



A Study on Success Factors of Full-time MBA Program: The Case of CEIBS Business School

Jin-Soo LEE · Tae-Yeong CHOI[†]
Pukyong National University(professor)

경영학 석사과정의 성공 요인에 관한 연구: CEIBS 경영대학의 사례

이진수 · 최태영[†]
부경대학교(교수)

Abstract

Global MBA industry is in crisis. According to GMAC (2016), forty-eight percent of 133 two-year MBA programs in 16 countries have undergone significant decline of applicants. However, China Europe International Business School (CEIBS) has been enjoying a remarkable year in 2018. According to the *Financial Times* Global MBA Ranking 2018, CEIBS is ranked 8th in the world and 1st in Asia. The positioning statement of CEIBS is “China Depth, Global Breadth (中国深度 全球广度).” In this paper, we seek to examine the success factors for the CEIBS full-time MBA program. We find that the success factors of the CEIBS MBA program are Shanghai advantage, China focus, world-class esteemed faculty members, diverse student population, flexible curriculum, international exchange program, and promising career. We hope that these findings help the Korean MBA industry improve their competitiveness in global MBA markets.

Key words : MBA, MOOC, CEIBS, Shanghai advantage, China focus, Lingua franca

I . Introduction

The Master of Business Administration (MBA) program is in crisis (Cho, 2015; Coward, 2016; Crowe, 2015; Datar et al., 2010; Fitzgerald et al., 2015; Im, 2016; Lee et al., 2017; Lee & Choi, 2017). As much as 48% of 133 two-year MBA programs in 16 countries have suffered decreasing applicants (GMAC, 2016). The sluggish economic growth and losing prestige of MBA degrees, and

online education revolution are the main reasons behind the lowering popularity of MBA programs worldwide (PKNU, 2017; Yoon, 2016).

In spite of these unfavorable environments, The China Europe International Business School (CEIBS) is enjoying an incredible year in 2018. The positioning statement of CEIBS is “China Depth, Global Breadth (中国深度 全球广度).” The CEIBS MBA has moved up 3 places to #8 in the *Financial Times* ranking of the world’s top 100

[†] Corresponding author: 051-629-5729, tychoi@pknu.ac.kr

* This work was supported by the Pukyong National University Research Fund (II) in 2018.

full-time MBA programs 2018, establishing firmly its position as #1 in Asia. Included in the top 10 are Stanford, INSEAD, Wharton, London Business School, Harvard, Columbia, CEIBS, MIT and UC Berkeley (CEIBS, 2018a).

However, few papers investigate the success factors of MBA programs for these top business schools. Recently, case studies on the success of global MBA programs draw attentions in academic circle. Examples include Lee & Choi (2017) on Hong Kong University of Science and Technology (HKUST) Business School, and Choi (2018) on Institut Européen d'Administration des Affaires (INSEAD) Business School. With this research, we would like to expand our research horizon from HKUST (Hong Kong) and INSEAD (France/Singapore) to CEIBS (mainland China). With China rising as the 2nd largest economy, it is worthwhile to study the successful MBA program in China.

In this paper, we aim to examine the success factors of CEIBS MBA program using literature survey as the research methodology. Next, we seek to provide valuable suggestions for the struggling Korean MBA industry. Within our knowledge, this is the first case study on the success of CEIBS MBA program. The rest of this paper is organized as follows. Chapter 2 examines the status quo of global MBA industry. Chapter 3 investigates the current position of CEIBS using the FT Global MBA Ranking 2018. Chapter 4 analyzes the success factors of the CEIBS MBA program. Chapter 5 concludes the paper.

II. Status Quo of Global MBA Industry

The status quo of global MBA industry is in dire situation, facing increasing financial burden and the substitutes of online educational programs such as the Massive Open Online Course (MOOC). In short, business education is at a crossroads across the globe (Datar et al., 2010; Bradshaw, 2016).

The MBA programs in Korea are no better than the global MBA industry. The MBA sector in Korea is struggling with excessive supply and low demand. Both economic recession and low birth rate tsunami lead to the declining applicants. An MBA degree from Korean universities used to be a shortcut for significant salary increase and rapid promotion (Cho, 2015; Fouser, 2016; Lee et al., 2017; PKNU, 2017).

The global MBA industry is also facing sliding enrollment of freshmen. Forty-eight percent of 133 two-year MBA programs in 16 countries have suffered reduction of applicants (GMAC, 2016). This comes from 'Trump effect' in the U.S., increasing financial burden, losing prestige of general MBA degrees, and mounting challenges from the MOOC.

Early 2017, the U.S. President Trump signed an executive order to place travel ban on seven Muslim countries, namely, Iran, Iraq, Libya, Somalia, Sudan, Syria and Yemen. Amid the Trump effect fear, 40% of American colleges suffer overall declines in foreign applicants (Saul, 2017).

III. FT Global MBA Ranking 2018

The FT Global MBA ranking 2018 presents the world's best 100 full-time MBA programs. A total of 155 schools take part in the 2018 edition. All participating institutions should satisfy the FT's entry criteria, including accreditation by the

European Quality Improvement System (EQUIS) or the Association to Advance Collegiate Schools of Business (AACSB).

‘languages’ are the lowest with sub-weight of 1%.

1. Weights for Ranking Criteria

Weights for ranking criteria of the FT Global MBA Ranking 2018 are reported in Table 1. Three indicators are ‘alumni career progress,’ ‘diversity,’ and ‘idea generation.’ Their weights are 55%, 25%, and 20%, respectively. Each indicator is divided into 8, 9, and 3 criteria, totaling 20 sub-weights. Among them, ‘weighted salary’ and ‘salary increase’ are the highest with sub-weight of 20%. On the other hand, ‘Women on board’ and

2. FT Global MBA Ranking 2018

Top 25 out of 100 schools from the FT Global MBA Ranking 2018 are shown in Table 2. The United States enjoys its dominance, occupying 14 out of 25 top spots, or 50 out of 100 world’s best MBA programs. Stanford Graduate School of Business tops the list with weighted salary of USD 214,742 and salary increase of 114%. Harvard Business School, London Business School, and Wharton School stay in the top elite club of schools.

<Table 1> Weights for Ranking Criteria

Indicators	Weights (%)	Criteria	Sub-weights (%)
Alumni career progress	55	(1) Weighted salary	20
		(2) Salary increase	20
		(3) Value for money rank	3
		(4) Career progress rank	3
		(5) Aims achieved (%)	3
		(6) Placement success rank	2
		(7) Employment at 3 months	2
		(8) Alumni recommend rank	2
Diversity	25	(9) Female faculty	2
		(10) Female students	2
		(11) Women on board	1
		(12) International faculty	4
		(13) International students	4
		(14) International board	2
		(15) International mobility rank	6
		(16) International course experiences	3
		(17) Languages	1
Idea generation	20	(18) Faculty with PhD	5
		(19) PhD graduates	5
		(20) FT research rank	10
Total	100		100

Source: Ortmans (2018).

Although not shown here, Sungkyunkwan University Graduate School of Business (SKK GSB) is ranked at 51 and at #58 in the 3-year average, both being the highest rankings in Korea. SKK GSB was also ranked #1 for 2012-2016 in Korea, placed within top 10 in Asia for 2012-2015, and top 1% in the world for 2012-2016. SKK GSB offers 100% English-medium classes, and dual-degree MBA program with Kelly School at

Indiana University in the United States (Im, 2016; Lee et al., 2017).

The number of the world's best 100 full-time MBA programs by country is summarized in Table 3. Eighteen countries have at least one program among the world's best 100 full-time MBA programs. The United States tops the number with 50 programs or 50%, followed by UK with 13 programs. China is ranked third with 7 programs.

<Table 2> FT Global MBA Ranking 2018*

(Unit: year, USD)

Rank in 2018	School name	Country	Weighted salary** (USD)	Salary increase*** (%)
1	Standford Graduate School of Business	USA	214,742	114
2	INSEAD	France/Singapore	177,157	105
3	University of Pennsylvania: Wharton	USA	190,826	96
4	London Business School	UK	167,897	109
5	Harvard Business School	USA	192,133	102
6	University of Chicago: Booth	USA	174,153	118
7	Columbia Business School	USA	177,680	103
8	CEIBS	China	162,858	168
9	MIT: Sloan	USA	173,095	98
10	University of California at Berkeley: Haas	USA	176,167	104
11	IE Business School	Spain	148,480	126
12	Northwestern University: Kellogg	USA	168,608	103
13	University of Cambridge: Judge	UK	162,143	100
14	HKUST Business School	China	158,119	112
15	Yale School of Management	USA	166,458	114
16	Dartmouth College: Tuck	USA	170,706	110
17	Cornell University: Johnson	USA	161,029	123
18	National University of Singapore Business School	Singapore	143,917	134
19	Duke University: Fuqua	USA	156,876	101
20	Esade Business School	Spain	143,542	119
21	HEC Paris	France	135,858	105
22	Nanyang Business School	Singapore	132,288	125
23	New York University: Stern	USA	153,182	107
24	IMD	Switzerland	156,908	79
25	UCLA: Anderson	USA	160,487	107

Notes: *Only top 25 schools out of 100 are reported for brevity. **The average alumnus salary three years after graduation, US\$ PPP equivalent, with adjustment for variations between industry sectors. ***Average difference in alumni salary from before the MBA to now. Half of this figure is calculated according to the absolute salary increase and half according to the percentage increase relative to pre-MBA salary.

Abbreviations: INSEAD, originally an acronym for the French "Institut Européen d'Administration des Affaires" or European Institute of Business Administration; CEIBS, China Europe International Business School; MIT, Massachusetts Institute of Technology; HKUST, Hong Kong University of Science and Technology; HEC, école des Hautes Etudes Commerciales de Paris; IMD, International Institute for Management Development.

Source: FT MBA Ranking 2018 (2018).

<Table 3> World's Best MBA Programs by Country

Rank	Country	Number	Percent	Rank	Country	Number	Percent
1	USA	50	50.0		Switzerland	2	2.0
2	UK	13	13.0		Switzerland	2	2.0
3	China	7	7.0	12	Denmark	1	1.0
4	France	4	4.0		France/Singapore	1	1.0
	India	4	4.0		Ireland	1	1.0
6	Canada	3	3.0		Italy	1	1.0
	Germany	3	3.0		Netherlands	1	1.0
	Singapore	3	3.0		Portugal	1	1.0
9	Spain	2	2.0		South Korea	1	1.0

Source: Retrieved from the excel data in Ortman (2018), and edited by the author.

They are CEIBS (8th), HKUST Business School (14th), University of Hong Kong (33rd), Shanghai Jiao Tong University: Antai (34th), Renmin University of China School of Business (39th), and Fudan University School of Management (42nd). Of these 7 programs, CEIBS is ranked 8th by FT Global MBA Ranking 2018, higher than any other MBA programs in China.

IV. Success Factors of CEIBS MBA Program

1. Shanghai Advantage

The location of a business school is important. In her article “Moving targets,” Bradshaw argues that “business schools must bridge the gap between business and academia, and the place to do that is on the doorsteps of global companies.” According to her, London, Mumbai, New York, and Shanghai are set to be leading “global cities” for the coming decades. She emphasizes strategic importance of a business schools’ location inside a global metropolis such as Shanghai (Bradshaw, 2012).

As the global business hub of China and Asia, Shanghai is an ideal destination to live in, and to

pursue global career. The city has gone through an unprecedented pace of development over the last three decades. As a result, many global companies have moved their Asia headquarters from Hong Kong and Singapore to Shanghai in order to directly access China's huge market of 1.3 billion consumers. Currently, it is home to many of the world's multinational companies (CEIBS, 2018a).

2. China Focus

China focus is an important success factor of CEIBS MBA program. Until 2015, China was the fastest-growing major economy in the world, with growth rates averaging 10% over 30 years. As a member of the Group of Two (G2), China is the world's second largest economy behind the United States. Thus, ‘China focus’ becomes CEIBS’ most notable feature. This is clearly expressed in its positioning statement: “China Depth, Global Breadth.” CEIBS teaches the cutting-edge international business theories while attributing great importance to the practical application of these expertises in China.

Basic Chinese language proficiency is required for international students in order to improve their

marketability in China. Chinese is the most spoken language, and China is the most populous country in the world. Thus, proficiency in Chinese is becoming more important than ever. Without question, Mandarin is vital if one seeks to explore new career opportunities in China or with China-related businesses (Lee & Choi, 2017, p. 1824).

3. Prominent Faculty

World-class renowned faculty members are also an important success factor of CEIBS MBA program. They are a respected group of scholars that nurtures a rich source of international experience in professional management and practices. Most faculty members taught at world prestigious business schools before joining CEIBS. In addition, they are special for their synthesizing of East and West in teaching and research. They have an in-depth knowledge of the culture and business community of China (CEIBS, 2018).

The CEIBS faculty members are highly diversified in terms of gender, nationality, and educational background. Of the 69 full-time faculty, 54 professors are male, and 15 are female. Chinese nationals account for 45 professors, followed by Taiwan (4), USA (4), India (3), Korea (3), Singapore (2), Spain (2), Australia (1), Germany (1), Ghana (1), Greece (1), Italy (1), and Malaysia (1). As many as 37 professor received BA degrees from China, come behind by USA (6), Taiwan (5), India (4), Korea (3), Singapore (3), Canada (2), Spain (2), UK (1), Ghana (1), Australia (1), Italy (1), Malaysia (1), Germany (1), and Greece (1). However, most faculty members earned their PhD degrees from USA (41), trailed by Canada (5), UK (4), China (4); Taiwan (2), Spain (1), New Zealand

(1), Netherlands (1), Italy (1), Australia (1), Hong Kong (1), and Singapore (1).

4. Student Diversity

Without doubt, the student diversity is another success factor of CEIBS MBA program. The students are an elite group of professionals from all over China and around the world.

<Table 4> Diverse Background

Classification	Figure
Students enrolled	179
Avg. GMAT* score	682
Country coverage	22
Avg. work experience	5.8 years
Overseas students	33.5%
Region	6.1% (North America)
	1.1% (Latin America)
	3.9% (Europe)
	0.6% (Africa)
	66.5% (Mainland China)
	16.8% (Asia Pacific & Oceania)
Work experience	21% (less than 3 years)
	33% (between 4-5 years)
	27% (between 6-7 years)
	19% (over 8 years)
Academic background	37% (business & management)
	41% (science & engineering)
	7% (language & arts)
Gender	15% (others)
	40.2% (female)
	59.8% (male)

Note: *GMAT stands for Graduate Management Admission Test.

Source: CEIBS MBA (2018).

They originate from diverse backgrounds, industries and functions (see Tables 4-6). The student diversity can help the students enrich their experience and raise the bar over their potential. The CEIBS student body is the most diverse group of any business school in mainland China (CEIBS,

2018).

<Table 5> Diverse Industry

Classification	Percent
Technology	16.2
Financial services	14.5
Consulting services	12.8
Manufacturing	11.7
Retail/trading	7.8
Healthcare products	6.7
Consumer products	5.0
Petroleum/energy	4.5
Governments/NGOs	2.8
Real estate	2.8
Logistics	2.2
Media/entertainment	1.7
Others	11.2

Source: CEIBS MBA (2018).

<Table 6> Diverse Function

Classification	Percent
Marketing/Sales	25.1
Finance/Accounting	20.1
General Management	13.4
Consulting	11.7
Operation/Logistics	10.6
Entrepreneur/Owner/Partner	8.4
Information Technology/R&D	4.5
Human Resources	3.9
Others	2.2

Source: CEIBS MBA (2018).

Student demographics are reported in <Table 4>. Of the 179 full-time MBA students, female

account for 40.2%, while male 59.8%. The number of countries covered is 22, with 66.5% from mainland China. Two most popular academic backgrounds are science & engineering (41%) and business & management (37%). The average work experience is 5.8 years. International students represent 40.2% of students' population. Average score for Graduate Management Admission Test (GMAT[®]) is 682. The GMAT[®] consists of four parts, namely, the analytical writing assessment section, the quantitative section, the verbal section and integrated reasoning section (for details, please visit <http://www.mba.com>).

4. Flexible Curriculum

CEIBS' current MBA curriculum gives MBA students the flexibility to personally customize the second year of their studies. In the autumn of second year, they can choose to go on international exchange or stay at CEIBS to study with a large number of inbound students from the world's leading business schools.

The regular length of the MBA program is 18 months, but an intensive expedited 12-month option is also available. The intensive option is designed for those who will return to their family business, sponsor company or plan to start their own venture after graduation([Fig. 1]).



Source: CEIBS MBA (2018).

[Fig. 1] Overview of Curriculum Structure

The regular length MBA program comprises of required and elective courses, totalling 33 and 31 credits, respectively. The curriculum is designed to lay a solid foundation of management fundamentals while providing the flexibility of customized programs to go with individual interests and career ambitions.

5. International Exchange Program

The international exchange program is one of the best among leading business schools around the globe. This program provides a unique opportunity with students to participate in bilateral exchange program with nearly 30 partner schools worldwide. Most of these schools are included in the Financial Tims Global Top MBA 50 list. Examples include University of London and University of Manchester in UK; University of Chicago, University of Virginia, Southern Methodist University, Duke University, Cornell University and Northwestern University in USA.

Over the past decade, more than 800 CEIBS students have taken advantage of this highly rewarding program. Students who choose to stay at CEIBS also benefit as they study with a large number of inbound exchange students from the

world's foremost business schools. In 2017, about 45% of MBA 2018 participated in the international exchange program. On the other hand, about 100 exchange students came to CEIBS (CEIBS MBA, 2018).

6. Employment

As one of the prominent business schools in Asia, the CEIBS helps MBA students identify career interest and develop a career plan. The Career Development Center (CDC) is dedicated to satisfying the career needs of CEIBS MBA graduates. The CDC offers self-assessment test and job counselling to MBA graduates. The CDC also offers workshops, mock interviews and role plays to them. In addition, the CDC hosts not only on-campus presentations but also recruitment fairs outside of Shanghai. During the recruitment seasons of 2016-2017, 320 companies presented a total of 880 opportunities to the CEIBS students via the CDC. Within three months after graduation, 94.5% of Class of 2017 reported having received at least one offer, and 92.0% accepted an offer. Fifty percent of international students successfully landed jobs in mainland China and 78.1 remained in Asia (CEIBS, 2018b).

<Table 7> Salary Statistics of CEIBS MBA Class of 2017

(Unit: %, thousand RMB)

Category	Annual base salary			Other guaranteed compensation		
	Percent	Median	Range	Percent	Median	Range
All students	100.0	425*	120-1,050	100.0	0	0-300
Chinese students	77.9	436	120-700	77.9	0	0-300
- Working in mainland China	76.5	445	120-700	76.5	0	0-300
- Working outside mainland China	1.5	188	135-240	1.5	0	0-0
International students	22.1	408	180-1,050	22.1	0	0-252
- Working in mainland China	11.8	375	180-850	11.8	0	0-252
- Working outside mainland China	10.3	485	180-1,050	10.3	0	0-200

Note: *The median annual base salary for all students is RMB 425,000 that is equivalent to USD 63,750 or KRW 70,809,250 as of July 23, 2018.

Source: CEIBS (2018b). MBA 2017 Career Report.

Salary statistics of CEIBS MBA Class of 2017 is shown in <Table 7>. Salary is consisted of annual base salary and other guaranteed compensation. Of the Chinese students, 76.5% found jobs in mainland China and the remaining 1.5% outside mainland China. While 11.8% of international students accepted jobs in mainland China and 10.3% outside mainland China. Chinese students working in mainland China (445) earn much more than those working outside mainland China (188). However, international students working in mainland China (375) are paid less than those working outside mainland China (485).

V. Conclusions

Global MBA industry is in crisis. The MBA programs in Korea are no exception (Cho, 2015; PKNU, 2017). According to GMAC (2016), forty-eight percent of 133 two-year MBA programs in 16 countries have undergone significant declining of applicants. Increasing financial cost, lowering prestige of general MBA degrees, and mounting challenges from MOOC are mainly responsible for the crisis of global MBA industry. However, China Europe International Business School (CEIBS) has been enjoying a remarkable year in 2018. CEIBS is ranked 8th in the world and 1st in Asia according to the Financial Times Global MBA Ranking 2018.

In this paper, we aim to examine the success factors for the CEIBS full-time MBA program. We find that the driving forces behind its huge success are Shanghai advantage, China focus, world-class prominent faculty members, diverse student demographics, flexible curriculum, useful international exchange program, and promising career. Among them, the Shanghai advantage is

probably the most important success factor. As the indisputable business hub of Asia, Shanghai enjoys its locational advantage, attracting money, talented people and companies from all over the world. China focus is also an important success factor, being clearly articulated in CEIBS positioning statement: “China Depth, Global Breadth (中国深度 全球广度).”

CEIBS educates the cutting-edge international business theories while assigning substantial importance to the practical application of these expertises in China. In recognition of English as the lingua franca, English is a destiny in CEIBS. Using flexible curriculum, a digital business concentration was added to the previous focus on general management, finance, marketing and entrepreneurship. Since China’s digital revolution has changed the way we do business so much that this addition is very timely for us to change the way we teach business (CEIBS MBA, 2018). This is a smart move of CEIBS MBA following the argument that education also should adjust to digital economy (Sheng, 2018).

We hope that the success of CEIBS MBA program will remain as the quality benchmark for Korean business schools to survive in competitive global MBA industry.

References

- Bradshaw D(2012). Moving targets, *The Financial Times*, January 30.
- Bradshaw D(2016). A fragmenting job market poses tricky questions for business education, *The Financial Times*, January 25.
- CEIBS(2018a). CEIBS MBA moves up to #8 in Financial Times Ranking, <http://www.ceibs.edu>, accessed February 13.
- CEIBS(2018b). MBA 2017 *Career Report*.

- CEIBS MBA(2018). <http://www.ceibs.edu/mba>, accessed February 13.
- Cho HJ(2015). The crisis in MBA programs in Korea, find the way out in foreign MBAs, *Insight Zone*. (in Korean).
- Choi TY(2018). A study on successful MBA program: The case of INSEAD, *The Journal of Fisheries and Marine Sciences Education* 30(2), 1~11.
- Christensen G, Alcorn B & Emanuel E(2014). MOOCs won't replace business schools-they'll diversify them, June 3, *Harvard Business Review*.
- Coward B(2016). Why should I get an MBA? <http://bestbizschools.aacsb.edu/blog/2016/october/why-should-i-get-mba>, accessed December 29.
- Crowe P(2015). Another sign that MBA degrees are losing their prestige. <http://www.businessinsider.com/mbas-might-be-in-a-crisis-2015-6>, accessed March 8, 2017.
- Datar SM, Garvin DA & Cullen PG(2010). *Rethinking the MBA: Business education at a crossroads*, Harvard Business Press.
- Fitzgerald R, Anderson M & Thompson R(2015). Adding value: Open online learning and the MBA, *Electronic Journal of e-learning* 13(4), 250~259.
- Fouser RJ(2016). Raising Korea's low fertility rate, *The Korea Herald*, August 30.
- FT MBA Ranking 2018(2018). <http://rankings.ft.com/businessschoolrankings/global-mba-ranking-2018>, accessed on July 16.
- GMAC(2016). 2016 mba.com prospective students survey report, Graduate Management Admission Council.
- Im KH(2016). Korean-type MBA, *Korea Economic Daily*, October 5, 2016, C1.
- Kent J(2018). CEIBS MBA ranked #1 in Asia in FT's top MBAs for entrepreneurship, <http://www.ceibs.edu/print/14149>, accessed July 13.
- Lee HS · Kang BJ & Chung SG(2017). Korean-style MBA, *Korea Economic Daily*, April 19. (in Korean).
- Lee JS & Choi TY(2017). A case study on the success of HKUST business school: with focus on full-time MBA program, *The Journal of Fisheries and Marine Sciences Education* 29(6), 1819~1827.
- Ortmans L(2018). FT global MBA ranking 2018: methodology and key, <https://www.ft.com/content/1bf3c442-0064-11e8-9650-9c0ad2d7c5b5>, accessed on July 17.
- PKNU(2017). Online education revolution: MOOC, Pukyong National University (in Korean).
- Saul S(2017). Amid 'Trump effect' fear, 40% of colleges see dip in foreign applicants, *The New York Times*, March 16.
- Sheng A(2018). Education must adjust to digital economy, *The Korea Herald*, July 12, 2018, p. 15.
- Yoon YN(2016). Evolving MOOC business, *Chosun Daily News*, December 10, 2016, 4-5. (in Korean).
-
- Received : 31 July, 2018
 - Revised : 28 August, 2018
 - Accepted : 08 October, 2018