

# Why Executive MBAs are the flavour of the season

Higher pay packages and the urge to upskill seem to be driving young working professionals towards such courses

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Kolkata, June 13

Thirty-two-year old Siddharth Vashisth was serving as the Assistant Manager in the Engineering and Products division at State-owned Hindustan Petroleum Corporation Ltd when he quit his job to take up the one-year full-time Executive MBA programme at Indian Institute of Management, Calcutta (IIM-C) last year.

Vashisth, who had more than eight years of work experience, does not regret his decision as he has bagged the role of Assistant General Manager in charge of strategy at Shapoorji Pallonji group in just a year's time.

A consistent and substantial rise in average pay package, the urge to climb up the career ladder and explore newer avenues and sectors, seems to be prompting an increasingly large number of working professionals to opt for executive MBA programme.

IIM-C's MBAEx class of 2018-19, for instance, witnessed a 10.3-per cent rise in average salary to ₹26.98 lakh per annum. The highest domestic salary offered climbed to ₹1.25 crore – an increase of 40 per cent over the previous batch. The batch of 60 students witnessed a 104-per cent rise in average salary relative to their pre-MBA compensation.

"The average salary has consistently grown in the last three years from around ₹20.12 lakh in 2017 to ₹24.45 lakh in 2018 and ₹26.98 in 2019," Amit Dhiman, Chairperson – MBAEx, IIM-C, told *BusinessLine*.

## Cost vs return

Such programmes, usually of a shorter duration compared to a regular two-year or three-year MBA degree, typically comes at a higher cost. But, the return on investment is also comparatively higher, say industry experts.

The course fee for 2019-20 batch of MBAEx programme at



IIM-C is ₹27 lakh, while that for the two-year MBA programme is around ₹22 lakh.

According to Phil Zerrillo, Deputy Dean, ISB, around 10 years ago a majority of the candidates enrolling for such executive MBA programmes were funded by corporates who wanted to groom a certain set of employees for leadership roles. However, things have changed in the last few years and a majority of the applicants either look for bank funding or self sponsor out of their savings.

"People now look at part-time MBA not just as a way to accelerate within their own organisation but also for switching or enhancing their career prospects. Nearly 60 per cent of the stu-

dents enrolling for the programme are self-funded," he pointed out.

The average return is at least 20-30 per cent higher depending on the profile and experience of candidates. Moreover, the programme helps candidates "amplify their experience" and "transform into leaders", said RP Yadav, CMD, Genius Consultants.

## Rising demand

The rising aspiration among people to constantly upskill and become more "employable" is a key contributor to the rising demand for such courses, feels Sumit Kumar, Vice-President, TeamLease Skill University.

Enthused by a good demand, IIM-Ahmedabad has increased

the intake under its one-year PGPX programme from 90 to 140 in the past two years.

"Our programme is doing very well and we are getting a number of applications. There is a strong demand and there are enough job opportunities as employers are looking for middle to senior level leaders. So we decided to scale up the batch strength," Amit Karna, Chairperson, Placements, IIM-A said.

## Recognition

Corporate houses, which were till recently focusing on recruiting candidates pursuing two-year MBA programme at B-schools, are also increasingly realising the potential of one-year executive programmes.

"We have already placed 95 per cent of the batch comprising around 100 candidates this year, as compared to 92 per cent last year. Even two years ago, the numbers did not look so good. While the average salary has increased, what is more important is that the dispersion in salary is very low," Sabyasachi Sengupta, Chairperson Placements (GMP), XLRI, said.