brands.



IIM-C The institute maintained its leadership in attracting the highest average salary (of Rs 9.81 lakh) among all B-schools

more than what the average dollar salary at IIM Ahmedabad this year: \$92,500.

Unfortunately, though, media's (mainly TV channels, which were bringing almost hourly updates on placements at the IIMs) preoccupation with soaring salary offers—an Indian School of Business student getting a \$233,000 offer from ITC Infotech, an IIM Bangalore grad snagging a \$193,000 one from Barclays Capital—meant little time for the more important part of the story unfolding at the premier B-schools. (Actually, we don't blame others: *BT-CoolAvenues'* annual study of B-school placements isn't just the oldest—six years, now—but also the most authoritative and comprehensive.) Unlike the previous years, the graduates walking away with the top offers weren't fresh-faced engineers, but candidates with solid work experiences. IIM-A's top domestic salary of Rs 34 lakh went to 42-year-old M.V.N. Surya Prasad, an Indian Police Service officer of 1998 batch, who has joined RPG Group's KEC International as General Manager (Projects). (Deputy Inspector General of Tamil Nadu, Prasad, is on a five-year leave from the police force.) Ditto the IIM-B poster boy Gaurav Agarwal, who worked in the US for two years after doing his MS at the University of California, Berkeley.

In other words, Indian recruiters are finally getting around to doing what is a norm at most American B-schools: recruit students with work experience. Not that there is too much to choose from at present. An estimated 80 per cent of the class at an IIM



International recruiters are flocking to the premier B-schools, but some are actually being turned down by students keen to work in India or turn entrepreneurs

OVERSEAS PLACEMENTS

Institute	No. Of Students Placed	% Of The Batch
IIM Ahmedabad	73	30
IIM Bangalore	51	27.87
IIM Calcutta	51	20.48
IIM Lucknow	24	9.64
IIM Indore	8	7.08
IIM Kozhikode	3	2.26
XIM, Bhubaneswar	2	1.64
FMS, Delhi	-	10
IIFT, New Delhi	5	5.1
SPJIMR, Mumbai	3	2.04
MDI, Gurgaon	12	6.94
NITIE, Mumbai	2	2.04
SJMSOM, IIT Mumbai	0	0
IMT, Ghaziabad*	4	2.44
IMI, Delhi	0	0
JBIMS, Mumbai	0	0
SIBM, Pune	1	0.67

*(PGDBM + PGDHRM)

comprises fresh graduates. In contrast, the typical class at an Ivy League college has students with four years of work experience. But that's not to say that things aren't changing. At IIM Lucknow, a record 105 offers were made for lateral hires (that is, students with work experience), and at IIM Calcutta, the number was more than 72 (eight of them were international offers).

Seen from this perspective, the six-figure salary offers don't seem all that high. After all, most software professionals with 10 to 15 years experience can make more than Rs 30 lakh per annum. Also, some of the salary offers are ridiculously padded up. For instance, one of the leading banks even adds the cost of the canteen food it provides its employees to the compensation offer. There are many other tricks that recruiters use to beef up their pay packages.

Getting Too Pricey?

A lot of the recruiters that *BT-CoolAvenues* contacted for this study had opted out of the IIMs. Why? They believe that the IIMs are getting way past their budgets. Besides, there's a lot of emphasis on Day Zero (first day of recruitment when the cream of the class appears for the interviews) hires, meaning that companies that don't get invited for Day Zero placements may see little value in hiring students who



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ISB

With recruiters beginning to prefer students with work experience, ISB's one-year MBA should become even more popular

are not top of the class. Such recruiters would rather hire toppers from tier-II B-schools, where they wouldn't have to make large salary offers. But don't expect any sort of "correction" to take place as long as the economy is booming.

Besides, as some recruiters discovered this season, a lot of students aren't actually interested in salaried jobs; more and more of them are looking for the thrill of entrepreneurship. At IIM-A, for example, 10 students either opted out of placements or rejected offers to pursue their own ventures. Even at IIM-L, nine students, including the topper of the batch, gave in to their entrepreneurial urges. One of them, Satyajit Sadanand, turned down an offer from JP Morgan Chase to return to Baroda, where he plans to professionalise a football club, called Providence, that he and a few of his friends founded in 1998 (see *Ah, Providence!* in *Business Today*, April 23, 2006). An increasing number of students also seem sold on the India story, rejecting foreign postings to take up jobs within the country. Apparently, these students would rather maintain India as a base and travel to other countries for the required exposure and experience.

Although the *BT-CoolAvenues'* placements survey only covers the top B-schools (which in our case is less than 20), there are several tier-II schools that are pulling in impressive offers. DMS-IIT Delhi, Great Lakes Institute of Management-Chennai, TAPMI-Manipal, BIM-Trichy, NMIMS-Mumbai and Goa Institute of Management are some of them. These "emerging" B-schools haven't just recorded 100 per cent placements, but also a quantum jump (between 20 and 25 per cent) in salaries offered. For management education in India in general, that's a reassuring sign. ■

ISB STRIKES IT RICH

THE HIGHEST OFFER MADE SO FAR THIS YEAR ON B-school campuses was at the Indian School of Business (ISB), Hyderabad. The \$233,800-offer was from ITC Infotech to a student with more than 10 years of experience in IT. The student, whose name has not been disclosed by the school, will be posted in London. "We don't see the offer as high or low, but as being appropriate for the job and the role it involves," says Sanjay Verma, Managing Director, ITC Infotech. (The highest offer made to a woman student was at \$233,400—just a tad lower than the highest offer.) Strictly speaking,

ISB's placements aren't comparable with those of the IIMs, not just because ISB runs a one-year MBA programme, but also because it prefers students with work experience. Therefore, in the case of an ISB graduate, the more relevant figure is the percentage jump in exit salary over entry salary. Unfortunately, the school does not give out such details. But there's little doubt that ISB's one-year MBA model has more than gained acceptance among recruiters. The average international salary this season was \$120,700 (Rs 53.5 lakh), up 21 per cent over 2005. The highest Indian salary offer was Rs 30.33 lakh (44 per cent) and the average Indian salary offer was Rs 11.77 lakh (18 per cent). Four students received offers over \$200,000. All told, the school, which follows a rolling placement model, had 143 companies visit its campus and 328 of its 345 students participate in the placement process. Of the 425 offers made, 42 were international. And as would befit a school of ISB's profile, 424 of the 425 offers were lateral.

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PLACEMENTS TRIVIA

- At IIM-A, **18 students** chose domestic offers over foreign offers
- **McKinsey & Co.** was the single-largest recruiter at IIM-B (9 hires)
- Wall Street and European I-banks made **15 full-time hires** at IIM-C
- **Nine students** at IIM-L opted out of placements to start their own ventures
- A stunning **35 companies** were first-time recruiters at SPJIMR