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Mock

CAT

Placement

 - Not an easy task

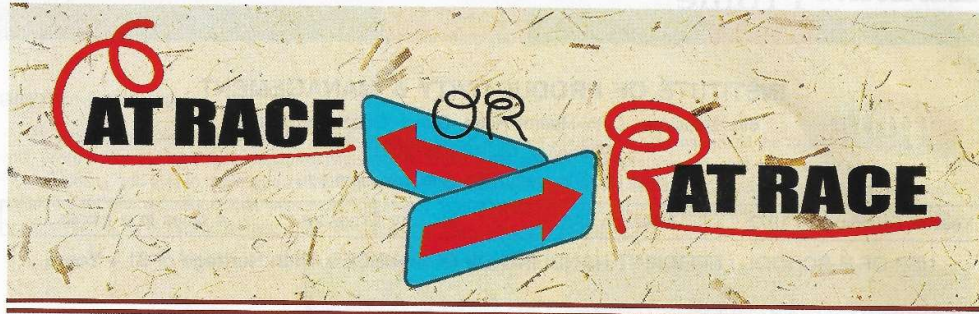
Thousands of **Jobs** to go

CAT Race or **R**AT Race

Solved Papers • **FMS** • **MAT**



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Director, Xavier Institute
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The winter season is supposed to bring in coolness. But for B-School aspirants, it is the hottest season of the year. This is the season of B-School tests starting from the mighty CAT and followed by a battery of mind grueling and nerve wrecking tests.

There are lakhs of aspirants dreaming about getting into any of the top B-Schools. There are hundreds of coaching institutes claiming to have trained candidates, to make it to IIMs/other premier institutes, in previous years. The media hype, about the "packages" offered during campus placements, fuels the aspirants' dreams further. But it is a practical reality that all aspirants cannot make it to IIMs, even if all happened to be equally brilliant and were trained by the best coaching institutes, considering the gap between demand and supply.

Those who are unsuccessful sometimes compromise and join the next tier B-Schools. Others wait until next year to give it a shot again. Again, choice of the next tier B-School is made based on the salary packages offered. The media again acts as an influencer by providing "rankings" for various institutes. But actually the decision about a course and institute should be based on a multitude of factors apart from "placements" and "rankings".

STEPS IN DECIDING A B SCHOOL

Course

An intelligent way of opting for a University is by matching the course with your requirements. If you are interested in Economics there is no point taking the CAT or XAT. Rather one may apply to London School of Economics or Delhi School of Economics.

Fees & Cost of Living

Some aspirants simply take a battery of tests without bothering to estimate the expenses involved. If an MBA costs Rs.10 lakhs (tuition and living costs) and your budget is Rs.5 lakhs what is the point in applying? (Unless you are expecting some miracle to happen). Also, Indian banks providing educational loans above Rs.4 lakhs, do so only on providing a suitable collateral. Unless appropriate collateral is provided even an educational loan is ruled out.

The cost of living will vary from place to place. It may

be comparatively cheaper to live in Manipal/Mangalore as compared to Bangalore/Mumbai. Availability of University accommodation, its distances from college etc have to be taken into consideration. If not, you may have to spend some additional amounts on leasing an apartment.

Married students have to take into account the living expenses of their spouses/kids as well. Enough budgets have to be kept aside for daily expenses and contingencies during the period of study.

Course Faculty

It is important to compare the backgrounds of faculty members in the institutes of choice. Some professors may be better known in academia/industry because of teaching, research or consulting assignments.

Examination System

Examination systems should be learner-centric. It should focus on assignments, team work, case studies and term-end

○○○ MBA Placement 2009

examinations. A flexible system allows better understanding of the concepts as compared to rote learning as done in high school. Choice of electives is another flexibility allowed in modern/American Universities. So it is better to join an institute which offers such flexible study patterns aimed at holistic learning rather than cramming.



Industry Recognition

In majority of the cases, students study to fetch a better job and role. Of course, there are exceptions where some minor section of students may study only to upgrade their knowledge and qualifications and may not be actively looking out for an industry assignment.

For the former, it is imperative that the industry accepts the University's qualifications. Else, the qualification is purely cosmetic.

Government Accreditation

Government accreditation implies approvals from bodies like All India Council for Technical Education (AICTE), University Grants Commission (UGC) and Association of Indian Universities (AIU). Quality of courses is rated by National Assessment and Accreditation Council (NAAC). In a capitalistic economy, industry accreditation is given more importance as compared to government accreditation. Hence many institutes offer autonomous programs which give them the flexibility of upgrading their courses as and when required. However, if one is planning to pursue a doctoral program in India, a full-fledged recognized masters program may be needed.

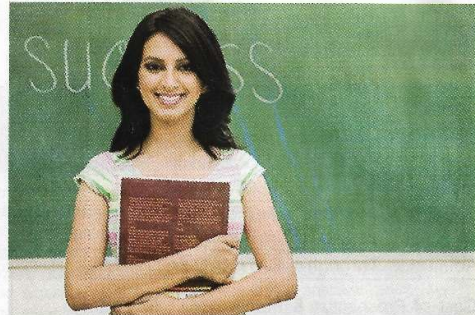
Job Roles offered in Placement

If you are working as Sales Manager drawing Rs.4 lakhs today and you study full time MBA Marketing, at a lower rung institute, which fetches you a job as Area Manager with Rs.5 lakh remuneration package it does not make any sense of studying full time. The package may be fine if you have opted for a shift in functional area. Else, the opportunity cost of studying is huge. To add to it is the financial investment for earning that degree. A better option in that case would be to study part-time or via distance learning. Also showcasing the names of top companies does not imply superior quality. Citibank may hire from IIM as well any third tier B-School. But the remuneration and role may be drastically different.

Placement Assistance Vs Placements Guaranteed

Many institutes showcase a list of employers, who have recruited their students. But you need to check the credibility of such lists. Typically, third rung institutes mention the names of companies where their alumni may be working. The alumni may have applied for the positions independently without the institute's role in the placement process. This may only indicate that individual student's capabilities does not imply anything about the placement process.

You may have observed some institutes' admission notifications. It talks about "100% placement assistance". Many gullible students fall into this trap. Sometimes placement cells only do a clerical job of browsing through newspaper or job sites to locate any job advertisements. Then they advise the candidates to apply or walk in to the employers' office.



Long run Prospects after graduation

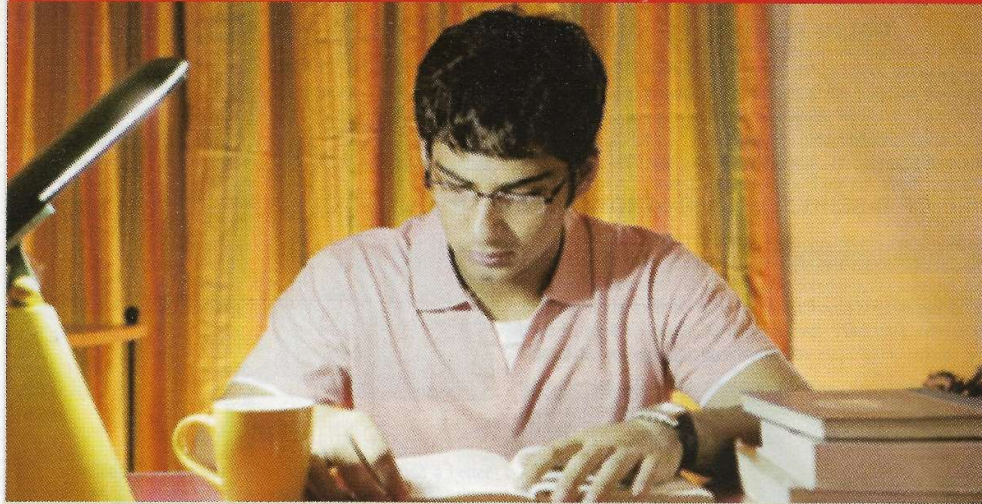
Some jobs get a lower pay at entry level but increases substantially with experience. It is important to evaluate the long term growth prospects of studying a particular course or working in a particular segment. For example: Market Researchers/Analysts get paid less at lower levels. Super specializations are best avoided however lucrative the placements may seem to be. A Post Graduate in Insurance Marketing may hit a glass ceiling too soon because he has restricted his career options only to the insurance sector. Rather a broad based MBA Marketing will work better.

Opportunity Cost

Opportunity cost is the next best option that you can opt for instead of studying or studying MBA. On one hand, if you take a break from work for 1/2 years you will lose 1/2 years of working experience, 2 performance appraisals/salary increments and perhaps even a promotion.

On the other hand if you also wanted to study psychology, that opportunity is lost for next 1/2 years. Time lost never returns. Hence, it is essential to evaluate the pros and cons of all alternatives before arriving at a decision.

THE CTC MYTH



It is important to read between the lines during the pre-placement/placement process. There is a difference between Cost to Company (CTC), Gross Pay and Net Pay. Further, wordings should be carefully read. For eg: "Yearly earning potential may be around Rs.4 lakhs to Rs.5 lakhs" means that this amount is inclusive of a variable component which is performance linked. It is not a fixed income which one can expect to take home month on month.

The CTC occasionally includes components like meal allowance, transportation cost etc. i.e. the charges for lunch/snacks and the cab service. These are deducted at source and are not part of take home pay. If the employee has an option of availing cash in lieu of these benefits then it makes sense. So it is illogical to decide on a B-School based on the CTC offered in the placement process. A holistic approach has to be adopted before joining any institute. The decision should also be based on factors like fees, cost of living, faculty members, industry/government recognition and of course benefits to the specific candidate.

Some candidates prefer studying in large universities/cities, whereas some prefer smaller towns. Some institutes are more research inclined whereas some are highly industry oriented. Financial assistance in the form of tuition waivers, studentships are also offered especially in modern/private schools.

CAREER OPTIONS



Figure 4: Possible Roles after MBA for the top 3 specializations

CONCLUSION

The race for admission to B-Schools has become a RAT race with no application of mind. It is more important to consider one's priorities and interests rather than chasing a goal simply because everyone feels it is the best. This is one of the most crucial decisions which can significantly affect one's career and life. Chasing "CTC" leads one nowhere. Money is a by-product of success. It cannot be an end in itself.

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