

European B-Schools thrive in down times

Mark Scott

MBA students want a more global perspective, and struggling young professionals want to expand their business knowledge—leading to bolstered enrollments.

For Chris Carey, a 32-year-old West Point graduate who spent seven years in the U.S. Army and a few years as a Morgan Stanley MS financial adviser on the West Coast, deciding where to get an MBA came down to one thing: international exposure. That's why he passed on many of the top U.S. B-schools, instead choosing the one-year MBA course at the Vlerick Leuven Gent Management School in Belgium. "It's important to understand how people from different countries do different things in different ways," Carey says.

Carey's rationale mirrors that of many U.S. students who have crossed the Atlantic to attend European business schools such as INSEAD in France, IESE in Spain, or London Business School in Britain. Now the global economic crisis is adding extra incentive to head back to school. Across the Continent, B-school applications are up by roughly one-third over the last 18 months as recruiting dries up in sectors such as financial services and consulting that typically absorb a large number of young businesspeople. Recent college grads also find themselves squaring off for jobs against seasoned professionals who have been tossed out of work, so many are opting instead for graduate school.

Students, deans, admissions officers, and career advisers at European business schools see this as an opportunity. The downturn, they say, calls for global solutions—which boosts the appeal of European programs that can boast up to 50 nationalities in a single MBA class. The response to the recession also has swung the pendulum back toward more government intervention in the market. Many European countries, though perhaps not Britain, have practiced that approach for years and can claim to understand it better.

"The American model of shareholder value hasn't worked out so well," says George Yip, dean of the Rotterdam School of Management in the Netherlands. "That has turned attention toward the European model, and what better place to learn about it than in a European country?"

Too limiting in the U.S.

The increase in applications to European B-schools owes in part to a long-standing trend, as more students look to add international flavor to their résumés. That's what drew Morgan Witkin, a 28-year-old Miami native, to the one-year MBA course at ESADE in Barcelona. Like fellow American Chris Carey at Vlerick, she had spent time working in the U.S., predominantly in media consulting and marketing, but also for her family's agricultural business. Yet when it came time for B-school, she says U.S. MBA programs were too limiting. "I wanted to do an international MBA to focus on global business, to have access to expanded [alumni] networks," she says. (See a first-person account of Witkin's experience at ESADE.)

Witkin says the nearly 40 nationalities enrolled in her ESADE program have added a global perspective she couldn't have found in the U.S., and now she's mulling internship opportunities in China. That goes for Carey as well, who is looking to land a job in the renewable energy industry upon graduating in July 2009. "Business isn't just confined to the U.S. You need to know what's going on elsewhere," he says.

Aside from more globalization, the other big factor driving up European B-school applications is the economy. It's typical during downturns that twentysomething professionals who might have worked for a few more years before starting an MBA decide to jump in early. Karen Siegfried, executive director of MBA admissions at the University of Cambridge's Judge School

of Business, says she's now seeing less experienced candidates applying to the one-year course. "Many want to get out of the financial services industry and retool," she says.

Alas, a year away from the carnage may not provide much respite. Career officers across the Continent reckon many students could find it hard going when they reenter the job market.

The financial services industry has slashed thousands of jobs over the last 18 months, while consultancies, another leading recruiter of MBAs, are similarly tight in handing out offers. "Right now it's a tough market for MBA students to find jobs," says Stefan Szymanski, associate dean of MBA programs at City University's Cass Business School in London.

Many may turn instead to less glamorous sectors. Industrial companies—particularly from areas such as chemicals and pharmaceuticals—are on the hunt for MBA talent. So is the public sector, especially as regulatory agencies bulk up for more supervision of business. Cathy Butler, director of the MBA careers service at University of Cambridge's Judge School of Business, says the recession means graduates are more willing to look at companies that previously wouldn't have crossed their radar. "MBAs aren't thinking about finance," she says. "There's a shift towards industrial sectors."

Unconventional routes

Officers at European business schools also counsel students with skills in certain industries to consider returning there, instead of switching to a completely new career. And even if MBA graduates are intent on changing track, they should be willing to take nonconventional routes to their dream jobs. Rotterdam Dean Yip says many finance jobs, for instance, are still out there, but just not with traditional investment banks. Instead, industrial companies are hiring grads with finance experience to manage their credit risk and other banking-related businesses. "You can pursue a certain function, but within a different sector," Yip says.

Like their counterparts in the U.S., the short-term job outlook for MBA students at European business schools isn't rosy, but many remain optimistic. Indeed, the last 18 months have underscored how interrelated and globalized companies and economies have become. Europe's B-schoolers hope that tailoring their MBAs to this long-term will stand them in good stead when the world economy finally starts to recover.

BusinessWeek, New York, 16 mar. 2009, Europe, online. Disponível em <www.businessweek.com>. Acesso em: 19 mar. 2009.