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Business schools see surge in MBA applications

Recession seen as a good time to upgrade qualifications

By Cassandra Chew



Ms Chow Lee Ling, who will do an MBA at Insead, is eager to study the biggest-ever financial meltdown up close, while Mr Alan Lok, who will study at MBS, says the opportunity costs of investing in upgrading are less in bad times. -- ST PHOTO: SAMUEL HE

THE economic turmoil and massive job losses in the finance sector have far from dampened the demand for MBAs here.

Most schools offering MBA (Master of Business Administration) programmes here are seeing a surge in the number of applicants in these troubled times.

Nanyang Technological University's Nanyang Business School has received 'more than double' the applications than it had at this time last year. It had 1,120 applicants last year. Rutgers Business School and Manchester Business School (MBS) here have seen jumps of 55 per cent and 21 per cent, up from 418 and 71 applications respectively last year.

Private school Kaplan Singapore, which offers MBAs from Southern Illinois University, University of South Australia, University of Hull and University Canada West, has seen an overall jump of about 70 per cent in applications, up from 200 last year.

The rest say it is too early to tell but are expecting a pick up in applications. With five months to go before applications close in May, the National University of Singapore (NUS) has already received more than 2,500 applications, about half of last year's total of 5,800 applications.

Said the NUS Business School's director of graduate studies Lim Yue Wen: 'Traditionally, many applicants will take the opportunity of an economic slowdown to upgrade themselves and go back to school.'

The dismal prospects in banking appear not to have eroded applicants' faith in the finance sector.

Many applicants are younger this year, in their late 20s and early 30s. Rutgers executive director David Barker observes more applicants this year have less work experience, about four or five years, instead of the requisite seven.

Many did not do their first degree in business, and want an MBA to 'prepare for the future' and switch into the finance sector, adds Mr Alvin Teo, marketing director of Kaplan. 'They are realising that a bachelor's degree is no longer sufficient. Many are pursuing masters' qualifications not simply to get ahead, but just to stay in the game.'

Even those who lost finance-related jobs in the crisis seem all too eager to jump back in, armed with more credentials. French business school Insead reports more applications today from the unemployed, compared to a year ago.

Former DBS employee Anil Arora, 38, received the pink slip two weeks ago. He is currently doing a part-time master's in applied finance with the University of Adelaide, and plans on an MBA after. 'Finance is something we need in any economy. The finance sector will keep going, the crisis will end and new things will start,' he said optimistically.

Kaplan's Mr Teo also notes an increased sense of urgency among applicants.

'Applicants now want to start as soon as possible because the sooner they graduate, the sooner their job is made more secure,' he said.

Some schools like the University of Adelaide plan to split their cohort into two, if demand continues climbing. Others like Insead are expanding enrolment next year, from 919 to 960.

Others like Rutgers are wasting no time retooling their MBA programme to make offerings more recession-focused. Come next year, it will offer electives like a macroeconomic policy course examining the US credit crunch to address the current climate.

This is because MBAs are good business for universities. They typically cost entrants between \$23,000 and \$164,000 for a one- to three-year programme.

Beyond the appeal of retreating to the ivory tower during turbulent times, applicants say the opportunity cost of hitting the books in bad times is lower. Investment analyst Alan Lok, 30, who has signed up for an MBA with MBS, said: 'I prefer spending money on education than on worthless stocks.'

Brand marketing executive Pamela Samathivathanachai, 26, is likewise bringing her MBA plans forward by a year because promotion and bonus opportunities this year are likely to be 'slow'.

'I have no background in business but I want to propel myself beyond middle management. Since growth prospects aren't looking good, the timing is ideal,' said the American communication graduate from the University of Southern California in Los Angeles, who is a permanent resident here now.

Meanwhile, others feel it is a privilege to study the biggest financial meltdown in history up close.

Computer engineering graduate Chow Lee Ling, 28, is looking forward to starting at Insead's Fontainebleau campus next month, because she will 'get to analyse the crisis as it unfolds in her classes with people from different backgrounds'.

She also hopes that networking with successful Insead alumni will give her a 'leg-up' in her career.

But for Mr Arora, getting an MBA now is simply a matter of necessity. 'All the jobs I've been looking at require MBAs or other qualifications that I don't yet have,' said the Singapore PR, who has an accountancy degree from the University of Delhi.

'It will take time to clean up the current market, and I'm hoping that when I finish in two years, the market will pick up and then I can encash my degree.'

However, schools say the spike in applications means it may be harder to get in as top schools like Chicago Booth School of Business, which takes in about 90 students yearly, and Rutgers, which accepts 50 students a year, are not increasing their intake.

But stiffer competition will not necessarily translate to a better cohort of classmates.

Ms Beth Bader, managing director of the Chicago Booth Asia campus, said: 'In a recession year, applicants may apply to more programmes, in order to make sure they get in somewhere. But it is not clear that an increase in application numbers translates into a higher quality applicant pool.'

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