

Master plan

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Fashions in education come and go, but one trend that looks set to grow is the popularity of the masters in management degree.

A qualification designed to give business know-how to undergraduates with engineering, science or arts degrees, a masters in management is fast becoming a must-have qualification for ambitious graduates.

And as the recession bites and students become increasingly concerned about landing the right job, they have opted to study for masters degrees in increasing numbers. The move has two benefits: it puts off the day when students have to find a job; and when that day arrives, they will be better qualified.

"The masters in management is proving to be the real star because of the breadth of its appeal," says Susan Roth, director of the MSc programme at Cass Business School at London's City University. "[It] complements any background – and there aren't many degrees that do that. It makes you competitive when you go into the workplace."

In reality, the recession has only accelerated a trend that has been apparent for decades in continental Europe, where students often studied combined bachelor and masters degrees. However, a European Union decision that has separated bachelor and masters degrees has opened up a new market for masters degrees. Now there's greater competition among business schools and a greater choice for students.

As a result, 63 per cent of business schools offering masters in management degrees report an increase in applications this year, according to the Graduate Management Admission Council, originators of the graduate management admission test for business school entry. Thierry Grange, dean of Grenoble Ecole de Management in south-east France, says that although applications traditionally rise in a recession, the growth this year has been far higher than in previous downturns.

Much of that growth will come from new programmes, as universities scramble to match supply and demand. Many new courses have opened during the past two or three years (which means they are ineligible for the Financial Times rankings).

Top UK institutions such as Cambridge, and London Business School (LBS), and the universities of British Columbia and Western Ontario in Canada, have recognised the potential for such degrees and put the seal of approval on these programmes.

At LBS, which enrolled its first masters in management class this year, there were more than 5,000 enquiries and 400 applications for the 100 places on the one-year degree, according to Julia Marsh, executive director of the programme. "Research that was conducted by the school prior to launching the programme indicated a huge need for such a degree," she says. "The feedback we got from recruiters was that undergraduate knowledge is often very theoretical. They wanted students with business knowledge and an awareness of how they can apply it."

But enrolling for a masters in management degree is not cheap. At a prestigious school such as HEC Paris, the fees alone are almost €21,000 (£18,500), plus the additional costs of two years of accommodation and living expenses. The one-year programme at the London School of Economics and Political Science (LSE) has fees of more than £18,000, and the newly launched programme at LBS costs almost £22,000.

The big question is whether those fees are justified. At the top schools there is clear evidence that they are. Three years after graduation, alumni from HEC Paris earned more than \$72,000 a year (£43,500), while at the LSE this figure is more than \$71,000. The average salaries for graduates from the top 50 programmes in the world – including schools in China and Taiwan – was \$53,000, with average fees for those 50 programmes standing at \$12,000.

In spite of the effect of the downturn on its financial district, London is proving to have sustained pulling power for masters students. The LSE, which is ranked fourth in this year's FT rankings, has seen a 47 per cent increase in applications for its two one-year masters programmes.

And, says Roth, the pull of the financial sector continues. "There are more students than ever who want to work in finance. There will always be a need for banking," she says.

One differentiating factor between degrees is whether any previous knowledge of business or economics is required. At the LSE, for example, there is a two-year programme designed for students from an arts background, while the one-year programmes are reserved for those "with a quantitative background", such as engineering, science or economics, says David de Meza, head of the group that runs LSE's one-year programmes.

So too, the masters in management degree at Queen's School of Business in Canada requires applicants to have completed an undergraduate programme in management and economics.

While the top European and Canadian business schools have embraced the masters in management degree, schools in the US, where the MBA is still the dominate management programme, have mostly shunned the qualification.

But where these degrees are available they are popular. At the Thunderbird School of Global Management in Arizona, dean Angel Cabrera says its masters in management is the most popular programme on offer. And at the University of Rochester, dean Mark Zupan says its masters in management degree "is by far the fastest-growing programme", adding it will prove more popular as perceptions change.

One reason for the continuing popularity of MBAs in the US is the decision by top institutions, such as Harvard Business School (HBS), to reduce the age and work experience levels of its intake. The statistics for the incoming class this year at HBS show that 47 per cent of its students earned their undergraduate degree within the past three years.

However in Europe, MBA applicants traditionally have at least three years' work experience. The two types of programmes are therefore quite distinct, says Jeanette Purcell, chief executive of the Association of MBAs, the business school accreditation body. "In a masters in management the emphasis is on knowledge and theory. In an MBA people are bringing their experiences to the classroom."

According to Purcell, about 90 per cent of masters in management programmes are run on a full-time basis. However, the UK's Warwick Business School recently announced that from next year it plans to offer an online version of its masters in management degree. The two-year programme is intended for students "who are immersed in web 2.0", says Michael Shulver, senior teaching fellow at Warwick.

Financial Times, London, Oct. 5th 2009, Business Schools, online.