

# Economic uncertainty fuels demand for MBAs

More young employees pursue degrees abroad; schools offer flexible courses for studying without leaving full-time job

By Oh Kyu-wook

The boom in MBA programs in the early 2000s has been on the wane in the wake of the global economic crisis. Top business schools around the world have lost some of their appeal and their number of applicants continued to decline.

Yet, recent figures show that business schools are slowly regaining steam and the demand for high-caliber MBA graduates with strong overseas credentials is growing in the highly competitive job market.

According to the Graduate Management Admissions Council, the number of Koreans taking its Graduate Management Admission Test, which is required for admission to most business schools around the world, peaked in 2008 at 7,591.

Although there was a nearly 30 percent decline from 2008-11, following the global economic crisis, the number is on the rise again to 5,275 from 5,253 from a year ago as of June this year.

Cho Hwa-yeon, assistant director of admission at the SKK Graduate School of Business at Sung-



Students attend classes at the SKK Graduate School of Business at Sungkyunkwan University in Seoul. SKK GSB

kyunkwan University, noted that the school saw a nearly 26 percent increase in applications last month from a year earlier.

The number of applications from abroad, in particular, improved significantly, and they have come from more diverse nationalities, she told The Korea Herald.

"Korea is emerging as one of the preferred destinations for foreign

MBA students, as the average cost is less than at the top U.S. and European schools, but the quality is still very high," Cho added.

While foreigners' demand for local MBA courses is on the rise, indicators show that more Koreans want to take overseas MBA courses.

The GMAC data show that although the majority of Korean applicants still choose U.S. business

schools as their favorite destination, now more young employees are looking at Europe and Asia as alternative options.

"Each year, we welcome between five and 10 South Korean participants, attracted by the quality of our program and working environment," Philippe Oster, admissions director at HEC Paris, said in an email interview with The Korea Herald.

Established in 1881, HEC Paris is one of the foremost business schools in Europe, receiving around 2,000 applications each year from around the world.

The official noted that the school's strong faculty and international alumni network of over 45,000 graduates, including French President Francois Hollande, help attract more highly qualified students.

"Over recent years we have seen an increase in the quality of the applications demonstrating a true desire from candidates to increase their professional potential and international outreach," he added.

Most business schools today offer a variety of MBA options, including part-time, full-time, flexible, and even distance learning, allowing professionals to gain management skills without leaving their full-time jobs.

According to the survey by QS TopMBA.com, there is now a shift from the number of applicants applying for the traditional two-year courses to one-year or part-time courses.

The reason, it says, is because in a prolonged economic volatility, more people opt to complete an MBA while continuing their full-time job.

Recent figures show that many top blue-chips, banks, consultancies and law firms are now looking for top-ranked MBA students.

A survey by the Graduate Management Admission Council found that 79 percent of global corporate recruiters intended to hire at least

one MBA candidate in 2012, with 60 percent saying they continually seek MBA degree-holders.

Korea's KB Financial Group, for instance, hired nearly 100 people with overseas MBA degrees earlier this year.

Despite an increasingly competitive job market, MBA applicants are taking away from their work hoping that their sacrifices will pay off in the long term through enhanced career prospects and greater earning potential.

Observers, however, point out that there is now a wide array of courses available, from general MBAs to those specializing in finance, and also the cost varies considerably.

Students at top U.S. business schools, such as Harvard Business School and University of Pennsylvania Wharton School, pay more than \$60,000 a year, while a 16-month full-time matriculation at SKK GSB in Seoul costs just over \$41,000.

A high-class MBA is a "transformative experience" for participants, said the director of admissions at HEC Paris, but he noted that selecting the right school and course with regards to the candidate's personality, ambitions and career objectives is crucial.

"This is why we highly recommend candidates to interact with schools, their current students, faculty and alumni as much as possible in order to make a well-informed decision," he added.

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## The best business schools of 2012

By Matt Symonds

The full-time MBA ranking published last month by BusinessWeek brings the 2012 season of media rankings of business schools to a close, and the results will be met with the usual mix of joy, despair and skepticism by the business school community. Staff, students and alumni will be assessing the impact of their school's standing in the global market, while potential applicants may over-rely on these league tables to determine their shortlist of target schools.

For the first time in 2012, Korean business schools featured in two of the major rankings. Sungkyunkwan University's Graduate School of Business made an impressive entrance at 66th in the Financial Times, while Yonsei University School of Business again featured in The Economist, this year at 83rd.

Critics of the MBA rankings, and there are many of them, point out that they typically only measure what is easy to count — things like post-MBA salaries, GMAT scores and the percentage of international students and faculty. The over-reliance on self-reported data is also called into question, and the absence of any meaningful indicators for teaching quality, personal development, or the impact of the alumni network.

But what happens when you take all the MBA rankings collectively? The Korea Herald, in association with MBA50.com, has compiled the results of the big five MBA rankings to produce a Ranking of Rankings, the MBA50 Premiership 2012 (www.mba50.com).

Business schools are separated into four regions — U.S.,

Europe, Asia-Pacific and Canada — to account for the fact that only the FT and The Economist make direct international comparisons. Overall performance is calculated by looking at the ranking position within each region, and taking an average of those results based on the number of rankings in which the schools appear.

In Europe, London Business School maintains the top spot, with an impressive 12-month performance that sees it as the No. 1 European Business School in three of the major rankings. IESE Business School climbed into the top three following the school's strong performance in both the BusinessWeek and The Economist rankings, with France's HEC Paris also rising at the expense of Spain's Esade.

In the U.S., the four top places continue to be dominated by Harvard Business School, Chicago Booth, Stanford GSB and The Wharton School.

In the Asia-Pacific, schools from Hong Kong and mainland China fill three of the top five places, while in Canada, the big winners this year are York University's Schulich and McGill's Desautels Faculty of Management.

But as McGill-Desautels dean Peter Todd explains, there is no "best" business school in the world, but there may be a best business school for each individual.

So how much should we read into these 2012 media rankings? The Economist admits that comparing "a one-year Danish program with a cohort of 50 students with a two-year American one with 1,000 is tricky. Some would say futile."

Each ranking uses a different methodology and weighs the use of different data to produce their league tables, so it is important

### Global MBA Rankings

2012 Rank	2011 Rank	Institution	Country	Financial Times 2012	Business Week 2012	Economist 2012	Forbes 2011*
•Europe							
1	1	London Business School	U.K.	1	1	3	1
2	2	Insead	France	2	2	6	2
3	4	IESE Business School	Spain	4	6	1	3
4	3	IMD	Switzerland	5	7	2	1
4	5	IE Business School	Spain	3	3	7	3
•USA							
1	1	Harvard Business School	USA	2	2	4	1
2	2	University of Chicago-Booth	USA	6	1	1	3
3	3	Stanford University GSB	USA	1	4	8	2
4	4	University of Pennsylvania-Wharton	USA	3	3	10	4
5	6	MIT Sloan School of Mgmt	USA	5	9	7	10
•Asia Pacific							
1	1	Hong Kong UST Bus School	China	1	1	7	-
2	2	Indian Institute of Management, Ahmedabad	India	2	-	5	-
3	-	University of Hong Kong	China	8	-	3	-
4	3	NUS School of Business	Singapore	4	-	12	1
5	5	Melbourne Business School	Australia	10	-	2	-

MBA50.com has compiled the results of the major MBA rankings of the last 12 months

for candidates to understand what is being measured.

For HEC Paris associate dean Bernard Garrette, the reality is that very little separates the top business schools as measured by the data used for the rankings. But he points out that there is a tremendous difference in terms of the student experience that rankings simply cannot capture.

"A world-class MBA should be a transformational experience, so it is far more important to choose

a program that corresponds to the personality and objectives of the individual. Nothing will replace interacting with the school and its students and alumni to determine whether the MBA offers the right fit."

Matt Symonds is the chief editor of MBA50.com. The MBA50.com is a website dedicated to the world's outstanding business schools. — Ed.

## What do you think of no alcohol on campus?

By Jo He-rim

It was this summer when a newspaper agency ran a special feature on the drinking culture of Korea that people started to voice their thoughts on the matter.

Not long after that, the Ministry of Health and Welfare proposed the pre-announcement of legislation on smoking and drinking, including compulsory display of alarming pictures on cigarette boxes and restricting the places where alcohol could be advertised.

However, criticism started to fly, especially among university students. Under Article 43 in the announcement, it states that alcohol sales and consumption would be banned inside public facilities, including university campuses and hospitals.

If the revised plan passes the National Assembly, it will be implemented from next April.

The details of the announcement state that the changes are made to prevent minors from drinking and social problems caused by alcohol. Rather inadvertently, some time after the pre-announcement of the revised bill, on Sept. 24, Hankuk University of Foreign Studies proposed a "Declaration of Improved Drinking Culture" which bans "ju-jeom," liquor outlets run by university students on campus during school festivals.

More than half of the HUFs students agreed with the school, but many students criticized the school for hastily making a rule to follow the ministry's decision.

The school believes that jujeom have been causing constant noise and increasing the amount of trash around campus. Those studying in the library and living in the dormitory had to suffer greatly from the noise.



But the declaration to ban the school alcohol sales showed the lack of communication between the students and school, which led to a great conflict and dispute inside HUFs.

Now, a question arises. Though the ban at HUFs is on jujeom and the ministry's pre-announcement is on alcohol consumption on campus, is it really different?

The government offered many examples of alcohol bans in other countries to back up their decision. However, if they really cared, they should have also considered the special university culture in Korea and reflected the opinion of university students. The sudden proposal from the ministry only leads to criticism such as that the government is trying to control even where people drink. Just because other countries have done something does not mean we should follow suit.

The pre-announcement of legislation from the ministry is for a healthier drinking culture in Korea. However, before limiting every public place for an easy way to reduce trouble, we should consider the characteristics of each place and those who will directly be affected.

Jo He-rim is a second-year English linguistics student at Hankuk University of Foreign Studies and a reporter for The Argus, the English magazine of HUFs. —Ed.

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