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Half a century of the MBA in Europe

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How the MBA has changed in the half-century since crossing the Atlantic



It was in 1967, a few months before rioting students filled the streets of Paris, that François Vachey enrolled on a degree course that at first glance must have seemed anathema to those Sorbonne rebels. It was Europe's first MBA programme and the first one-year MBA in the world, at Insead, just outside the French capital.

In its own way the programme was revolutionary, says Vachey, the president of Cedep, the Fontainebleau-based executive education organisation. It brought together students from all over Europe and signalled the beginning of a new era for the continent. "Our class was a true melting pot of nationalities and backgrounds. In 1967 that was something great for a young Frenchman. It opened my eyes to the world."

Vachey's class was the first to be held on Insead's purpose-built campus in Fontainebleau, as opposed to the local monastery, which meant that the class could enrol women – although only two of them.

But although Insead's MBA, which started in 1959, is Europe's oldest, it took years for those MBA programmes that followed – many of which are about to celebrate their 50th anniversaries – to emulate the diversity that became Insead's hallmark.

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Andrew Likierman, dean at London Business School, first worked at LBS between 1974 and 1976 and at the time, business schools were a “very new animal”, he says. Diversity was rare even in the 1970s: 90

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per cent of LBS faculty were British, compared with today when 90 per cent are from outside the UK. It is a similar tale for students: 85 per cent used to be from the UK, but today that number is exactly reversed.

Manchester Business School, like LBS, was set up as a result of the UK government's 1963 Franks report. Gary Davies, professor of reputation, joined the school more than 20 years ago, when 90 per cent of students were from the UK. But it was also a very male-orientated industry. “When I first joined Manchester Business School there were 41 academics and only one was a woman,” he recalls.

Such chauvinism persisted across Europe into the 1980s. Joaquin Garralda started his MBA at what is now IE Business School in 1980, when there were little more than 20 students on the programme. All were men, all Spanish and only two came from outside Madrid, says Prof Garralda, who is dean of student affairs at IE.

The local focus affected the curriculum, too, says Bernard Ramanantsoa, dean of HEC Paris. “Fifty years ago, ‘international’ meant to sell abroad,” he says. And Prof Likierman points out that in the 1970s LBS still had very strong relationships with British industry, including the nationalised parts. Both agree that the most significant changes in business schools over the past 50 years have been the internationalisation of the students and professors, and the global focus of the curriculum.

Prof Ramanantsoa believes one reason for this change of focus for schools in non-English-speaking countries was the increased demand for academic research, which was dominated by US journals, published in English. This was more significant than the need to grow numbers and revenues by attracting international students, he says. “The question of money came later. It was an opportunity but not a strategy.”

The increased scale of operations at the top business schools has been dramatic. LBS used to have 80 MBA students; now it has more than 400. In the 1970s the school stuck to academic terms, opening 30 weeks a year, now it is open for at least 50 weeks.

Growth in international students and research signalled the need for the top European business schools to teach in English.

“For the MBA and EMBA, English is a must,” says Prof Ramanantsoa.

Prof Garralda agrees it is essential. “It's a global business, this. Professors know that if they can't do a seminar in English there is no place for them.”

There have also been significant changes in what is taught and how it is taught. Dominique Turpin, president at IMD in Lausanne, recalls when his schools taught subjects such as long-range planning, unheard of in today's MBA. “To me the MBA was about getting the fundamentals and the knowledge

and now knowledge is widely available. Where we add value is by adding the appropriate attitude.”

Prof Likierman recalls a far greater emphasis on numbers. “We still thought science could solve problems on its own.” Leadership and people skills were never considered. Prof Ramanantsoa says business schools used to teach “recipes” for success. “Now we are teaching about uncertainty, we are not teaching recipes.”

An ambiguous relationship still exists between US and European MBA programmes. When Prof Likierman joined LBS in the 1970s, “business schools were finding their own way”, he says. “Although the US was the dominant force, the question was how much do we adopt from the US and how much do we do our own thing.”

Case studies were a new approach to teaching, but often treated with suspicion. Although the founders of Insead were Harvard MBAs, they eschewed the two-year US model for pragmatic reasons, says Claude Janssen, honorary chairman of Insead. “It would have been difficult for many European participants to leave their jobs for two years in order to follow an MBA programme at Insead, which at the time was completely unknown. A one-year MBA programme was more attractive and made sense.”

More recently, technology has featured prominently in the delivery and administration of programmes. At IMD, Prof Turpin recalls writing all his reports on an Olivetti typewriter, while Prof Likierman, a professor of accounting, used a slide-rule when he first joined LBS. Computers filled an entire room, he recalls. “The computer used for economic forecasting was in a room that is now a lecture theatre.”

MBA fees were a fraction of those today, and in the UK students often received government-backed grants. Indeed, students led a life to be envied. At LBS, accommodation was in the heritage building in central London, says Prof Likierman. “People remember very fondly living in Regent’s Park in heavily-subsidised accommodation!”

Vachey also recalls the student demonstrations of 1968, while he was at Insead, with a degree of fondness. “We were listening to the radio sets in our room and watching the television sets in the restaurant.” After classes some students even ventured into Paris to be closer to the action.

1959

The first European MBA – and the first one-year MBA in the world – was launched by Insead.

1963

The Franks report in the UK led to the establishment of business schools in London and Manchester.

1964

Iese in Spain launched Europe’s first two-year MBA with Harvard Business School’s guidance. Esade, also in Spain, launched its first MBA as a three-year part-time course. The full-time version,

launched in 1978, lasted 21 months.

1965

Manchester Business School started its MBA under director Grigor McClelland, who died last month.

1966

London Business School, under principal Arthur Earle, left, opened its doors to the first students on its Masters in Science degree (renamed MBA in 1987).

1969

HEC Paris started the first two-year MBA in France.

1972

IMD, in Switzerland, followed suit with the launch of its one-year MBA.

1973

EAP, in France, now part of ESCP Europe, developed an international strategy, creating campuses in the UK and Germany.

1974

IE Business School, Spain, launched its one-year MBA. SDA Bocconi School of Management in Italy, launched its MBA the following year.

1988

The Cems alliance was founded by Esade, HEC Paris, Università Bocconi and the University of Cologne.

1997

Equis, the accreditation body of the European Foundation for Management Development, was set up to counter the threat of US-style accreditation from the AACSB.

1999

The Bologna Accord was signed by 29 European countries to harmonise their higher education systems. It led to the emergence of the Masters in Management degree as the flagship of many European business schools.

2000

The first students attended the Trium EMBA programme, formed by an alliance of HEC Paris, LSE and NYU Stern.

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2001

Columbia, in the US, and London Business School (LBS) launched a two-centre global EMBA.

2009

LBS was the first European school to reach No 1 in the FT MBA ranking, jointly with Wharton.