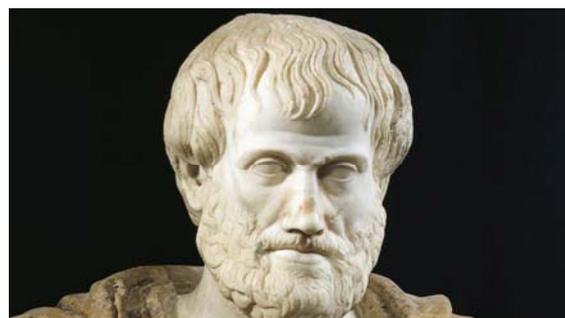


# Choosing an International Business School

AASBI Staff paper 2018-10-29



Education is an ornament in prosperity and a refuge in adversity.<sup>1</sup>  
— Aristotle

Suppose the unthinkable happens and my daughters are following in my footsteps, taking a graduate degree in business administration and passing the uniform certified public accountant's examination in America, Europe, or let's say in Asia where they were born. Their three citizenships as North Americans, Europeans and Asians based on their mother's and mine turn the analysis for the choice of a place for college and university into a complex matrix (*matrix* from *Latin*, meaning "breeding female").

As a business educator I would rely on my own experiences and analyses of the universities which the girls would then consider, accept or reject by making their own choices based on common sense,<sup>2</sup> discretion, horse sense, levelheadedness, prudence, wisdom or wit, not unlike the way in which I had made mine when I was young. While men may choose a car based on engine performance, women are more guided by the colour of the interior décor. How gender difference influences the preference for one business school over another is not disclosed in the *Financial Times's* Global MBA Ranking 2018 which provides the data for this article.

My two first-born sons are engineering PhDs of Ivy League universities — Princeton and Stanford. The younger lectured me following his graduation: "Dad," he said, "it does not matter so much where you study but what you do there." Wow, all the effort of getting him into Stanford, the Harvard of the West, for nothing.

In the table below, the rows name the graduate school of business, the columns what I consider are the important criteria to weigh, namely:

- (1) **The value** defined as salary earned by alumni today, course length, fees and other costs, including opportunity cost of not working for the duration of the course.
- (2) The overall **Financial Times (FT) ranking** for good measure. Ranking is a bit cosmetic, I think.
- (3) **Recommendation** by alumni.
- (4) **Freedom ranking** of the host country — not considered by the U.S. and the European mainstream business accreditation agencies — as demonstrated by the fate of Liu Xiaobo, recipient of the 2010 Nobel Peace Prize, jailed for "inciting subversion to state power of China," who died a prisoner on medical parole in July 2017; or Jamal Khashoggi, a Saudi national, U.S. resident and government critic who wrote for the *Washington Post*. He met his death while picking up a marriage eligibility paper at the Saudi Arabian consulate in Istanbul in early October 2018, causing international outcry). Or the liberal Saudi writer Raif Badawi charged with apostasy from Islam (a capital crime in Saudi Arabia),

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<sup>1</sup> "But in our times, having a narrow intellectual focus is favoured over the all-encompassing education of one's being; indeed the latter is considered an ornament. True education is unappreciated or deemed the cherry on top of a sundae built upon "real skills". But in a world of ever growing technology and mechanisation, one has to wonder how long one's skills will be of any use."

(Alexandra Medina-Leal, Academic Success Center – Blog <https://blogs.studentlife.utoronto.ca/academicssuccess/aristotle/>)

<sup>2</sup> See article "Choosing a Business School," *All Business Schools*, Seattle, Washington at

<https://www.allbusinessschools.com/business-administration/common-questions/choosing-a-business-school/>

sentenced to ten years in prison and one thousand lashes to be extended over 20 weeks with 50 applied weekly. “Raif Badawi is not, as expressed in his own words, a critic or enemy of Islam, although he favours a secular state.” (Stephen Schwartz, Executive Director, Center for Islamic Pluralism in the *Huffington Post*, 07/08/2015).<sup>3</sup> Business schools in P.R. China and Saudi Arabia, along with a couple of others where blasphemy is a capital crime, etc., will therefore not make my list at this time.

(5) **Weighted salary** three years after graduation in USD purchasing power equivalent (PPE).

Criteria (1) and (2) are self-explanatory.

Criterion (3) “Recommendation by alumni,” in my opinion, carries much weight as it reflects the students’ insider evaluations of their educational experiences.

Criterion (4) “Freedom ranking of the host country” goes to the heart of educational freedom including the freedom of expression which, if not present but suppressed at the university, may turn liberal education into strict indoctrination.

Criterion (5) reflects the premium employers pay for the limited supply of grads from highly ranked schools based on the schools’ competitive (or restrictive) admission criteria and reputations wether justified or less than justified.

**Data** for fifteen Global Business Schools selected from the *Financial Times*’ 2018 survey:

|  | (1)<br>Value<br>ranking | (2)<br>FT overall<br>ranking<br>2018 | (3)<br>Alumni<br>recomm-<br>ations rank'g | (4)<br>Freedom ranking<br>of host country <sup>4</sup> | (5)<br>Salary after<br>MBA graduation<br>in USD PPE |
|--|-------------------------|--------------------------------------|---|--|---|
| U. of Florida Hough - US   | 1                       | 58                                   | 85  | Free 1.5   | \$105,000   |
| U of Connecticut SOB - US  | 2                       | 84                                   | 98  | Free 1.5   | \$117,000   |
| U of Cambridge Judge - UK  | 3                       | 13                                   | 43  | Free 1.0   | \$162,000   |
| EDHEC Bus. School - France   | 4                       | 75                                   | 88  | Free 1.5   | \$109,000   |
| Durham U. Bus. School - UK   | 5                       | 64                                   | 92  | Free 1.0   | \$104,000   |
| INSEAD - France<br>& Singapore <sup>5</sup>                                    | 6                       | 2                                    | 8   | - Free 1.5<br>- Partly free 4.0                        | \$177,000   |
| IMD - Switzerland  | 7                       | 24                                   | 20  | Free 1.0   | \$157,000   |
| ESMT Berlin - Germany  | 8                       | 88                                   | 82  | Free 1.0   | \$106,000   |
| Brigham Young U. Marriott US   | 9                       | 68                                   | 41  | Free 1.5   | \$131,000   |
| Lancaster U. Mmgt. Sch. - UK   | 10                      | 70                                   | 96  | Free 1.0   | \$104,000   |
| Leeds U. Bus. School - UK  | 11                      | 92                                   | 93  | Free 1.0   | \$100,000   |
| Melbourne B-School - Australia   | 12                      | 66                                   | 72  | Free 1.0   | \$108,000   |
| ...  |                         |                                      |   |  |   |
| By comparison the three highest<br>ranked Asian business schools<br>for value: |                         |                                      |   |  |   |
| HKUST B-School, Hong Kong  | 22                      | 14                                   | 38  | Partly free 3.5  | \$156,000   |
| NUS B-School, Singapore  | 32                      | 18                                   | 37  | Partly free 4.0  | \$144,000   |
| CEIBS, P.R. China  | 39                      | 8                                    | 36  | Not free 6.5   | \$163,000   |
|  |                         |                                      |   |  |   |
| By comparison the U.S.'s &   |                         |                                      |   |  |   |

<sup>3</sup> Saudi Arabia’s freedom rating is the lowest 7.0 (Human Rights Watch hrw.org retrieved 2018-10-29).

<sup>4</sup> Human Rights Watch’s at hrw.org freedom rating explanation: 1 = most free and 7 = least free.

<sup>5</sup> Singapore’s citizens face severe restrictions on their basic rights to freedom of expression, association, and peaceful assembly through overly broad criminal laws and regulations. In 2017, the country tightened the already strict limits on public assemblies contained in the *Public Order Act*, which requires police permits for any “cause-related” assembly outside the closely monitored “Speakers’ Corner.” The rights of the LGBT community are severely curtailed: sexual relations between men remains a criminal offense, and there are no legal protections against discrimination on the basis of sexual orientation or gender identity. (Human Rights Watch hrw.org retrieved 2018-10-29)

|   |    |   |   |          |           |
|---|----|---|---|----------|-----------|
| Canada's FT top-ranked business schools listed in the order of value: |    |   |   |          |           |
| Stanford GSB  | 70 | 1 | 2 | Free 1.5 | \$215,000 |
| Harvard Business School   | 86 | 5 | 1 | Free 1.5 | \$192,000 |
| U. Pennsylvania Wharton   | 98 | 3 | 4 | Free 1.5 | \$191,000 |

Data: (1), (2), (3), (5) by *Financial Times* – Global Business School Rankings 2018, (4) “Freedom Status” by Freedom House at [freedomhouse.org](http://freedomhouse.org)

A statistically inclined academics may use a simple formula for weighing the columnized information, I don't because the first three winners highlighted above are standing out; are obvious.

Column (1) “Value ranking” is not defined by Financial Times, but only described in general terms. It is one of the monetary aspects on the basis of which the schools are included and listed in this table: salary earned by alumni today, course length, fees and other costs, including opportunity cost of not working.

Number 1, top-ranked University of Florida's Hough Graduate School of Business at Warrington College of Business in Gainesville, Florida represents the best monetary value. Warrington's tuition full-time is \$12,737 per year (in-state); full-time (out-of-state): \$30,130 per year; part-time: \$26,622 per year (in-state); part-time: \$26,622 per year (out-of-state); executive: \$61,000 total program (in-state); and executive: \$61,000 total program (out-of-state). (Source: US News & World Report).

By comparison number 12, University of Melbourne, Australia's Senior Executive MBA comes in at \$121,800 Australian dollars, about \$86,000 USD (source: [mbanews.com.au](http://mbanews.com.au)).

Columns (2) representing FT's overall ranking as compared with column (2) alumni [insider] recommendation rankings show important unfavorable differences for U. of Florida, U. of Cambridge, Durham B-School, and a favorable one for Brigham Young.

Column (4) Freedom rankings are all the same except for the Singapore campus of French INSEAD, which shows a somewhat negative 4 on a scale of 1 (most free) to 7 (least free).



Photo: INSEAD France and Singapore

Above: INSEAD – *Institut européen d'administration des affaires* – campuses in Fontainebleau near Paris, France, Singapore and Abu Dhabi. “INSEAD is consistently ranked among the best business schools in the world, but for other reasons. *Financial Times* ranked it first across all full-time MBA programmes in 2016 and 2017, and second in 2018.” (Wikipedia, “INSEAD”)

- INSEAD appears to be the winner with 6<sup>th</sup> place for Value, 2<sup>nd</sup> for the FT overall rating, and 8<sup>th</sup> for Alumni Recommendation, as well as the highest post-graduation salary of US\$177,000 purchasing power equivalent (PPE)



Photo: IMD Lausanne

- Followed by IMD Institute for Management Development in Lausanne, Switzerland at 7<sup>th</sup> for Value, 24<sup>th</sup> FT and 20<sup>th</sup> for Alumni Recommendation rankings at US\$157,000 PPE



Photo: Cambridge University, Judge Business School

- U. of Cambridge's Judge Business School's 3<sup>rd</sup> place for Value, 13<sup>th</sup> place of FT overall and 34<sup>th</sup> for Alumni Recommendations at a US\$162,000 salary three years after graduation.

In Asia, Hong Kong University of Science and Technology (HKUST) and National University of Singapore (NUS) are standing out with good post-graduate salaries, high FT ratings, but much lower Alumni Recommendations.



Photo: CEIBS campus Shanghai – Visions of Travel blog.

China's CEIBS – China Europe International Business School – in Shanghai, Beijing with campuses in Shenzhen, China, Zurich, Switzerland and Accra, Ghana, is ranked a high number 8 by the *Financial Times*, has high graduate salary at \$163,000 PPE, has a much lower but still good Alumni Recommendation ranked at 36<sup>th</sup>, however, is located in a not-free country with an unacceptably poor freedom ranking of 6.5.<sup>6</sup>

“Established under an agreement between the Chinese government and the European Commission in Shanghai in November 1994, CEIBS was the first business school in mainland China to offer a full-time MBA, an Executive MBA and a wide range of Executive Education programmes. MBA and EMBA programmes are ranked in the world's Top 10 by the *Financial Times*. By December 2017, CEIBS had more than 20,000 alumni across the world, and had provided management training for over 130,000 executives.” The school's predecessor, the China-EC Management Institute (CEMI), was launched in Beijing in 1984. Eighty percent of the non-Chinese students who graduate from CEIBS establish residence and work in the Asia-Pacific region. (Wikipedia, “China Europe International Business School”)

The reader may ask why *Financial Times*' top ranked American schools of business like Stanford, the U. of Pennsylvania's Wharton, and Harvard Business School do not make it to my list. These three have the highest overall rankings in the world of (1), (3) and (5) — only disrupted by (2) INSEAD and (4) LSE – The London School of Economics. They don't make it to my list because of their low value, mainly tuition and fees<sup>7</sup>, and other costs, including opportunity cost of not working for the duration of the course.

|                                      |                               |                             |
|--------------------------------------|-------------------------------|-----------------------------|
| Stanford Graduate School of Business | 70 <sup>th</sup> place of 100 | Tuition & fees MBA \$68,868 |
| Harvard Business School              | 86 <sup>th</sup> place of 100 | Tuition & fees MBA \$78,772 |
| U. of Pennsylvania's Wharton         | 98 <sup>th</sup> place of 100 | Tuition & fees MBA \$76,580 |

Harvard drop-outs Bill Gates and Gabe Newell (Microsoft), as well as Mark Zuckerberg and Dustin Moskovitz (Facebook), who developed their innovation in their rooms at Harvard, didn't mind.

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<sup>6</sup> It was announced in November 2015 that CEIBS had acquired the Lorange Institute of Business of Zurich for 16.5 million francs, with plans to train over 200 Chinese managers per month. Today the new entity, Zurich Institute of Business Education, offers one cohort of the prestigious CEIBS Global EMBA along with serving as the base for various study tours and shorter term executive education courses. 80% of the non-Chinese students who graduate from China Europe International Business School establish residence and work in the Asia-Pacific region. (Wikipedia, “China Europe International Business School”.)

<sup>7</sup> Abigail Hess, “The ten best business schools in the US, Out-of state tuition,” *CNBC*, 20 March 2018

Read Maxim Feldman’s “How Asian business schools are beating Western rivals” below.



Photo: HKUST Business School in Hong Kong

Maxim Feldman writes in *Business World News*, 26 October 2018:

“Business education in Asia is little more than 30 years old. The first business school in China, CEIBS in Shanghai, was founded in 1994. The business school at Hong Kong University of Science and Technology (HKUST) is a bit older, dating back to 1991.

Before our eyes these schools, along with many other educational institutions from Asian countries, have made a quantum leap and broken into the ranks of elite schools across the world specialising in educating entrepreneurs and business managers.

In 1999, the first *Financial Times* global ranking included no Asian schools. Fast forward to 2018 and there are already 16 Asian schools in their rankings, from Singapore, South Korea, India, Vietnam and, of course, China.”

I don’t expect my daughters to follow my recommendations, if they decide to go to university, which is not the only avenue to a happy life, in particular because half of the curriculum that is taught there is said to be redundant by the time they graduate a decade or two down the road. For example, blockchain is said to make the accountant superfluous, and the some of the soft skills taught at the departments of management. My rankings are the results of how I measure. Alas! My kids will be mindful of the fact that their older brothers are alumni of Princeton and Stanford. If accepted, who would say no?