



India Emerging as the Preferred Career Destination for IITians



April 14, 2008



Introduction

Many Indian families will not experience the same struggles as the Ganguli family depicted in the famed book and movie, “The Namesake”, as it seems most fresh college graduates in India now prefer not to leave India. It is well known that graduates from the Indian Institutes of Technology (IITians) have historically preferred to move to the United States or other countries to pursue higher studies and explore more attractive career opportunities. However, preferences have changed during the last few years according to a recent survey of 677 IITians by Evalueserve – a global research and analytics’ firm. Among IITians who graduated during 1964 and 2001, 35% moved to countries other than India, while 65% remained. However, among IITians who graduated in 2002 and later (including the graduating class of 2008), only 16% moved while 84% remained in India. Recent graduates also believe that India will be the most promising geography for IIT graduates in 10 years.

Changing Geographical Preferences Among IITians

Among IITians who graduated prior to 2002, approximately 60% of the respondents viewed the developed countries as the destination with the best career opportunities. However, among those who graduated in 2002 or after, this trend has been reversed with 51% respondents now considering India to be the preferred career location. As many as 90% of all graduating IITians have chosen to remain in India in 2006.

- ▣ The point of “inflexion” with respect to this change seems to have occurred with the graduating class of 2002 and likely correlates to the growth of India’s economy, which (since 2002) has recently been 8% - 9% per year in real terms and of 14% - 15% in nominal terms.
- ▣ When compared to the United States, 30% of IITians who graduated during 1964 and 2001 moved to the United States whereas only 9% did so – or will do so – during 2002 and 2008. However, in both cases, among those who moved – or will move – approximately 68% did so to pursue higher studies, whereas 17% of the respondents considered the United States as an attractive destination in terms of employment opportunities.
- ▣ The drop in the number of IITians who believed the US offered a “better standard of living” has been remarkable, from 13% to almost zero.

Figure 1: Geographic Preference of IITians at the Time of Their Graduation

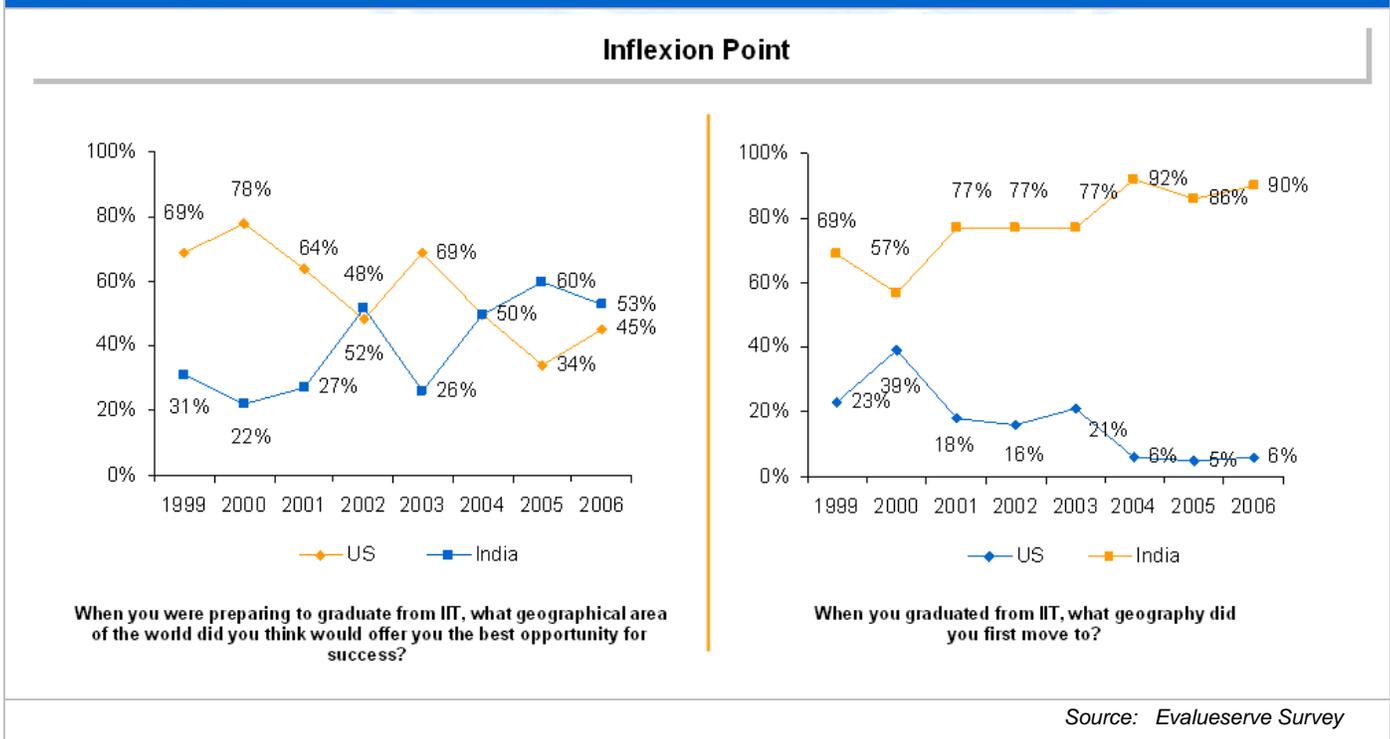
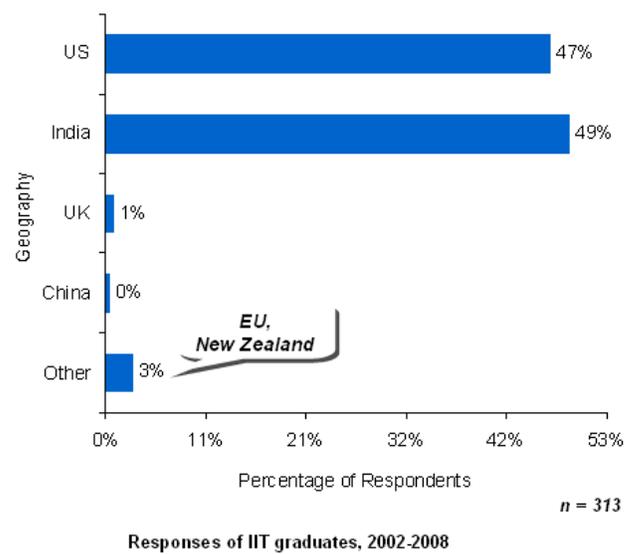
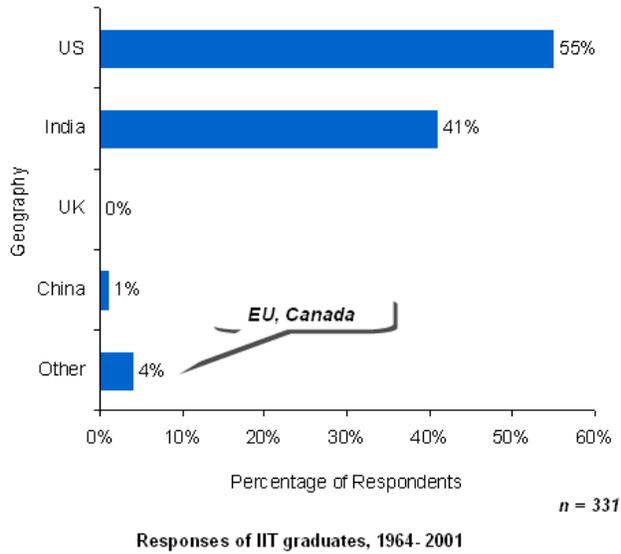


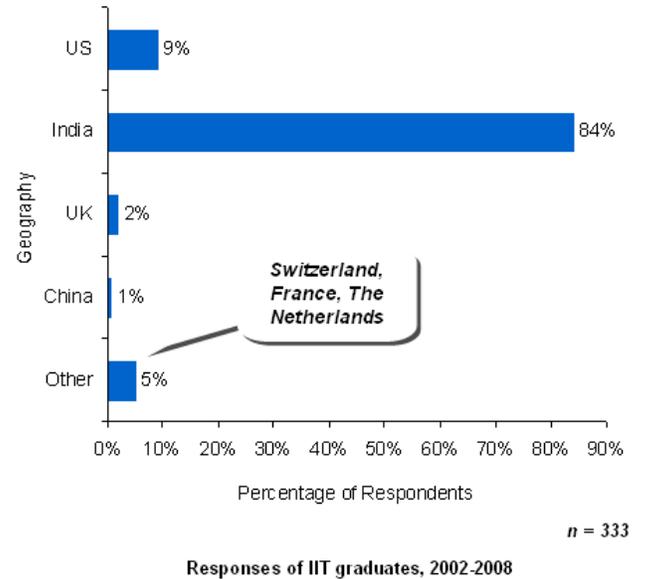
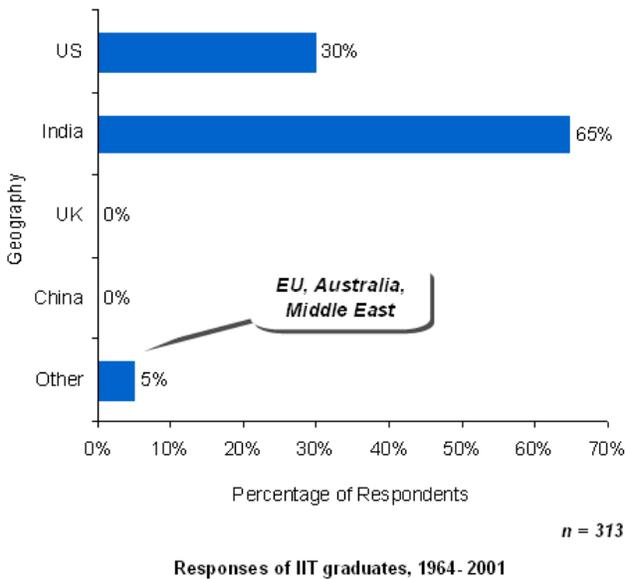


Figure 2: Responses of IIT Graduates on Preference of Geographic Region for First Job

“When you were about to graduate from IIT, which countries did you think would offer you the best opportunities?”



“When you graduated/or will graduate from IIT, which geography did you first move/or will move to?”

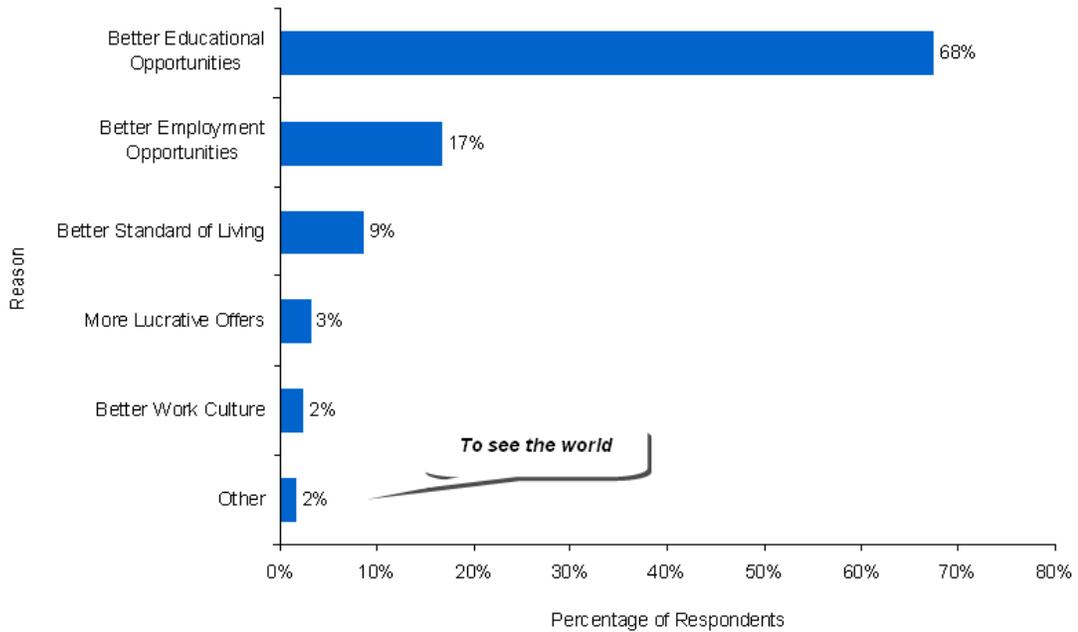


Source: Evalueserve Survey



Figure 3: Responses of IIT Graduates on Reasons for Moving to the US after Graduation

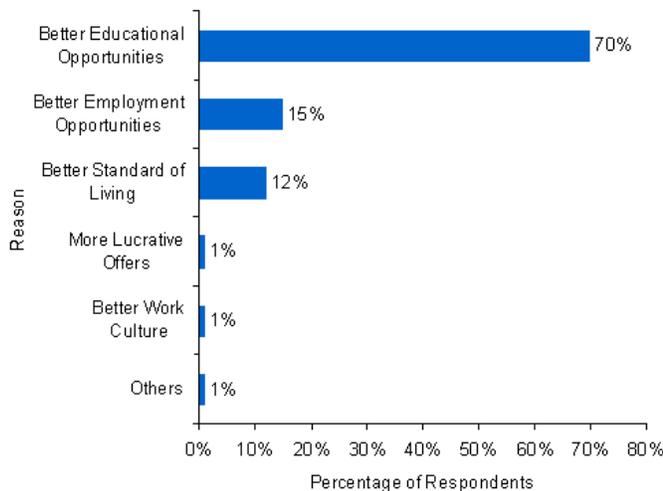
“If US, what was the main reason for you to move there?”



n = 123

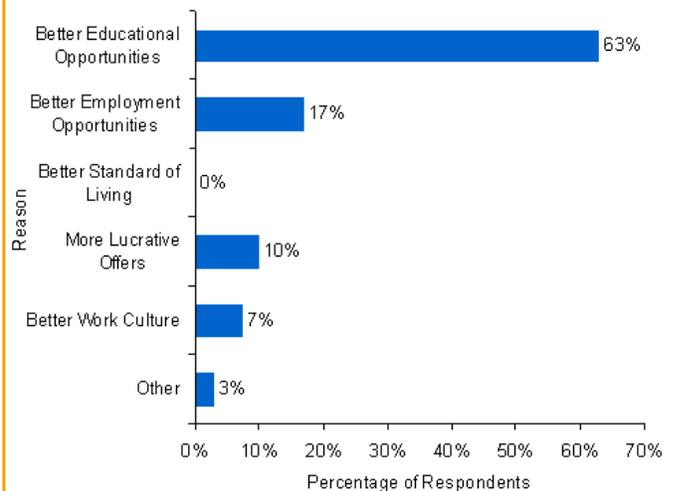
Note: Percentages may not add up to 100 due to rounding

“If US, what was the main reason for you to move there?”



n = 93

Responses of IIT graduates, 1964-2001



n = 30

Responses of IIT graduates, 2002-2008

Source: Evalueserve Survey

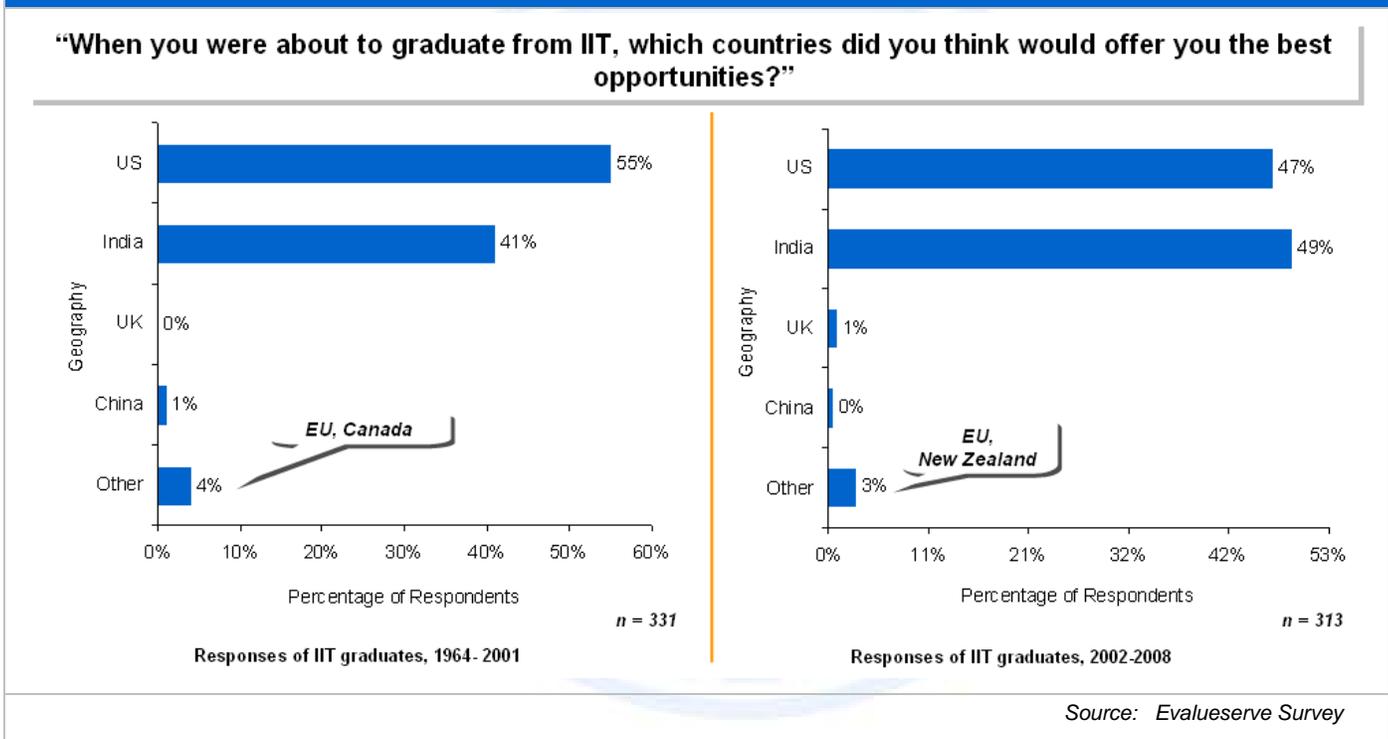
- A substantial percentage of IITians who wanted to move to the US, actually did not make the move. For example, 35% of recent graduates from 2002-2007 who wanted to move to the United States eventually did not, a number



considerably higher than the corresponding group from the 1964-2001 graduating classes. Some reasons cited by the respondents included stringent visa regulations following the 9/11 terrorist attack, the high cost of living, limited scholarships, and high tuition fees and the perception of reduced employment opportunities and a poorer life in the US.

- Many IITians have also becoming increasingly disillusioned with the overall quality of life in the United States, with 12% of the respondents who graduated before 2002 and less than 1% among those who graduated after 2001 perceiving the United States to be a better “quality of life” destination.
- As shown in Figure 4, among IITians who graduated during 1964 and 2001, 59% believed that at the time of graduation the United States and other developed countries provided better opportunities, whereas only 41% believed that India did. However, among IITians who graduated during 2002 and 2008 (i.e., including the class that will graduate in June 2008), only 51% believed that developed countries would provide them better opportunities whereas 49% believed that India would.

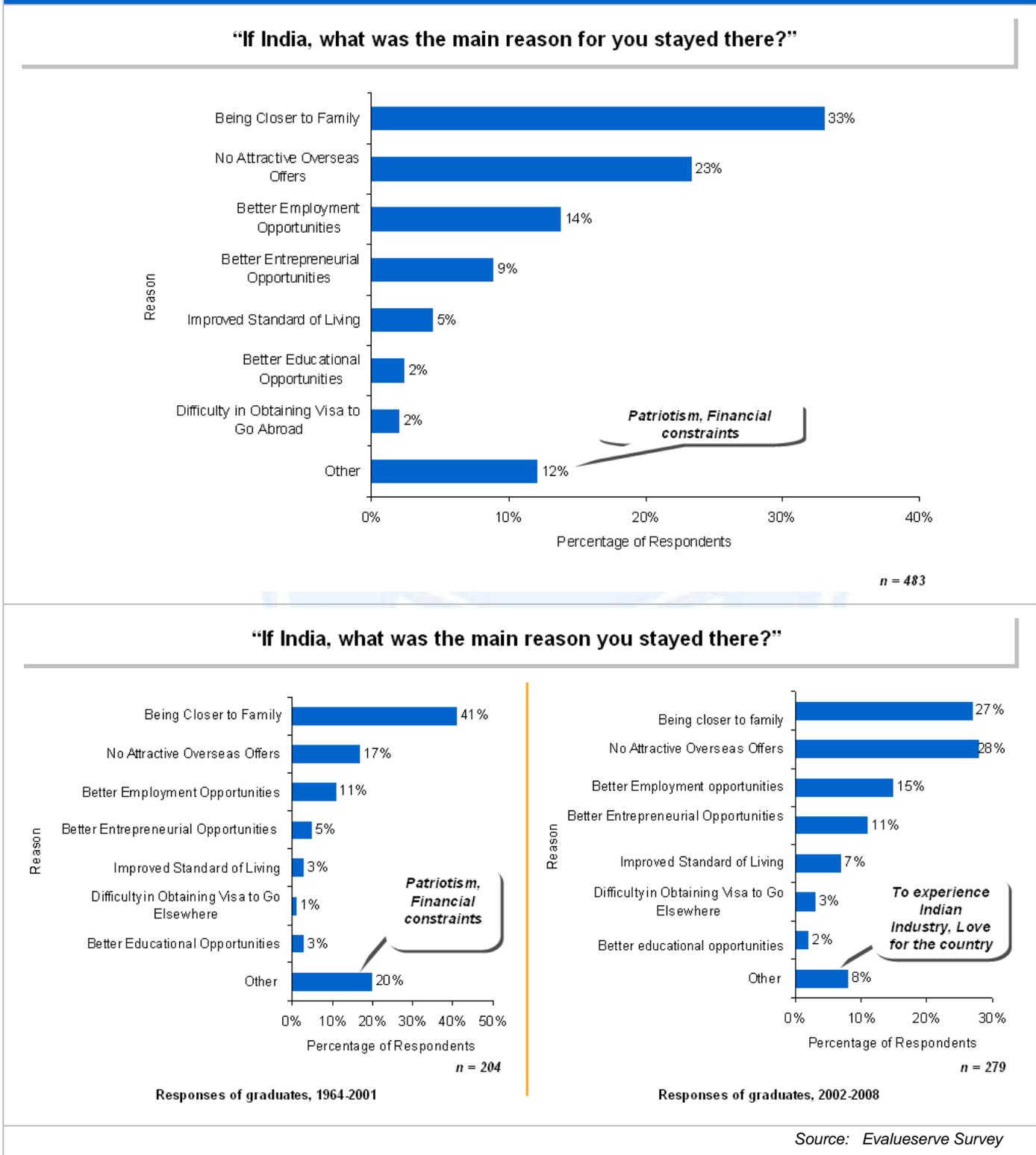
Figure 4: Responses of IIT Graduates on Preference of Geography for First Job



- As shown in Figure 5, those who chose to stay in India have cited the following reasons for their decision: (a) 33% wanted to be closer to their homes, culture, and family, (b) a limited number of significantly attractive job offers overseas (only 17% of the respondents who graduated before 2002 perceived that there were limited job opportunities in the United States as compared to 28% who among those who graduated after 2001), (c) substantial increase in job opportunities and improved standard of living in India (19%), and (d) significant entrepreneurial opportunities in India (5% of the respondents who graduated before 2002 preferred India due to entrepreneurial opportunities as compared to 11% among those who graduated during 2002 and 2008). Finally, IITians continue to give a low score to India with respect to educational opportunities (2%).



Figure 5: Responses of IIT Graduates on Reasons for Staying in India after Graduation



■ A somewhat stronger inclination to contribute towards India’s development is demonstrated in a shift between pre-2002 and post-2001 graduating classes. While not a specific response option during the survey, a number of IITians also commented that they now believe that they can help drive positive changes in India, and that the

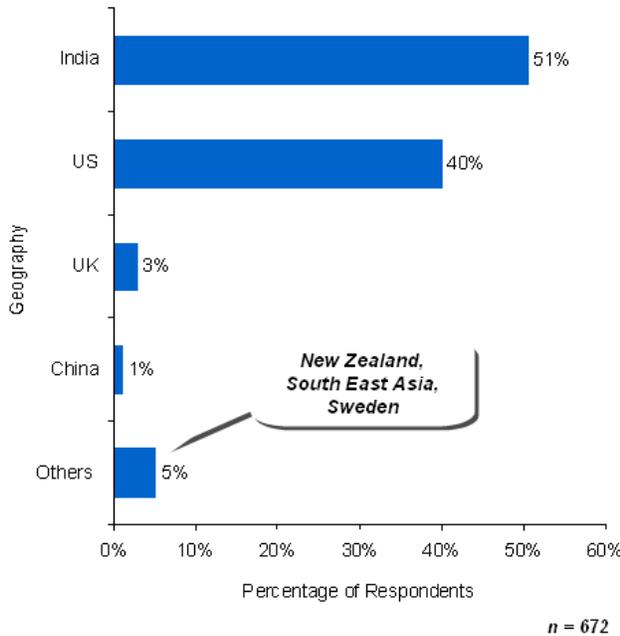


strong educational foundation provided by renowned institutions such as the IITs gives them an edge over others to bring about those changes.

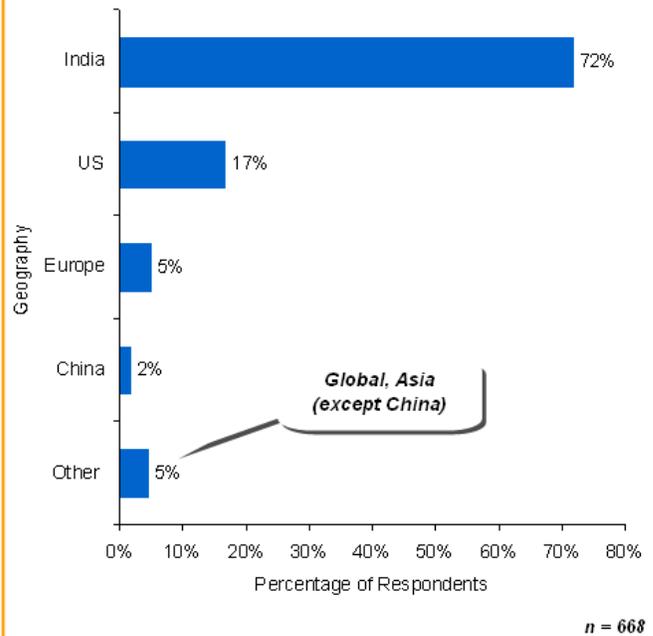
- ▣ Most strikingly, when asked, "10 years down the line, which geography do you think will hold the most promise for success?" 72% chose India, with only 17% opting for the US, 5% for Europe and 2% for China.
- ▣ IITians who graduated between 1964 and 2001 have shown a tendency to start their own entrepreneurial ventures. As many as 25% of the respondents in the pre-2002 graduating classes claimed to have founded new ventures. Understandably, the number of entrepreneurs from recent classes is low.
- ▣ With respect to the selection of geography for their new ventures, most IITians have chosen India (65%) over the US (29%). Surprisingly, of the start-ups in the US, 97% have been founded by those who graduated in the year 2001 or before; whereas, 28% of the start-ups in India have been founded by graduates of 2002 and later. This demonstrates an increasing interest of recent graduates to invest in new ventures in India rather than abroad.

Figure 6: Strong Perception about India as a Long-term Option

“Which geography do you think offers the most exciting opportunities to IIT graduates today?”



“Which geography do you think would offer the most exciting opportunities to IIT graduates 10 years down the line?”



Source: Evalueserve Survey



Figure 7: Entrepreneurial Initiatives taken by IIT Graduates

“Have you ‘founded’ any start-up?”

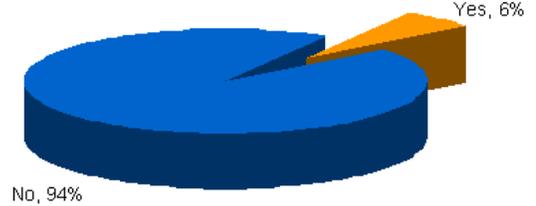


No, 75%

Yes, 25%

n = 314

Responses of graduates before 2002



No, 94%

Yes, 6%

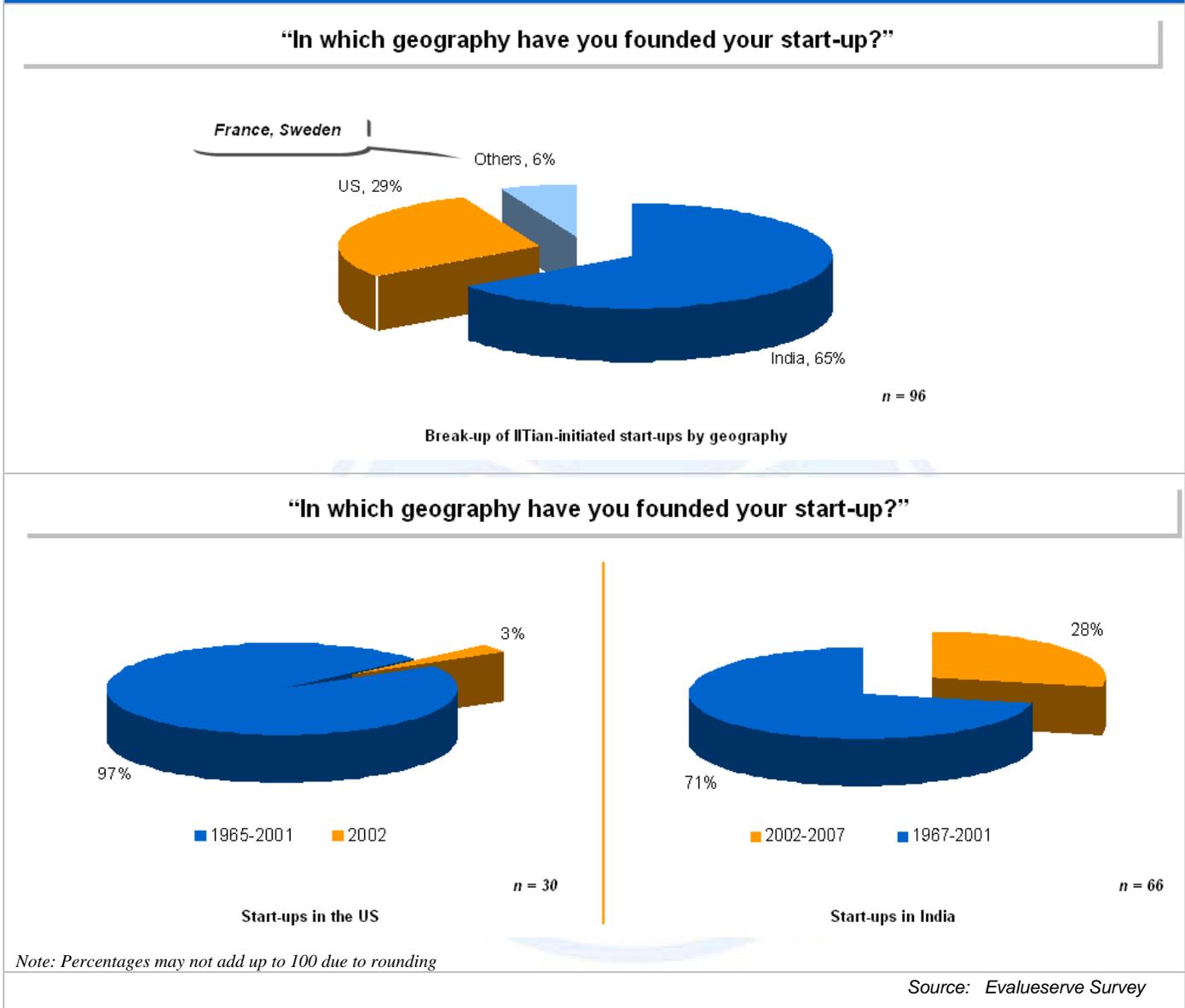
n = 333

Responses of graduates after 2002

Source: *Evalueserve Survey*



Figure 8: Geographic Regions in which Start-ups have been Founded by IIT Graduates

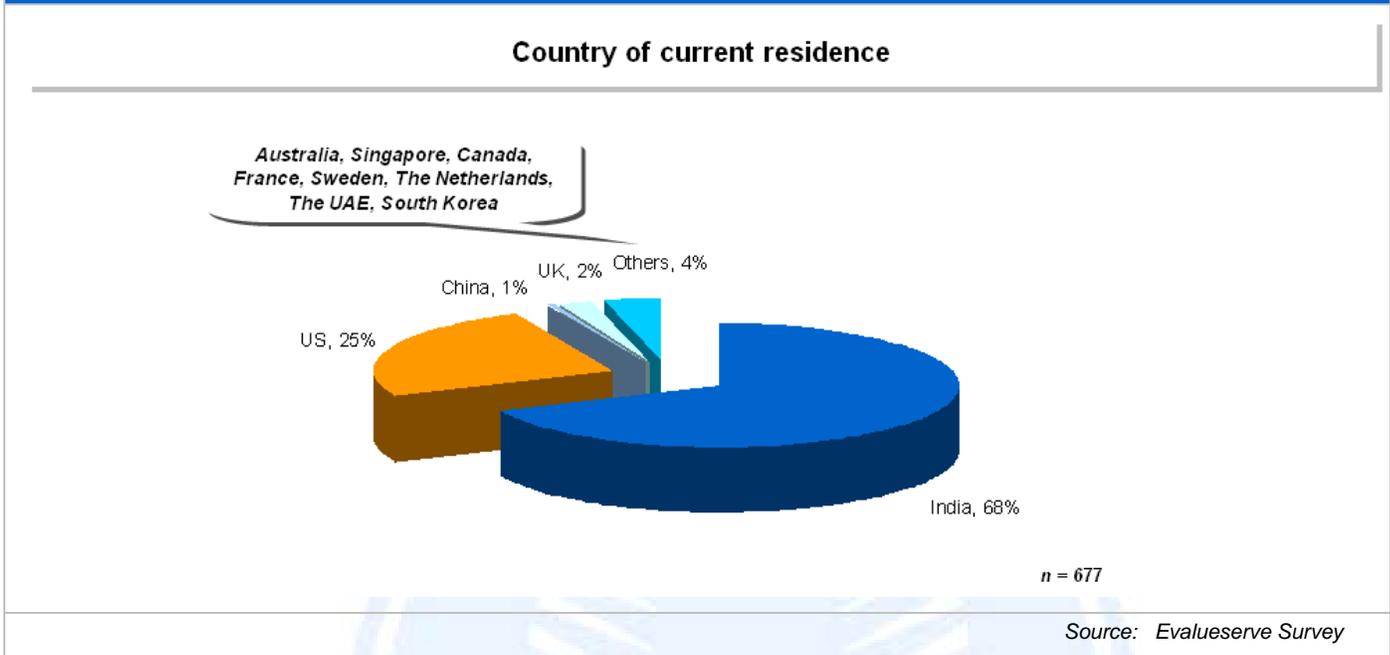


Profile of Survey Respondents

Figure 9 provides the break-up for 677 respondents according to the country they currently live in. From a statistical perspective, since the total number of IIT alumni graduating since the inception of IITs in early 1960s is approximately 130,000, Evalueserve’s results should be used simply as a trend analysis with a margin of error of +/- 2% at a confidence level of 90%. It would be worthwhile conducting further research in this area with a substantially larger set of IIT alumni.



Figure 9: Survey Respondents by Location of Present Residence



Note: The number of respondents was surveyed to correlate with the approximate number of IITians living in these countries.



About the Author

Dr. Alok Aggarwal is the Chairman and Founder of Evalueserve. Dr. Aggarwal built IBM's Research Laboratory at IIT Delhi during his 16 years at the IBM Thomas Watson Research Centre. He earned his B. Tech in Electrical Engineering from the Indian Institute of Technology, Delhi, in 1980 and his Ph.D. in Electrical Engineering and Computer Science from Johns Hopkins University in 1984.

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