



AN ONLINE MBA PROGRAMME—EVEN FROM ONE OF
THE IIMs—DOESN'T EXCITE RECRUITERS. WHAT
LIES AHEAD FOR SUCH COURSES?

CUTTING THROUGH THE HYPE

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IT WAS ABOUT AN IIM, BUT THE FOCUS

wasn't on the MBA course. When the Indian Institute of Management Ahmedabad (IIMA), one of the country's most-respected business schools, launched its hybrid MBA programme about a year ago, the news was splashed all over the tabloids. All the attention was not because it became relatively easier to get into IIMA, but because superstar Amitabh Bachchan's granddaughter Navya Naveli Nanda had enrolled into that programme. Today, the tabloids aren't bothered about Nanda's progress at IIMA, while online MBAs are losing sheen.

Online MBAs, however, were the flavour of the season a few years ago. When the pandemic forced campuses to shut down, most B-schools rushed into the online space. Overnight, every top B-school and many second-tier institutes were talking about blended

degrees, synchronous studios, and "anytime, anywhere" MBAs. That rush has run into a hard market reality: recruiters favour full-time pedigree; short vocational courses are doing the heavy lifting for upskilling; and the real online MBA market is far smaller than many assumed. "Online doesn't work," says Rajkamal Vempati, CHRO, Axis Bank. "It's [been] 27 years since I passed out from business school and the biggest skill I learnt was relationship skills—how to deal with people, how to work in a group and that will happen only in a physical place."

Data also suggests that the buzz about online MBAs is subsiding, pushing B-schools back to their core strength: full-time, on-campus programmes. A global survey by the Graduate Management Admission Council (GMAC), which conducts the GMAT exam, reveals that a majority of younger candidates are driving the shift back towards in-person, traditional and full-time campus programmes, while only older candidates (31-40 years), a number in single-digit percentage, show a higher preference for online MBAs. As the world edges into an AI revolution, demand is soaring for short-term courses that promise both a technical edge and clear learning outcomes.

THE MANY CHALLENGES ONLINE MBAs FACE

Looking at the trends in the past five years, it's evident that the demand for online MBAs is dipping as Covid fears fade; the demand is expected to remain muted in the near future. The reasons are clear: such programmes have structural limitations. Experts attribute this shift to several factors. Some of these are: online MBAs lack recruiter acceptance;

business schools often treat them as second-tier programmes; many are designed more as revenue generators than as hiring-oriented degrees; they don't carry much weight in recruitment; and they are aimed at levelling up, rather than true upskilling.

The blunt assessment comes from Prabir Jha, former CHRO at Reliance Industries (currently, founder and CEO, Prabir Jha People Advisory) who offers a recruiter's view of the choices companies make. "Maybe you learn a little more on campus—working with people who are as bright and as smart. But I don't think that's so critical. What is critical is recruiter behaviour. And right now, recruiters want pedigree and full-time MBAs, because business simply doesn't need so many MBAs anymore," he tells *Fortune India*. "If it is pure technical domain language, it can be learnt in hybrid. But to ignite curiosity, you need in-person training," adds Vempati.

Even business schools treat online or hybrid programmes as second-tier. "I don't think even within the schools, they have been accepted as equivalent. At alumni events, you still hear 'I'm from the online batch,' and you exchange looks. So, there is still this hierarchy that exists," says Jha.

Another important factor behind the lack of popularity of such courses is aspiration. Varun Nagaraj, dean of SP Jain Institute of Management & Research (SPJIMR), says the aspirations of online students are different from those pursuing full-time MBAs, and similarly, employers' perceptions towards both groups are different. "In India, they insist that you say it's an online programme on your certificate... So, it's not really a great cachet for the plum jobs."

Elaborating on why the demand for online MBAs has plateaued, IIMA director Bharat Bhasker says that not every school treats its online pro-

grammes the same as its on-campus offerings. Some institutes design blended programmes that try to mimic campus dynamics; others roll out low-cost, high-volume offerings, but there is less focus on quality and selectivity. Bhasker says that if online programmes are to carry value, there should be equal focus on quality and selectivity. "They (most B-schools) are turning to online as another source of information dissemination without putting complete thought into it. And too many also got launched, but the actual population acquiring that capability is limited."

Speaking about IIMA's online programmes, he says the institute has built a blended, selective model that preserves the case-method experience in a synchronous studio setup and keeps cohort sizes constrained. "We still can do a case in a live synchronous studio environment where you get more or less the same experience as being physically there. They can all interact with each other, and we try to mimic the classroom environment. Unlike others, we are still maintaining a section of 70 and two sections—that is, a batch of 140. We are not compromising on the quality."

He believes that when it comes to IIMA, the demand for its online programmes will not suffer because of high selectivity. In fact, IIMA has recently launched a blended MBA in Business Analytics and AI, in which students would be on campus for only 20% of the programme. "We have created studios which will be interactive classrooms, and it would seem as if you are physically in a classroom," says Bhasker.

Himadri Das, director general of International Management Institute (IMI), says students often discover the limits of an online degree too late. He says that only when students graduate and get into the job market do they get

THE ONLINE CONUNDRUM

- B-schools rushed to offer online MBA programmes after campuses were forced to shut down during the pandemic.
- However, with Covid-19 behind us, the demand for online MBAs has declined. Recruiters prefer full-time, on-campus courses; most institutes don't treat online and on-campus programmes on par; and short-term online courses often do the heavy lifting for upskilling.
- Yet, online MBAs will remain—to help those who sign up for such courses a head start. Short-term courses, meanwhile, could help employees get their next promotion.

**FOR TOP B-SCHOOLS,
MAINTAINING
STRICT ADMISSION
CRITERIA IS ONE WAY
TO PRESERVE THE
VALUE OF THEIR
ONLINE OFFERINGS.**

to know what recruiters think about online MBAs. "By the time that happens and they realise you're not getting jobs, then the demand starts falling."

The declining popularity of online MBAs also stems from the reluctance of top institutes to risk diluting their brands. Mayank Kumar, co-founder of e-learning firm upGrad, says it is a function of whether the top B-schools want to do these online MBAs themselves or not. "Maybe they have done, and they realised that there is no benefit... it is cannibalising... it is creating a negative perception of my offline physical campus MBAs."

ARE TARGETED COURSES THE SWEET SPOT?

● As the job market shifts under the weight of AI and emerging technologies, shorter, job-linked online programmes with immediate use-cases have surged far ahead of full-length online MBAs. Nagaraj of SPJIMR says this change is unmistakable: "There are a lot of online programmes that are of shorter duration... which feel closer to upskilling. And that's been the sweet spot. A three-month digital marketing certificate from an IIM for instance, gives you a very tangible skill, a tangible ROI, and it's only ₹2-3 lakh. It'll come in handy right away. That's where the growth has been."

But he also cautions that the frenzy has led to gimmicks: "It's a constant race to come up with the shiniest object. You have to have a new certificate programme in whatever the new thing is... and six months later, everyone realises that it's not that big a deal."

That tension between booming learner demand and limited employer recognition is driving professionals to stick to courses that sharpen day-one skills rather than pursue long online

MBAs. Kumar of upGrad attributes this phenomenon to candidates' desire to upskill and sharpen core skills in a specific area. "They are moving away from, let's say, online premium MBAs to a certification programme to get more upskilled and sharpened, tuned for the job that they have."

Das of IMI says that the certificate programme market, usually for a duration of three to six months, is catering to the upskilling market.

Despite the boom for short-term courses offering instant skilling in one specific area, Jha believes employers don't give these bite-sized credentials much weight. "I see a lot of resumes where people list so many certificates. But, I don't necessarily say, 'Wow, he has done this course from Cornell or this one-month thing from Harvard.' The market doesn't reward it."

Nitish Jain, MD, SP Jain School of Global Management, also holds a different view on short-term courses. "Students join to get a better job and move up in their careers. We have not found the three-month format to be effective for students to move up. We get a lot of company sponsors for short programmes, but students don't want to do that because it does not lead to career jumps."

WHY ONLINE MBAs WILL STAY

● What does the future look like for online MBAs? Will they fade out, or will they continue to attract those looking to upgrade themselves? Experts say online courses will not disappear. They remain an important revenue stream for institutes and a way to reach a different learner cohort, especially working professionals who cannot leave their jobs. Such programmes are also a practical option for India's young population, many of

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whom want access to flexible education based on their qualifications and circumstances. "I don't see them (online programmes) going anywhere... at the end of the day, the market decides who is saleable or not. Until the demand dramatically changes, this will remain," says Jha.

Coursera India MD Ashutosh Gupta believes online MBAs will find takers, provided institutions offer what people are asking for. He cites the example of IIT Rourkee's online MBA programme which, he says, has seen a 68% growth in enrolments. "A lot of mid-career professionals are seeking high-quality management education. The IIT Rourkee online MBA programme is running into the fourth cohort."

For top B-schools, maintaining strict admission criteria is one way to preserve the value of online offerings. IIMA's Bhasker says this is non-negotiable. "It's not that you apply here (IIMA) and you will get selected. You have to clear the aptitude test. We hold it all over India using the same company's infrastructure that is used by the CAT exam itself."

upGrad's Kumar believes the only segment where online MBA continues to grow is among freshers and early-career professionals, and it will keep growing. "That MBA is a person who is working in sales in ICICI [Bank]... or a Swiggy [delivery] boy...he wants to do an MBA so that he can get a head start. So that market is going steady and going well."

On the long-term future of online MBAs, IMI's Das says the real challenge is placements. Without strong hiring outcomes, online MBAs will struggle for legitimacy. An online certification course on AI or supply chain management may help you get your next promotion but will an online MBA from an IIM or SPJIMR help in getting a job in a fancy organisation? Not really. ■