

## Why Do [International] Rankings List So Few German MBA Programmes?

The late arrival of the MBA in the country may partially explain the phenomenon. Yet many more factors are at play.

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German MBA programmes are committed to maintaining high standards of quality, yet are conspicuously lacking from most closely-watched business school rankings. We look at how experts and leading business schools in Germany themselves explain this and what the latest stats and facts reveal.

### MBA rankings performance

Around 25 years ago, the MBA degree was virtually non-existent in Germany. Today, however, students can choose from more than 280 German programmes and counting. But despite the current widespread availability of the degree, German MBA providers still trail in most popular business school rankings. In fact, one should scroll down quite a bit to find German business schools, if any.

There are three German institutions in the 2019 full-time MBA ranking compiled by the Financial Times, compared with 51 US and 11 UK business schools. The highest-ranked German school is WHU – Otto Beisheim School of Management at #71. The Economist 2018 MBA ranking does not paint a very different picture. It contains only four German schools, the highest ranked being Mannheim Business School at #42. At #55, Mannheim is also the top German representative in the BloombergBusinessweek Best Business Schools 2018 Global ranking.

[Learn more about MBA programmes at WHU by taking a look at this handy profile.](#)

The rankings may leave one wondering why a country with such a vibrant, diversified economy, which is also a leader in several industrial and technological sectors, has so few top-ranking MBA programmes. One needs to delve into the German education system, and traditional degrees and career paths, as well as the methodologies of the business school rankings, to account for this.

### The dawn of German MBA programmes

Some attribute Germany's underrepresentation in the MBA rankings to its late arrival on the global MBA market. The first MBA programme in the country was created in 1989 by the Society for the Advancement of Further Education (gfw) at the University of the Federal Armed Forces in Munich, in cooperation with Henley Management College, now Henley Business School (UK). The first purely German MBA programme was launched in 1990 by Saarland University. Annette Kamps, editor at jobs website [Staufenbiel.de](http://Staufenbiel.de), told *Sueddeutsche Zeitung*: *"It was not until 1999, following the implementation of the Bologna Reforms that the MBA took off in Germany."* The Bologna Reforms (late 1990s – late 2000) constituted intergovernmental agreements between European countries to ensure comparability in the standards and quality of higher-education qualifications. This process harmonised, to a large extent, the architecture of

the European higher education system, including Germany's, introducing the three cycles of higher-education qualifications – Bachelor's, Master's and Doctoral.

Read: [MBA in Germany: What Is in There for You?](#)

### **What holds back the ranking performance of German MBA programmes?**

The late arrival of the MBA in the country may partially explain why rankings don't flatter German MBA programmes. Yet many more factors are at play. One aspect, to which great weight is given in certain rankings, is the post-graduation salary increase of MBA graduates. In this regard it's important to examine educational traditions and the labour market in Germany to see how this affects their MBA programmes.

Andreas Pinkwart, former dean of [HHL Leipzig Graduate School of Management](#) and currently Economy Minister of the state of North Rhine-Westphalia, told business daily Handelsblatt that senior positions in German companies, which would typically go to MBA graduates in the US and UK, are occupied by holders of doctoral degrees. *"That is why the MBA in Germany still lacks the power to attract top executives, and is merely perceived as an additional qualification,"* Pinkwart adds.

The traditional value of the doctoral degree, and the slightly devalued perception of the German MBA degree among local firms, naturally erodes any post-graduation salary increase. An MBA degree top-ranked by the Financial Times often comes in tandem with a salary increase of at least 100%. German business schools trail other schools' rankings because the post-MBA salary increase is smaller. *"If salaries were not taken into account, German schools would be far higher up in the rankings,"* says Nick Barniville, Associate Dean of Degree Programmes at [ESMT Berlin](#). However, it has to be noted that the Financial Times ranking researches the success of MBA alumni several years after graduation. Latest data from WHU, for example, reveals that *"on average, students more than doubled (106% increase) their pre-MBA income"*.

[Learn more about MBA programme at ESMT by taking a look at this handy profile.](#)

In addition, it is not usual for experienced German managers and executives to return to school despite the increasing importance of lifelong learning on a global scale. Professionals who want to acquire more skills and knowledge often look for options such as in-job training programmes that don't require them to leave their jobs.

### **Gaining ground at home**

Currently, one of the biggest challenges for the German MBA, therefore, is to establish itself as a better alternative to specialised training providers and management consultants which German companies primarily use to upgrade employees' skills. Fortunately, German business schools have come a long way to show firms why domestic high-quality MBA programmes are worth it. Mannheim Business School, ESMT, WHU, HHL Leipzig, and [Frankfurt School of Finance & Management](#) have worked hard to build a good reputation. Even some state-owned schools such as the Technical University of Munich and the University of Cologne are known for offering strong MBA programmes.

It is worth noting that German business schools attract a large number of international professionals aspiring to managerial growth. The three German MBA representatives in the Financial Times' Global MBA Ranking 2019 each boast over 80% international students in their MBA classrooms – ESMT 98%, WHU– 86% and Mannheim – 84%. Looking deeper into the cultural breakdown of ESMT's 2018 full-time MBA classroom, we find 34 nationalities represented – 31% Americas, 12% Africa/Middle East, 40% Asia/Oceania and 17% Europe. So,

while German business schools work on improving their reputation locally, international MBA graduates will be the ambassadors of the German MBA around the globe. Many alumni accept an immediate post-MBA job in Germany (ESMT – 88%) although, overall, “*ESMT alumni work in diverse industries and companies in over 40 countries*”.

German business schools are still at their dawn largely due to the nature of the country’s education system. The local market has long been dominated by state-owned institutions, while the MBA is traditionally offered mainly by private business schools. Markus Rudolf, Dean of WHU, told Handelsblatt: “*We have started late, but the situation will quite certainly be different in 10 years.*”