

It's a Summer of Contentment at B-Schools

Stipends of more than ₹1 lakh on rise as summer internships become recruitment avenue

Sreeradha.Basu@timesgroup.com

Kolkata: Recruiters are paying more than ever before to get interns from leading business schools on board, resulting in stipends shooting up at campuses such as MDI Gurgaon, XLRI, IIM Kozhikode and TISS Mumbai that have completed summer placements for

the 2018-20 batch. That's because companies are increasingly using summer internships to assess candidates for eventual recruitment, said HR executives and placement officials.

Monthly stipends of more than ₹1 lakh are becoming increasingly common at premier B-schools, according to placement sources, with several recruiters nearly doubling internship amounts

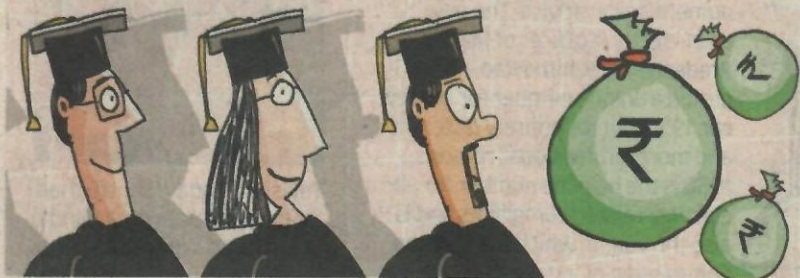
from just two years ago.

Data from institute placement cells reflect this jump. Over the past two years, Axis Bank stipends have risen to ₹1.1 lakh from ₹60,000 per month; to ₹1 lakh from ₹30,000 at Becton Dickinson; to ₹1.25 lakh from ₹85,000 at Pidilite; to ₹1.5 lakh from ₹90,000 at Godrej, and to ₹1.6 lakh from ₹85,000 at L'Oréal, said Gurgaon's Management Development Institute (MDI).

"The focus has shifted — companies are becoming more aggressive on summer interns hiring than finals, demanding good slots and paying higher stipends," said Kanwal Kapil, dean of placements, MDI Gurgaon.

The institute saw 55% of its 359-strong 2018-20 batch get monthly stipends of ₹1 lakh or above in just-concluded summer placements. Two years ago, just about 15% of the batch had managed as much.

War for Talent ►► 10



ANIRBAN BORA

War for Talent

►► From Page 1

The war for talent is what is driving this trend, said placement cells. An increasing number of companies now prefer to hire tried-and-tested talent through the pre-placement offer (PPO) route, based on summer internship performance, rather than rely on a 15-30 min interview during final placements.

As companies get more serious about summer internships being part of their core hiring process, stipends are set to rise as more recruiters play catch up. The idea is to get a good pool of applicants at the internship stage itself.

At Mumbai's Tata Institute of Social Sciences (TISS), average stipends during summer placements crossed the ₹1 lakh mark for the first time to ₹1.02 lakh per month from ₹88,000 for last year's batch. ITC, Hindustan Unilever and Reckitt Benckiser offered the highest monthly stipends of ₹1.5 lakh each. At MDI Gurgaon, the highest stipend, from L'Oréal, was ₹1.6 lakh a month; at XLRI, it was ₹1.65 lakh monthly.

At the Indian Institute of Management (IIM) Kozhikode, summer placements saw a 43% increase in the median stipend to ₹1 lakh a month. As many as 27 students got the highest monthly stipend of ₹1.5 lakh, three times the figure last year. The top 100 students got an average stipend of ₹1.28 lakh, a 14% increase over last year.

"A decade back, internships were seen as a favour done by companies to B-schools. Now, as more recruiters prefer to hi-

re through the internship route, stakes are getting higher," said Uday Damodaran, chairperson of placements for the two-year post graduate diploma in management (PGDM) programme at XLRI.

Companies are paying more because they are much more serious than before, he said. Some even provide accommodation in addition to the stipend, or even transport costs.

Damodaran estimated that well over half the batch at XLRI got monthly stipends of ₹1 lakh-plus. A few years ago, this would have been around 20% of the batch, he said. "What companies are doing now is assessing students for employment during their internships."

That's why interns get to work on important projects, engaging closely with, or even being mentored by, top management, according to placement cells. This shows how seriously companies are taking the whole summer internship exercise.

"Over the last few years, we have made considerable progress towards our aim of recruiting a majority of our Gallop Management Trainee batch through our Gurukul internship programme," said Sumit Mitra, head, group HR and corporate services, Godrej Industries Ltd and associate companies. "Many young leaders at Godrej today first worked here as summer interns and accepted pre-placement offers to join us full time."

The top three Indian Institutes of Management (IIMs) will start summer placements soon.