

B and C category B-schools producing un-employable pass-outs: ASSOCHAM



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Barring a handful of top Business schools like the government run IIMs and other few, most of 5,500 B schools in the country are producing sub-par graduates who are largely un-employable resulting in these pass-outs earning less than Rs 10,000 a month, if at all they find placements, an ASSOCHAM study has pointed out.

Expressing concern over the decay in the standards of these B-schools, many of which are not properly regulated, the study by the ASSOCHAM Education Committee (AEC) noted that only 7% of the pass-outs are actually employable in India excepting graduates from IIMs.

India has at least 5,500 B-schools in operation now, but including unapproved institutes could take that number much higher. The ASSOCHAM report says that only 7 per cent of the MBA graduates are actually employable. Around 220 B-schools had shut down in the last two year in cities such as Delhi-NCR, Mumbai, Kolkata, Bangalore, Ahmedabad, Lucknow, Hyderabad, Dehradun etc. And at least 120 more are expected to wind up in 2016. Low education quality coupled with the economic slowdown, from 2014 to 2016, campus recruitments have gone down by a whopping 45 per cent.

"There are more seats than the takers in the B-schools. This is not surprising in the wake of poor placement records of the pass-outs," ASSOCHAM Secretary General Mr D S Rawat said.

In the last five years, the number of B-school seats has tripled. In 2015-16, these schools offered a total of 5,20,000 seats in MBA courses, compared to 3,60,000 in 2011-12.

Lack of quality control and infrastructure, low-paying jobs through campus placement and poor faculty are the major reasons for India's unfolding B-school disaster. "The need to update and re-train faculty in emerging global business perspectives is practically absent in many B-schools, often making the course content redundant.

Only 7 per cent of MBA graduates from Indian business schools, excluding those from the top 20 schools, get a job straight after completing their course, adds the findings of the report.

While on an average each student spent nearly Rs 3 to Rs 5 lakh on a two-year MBA programme, their current monthly salary is a measly Rs 8,000 to Rs 10,000. Even the quality of IIM/IIT students coming out now compared to the last 15 years has come down due to the quality of school education. The faculty is also another problem as few people enter the teaching profession due to low salaries and the entire eco-system needs to be revamped.

ASSOCHAM said that the mismatch between aspirations of students and their level of preparation are crucial as most of the fresh graduates are afraid of getting their hands dirty. The flaw lies with the negligible hands-on training provided at Tier 2 and 3 colleges.

Mr. Rawat further said that the quality of higher education in India across disciplines is poor and does not meet the needs of the corporate world.


Of the 15 lakh engineering graduates India produces every year, 20-30% of them do not find jobs and many other get jobs well below their technical qualification.


There is clearly a rush towards engineering, that which is engineered largely by parents and the society. Indian economy is not growing at the same rate as the number of engineers. It is only the IT sector that absorbs engineers in large numbers, between 50-75%. There is a large mismatch in the aspirations of graduating engineers and their job readiness. 97% engineers aspire for a job in IT and core engineering. However, only 18.43% employable in IT & 7.49% in core engineering, adds the paper.


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