### The

MBA Landscape



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#### INTRODUCTION

Management Education has popularized itself in India since the establishment of IIMs from 1960s. The spark ignited then started spreading like a wildfire when these top management educational institutions started attracting multi-national organizations offering alluring packages to just out of college students. As per a report released by GMAC titled "2017 Application Trends Survey Report", Full-Time MBA Programs in India, are the most competitive receiving an average of 40.3 applications per seat.

While demonetization did cast its spell and various companies went conservative on hiring, the consequent digital transformation has brought out a gamut of opportunities for MBA Graduates. A trend in the value chain embedded with data and digital capabilities at every step seems to have arisen, creating a huge scope for MBA Graduates to leverage on their skills and new-age technology, aimed at driving innovation and adding value.

Further, with GMAC reporting that 83% of MBA Programs in India have received increasing applications in 2017, as compared to 2016, it is established that the MBA Wave in India is soaring high without a pause. But the journey towards getting to possess that most coveted three-lettered degree has never been easy. With the mushrooming of MBA institutes in India, decision-making is no longer restricted to obvious aspects such as fees, placements and brand-value extending itself to parameters such as recruiter profiles, average salary and potential of the field chosen for specialization purposes.

This report by CollegeSearch.in, seeks to examine the mood of the candidates across the country towards MBA in general, in terms of demography, gender, branches and much more. Parallelly, comparisons have been made among various categories of MBA and that of a regular Management course with professional course like Chartered Accountancy, aimed at understanding their direction and varied career paths.



#### **EXECUTIVE SUMMARY**

With hundreds of Business Schools all over the country producing groomed young MBA professionals, this report, based on a set of more than 5 million users, seeks to understand the parameters and trends that govern the choice of an MBA degree. Which are the most applied MBA Programs? Are the pay packages at the end of it all worth the fees invested? What is the demographic background of the students and where do they apply the most? How open-minded are MBA aspirants to move across cities for studying and exposure? Such questions are sought to be dealt with in this report in an unbiased way and put all ambiguity regarding the same to rest.

Parallel dimensions such as the gender disparity in terms of the MBA Exam Toppers and interest of Chartered Accountants towards pursuing an MBA has also been examined in this report basing surveys.



#### **METHODOLOGY**

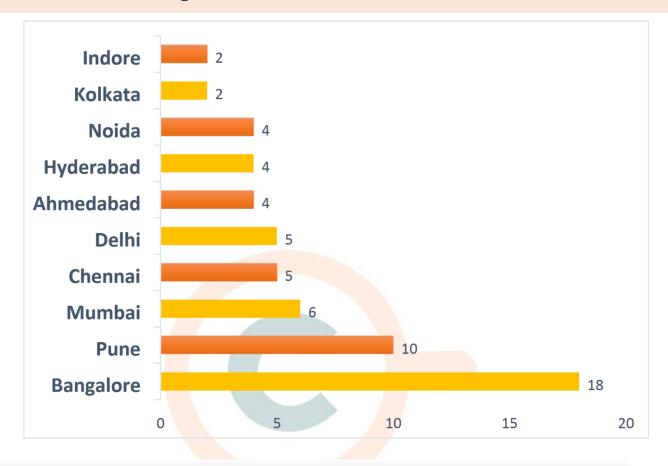
Based on a set of more than 5 million users consisting of students and professionals visiting our website CollegeSearch.in, the report seeks to throw light on the current and emerging trends regarding MBA in India.

The data which has been categorized into – zonal, city-wise, age and gender for the year 2016-2017 has brought out differences in terms of entrance examinations, branches of study and course preferences. Comparison of MBA with a self-study course like Chartered Accountancy and the trend of Gender Toppers is based on primary data obtained from surveys as well as secondary information.



#### 1. ANALYSIS

#### 1.1 Cities - Percentage of Interest

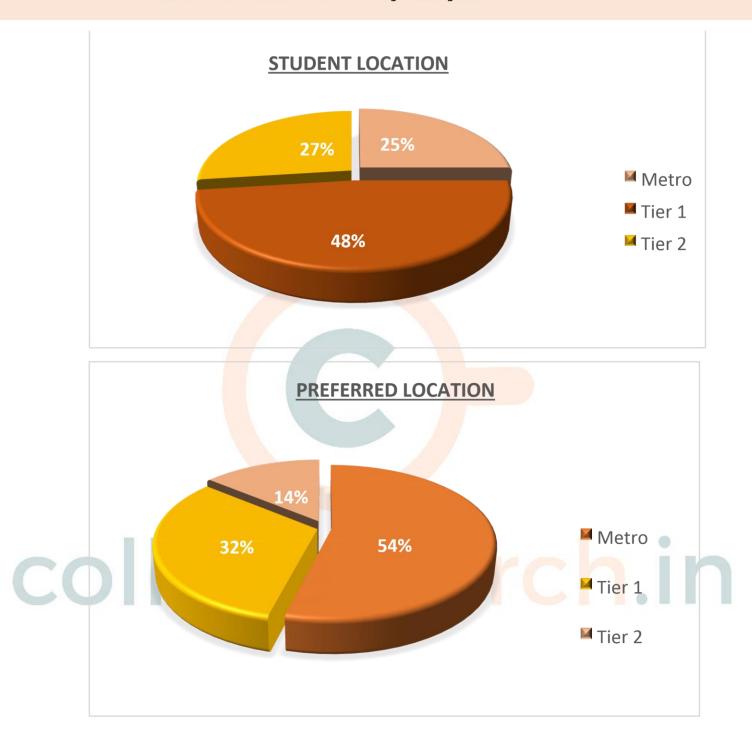


The metro cities always trend as the most sought after for doing an MBA true to which, Bangalore,

"The Silicon Valley of India" and seeming host of startups specializing in consulting across multiple domains, is now of most interest to MBA Aspirants. With close to 200+ colleges offering an MBA, 93% of the colleges are applied for by students actively.

- Bangalore followed by Pune, Mumbai, Chennai and Delhi are the Top 5 cities that are of interest to MBA aspirants.
- The Emerging cities in pursuit are Ahmedabad, Hyderabad, Noida, Kolkata and Indore.
- This time, the trend has displayed a concentrated interest in South and West respectively, from Bangalore being followed up with cities like Mumbai next only to Pune owing to an increased number of applied colleges in the latter, and Chennai.
- This could be owing to an increasing startup culture in the cities and of course, cities like Mumbai which is the financial hub of India.

#### 1.2 Metro, Tier 1 and Tier 2 - City Analysis

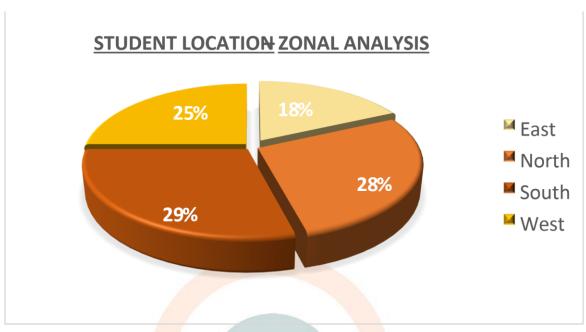


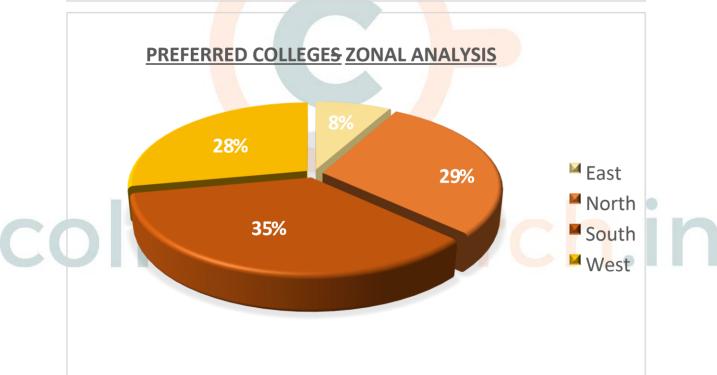
In the above graphs, it is seen that students belonging to Tier 1 and Metro Cities have increasingly applied to colleges situated in Metro Cities.

- About 26% of the students belonging to Metro Cities have applied for colleges situated in Tier 1 and Tier 2 cities while, it has also been seen that students from Tier 1 Cities have applied unanimously to colleges in both Metro and Tier 1 cities.
- On analysis, it was found that students apply to colleges in the Metro cities on first preference to that of courses offered in Tier 1 and Tier 2 cities. Other reasons were low grades.
- An interesting thing to note is that Tier 1 cities now are offering a count of MBA
  Courses on par with that of Metro cities, so even if courses are applied for on a
  second preferential basis, in terms of the application count, Tier 1 cities are
  expected to match Metro cities soon.
- While Regular MBA Courses are most applied in the case of Metro, Tier 1 and Tier 2,
   MBA Courses with Dual Specialization are emerging as a new trend in terms of application, offered only by Tier 1 and Tier 2 cities.

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#### 1.3 Zonal Analysis





The Southern Zone is the highest region in terms of having MBA Students as well as processing MBA Applications owing to states like Karnataka, Maharashtra, Tamil Nadu and Telangana being among the top states applied for this session.

- A detailed understanding of the Zonal Analysis reveals that students apply to
  colleges only in those zones to which they belong. Out of all the zones, Students
  from the East seem more accommodative towards moving out to other zones for
  their higher studies. Out of the total applications made by students from the
  East, 23% have been made to the North and 24% to the South, apart from a
  rate of 32% in their own region.
- Students from the Southern Region, however, seem reluctant to move towards any
  other region, with close to 80% of them applying to colleges belonging to their
  own region. This could be due to availability of better opportunities in the South
  and existence of Language Barriers, in case of applying to other zones.



#### 1.4. The Zones



Students from the East are most open to moving across the North and South Regions and apply in an equal measure across these regions.



The Eastern Zone processes the lowest amount of applications and has the lowest student interest, owing to states like West Bengal and Jharkhand having a college density of 11 and 8



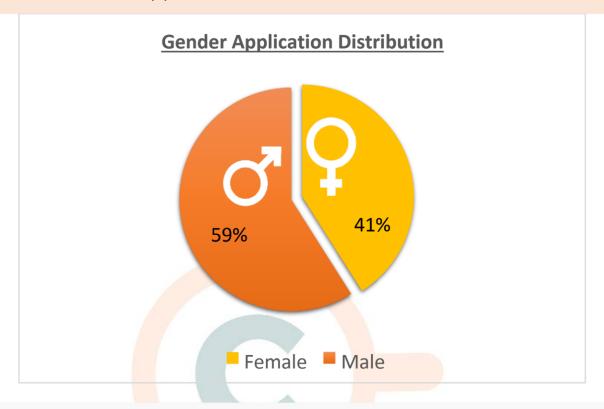
Students from the South prefer applying in their zone owing to language barriers and also because Southern states like Karnataka and Telangana have high rates of College Density



The Western Zone has 72% preferred in MBA courses but only 60% of the total applications are received from its own student population.

#### 2. Gender Prevalent Trends

#### 2.1. Gender Application Scenario

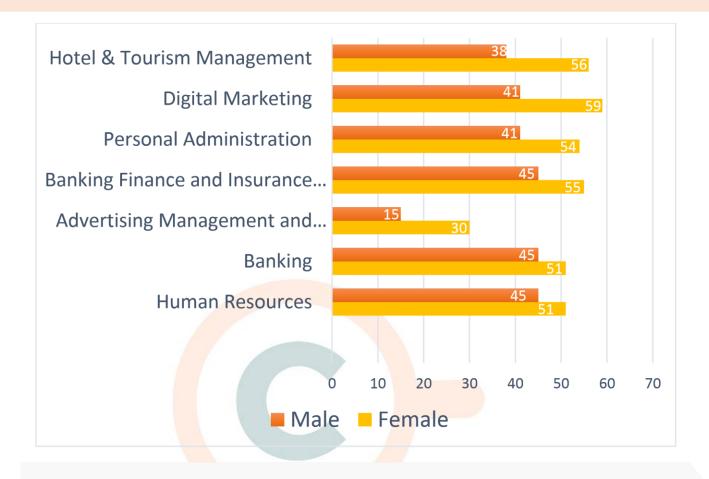


The trend in the above figure indicates that out of the total applications processed, the highest proportion belongs to the male gender. The Gender Parity Index as per AISHE, is 0.94:1 (Females: Males) which indicates, overall a lower proportion of female candidates enrolling for higher education.

Going by the courses pursued, **Certificate Courses** and **PGDHRM** are applied the highest by female candidates. Course Types like Regular MBA, Integrated MBA, PGDM and Executive MBA are most applied by male candidates.

MBA Entrance Exams like CAT and XAT see a rise in terms of application by female candidates, year on year which is marginal between 2-3%. NMAT has been one of the most gender-diverse exams this year with about 40% women applying.

#### 2.2 Branches - Highest Applied by Female Candidate

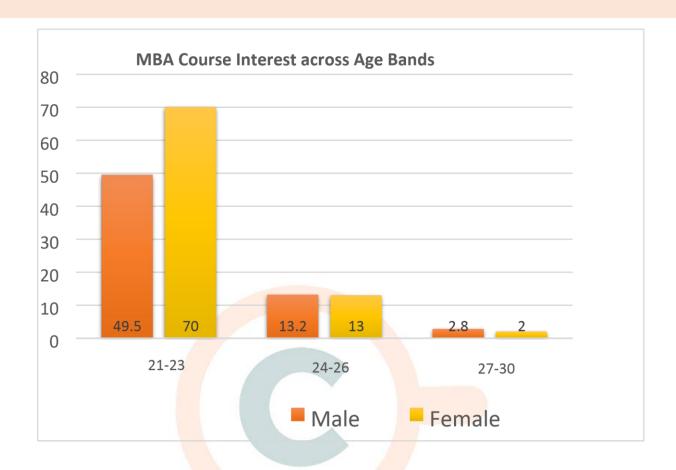


The Branches shown above are highest applied by female candidates for specialization in an MBA. Apart from Human Resources, there are wide gaps in branches like Hotel and Tourism Management, Digital Marketing, Advertising Management and Public Relations; and Personal Administration.

In the Southern Region, none of the female candidates have applied for **Hotel and Tourism Management** which means preference for the course is mostly in Eastern and Northern Regions.

On a similar note, there seems to be a lack of preference for **Advertising and Public Relations** and **Personal Administration** in the Eastern and Southern Region for Male candidates, while 93% and 80%, of applications for the branches respectively has been generated from the Western region alone.

#### 2.3 Gender - Age Bracket Trends



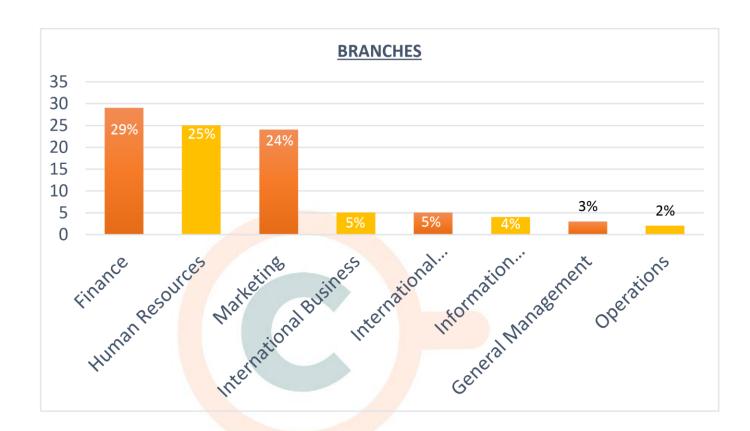
As per the graph, MBA course interest among age bands is highest in the age range of 21-23.

The percentage of female graduates expressing interest in an MBA seems to be higher in comparison to that of males. About 30% of the applications from the female category have been from Southern States such as Karnataka, Telangana, Kerala, Andhra Pradesh and Tamil Nadu.

In the case of male candidates, more than 25% of candidates have applied from Northern Region – Bihar, Uttar Pradesh and Madhya Pradesh. The MBA Course Applicants in the age range of 21-23 seem open to applying across various course categories such as MBA (Full Time and Part Time), Executive MBA, Degree + Diploma and Certificate Courses.

#### 3. Branches

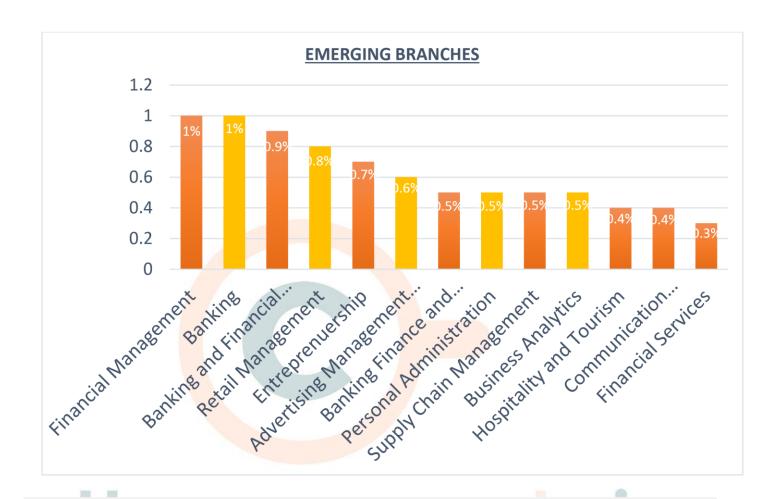
#### 3.1 Popular Branches



Finance tops the list with Human Resources ranking second and Marketing arriving Third.

Be it a career in investment banking or management consulting, an MBA with a Finance Specialization is most preferred by candidates, maximum applied by candidates in the age range of 21-24. While this branch is exercised as the first preference at the time of applying, branches like Marketing, Human Resources are exercised as consecutive course preferences. Except Human Resources, all the other branches are highest applied by males.

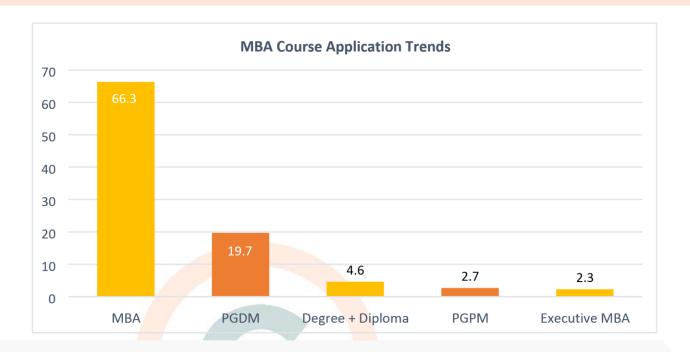
#### 3.2. Emerging Branches



These are some of the emerging branches that are being increasingly applied by applicants after the most popular domains such as Finance and Human Resources. While most of the emerging branches shown on the graph are subsets of Finance, others like Supply Chain Management, Business Analytics and Hospitality are also being increasingly applied.

#### 4. MBA Course Categories and ROI

#### 4.1 MBA Courses Categories - Application



As highlighted above in the graph, candidates increasingly prefer a full time

MBA Degree in comparison to other course types like PGDM, PGPM, Integrated course and Executive MBA. PGDM Course offering institutions such as IIMs and XLRI are autonomous with a huge brand value, hence the immense competition wherein only the cream of the candidates make through so far. Conversely, PGDM Courses are offered by autonomous institutes, which means changes in the syllabus and academic structure of the course would be as per their will apart from other reputed ones, towards which students have a cautious approach, and choose MBA Degrees recognized by universities.

PGDM Programs have a higher fee in comparison to the MBA course owing to which, MBA courses are found to be applied more by candidates. The other course categories like Degree+ Diploma is applied by a very niche audience specializing in a branch or field.

**PGPM** is a certificate course for mostly a duration of one year and is not much like a regular MBA which may be the reason it is preferred by a lesser audience.

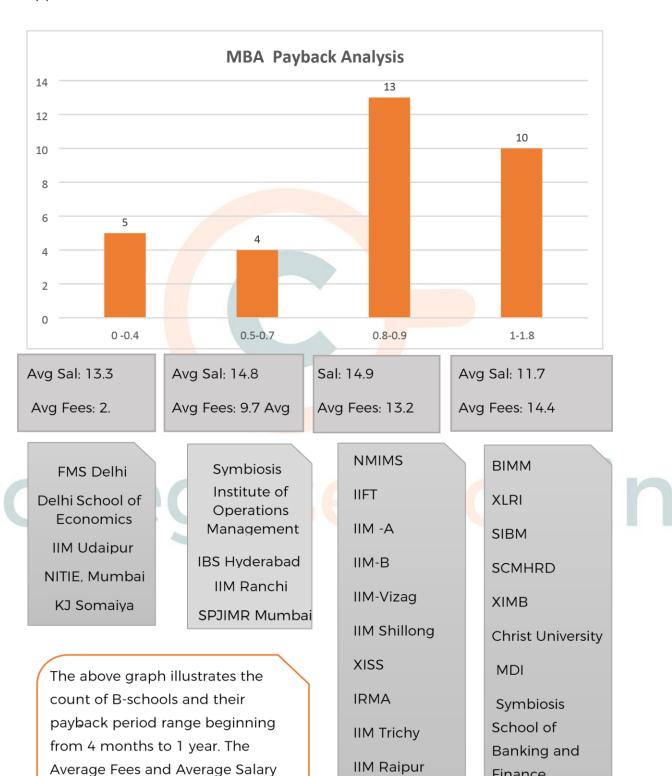
**Executive MBA** is a course that is applied by experienced professionals. Since the audience in the survey are from the undergraduate background, this course has been minimally applied.

#### 4.2. MBA Payback Analysis

have been mentioned below the

corresponding ranges.

Overall, many students are not much aware about the differences among various MBA course categories and relevant knowledge regarding the same would influence the application trends.

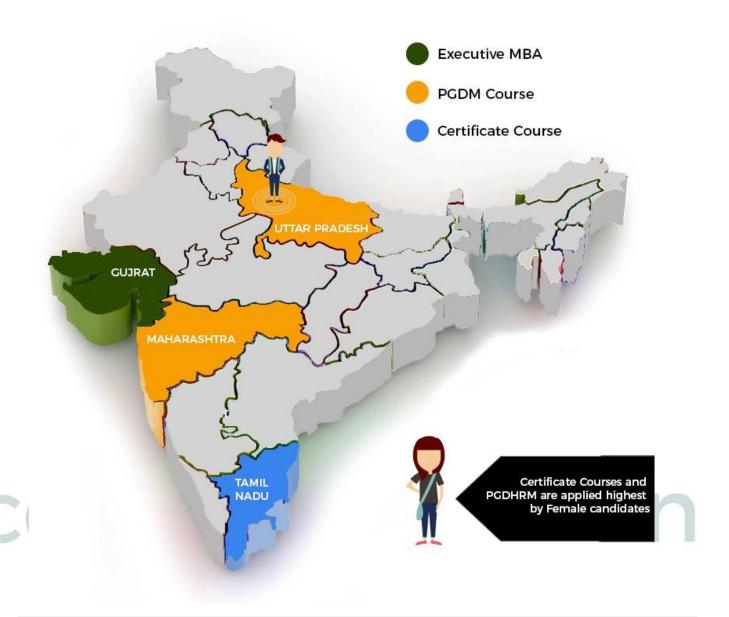


SIMS

**Finance** 

Symbiosis

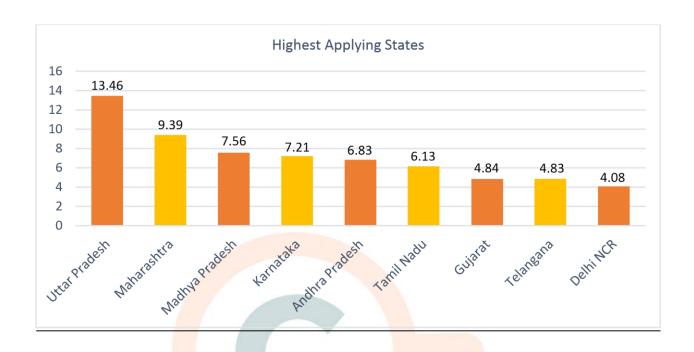
#### 4.3. Know Which Course is Studied Where!



- $_{\square}$  3% of candidates applying for a regular MBA apply for Executive MBA. Gujarat was the state that processed the highest amount of Executive MBA Applications.
- Certificate Courses of MBA are most preferred and most applied in Tamil Nadu of all states while Diploma Courses in Maharashtra are most preferred and applied.
- PGDM Course is applied most by Students of Uttar Pradesh and applied in the state of Maharashtra, the highest.

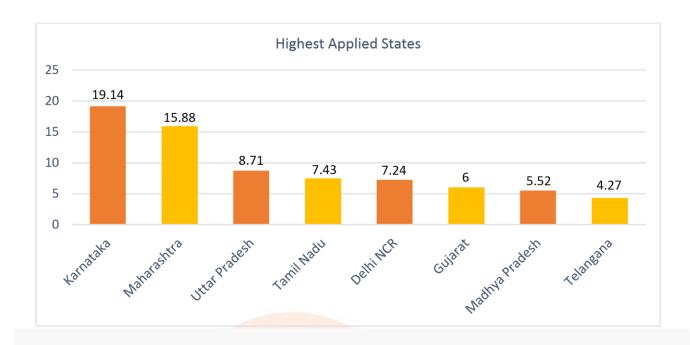
#### 5. State - Wise Analysis

#### 5.1 States - Highest Applied and Highest Applying



Uttar Pradesh, is the highest applying state for MBA courses, having a huge student population preferring an MBA. About 40% of the interested population apply in their own state, while the rest applies to states situated predominantly in the Northern and Western Regions. With a GPI of 1.03, female and male candidates apply on an equal basis for MBA courses.

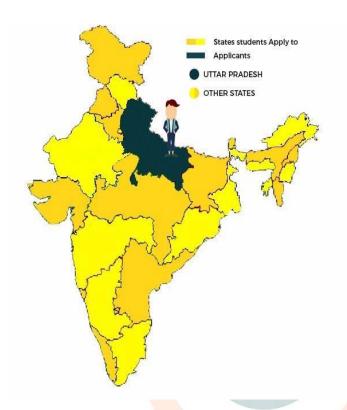
It is followed by Maharashtra, which ranks second both in terms of most applied and highest applying with a college density of more than 100 for a lakh of eligible population, further followed by **Madhya Pradesh** and **Andhra Pradesh** with a college density ranged between 50-100.



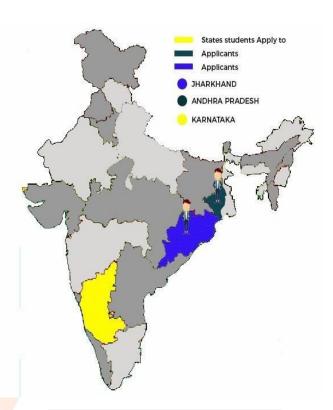
Karnataka is the highest applied state for MBA Course by its own students followed by Andhra Pradesh from the South, Uttar Pradesh and Jharkhand in the North, Maharashtra in the West followed by West Bengal in the East, last but not the least, by Andaman and Nicobar, a union territory. As AISHE Report issued on 5<sup>th</sup> January 2018, Karnataka is one of the top 3 states with a college density of 53 i.e. the number of colleges available per lakh of population aged between 18-23 years.

Maharashtra, Uttar Pradesh and Tamil Nadu follow suit with a GER of 30.2, 24.9 and 46.9 respectively, applied commonly by Rajasthan, also states like West Bengal, Jharkhand and Bihar which are the bottom 3 states as per the AISHE Report in terms of College Density.

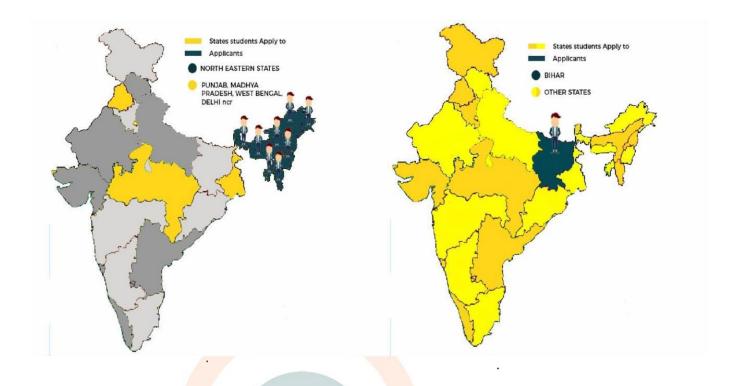
#### 5.2 Who applied where?



Students from Uttar Pradesh have applied the highest in Delhi NCR, Sikkim and Punjab, featuring in top 10 most applied states, applied less by its own students. Students from Uttar Pradesh seem most open to moving across States.



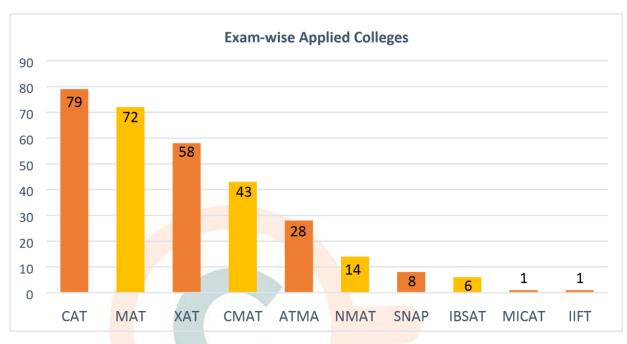
Karnataka is the Most
Applied State for an MBA,
applied by students from
Andhra Pradesh,
Jharkhand, also union
territories like Andaman
and Nicobar.

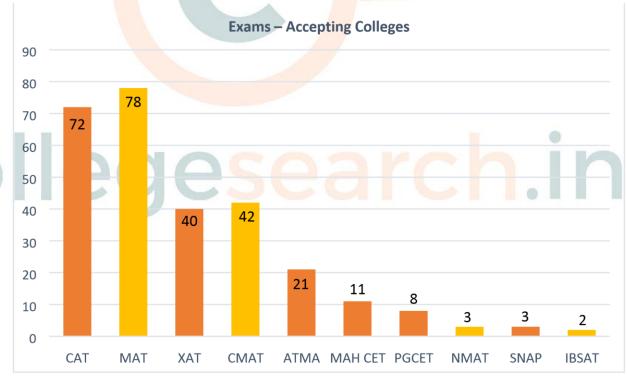


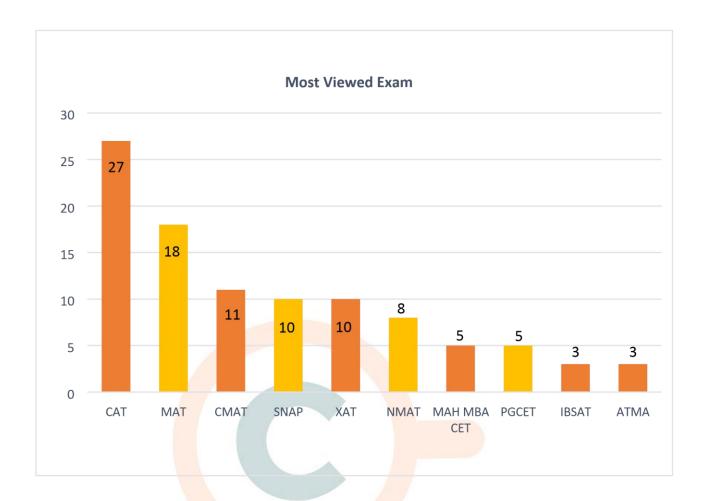
The North Eastern States like Tripura, Arunachal Pradesh, Sikkim and Nagaland increasingly apply to States in the North and Eastern States like Punjab, Madhya Pradesh and West Bengal, also Delhi NCR. Bihar is one of the top 10 states in terms of students applying for MBA Admissions in others, not in their own state. Bihar has 6 colleges available to a lakh of eligible population in the State.

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#### 6. MBA Entrance Exams







This graph goes on to illustrate that CAT and MAT Accepting Colleges amount to more than 70%, also, are the highest applied. Some of the exams that are most viewed and followed by students among top 10 are MAH CET and PGCET which are accepted by close to 11% and 8% of the MBA Colleges respectively.

MAH CET and PG CET have however not emerged in the Top 10 Most Applied Colleges in the initial graph. This could be due to students applying for admission in such colleges with scores of alternate exams that are accepted.

#### 7. Gender Toppers

#### GENDER TOPPER DIFFERENTIATORS

#### Does the Quant Section Matter?



Yes, it does. By making it easier and lowering the sectional cutoff, candidates with better EQ are sought to be preferred more than IQ.

In CAT 2017, this has been the major reason for increase in toppers from the female and non-engineering categories.

#### **Female Registrations**

CAT exam, the most popular of all MBA Entrance examinations, reached a **5 year high in the previous year**, in terms of female registrations creating a high probability for emergence of Female Toppers.



#### **Verbal Section**



Verbal Ability is a strong differentiator illustrated as one of their major strengths by female candidates who have topped CAT, XAT, IIFT and NMAT from 2014 through 2017.

#### Re-Attempts

As per few CAT Toppers, a lot of female candidates applying in 2017 had appeared for the CAT in previous year and were attempting a second time which could also have been the reason for female candidates topping the examination.



This infographic above illustrates the factors that have played a major role in increasing the presence of female toppers, also those from the non-engineering domain. IIMs particularly, have come up with changes in the structural pattern of the CAT Examination as well as their Selection Procedure to create a diversified batch of students from various disciplines having holistic leadership skills. For last two years in CAT before 2017, there had been no female toppers while a lot of them had scored sectional 100 percentile. In the case of examinations like XAT, NMAT, CMAT and IIFT, though there have been female toppers, the number of the same as against male toppers is less. A change in this trend is visible but is happening at a slow pace.

#### 8. CA v/s MBA

#### **COMPARISON BETWEEN MBA** CA 4-year programme 2-year programme (3 levels) Cost Avg Fees - 6-15 Lakhs 50,000 to 1 Lakh **Applicant profile** Applicant profile CA can be applied right after 12th grade but 73% of candidates An MBA has wider writing the exam are undergraduate undergraduates or course backgrounds. pursuing graduation, In case of MBA from Top B-schools, Pass % **About 2 Lakh candidates** only 2% of the applicant pool Pass apply for a CA every year out of make it to the gates of the which 2-3% get to use the institutes. In the case of % qualification before their name. other MBA offering institutions. competition is relatively low. **Beginning Salary Beginning Salary** The Beginning Salary Beginning salary of a (Average) for an **Chartered Accountant** MBA graduate could be (Average) could be from from INR 5-10 Lakhs. 8-10 Lakhs. 50% of Chartered Movement to Sn.Mngt Accountants in the survey Movement to Sn.Mngt undertaken feel that on MBA, which can be specialized in the job general management multiple domains, is generalist skills are sufficient to in nature building scope for move to senior leadership graduates to pool in a roles coupled with their plethora of skills across a functional expertise. While diversified workspace making them the other half believe that eligible for leadership roles creating MBA makes a Chartered a lesser need to pursue courses **Accountant more business** like a CA. minded.

Chartered Accountancy and MBA are both easily the most aspired and applied to courses, a comparison among both the courses on various aspects are illustrated as above. On the face of it, Chartered Accountants is a specialized course and MBA is more Generalist in nature, giving a candidate wide exposure to diverse concepts and skillsets.

MBA and CA both are widely applied by the undergraduate population. In the case of CA, graduates get an advantage of skipping the initial stage CPT and jump to the intermediate level. Given the success rate of Chartered Accountancy is low, candidates can still choose to do an MBA in case CA does not work out.

The starting pay of a CA and MBA not on an overall level, but in a domain like Data Analytics for example, CA might be assigned superior position and a better pay as against an MBA, with a lesser work experience, owing to the former's level of proficiency in Data Analytics being comparatively high. Thus, the starting salary might vary across various domains.

That set aside, in terms of career growth, our survey has indicated a mixed response. About 50% of our CA Respondents are of the opinion, their functional expertise and general management skills they are exposed to in course of the job, is sufficient to take them up the chain of authority, and MBA is not really required. They are also of the feeling that sufficient opportunities are given to them to move across non-finance roles helping them gain a holistic view of the entire business, primarily required to move up the ladder. While the other half think an MBA would make them associate better with the overall goals of a business or entity.

An analysis of BSE100 conducted by *Financial Express* has revealed that 26% of the CFOs hold an MBA, out of which 15% are both CAs and MBAs, 11% only MBAs. 49% of the CFOs hold CA and 25% hold neither of the degrees.

Atop the ladder, the ability of a candidate to lead and his knowledge of the overall business is priority above any qualification gained.

#### 9. Conclusion

With countless of MBA institutes across the country producing a huge number of MBAs every year, it is time to step back a little and ponder on a few things.

Has the gap between Academia and the Actual work environment reduced?

Do the MBA Graduates coming out of their B-schools have enough context and experience?

While on one hand, the placement reports released by leading B-schools illustrate record setting pay packages and count of graduates getting placed, on the other hand there have been news reports on MBA candidates not able to find suitable jobs. These contradicting facts indicate that leading recruiters experience a shortage of qualified and deserving candidates to fill positions.

Today B-schools focus more on Corporate Strategy while on the contrary, most of the graduates end up in roles that require operational execution. B-schools should help students gain an understanding on what discipline drives every industry. Critical insights provided to them in this context would help them understand the operational aspects better.

The MBA aspirants from any B-school should aspire to develop the following three qualities:

**Focusing on Execution**: Micromanaging or attention to detailing is never bad. They must be aware of every detail and follow-ups.

Training: Training helps any manager learn on a continuous basis.

**SWOT**: This awareness would help any manager communicate in a better way with any kind of personality and be able to manage them.

In the long run, for any MBA school to survive, they must prepare their students adequately for the actual work environment, by drawing insights and support from the ecosystem to which they provide talent.