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## Gaining more in a short span of time

Gautam Lakhamraju , Nov 27, 2014, DHNS

**Traditionally, MBA courses are spread over two years. But recent trends indicate the general shift towards a one-year course that promises to give students the same quality of education in lesser amount of time, says Gautam Lakhamraju**

Ever since Harvard Business School offered the first MBA programme in 1908, there has been a rapid growth in the MBA programmes – first in North America and then the rest of the world. For corporates, MBA institutions are the preferred talent pool for various leadership roles and for the aspirants, a preferred route for gaining all round knowledge and getting high quality corporate roles within a short span of time.

While the traditional MBA programmes, especially in the US, have been spread across two years, business schools all over world have experimented with different formats seeking to cater to the different requirements of the participants. Over the last couple of decades, the accelerated MBA programme (10-15 months) has gained significant traction and are popularly referred to as one-year MBA programmes. At one time, the one-year full-time MBA courses were restricted to continental Europe but now, they are now available at all the top global business schools.

### Simple beginnings

The first accelerated full-time MBA programme in Europe was launched by INSEAD in Paris in 1957 and this was followed by several others like IMD, Lausanne and IE, Madrid. Inspired by the shift in the mindsets of students, many American schools started offering a one- year programme in addition to their existing two year courses. Notable among these are top-ranked schools like Northwestern University’s Kellogg, Cornell’s Johnson and Emory’s Goizueta.

Indian B-schools with the help of top US universities like Harvard and MIT, have followed the two-year model ever since the first IIM was set up. While there were a few executive programmes of shorter duration earlier, the one-year full time MBA programme was pioneered by ISB, Hyderabad in 2001 followed by Great Lakes

Institute of Management in 2004 in Chennai. These programmes came as a breath of fresh air in an otherwise dormant market with little innovation.

To understand why the one-year programmes are gaining popularity, it is important to look at the value proposition that they offer to the participants. Some of the advantages of the one-year MBA course include the ability to get back to work faster without losing touch with the industry, having more experienced peer groups and delivering high performance while coping with the intensive learning.

However, the main tangible advantage of the one-year programme is the significantly lower costs. Taking time out from their careers for just one year, they get the better end of the deal. This is especially valued by professionals who are occupied with personal and professional commitments and cannot afford to dedicate two years for academics.

Given that Return on Investment (RoI) is a key consideration factor for deciding on pursuing an MBA, the one-year programmes stand out on their proposition. Let us take a simple example of an experienced professional with five lakhs of annual income who is seeking to pursue an MBA and has an option of pursuing both the two-year and one-year programme. Both courses cost 15 lakhs in fees and living expenses. Let us say the expected salary at the end of either programme is 10 lakhs. For the two-year programme, the professional would have invested 15 lakhs in fees as well as would have foregone about 10 lakhs of salary. Hence, the total investment would have been about 25 lakhs.

In the case of a one-year programme, the candidate would have invested 15 lakhs as fees and would have foregone about 5 lakhs of salary. On the other hand, he would have recovered 10 lakhs as salary in the second year. The net balance at the end of two-year course would be minus 25 lakhs while for the one-year course, it would be only minus 10 lakhs. In addition, the student of the one-year programme would have gained an additional year of experience as well as a potential salary hike.

### **The downside**

Though the above proposition looks very tempting, one must be cautious while deciding on the course based purely on cost. Pursuing MBA is a once-in-a-lifetime investment and the choices shouldn't be based purely on the investment factor. Look at the overall suitability of the programme. Check whether it meets your career objectives.

Looking at the downside, the one-year course also has a few challenges and constraints. Apart from being able to cope with the intensity of learning with reduced time, this particular course is more suitable for professionals seeking

accelerated career growth and gives limited opportunity in terms of radical shift in their industries.

A two-year programme, on the other hand, allows students to explore different areas and students can leverage their summer internship which can help as a springboard to a career shift. It also allows for more sustained bonding among students who come with different levels of experience. Also, most one-year programmes require a higher level of experience and maturity levels compared to the two-year courses and do not accept fresh undergraduates. A one-year programme requires that the quality be of a high level to ensure similar learning outcomes in a year as a two year programme and not all business schools may be equipped to offer the same.

Keeping all the factors in mind, the one-year MBA course is here to stay and only likely to grow globally as it means a faster way of getting more mileage in a short span of time. But while schools innovate with multiple formats, students are the ones who benefit in terms of more choice and ability to seek courses most suitable for their career.

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The article can also be read at <http://www.deccanherald.com/content/444077/gaining-more-short-span-time.html>