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Discrimination in an Elite Labour Market? Job Placements at the Indian Institute of Management - Ahmedabad[+]

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Abstract

Using data on the IIM-Ahmedabad's 2006 batch of MBA graduates, we find that SC/ST (Scheduled Caste or Scheduled Tribe) graduates get significantly lower wages (between 19 and 35 percent depending on the exchange rate used to convert foreign currencies) than those in the general category. This difference disappears once the lower GPAs (Grade Point Averages) of SC/ST candidates are accounted for, suggesting that the large wage difference is due to the weaker (on average) academic performance of SC/ST candidates. Controlling for work experience and GPA, there is no wage penalty to being female. Moreover, unlike the case in US and British labour markets, there is only weak evidence of wage premium to being more attractive, where attractiveness was measured in the standard manner by anonymous ratings of passport-type photographs by twenty raters. The study suggests that in the absence of any serious attempt to equalise school-level opportunities, the current policy of reservations at elite educational institutions will be insufficient to equalise career outcomes even for the minority of SC/ST candidates that can benefit from them.

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1. Introduction

The existence of economic and educational disparities between different castes and by gender in India has been extensively documented by social scientists. The proportion of people below the poverty line among Scheduled Castes and Tribes (SC/ST) is about 50 percent higher than the proportion among the general population. Access to a reasonable quality of education is far from universal and differs by caste. The fraction of the population that belongs to a Scheduled Caste or Tribe shrinks as one moves up educational attainment classes. For example, in urban India in 1999-2000, SC/ST persons constituted 18.3 percent of those in the 17-25 age group, but only 11.3 percent of those in that age group that had passed high school. Their proportion among college graduates was only 7.4 percent (Sundaram, 2006). Similarly, the urban female-to-male wage ratio was found to be 82 percent for literates and 59 percent for illiterates (Deshpande and Deshpande, 1992) and 78% of this was attributed to differential schooling (Kingdon, 1999).

It is only recently, however, that social scientists have systematically studied discrimination against lower castes in the labour market. Madheswaran and Attewell (2007), using National Sample Survey data, find that Scheduled Caste and Tribe employees in urban salaried jobs in 1999-2000 received wages that were about 30% lower on average than those of other castes, and that 15% of this differential could not be explained by the measures of education and work experience available in the NSS data. Thorat and Attewell (2007) conducted a field experiment and found that companies discriminate by caste and religion in the frequency with which they contact (fictitious) job applicants with identical resumes. Banerjee et. al. (2007) conducted similar experiments and found less discrimination in the call-centre industry and none in the software industry.

While employers in the National Sample Survey presumably have fairly good information about the productivity of their employees, those in the callback studies have far less about prospective employees. This difference in information is suggestive about which of the two major explanations for why employers might discriminate apply in the two situations. In Arrow's (1972) theory of statistical discrimination, employers have imperfect information about the productivity of employees, and use group identity to

proxy for productivity. This leads them to offer different wages to apparently identical employees from different groups. In contrast, in Becker's (1967) description of 'taste based discrimination' employers discriminate even if it means realizing a lower level of profit. Prejudice is built into their preferences and the agents performing the discrimination obtain some utility from adversely affecting the economic condition of certain groups even if it means lowering their own earnings.

Thus, it seems that statistical discrimination is a possible explanation for why employers discriminate in callback experiments and in entry-level labour markets. But it is much less likely to explain discrimination against employees who have been on the job for a while. Nevertheless, it is possible that the wage differential observed in the NSS data is due to unobserved productivity differentials. The NSS data include only crude measures of educational attainment. They do not include marks or grades, for example. In callback experiments, employers do not interview prospective candidates, so they base their decisions on quite limited information.

One of the main advantages of the study reported here is that data on job candidates' grades is available, offering a fine degree of control. At the same time, the labour market is real, not experimental, and candidates typically go through several rounds of interviews with prospective employers, so that employers get quite a lot of information about them. Using data from the Indian Institute of Management, Ahmedabad's (IIM-A) 2006 batch of MBA graduates, we find no evidence of discrimination against minorities by employers in placements. Controlling for work experience and GPA, there is no wage penalty to being female, or of belonging to a Scheduled Caste or Tribe (SC/ST). This study is also of interest because IIM-A graduates often come to occupy positions of prestige and power. When historically disadvantaged groups gain access to such positions, this may serve to create role models and break down stereotypes.

In addition to examining the possibility of discrimination by gender and caste we study another form of discrimination that to our knowledge has not been studied in the Indian context. This is that arising from better looking individuals obtaining a higher reward from economic activity. This has been documented for the US labour market by

Hamermesh and Biddle (1994, 1998), Hamermesh and Parker (2006), and in Britain by Harper (2000). We find weak evidence of this form of discrimination by employers.

The next section describes the placement process at the IIM-Ahmedabad, while Section 3 describes the data. Section 4 describes the estimation procedure and results, and Section 5 concludes.

2. The Placements Process at the IIM

The business school placements process is the way most business graduates and MBA students obtain employment. Typically the process takes place over numerous days, where companies can use the institute premises to schedule interviews with the prospective graduates. Usually the higher paying companies (like investment banks, international consulting firms) get slots on earlier days giving them a chance to make lucrative offers to the best students. The interviewers initially screen candidates and progressively shortlist to interview candidates until they make a final offer.

3. Data and Variables

Our data set comprises 242 final-year students of IIM Ahmedabad from 2006 of the 250 students who enrolled in the program in 2004. Out of these we have salary data on 226.[1] 221 Salaries for those placed were reported to the IIM by the companies and 5 self-reported salaries accepted by those with pre-placement offers, or independently negotiated offers, we obtained through a survey.

We have data on gender, SCST status, GPA on a 4-point scale, Class 10 & Class 12 Board exam marks, college graduation percentage, and years of work experience. The IIM did not, however, provide data on student scores on the written Common Admission Test (CAT) and subsequent interviews (in 2004) which together form the basis for selecting students for admission to the IIM's MBA program.

[1] Out of this initial 250, 3 did not graduate in 2006 and 6 were self employed so they would not be able to be used in our analysis. A few did not obtain employment through the institute or did not accept the final offer generated by the placement process. Overall we have almost 94 per cent of the total population of graduates that year.

A student may get several job offers but only the final offer accepted by the graduating student is reported to the placement office. This is what we use in our analyses. One complication is that about 30% of students receive offers from abroad (Table 1). This necessitates a choice of exchange rate to make rupee and foreign currency salaries comparable.

REGION	PERCENTAGE
India	70%
Rest of ASIA	11%
US	7%
EUROPE	12%

Table 1: Student Placement by location 2006 (Source: Placement Office, IIMA)

Foreign acceptances (all reported in US dollars) were converted into rupees as described below. The market exchange rate was 44 rupees per dollar at the time of the survey and the World Bank's purchasing power parity (PPP) rate was approximately 8 according to the Penn World Tables (Heston et al. 2006). The PPP rate probably adjusts too much for cost-of-living differences because executives may consume a larger share of tradable goods than the share of tradable in GDP. We used the internal evidence from an e-mail survey of students to arrive at the appropriate rate. The idea was to use data from prospective employees, who received offers in both currencies and assume that the individual accepted the highest offer, using an exchange appropriate for him/her.[2] 11 students who accepted an Indian offer also received foreign offers. 13.79 rupees per dollar was the mean of the weakest value of the rupee consistent with accepting an Indian offer, with these values ranging from 6.35 to 19.33 rupees per dollar. However, looking at the 5 students who received at least one Indian offer but accepted a foreign offer, we find that the mean of the strongest value of the rupee consistent with this behaviour was 20.53 rupees per dollar, with values ranging from 9.71 to 32.86 rupees per dollar.

Owing to this inconsistency, we present the results of our analysis of the determinants of pay using both the mean exchange rates reported above. We also report results using only the sub-sample that accepted Indian offers.

[2] Offers in foreign currencies (the pound and the Singapore dollar) other than US dollars were converted into US dollars at market exchange rates and a minor cost-of-living adjustment made in the case of Singapore.

Variable definitions and descriptive statistics on the main variables used are given in Tables 2a and 2b below.

VARIABLE	DEFINITION
Log pay	Natural log of the final salary offer to the MBA graduate (foreign offers are converted at one of two exchange rates).
GPA	First year grade point average on a 4 point scale in IIM
Work experience	Employment experience in Years before enrolling at IIM
Attractiveness rating	Average rating of attractiveness of passport photos performed by twenty graders and standardized to remove individual biases
Female	Female = 1 if female, 0 if male.
College marks	Percentage marks received in college.
College score	College marks divided by 25 to conform to a 0-4 scale.
Scheduled Caste/Scheduled Tribe (SC/ST)	Whether the person belongs to a Scheduled Caste or Tribe.
Communication GPA	Cumulative GPA on three communication courses taught in the first year (including written, oral and managerial communication). 4-point scale.
Elite	Elite = 1 for IIT or BITS Pilani graduates.

Table 2a: List of variables used in our analysis

Variable	N	Mean	SD
Pay in Lakh Rs (20 Rs/$)	226	12.53	5.91
Pay in Lakh Rs (14 Rs/$)	226	10.72	3.7
SC/ST	242	0.21	0.41
Female	242	0.16	0.36
Work Exp (years)	242	1.1	1.92
1st-yr GPA	242	2.32	0.31
Communication GPA	242	1.8	0.2
2nd-year GPA	241	2.68	0.4
College marks (%)	242	76.77	9.82
College score (scale 0-4)	242	3.07	0.39
Elite college graduate	242	0.33	0.47
Age in years	242	22.99	2.29
Attractiveness Rating	242	0	0.98

Table 2b: Descriptive statistics

21.3% of the graduating students were SCST indicating compliance with the legal requirement that at least 22.5% of all students admitted be SCST (their share of the general population). Women constituted 16% of the sample. There is no positive discrimination in favour of women and we observe that the share of women has stagnated for at least the last two decades.[3]

4. Results

Since there is no positive discrimination in favour of female students, the incoming distributions of college marks of women and men are essentially the same.

SC/ST students have considerably lower incoming undergraduate college marks, on average. This is a consequence of the fact that SC/STs have access to worse educational opportunities than the rest of the population, together with the legal requirement that 22.5% of all seats be reserved for SC/ST students (their share in the general population.) The mean college mark for SC/ST candidates is 10 percentage points lower than that of the general category. In fact, the distribution of college marks for SC/ST students is first-order stochastically dominated by that of the general category (Figure 1). The difference in the two distributions is clear. For example, 62% of SC/ST students have college marks below 70 while only 20% of students in the general category have college marks below 70.

[3] Personal communication from Archana Garodia, 1988 IIM graduate

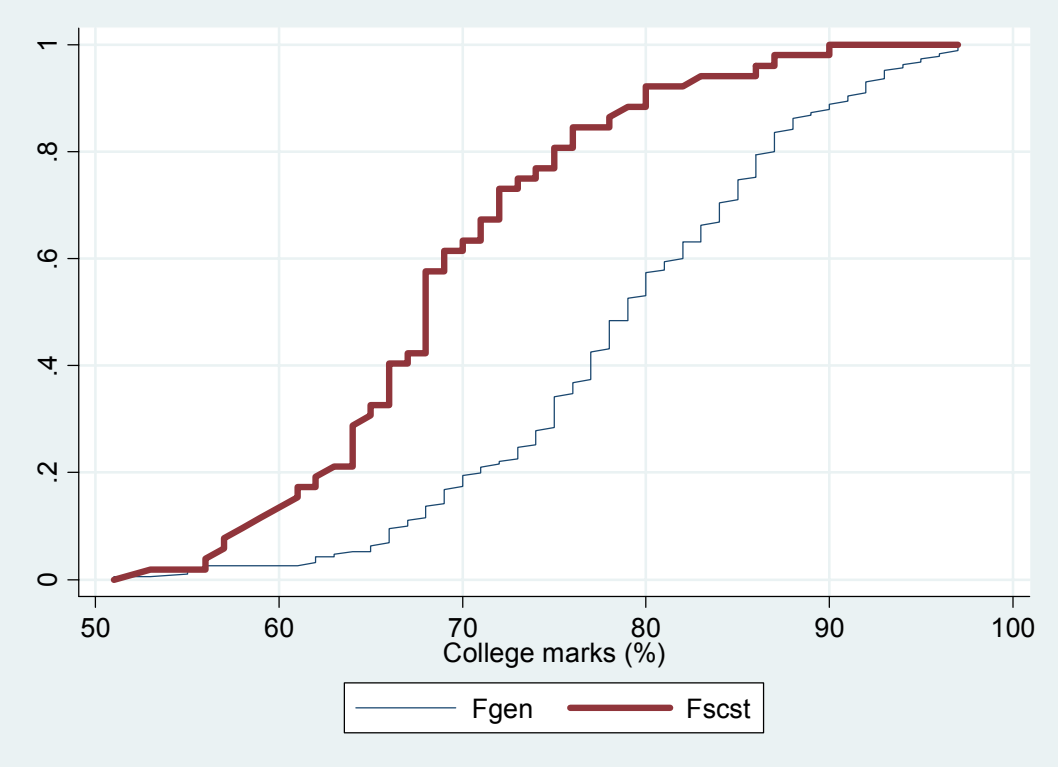

Figure 1: Empirical Cumulative Distribution Functions of college marks for general and SC/ST students.

The difference in SC/ST and other students' college marks is replicated in 1st-year GPAs in the IIM (Figure 2). However, by the end of the second year, SC/ST grades do appear to converge to those of the general category during their second year in the IIM, as reflected in the distributions of second-year GPA in Figure 3 below. It would, however, be overly optimistic to attribute this wholly to catching up by SC/ST students. Unlike first-year courses, many second-year courses are optional. Some have easier grading policies than others. Moreover, our regressions below suggest that second-year GPA's do not appear to be used by companies. This may be because of the variability in grading strictness, and because not all second-year grades are available by the time students are interviewed. In this situation, it is entirely plausible that weaker students will avoid the harder courses, while better-prepared students will not. This will tend to reduce the gap in grades between them.

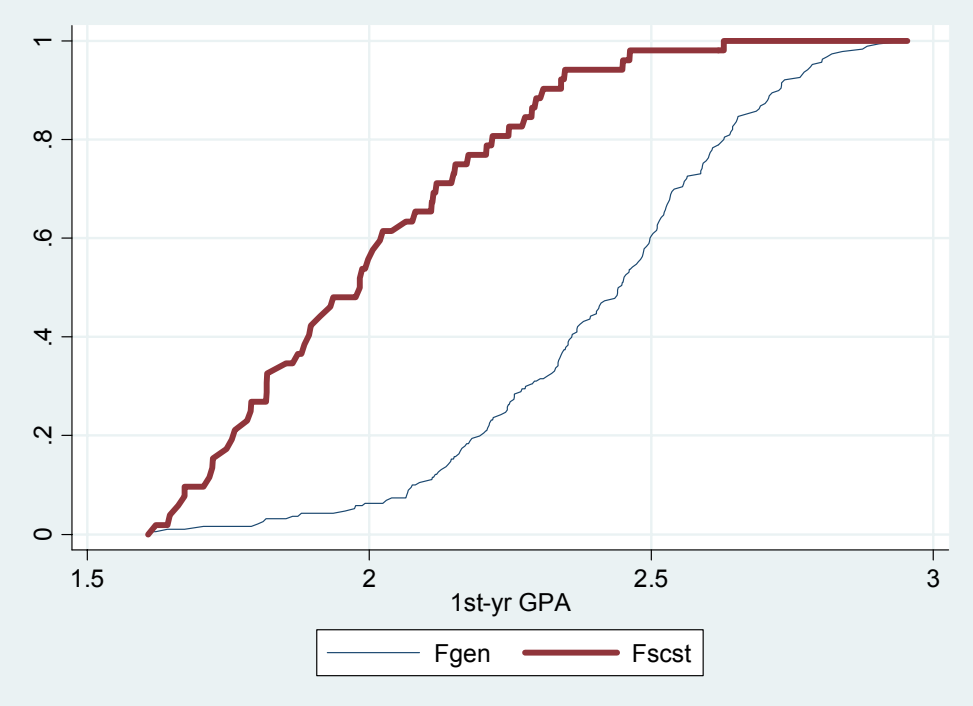

Figure 2: Empirical Cumulative Distribution Functions of GPA for general and SC/ST students in the **first year** at IIM.

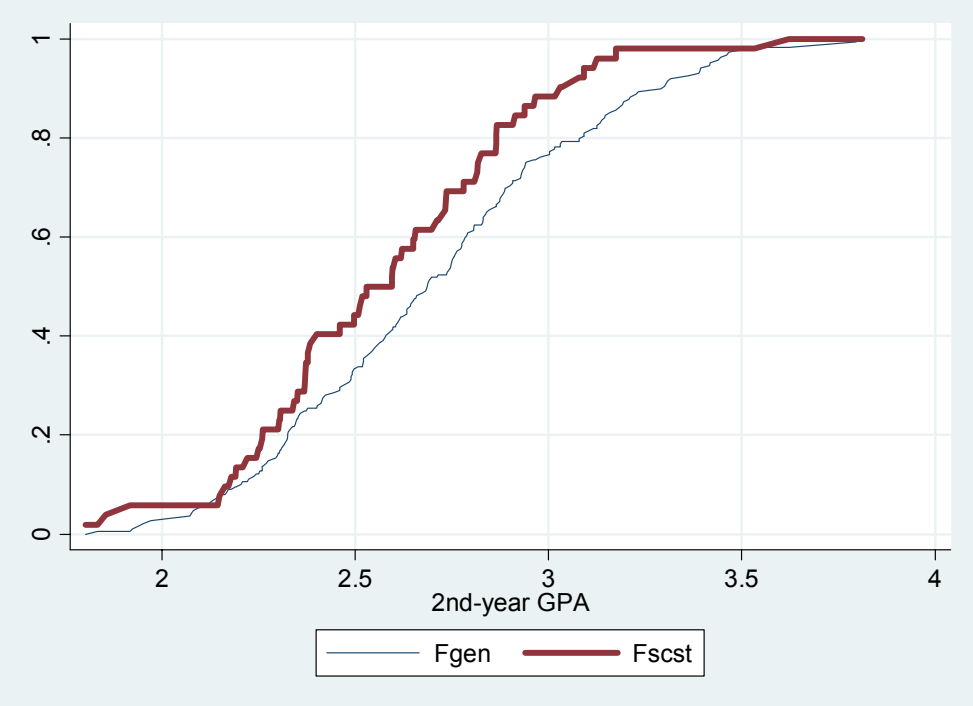

Figure 3: Empirical Cumulative Distribution Functions of GPA for general and SC/ST students in the **second year** at IIM.

The determinants of GPA are given in Table 3 below. As expected, the strongest determinant of academic performance in the IIM is prior academic performance, here measured by college marks, normalized to a 4-point scale. Regression analysis confirms the finding mentioned above that SC/STs get lower first-year GPAs than general category students, even controlling for college marks. This suggests that, unsurprisingly, college marks do not fully measure academic ability. SC/ST students were, on average, academically weaker than those in the general category with the same college scores. Attractiveness positively affects GPA, possibly through greater self-confidence. Table 3 does not report specifications with an interaction term between attractiveness, and being female, since this was not statistically significant.

COEFFICIENT	(1) 1st-year GPA	(2) Communication GPA	(3) Quantitative GPA
SC/ST	-0.284***	-0.135***	-0.404***
	(0.038)	(0.031)	(0.060)
Work Exp (years)	0.00326	0.00888	-0.00240
	(0.0072)	(0.0057)	(0.011)
Attractiveness Rating	0.0316**	0.0437***	0.0448*
	(0.015)	(0.012)	(0.023)
Female	-0.0746*	-0.00132	-0.166***
	(0.039)	(0.031)	(0.062)
Elite college graduate	0.117***	0.0562**	0.215***
	(0.031)	(0.024)	(0.048)
College score (scale 0-4)	0.319***	0.119***	0.463***
	(0.040)	(0.032)	(0.063)
Constant	1.372***	1.434***	1.155***
	(0.13)	(0.10)	(0.20)
Observations	242	242	242
R-squared	0.53	0.30	0.51

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 3: Determinants of Grade Point Averages

Finally, we turn to the determinants of pay on graduation from the IIM. In Tables 4A and 4B below, we report regressions of the natural log of pay on a number of variables, the former using a 20-rupee exchange rate for the dollar, and the latter a 14 rupee

exchange rate. The estimated standard errors of the coefficients allow for correlation of the errors within companies and for heteroscedasticity.

COEFFICIENT	(1) Log(pay)	(2) Log(pay)	(3) Log(pay)	(4) Log(pay)	(5) Log(pay)
		Domestic jobs			
SC/ST	-0.351***	-0.194***	-0.0855	1.411***	1.406***
	(0.072)	(0.043)	(0.057)	(0.30)	(0.31)
Work Exp (years)	0.0392***	0.0509***	0.0409***	0.0422***	0.0391***
	(0.011)	(0.0073)	(0.0082)	(0.0074)	(0.0077)
Attractiveness Rating	0.0857**	0.0205	0.0774*	0.0718*	0.0623*
	(0.040)	(0.017)	(0.039)	(0.037)	(0.035)
1st-yr GPA			0.606***	0.738***	0.596***
			(0.092)	(0.10)	(0.12)
SCST*GPA				-0.730***	-0.724***
				(0.15)	(0.15)
Female				0.0507	0.0341
				(0.061)	(0.062)
Communication GPA					0.303***
					(0.11)
2nd-year GPA					0.0575
					(0.052)
Constant	13.98***	13.77***	12.51***	12.18***	11.82***
	(0.081)	(0.043)	(0.19)	(0.22)	(0.24)
Observations	226	160	226	226	226
R-squared	0.24	0.37	0.38	0.41	0.42

Robust standard errors in parentheses, clustered by company
*** p<0.01, ** p<0.05, * p<0.1

Table 4A: Determinants of pay (Exchange rate: 20 Rs/$), OLS.

COEFFICIENT	(1) Log(pay)	(2) Log(pay)	(3) Log(pay)	(4) Log(pay)
SC/ST	-0.243***	-0.0542	0.948***	0.920***
	(0.051)	(0.043)	(0.24)	(0.24)
Work Exp (years)	0.0483***	0.0495***	0.0498***	0.0475***
	(0.0083)	(0.0064)	(0.0060)	(0.0064)
Attractiveness Rating	0.0513*	0.0454*	0.0440*	0.0380
	(0.027)	(0.027)	(0.025)	(0.024)
1st-yr GPA		0.432***	0.515***	0.415***
		(0.060)	(0.066)	(0.071)
SCST*GPA			-0.490***	-0.475***
			(0.12)	(0.12)
Female			0.0101	-0.00414
			(0.041)	(0.041)
Communication GPA				0.183*
				(0.093)
2nd-year GPA				0.0631
				(0.047)
Constant	13.83***	12.79***	12.58***	12.32***
	(0.056)	(0.13)	(0.15)	(0.19)
Observations	226	226	226	226
R-squared	0.26	0.38	0.40	0.41

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 4B: Determinants of pay (Exchange rate: 14 Rs/$), OLS.

The main determinants of the starting salary of an IIM graduate are the first-year GPA at the IIM, GPA in communications courses, and work experience. An increase of one grade point (on a 0-4 scale) in the first-year GPA is estimated to raise the wage by more than 40 percent (Column (3) of Table 4A and Column (2) of Table 4B).

4.1 Wage penalty for SC/STs

The estimated wage penalty associated with being SC/ST is between 24 (at the 14 Rs/$ exchange rate) and 35 percent (at 20 Rs/$) compared to their counterparts in the general category (Column (1) in Tables 4A and 4B). This estimated penalty is slightly smaller at 19% if only domestic jobs are considered (Table 4A, column (2)). However, once we control for work experience and GPA, the wage penalty to being SC/ST becomes much smaller and not significant (Column (3) and (2) in Tables 4A and 4B respectively). Since SC/ST job candidates have, on average, much lower first-year GPAs, and slightly lower work experience than general category candidates, the wage

penalty seems to be operating through these factors. Thus, once we control for the influence of grades, there is no evidence here of discrimination against SC/ST candidates by employers.

The last two columns of Tables 4A and 4B introduce additional controls. GPA in communications courses also has a positive effect on the wage, raising it by 30 or 18 percent (at 20 Rs/$ and 14 Rs/$ exchange rates, respectively). An interaction between the SCST dummy and first-year GPA is also negative and statistically significant. An F-test reveals that the predicted value of the wage for SC/ST candidates is not significantly different ($p = 0.42$) from that of general candidates at a first-year GPA of 2, the mean level of GPA for SC/ST candidates. This is seen clearly in Figure 4 below.

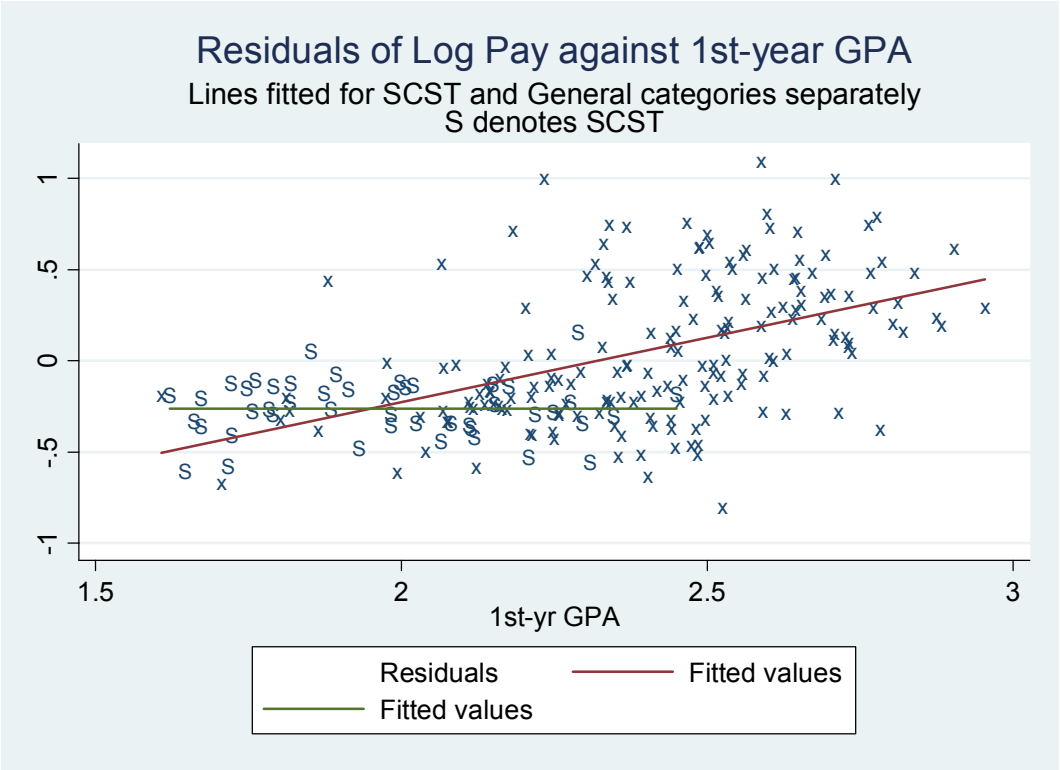

Figure 4: Residuals of Log Pay on variables in Column (5) of Table 4A except first-year GPA, plotted against first-year GPA.

However, the same F-test done at a first-year GPA of 2.4, the upper end of the range of SC/ST GPAs reveals that the predicted wage for SC/STs is 33 percent lower than that of the general candidates ($p = 0.000$). This suggests that SC/ST candidates are not able to get the same reward as general category students for higher GPA's. But we

cannot read too much into this. SC/ST students are bunched into the lower half of the range of GPA's and the estimated difference is a consequence of the assumed linearity of the functional form. With so few observations on SC/ST candidates with a GPA above 2.2 (the Ss in Figure 4), we cannot have confidence that linearity is an appropriate assumption. Moreover, employers may be shown the GPA's only of those students who got high GPA's and so chose to reveal them to their prospective employers. Since SC/ST students are bunched into the lower half of the distribution of GPA's, employers may have not known many of their GPA's. It is then not surprising that there is not a positive slope coefficient on GPA for SC/ST candidates.

It is worth remarking that the standard deviation in wages between companies is about 2.5 times the standard deviation within companies. Not surprisingly, then, the strong effect of first-year GPA on the wage is mostly due to students with higher GPAs finding employment at higher-paying companies, and not due to their being paid more in the same company. This can be seen from regressions of log pay on the same set of variables, done with company means on the one hand, and with company fixed effects on the other. In the former case, the effect of GPA is strong (and, as expected, being SC/ST has a strong negative effect if GPA is omitted from the set of controls). But the latter, within-company, regressions give small and insignificant estimates for the coefficients of GPA and of the SC/ST dummy even with GPA omitted. We do not explicitly report these results here to save space.

The importance of these results lies in the fact that it means that SC/ST candidates are mostly placed in the lower-paying companies. This suggests that the wage differential between them and general category students may persist even later in their careers, because companies with high starting salaries probably continue to pay their employees better.

It is interesting to compare our finding of an absence of wage discrimination by caste in this elite market for entry-level managers with the results of Madheswaran and Attewell (2007), the only other study of wage discrimination in India of which we are aware. They use National Sample Survey data and find that in 1999-2000, SC/ST employees in urban salaried jobs in India received wages that were 31% lower on average than those of others, and that 15% of this wage differential could not be explained by

endowments of human capital and other factors. Thus, they find that discrimination results in a 5% wage penalty for SC/ST employees. It is worth noting that NSS data do not have information on grades, only on educational qualification, crudely measured. So their 5% wage penalty should be compared with the 19% wage penalty that we estimate for domestic jobs, *without controlling for GPA*. If there were a control for grades in the NSS data, it is possible that their finding of discrimination in the Indian labour market, would shrink in magnitude, and, conceivably even disappear, like ours above. On the other hand, it may simply be the case that the IIM-Ahmedabad placement market is exceptional. First, employers will only be able to guess that someone is Scheduled Caste or Tribe in certain cases from their names and other cues. This limits the scope for discrimination. Taste-based discrimination may make its appearance later in the career of employees after their caste is learned. Secondly, this market may be different simply by virtue of being elite. In the USA, Weinberger and Joy (2003) report that most studies find that controlling for the college attended and for grades does not significantly reduce the wage gap between white and black college graduates.

Two recent articles study callback differentials in field experiments for urban professional sector jobs in India.[4] Banerjee et al (2007) who study callback differentials in the software and call-centre sectors in Delhi, find that though there is some discrimination against Scheduled Castes in call-centre jobs, for software jobs that require "harder" skills there no are significant differences in callback rates between castes. They interpret their results as being consistent with statistical discrimination. Thorat and Attewell (2007), studying the urban professional sector, find larger differences in callback rates. Since their article does not report whether the resumes included grades, it is impossible to say whether the discrimination they observed is likely to have been statistical or taste-based.

[4] The experimenters send fictitious resumes to companies that have advertised job openings. They study the difference in rates at which resumes with names characteristic of different castes but identical in all other respects, are called back by the companies.

4.2. Beauty premium?

From Tables 4A and 4B, we see that the facial attractiveness rating variable does not have a statistically significant effect on pay in the domestic market, nor in the overall market, when the exchange rate used is 14 Rs/dollar. However, at the exchange rate of 20 Rs/dollar, a one-standard-deviation increase in facial attractiveness is estimated to increase pay by 6 percent, although this is significant only at the 10 percent level, when controlling for communication GPA.[5] Hamermesh and Biddle (1994), not controlling for grades, report a wage premium for attractiveness ranging from 1% to 13% in various US and Canadian labour markets. Hamermesh and Biddle (1998) control for class rank in a study of graduates from an American law school and find a statistically insignificant 3% beauty premium in the first year after graduation. Harper (2000) finds a substantial penalty to unattractiveness in British labour markets, but again, lacks a control for grades.

The effect of attractiveness, to the extent that it exists, may be a taste-based discrimination effect, or arise from greater self-confidence and better social skills of the more attractive, possibly combined with a belief among employers that more attractive people would be more productive. The literature in social psychology finds that attractiveness is correlated with popularity and social skills, but not with mental ability (Feingold, 1992).

4.3 No gender discrimination

There is no evidence of discrimination based on sex, with there being no wage penalty, (nor premium), to being female. But, as noted earlier, the percentage of female IIM graduates has stagnated at 15% for at least the last 18 years.

4.4 Foreign Offers

Finally, it is interesting to note that the probability of receiving and accepting a foreign offer is significantly raised by better grades in communications courses (Table 5). Overall first-year GPA is significant at the 10 percent level. These findings suggest that

[5] These tables do not report specifications with an interaction term between attractiveness and the female dummy, because this was never significant.

foreign jobs were perceived as more attractive, on average, since they attracted the candidates with desirable attributes.

COEFFICIENT	(1) Prob(foreignoffer)	(2) Prob(foreignoffer)
SC/ST	-0.163	-0.152
	(0.10)	(0.10)
1st-yr GPA	0.297*	0.350*
	(0.18)	(0.20)
Communication GPA	0.499**	0.453**
	(0.22)	(0.21)
Elite college graduate	0.0462	
	(0.065)	
Work Exp (years)	-0.0229	
	(0.015)	
Attractiveness Rating	0.0562	0.0568
	(0.035)	(0.036)
Female	0.128	0.139
	(0.080)	(0.085)
Observations	233	233
Pseudo R-squared	0.20	0.19
Robust standard errors in parentheses		
*** p<0.01, ** p<0.05, * p<0.1		

Table 5: Determinants of foreign placements

5. Conclusion

We conclude that, on the whole, the news is good. There is no evidence of discrimination by caste in this entry-level market for elite managers. This is very different from results obtained by Madheswaran and Attewell (2007) and Thorat and Attewell (2007). The fact that we control for academic performance as measured by grades is crucial to this conclusion. In the absence of a control for grades, SC/ST candidates get wages that are between a fifth and a third lower than those in the general category. However, it is possible that in many cases, employers at the IIM placements are unaware of the caste of certain candidates. Discrimination may manifest itself later in their careers if taste-based discrimination exists and employers learn the caste of employees. On the other hand, we would expect statistical discrimination to decline as employers obtain better information about productivity.

There is also no evidence of discrimination against women, and only weak evidence of discrimination against those rated as facially less attractive.

At the same time, the fact that SC/ST students come in with, on average, weaker academic backgrounds and are heavily penalised for this in the job market, is a reminder (if one were needed!) that the reservation for SC/ST students in higher education cannot fully make up for the lack of equal opportunity in primary, secondary and high school education, even for the tiny fraction of them that make it to elite institutions of higher education.

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Appendix

The list of companies that recruited students in 2006 is given in the table below.

COMPANY	NUMBER RECRUITED	COMPANY	NUMBER RECRUITED
ABN Amro	9	HSBC	4
Accenture	1	IBM	1
Adobe	1	ICICI Bank	7
AT Kearney	5	ICICI Prudential Life Insurance	5
Bain Consulting	5	ICICI Securities	1
Bank of America	1	Inductis	3
Barclays	16	Infosys	1
Boston Consulting Group	4	International Finance Corporation	1
Booz Allen Hamilton	1	ITC	2
British Gas	1	J.P. Morgan	2
Citibank (CIB)	2	KEC International	1
Coca Cola	1	Kotak	5
Cognizant	12	KPMG	1
Colgate Palmolive	1	Lehman Brothers	12
Covansys	5	LN Mittal	2
Credit Suisse First Boston	1	McKinsey & Co.	8
Dell International Services	2	Merrill Lynch	8
Deutsche Bank	3	Microsoft, India	2
Development Bank of Singapore	3	Morgan Stanley	2
DSPML	1	Nokia	4
e-Bay	2	Oracle	1
Ernst & Young	3	Procter & Gamble	7
Feedback Ventures	5	Price Waterhouse Coopers	12
Fractal Analytics	3	Reliance	3
GENPACT	7	RPG Saregama	1
Glenmark Pharma	1	RSG	3
Global eProcure	3	Standard Chartered Bank	3
Goldman Sachs	2	Tata Administrative Services	4
GSK Consumer Care	4	Trans Indus	3
Hewitt Associate	2	Triology	1
Hindustan Lever Ltd. IT	3	UBS (FIRC Trading)	2

Table 3: Companies and the number of students recruited 2006 (Source: Placement Office, IIMA)