

World Education

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INTERNATIONAL TRENDS

EUROPEAN BUSINESS SCHOOLS CLAIM ADVANTAGE

The European MBA Consortium sponsored a two-day forum in New York City recently aimed at attracting young American professionals as students. More than 500 people visited the free forum, up from 350 in attendance last year.

Participating schools were the Institut Européen d'Administration des Affaires (Insead) of France, the Rotterdam School of Management of The Netherlands, London Business School and Manchester Business School of Great Britain, Instituto de Estudios Superiores de la Empresa (IESE) of Spain, Institut Supérieur des Affaires (Isa) of France, Scuola di Direzione Aziendale Bocconi (SDA Bocconi) of Italy, and International Management Development Institute (Imede) of Switzerland.

Fortune magazine put its stamp of approval on these and other European business institutions last year by writing that the schools were no longer "pale imitations of Harvard," and now offer "strikingly original programs...an overwhelmingly international student body and point of view." Not the least of the comparisons made by *Fortune* were the "fat, U.S.-style salaries" offered graduates, with a \$90,000 starting figure, plus \$9,000 signing bonus, described for one outstanding Imede graduate.

With joint ventures, international takeovers, buy-ins, sell-offs and efforts toward European economic unity in the news daily, demand for business management in many languages and familiar with several cultures is obviously high and rising. MBA directors at European business schools are confident their gradu-

ates have the edge over those of American schools in meeting this demand.

LINGUAL ABILITY STRESSED

Mary Boss, Career Management Service Manager at Insead in Fontainebleau, France, said, "To graduate from Insead, one must be trilingual; our required courses are held in French and English, and electives in Spanish and German. The companies that recruit our graduates like this very much. The language is a symbol of that *ease* with different cultures and requirements."

Dr. J. de Smit, MBA Director for the Rotterdam School of Management, confidently said, "The big trend is internationalism. European schools are far ahead in this trend...we understand that international business does not have to be big. The emphasis in Europe is more on team building--forming strategic alliances, versus the anti-trust thinking in the U.S."

London Business School's MBA program Director Dr. Elroy Dimson said, "Most American business schools are very large. Smaller schools have the opportunity to teach differently. We emphasize interpersonal skills such as interviewing, with a maximum of six students to a teacher. If you take in 1500-2000 students, to do the same thing you would need a giant faculty."

HEFTY FEES & HIGH SALARIES

In systems in which higher education is usually free, the European MBA consortium schools charge hefty tuition fees, ranging from \$16,700 for the 10-month Insead

program to \$22,000 for the 11-month IMEDE program. Rewards are also high: the average student who completes a full-time MBA program can expect a 60 percent in salary according to *The Economist*.

NO PROFESSIONAL TRADITION

The prestige now enjoyed by European business schools is a new phenomenon. Until about 30 years ago, commerce or industry was not even considered a career in Europe.

In France the concept of a business school was hardly present in French higher education before 1955. Universities offered no business studies, and training given in the *Écoles Supérieures de Commerce* was limited to low level skills in accountancy, business law and industrial technology. Although the first school of commerce in France, L'École Supérieure de Commerce de Paris, was created in 1820, it existed mainly to prepare sons of local merchants and industrialists for a career in the family firm. French schools of commerce which followed were small in size, low in prestige, and shunned by the "best" students.

In Britain, there is still no generally accepted route into business and management. More than 70 percent of British managers have no particular training for their job.

West Germany, like Japan, relies on intensive in-company management development rather than formal business

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European Business Schools *continued*

training; Europe's strongest economy still does not have schools offering an MBA program.

Throughout most of Europe, and particularly in France and the USSR, government, military and industrial managers had traditionally been engineers by training and managers by experience.

This lack of regard for formal education in management began to change in the 1950s. Frustrated by what was then U.S. dominance of the world's economy, European businessmen made pilgrimages to the U.S. to learn how to emulate this success. One decisive difference was felt to be America's business schools, led by the Harvard Business School, which became a role model for Europe.

Businessmen were the instigators in setting up many of Europe's top private business schools. In France, for example, where chambers of commerce have the legal authority to raise funds by assessing local businesses, Insead was begun south-east of Paris in 1959 by local businessmen with help from the Paris Chamber of Commerce and Industry. Royal Dutch Shell wanted to create a business School comparable to Harvard and to the Wharton School, and in 1967 was instrumental in founding the Rotterdam School of Management, affiliated with Erasmus University. Manchester and London Business Schools, founded in 1965 with funds raised by industry and commerce and matched by the British government, now rely on government funding through the University Funding Council for only a small portion of their revenues; most of their monies come from business. In Switzerland, Nestle originally set up IMEDE, as well as IMI, the International Management Institute.

Each of the European schools requires applicants to take the Graduate Management Admission Test (GMAT) and to pass the Test of English as a Foreign Language (TOEFL) if English is not the student's primary language.

Admission to Insead and to ISA also requires a working knowledge of French. Although SDA Bocconi formerly required fluency in Italian, classes conducted ex-

clusively in English are now an option.

In addition to an undergraduate degree, most schools also require their students to have work experience. The quality and ethnic diversity of their student body is particularly valued by these small institutions, where students interact closely on projects or cases and are expected to impart their lingual ability, professional experience, and cultural viewpoint to each other.

Also stressed is the international background and business acumen of faculty members.

AMERICAN SCHOOLS SERVE AS MODELS

European MBA programs are largely based on the American model, utilizing the same core subjects of: business strategy; managerial economics; marketing; human resources, organizational behavior, personnel management and industrial relations; financial management and operations management.

The "Harvard Case Method", which describes actual business situations and either teaches how problems were solved or asks the student to solve problems, is a study method still used at least partially by all business schools.

Several European schools, however, have adopted the "Project" method of study which sends students out into the field working on real projects for business clients. London Business School says it is the only school in the world which allows students to receive fees paid directly to them by clients for their project work.

The length of programs offered ranges from 10 months at Insead to two years at several other institutions.

In Great Britain, MBA courses are offered in

several ways: full-time study on campus, with courses lasting between 10 and 24 months; part-time study on campus over a period of two or three years; modular/consortium work-based study done either full or parttime in close association with companies; and distance learning. Dr. Bryony Conway, Registrar for Business & Management of the Council for National Academic Awards (CNAA), says this is a period of innovation and experimentation in management education in Britain. Dr. Conway points to an employer-led movement, the Management Charter Initiative, with strong government backing, which is "campaigning for a competence-based approach to management education, greater flexibility in delivery, the integration of formal and work-based learning, and the removal of artificial entry barriers to management education."

School Profiles

Instituto de Estudios Superiores de la Empresa (IESE)
Avenida Pearson 21
08034 Barcelona
Spain

Private, affiliated with University of Navarre, Pamplona
Founded 1958
Program Length: 21 months full-time; 24 months part-time
Admission requirements: B.A., GMAT, TOEFL, some work experience
Language of instruction: English or Spanish
Student enrollment: 200

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European Business Schools *continued*

Degrees offered: MBA, Ph.D.

International Management Development Institute (IMEDE)
Chemin de Bellerive 23
1007 Lausanne
Switzerland

Private, affiliated with University of Lausanne
Founded 1957
Admission requirements: B.A. or equivalent, GMAT, fluent English, a minimum 2 years' professional experience with preference given to those who have additional European languages, a minimum age of 24
Program Length: January to December, with July holiday;
Language of instruction: English
Student enrollment: 65
Degrees offered: MBA

Institut Européen d'Administration des Affaires (Insead)
Boulevard de Constance
F-77305 Fontainebleau
France

Private
Founded 1959
Program length: 10 months
Admission requirements: B.A., GMAT, TOEFL, age minimum of 23, French proficiency test
Student enrollment: 400
Degrees offered: MBA

Institut Supérieur des Affaires (ISA)
1 rue de la Libération
78350 Jouy-en-Josas
France

Private, affiliated with the Chambre de Commerce de Paris
Founded 1969
Program length: 16 months
Admission requirements: B.A., GMAT or French proficiency test, TOEFL.
Student enrollment: 100
Degrees offered: MBA, Ph.D

London Business School
Sussex Place
Regent's Park
London NW1 4SA
UK

70% privately funded, affiliated with London University
Founded 1965
Admissions requirements: B.A. or equivalent, GMAT, TOEFL, 3 years' minimum professional experience
Program length: 21 months full-time; 3 years part-time
Student enrollment: 175
Degrees offered: MBA, Ph.D.

Manchester Business School
Booth Street West
Manchester M15 6PB
UK

Part public, part independent, Faculty of the University of Manchester
Founded 1965
Program length: 2 years full-time; 3-4 years part-time
Admissions Requirements: B.A. or equivalent, GMAT
Student enrollment: 120

Rotterdam School of Management
Burgemeester Oudlaan 50
PO Box 1738
3000 DR Rotterdam
The Netherlands

Private, part of Erasmus University, Rotterdam
Founded 1967
Program length: 2 years full-time; Part-time study also available
Admissions Requirements: Dutch *Doctorandus* diploma or equivalent foreign degree, GMAT, previous work experience.
Student enrollment: 100
Degrees offered: MBA, MBI (a new degree, International Master of Business Informatics), Ph.D

Scuola di Direzione Aziendale (SDA-Bocconi)
Via Bocconi 8
20136 Milan
Italy

Private, affiliated with Bocconi University
Founded in 1975
Admission requirements: B.A., GMAT, TOEFL, 2 years' professional experience
Program structure: 15 months, or 12 months for a Master in International Economics and Business, a new program taught entirely in English
Student enrollment: 120
Degrees offered: MBA, MIEM

-Marilyn Umehara

SOURCES:

MBA: The Best Business Tool? A Guide to British and European Business Schools; The Economist Publications, 1988.
Edelstein, Richard J. *French Business Education Comes of Age: Gallic Traditions and a New Entrepreneurial Spirit*, 1988
Fortune, May 23, 1988
Catalogs of European MBA Consortium schools

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