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Economy

The current situation does look threatening. However, it is not all doom and gloom.

Job market

High growth markets such as India will always have good prospects for jobs, provided the investment climate is not hostile.

Real estate bubble

It's not a bubble yet but will become one if government keeps taking artificial measures to sustain current prices.

Businessmen in politics

Why not? Since politics is just a way to control things that matter to society's stakeholders.

Next PM?

Popular sentiment points to Narendra Modi, but don't rule out Mayawati either.

THE MBA

Degree Of Decline

With job placements no more a guarantee, the MBA's lure dims

LOLA NAYAR

The most coveted line of employment-oriented academics till a few years back, the MBA is losing its sheen. This is borne out by the fewer students now seeking admission through various qualifying exams. For instance, there has been an over 33 per cent drop in students appearing for the MAT exam conducted annually by the All India Management Association (AIMA). Today instead of the students making a beeline for any college offering MBA, it is the colleges which are seeking students sitting for the various entrance tests, be it MAT or CAT.

"Many parents and students today are rethinking on investing two years and several lakhs in a course, with the demand and placement of MBA graduates not as good as before," says Wg Cdr (retd) V.S. Bejoy, AIMA director (CMS & Special Tests). According to the All India Council for Technical Education (AICTE), it had received 231 applications from management colleges between 2011 and 2013 wanting to shut down, of which about 80 have been allowed to do so. Many more among over 3,000 management schools are expected to follow suit (the process of closing also takes time).

"A shakeout once in a while is good as pretenders will go and the contenders will stay. Even for students, this churn is good as only serious institutions are staying," says S. Sriram, executive director of Great Lakes Institute of Management, Chennai. Sriram estimates that around 700 to 1,100 institutions have become defunct as against the official figure of around 400 as they were not getting enough students to be viable.



Namita Chaubal, 26, Great Lakes Institute of Management, Chennai. (Photograph by Vivek Pateria)

Economy

Yes, India's economic growth is in crisis with the plunging rupee, the huge current account deficit and weak global demand.

Job market

This has been the worst year since liberalisation for entry and mid-level jobs.

Real estate bubble

To avoid panic, developers have refused to cut prices, thus worsening the situation.

Businessmen in politics

Running a country requires a very broad skill-set with a strong focus on economic welfare for all.

Next PM?

Narendra Modi will head a BJP-led coalition.

For one thing, job placements beyond the top 25 B-schools remain a challenge. Graduates from the top institutions still have the option of getting consulting jobs. Focus away from them and the maximum placements happen in sales and marketing, followed by the financial sector—put together they account for 70-75 per cent of the placements. Here is where the lack of employability skills, particularly in communication, becomes a drawback.

"Most management schools are still aping the big boys, which does not help. B-schools need to change their mindsets and look at local options. Which is why they are not creating graduates who are suitable for sales and marketing where the bulk of the recruitments take place," says Amit Agnihotri, chairman, MBAUniverse.com. This year, almost all the big IIMs have had to struggle in placements given that their batch size has doubled to 450-500. The newer IIMs were better placed with their smaller batch size. In comparison, institutions like SP Jain and mdi Gurgaon fared better with the highest package of around Rs 16 lakh.

The trend of short-term MBA courses is becoming popular along with that other expedient: weekend courses and their ilk that allow students to continue with their jobs. And from courses of a few weeks to one- and two-year courses, the trend of sectoral MBA with special focus on some industrial sectors like petroleum, energy, textiles, informatics etc too is gaining ground. Some MBA institutions like Great Lakes and the Indian School of Business have also introduced courses in family-run organisations. Even the IIMs are trying to reorient themselves to remain relevant.



Giftson Jeyakumar, 25, Welingkar Institute of Management Development and Research, Mumbai. (Photograph by Amit Haralkar)

Economy

No, India's growth is not in crisis, though we are seeing a slowdown due to global and local factors.

Job market

If you have the skills, the market has the jobs.

Real estate bubble

No, for there is a lot of untapped potential.

Businessmen in politics

We must encourage individuals with biz acumen.

Next PM?

I wouldn't want to name a single person yet.

"The IIM brand is not because of name but because they are constantly evolving and maintaining quality, even the new ones," says Jitin Prasada, HRD minister of state. He promises that infrastructure for the new IIMs will all be ready soon.

The trend of young students pursuing management courses without any exposure to the job market is however worrying experts as they feel it does not create any business-readiness in the graduates. "We don't prepare them for challenges of the type students overseas are geared to with their exposure to various situations and job profiles before they do their management course. Our MBA curricula continue to stay narrow," says Prof Devi Singh of IIM Lucknow. Many share Prof Singh's concerns about the quality of MBA graduates being churned out by a majority of the institutions.

Bharat Gulia, education expert and founder of education services company Metis Learning, states that in the case of most MBA institutes, the main problem lies in the fact that a majority continue to follow a standard syllabus formulated years ago, such that the MBA has become a generic degree and the practical quality of business-readiness gets fairly diluted. Lack of communication and cognitive skills is one area where many students from even the IIMs have been found wanting. The problem lies in the way courses are conducted in the institutions, say experts, including teachers.

A recent study by Aspiring Minds—a Gurgaon-based organisation that conducts employability tests (Aspiring Minds Computer Adaptive Test or AMCAT) for around 550 clients in around 700 MBA colleges (including some IIMs) and 900 engineering and other colleges of various universities—has come up with a disturbing finding that only 10 per cent of all the management graduates are employable. The sample size of MBA students tested was 32,000.



Tanmay Agarwal, 25, MDI, Gurgaon. (Photograph by Sanjay Rawat)

Economy

Once negativities and excesses have been removed from the system, growth should resume.

Job market

Companies never shy from hiring a good and capable talent force.

Real estate bubble

With interest rates high, there exists a danger of drop in demand.

Businessmen in politics

We could use the administrative capabilities of a businessman.

Next PM?

A candidate who is able to put forward his ideas for governance and can connect with both urban and rural masses.

"Our report was not based on a survey but an actual test of the employability of students. In the last five years, around a million students have taken the test. Our study revealed that a majority of students lack not just English language skills but also crucial domain knowledge," says Varun Aggarwal, CTO and COO at Aspiring Minds.

While universities and colleges are expected to train students in these skills, there is obviously a big deficit. With the result that now a lot of corporates and banks have asked Aspiring Minds to conduct the AMCAT during the first year to help students fill the gaps in learning. Given the competition in the job market, 125 colleges and universities have agreed to conduct the employability test in the first year. The process will see future employers take a call on training and making the students employment-ready.

The economic slowdown and continuing high unemployment overseas in major markets has meant that more Indian MBA graduates are staying on in India and using the opportunity to better understand the policies within the country, observes Prof Anil K. Gupta of IIM Ahmedabad. "There is a reconnect happening with more MNCs coming to India. What is, however, disappointing is that both Indian and multinational companies are still not asking our MBA students for new ideas or innovations. So they are not being challenged enough," says Gupta, who has been promoting innovations at the grassroots.

Great ideas are coming from small institutions in small towns with a focus on the needs of the Tier-II and Tier-III cities. Unfortunately, most B-schools are not conditioning the students to appreciate the local economy, where the real job opportunities lie.

The unpredictable boom and bust cycle post-2008 has made many aspiring entrepreneurs wary. That's why a lack of entrepreneurship (by choice) is hampering placements. Given the not-so-bright economic outlook, the corporates have also become choosy about the kind of MBA graduates they would like to employ. The challenge is to make the course more practical and with a local focus, and the graduates more job-ready.

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