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Biz School for Executives Entices Students

By Alec Luhn

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A sign blaring "BIZNES" in front of the Central Bank. Executive MBA programs have kept their popularity among high-ranking businesspeople in Russia, despite the economic crisis. **M. Stulov**

Class isn't class; it's a seminar of leading businessmen. Lessons aren't just exercises; they'll be put into practice the next day. Often students teach as much as the professor.

That's the idea behind the Executive MBA, a part-time master's of business administration degree geared toward working businesspeople near or at the top of the corporate ladder. Appearing in Russia just in the past decade, the EMBA is now gaining momentum here.

Unlike in Russian MBA programs, the level of applicants for EMBAs held during the economic crisis, analysts and EMBA directors said in interviews. What's more, Russian business schools continue to start executive programs: The most recent addition to the market is the Graduate School of Corporate Management's offering, which will launch this spring.

Educators and analysts both said the quality of Russian EMBA programs has improved vastly over the short course of their existence.

“The level [of education] at the leading business schools that have executive MBA programs is already sufficient for the instruction of directors of medium and large businesses, both national and international,” said Nikolai Popkov, director of the EMBA department at the Moscow International Graduate School of Business, or MIRBIS.

“Russian and Western business schools are drawing closer together,” Popkov said.

Russian business schools continue to fine-tune their MBA programs, especially their Executive MBA programs, by seeking international partners and developing curricula, said Anton Ryaguzov, an expert on business school relations at Russian analytical firm Begin Group.

“The process of raising ... the quality of education in these programs is gaining momentum,” Ryaguzov said. “It’s unlikely anyone can say that Russian schools’ programs are at the level of leading international schools, but you can say that the situation is much better in comparison to the situation five years ago.”

School for CEOs

If gradually rising enrollment numbers are any indication, students seem to agree with the positive appraisal of EMBA educational quality. Alexei Bogatyryov, the owner of a Moscow construction company, decided to get an EMBA in Russia because the instruction in almost all programs takes place in Russian, he said.

In his estimation, the education that he’s receiving in the EMBA program at Moscow State University’s Graduate School of Business is about equal to that of Western schools.

“Maybe in status [MGU is] a bit lower, but in terms of the process, our instruction is also based on cases, like in Western schools, and the level of knowledge about subjects that it gives us is sufficient to work in the Russian market,” Bogatyryov said.

Russia came late to the EMBA game, as EMBA programs were taught in the West for more than 50 years before the Russian incarnation. The Chicago School of Business created the first EMBA program in 1943, and more than 300 programs now exist worldwide, according to the Executive MBA Council, an international business education association.

The Institute of Business Studies in Moscow maintains that it created the first Russian EMBA program in 2002. Currently, of the 10 Moscow business schools ranked highest by Begin Group partner and web portal “Business Education in Russia and Abroad,” eight of them offer EMBA programs.

Popkov said the appearance of the Russian EMBA can be traced to the development of private businesses. Executives needed additional education by in the early 2000s, after the post-Soviet economy had matured enough to test the limits of their business expertise.

“The directors of medium to large businesses had a certain amount of experience, about 10 years on average, and the range of knowledge that they had became insufficient,” Popkov

said. “For this reason, a demand appeared for additional knowledge [and for] modern tools and technology for operating a company.”

Applicants Kept Coming

Unlike their MBA counterparts, EMBA programs sailed through the crisis virtually unscathed.

In sharp comparison with the United States, where MBA enrollment rose as unemployed and underemployed professionals went back to school, MBA numbers fell in Russia by about 40 percent at the height of the crisis, Ryaguzov said. But number of applicants to Russia’s EMBA programs didn’t fall, their program directors said.

“Even during the crisis, that competition didn’t go anywhere; it continued to exist and there was [still] screening-out,” said Ashot Seferyan, director of the EMBA program at the Institute of Business Studies at the Academy of National Economy Under the Government of the Russian Federation. Seferyan said about 1.3 people on average apply for each spot in his program, a number that has remained steady since before the crisis. In 2010 the school even raised the cost of its EMBA program. The Russian market could probably support more EMBA programs, Seferyan added.

The economic crisis already has brought changes: It jump-started the process of improving instruction in business schools, because a prospective student looks at programs more critically during bad economic conditions, Ryaguzov said.

“It’s more likely he is going to look at as many aspects that reflect the quality of education as possible,” he said.

Some educators, however, still doubt the quality of the recent rash of Executive MBA programs. They point out that since the Russian government recognizes only an MBA degree, most Russian EMBA programs award the master’s degree with their own EMBA certificates or award an EMBA from an international partner institution.

Nonetheless, many EMBA programs are wooing businesspeople. Schools understand what businesses expect in terms of instruction and try to tailor the content of their programs to those expectations, Ryaguzov said.

New Circles

The Graduate School of Corporate Management is opening its EMBA program to meet a demand from businesspeople “unsatisfied” with the theoretical bent of current business education, said Ilya Tomoradze, director of the new program. The first EMBA class will start in April. (The school said its new program continues many elements of its current MBA program under a new name.)

“The EMBA allows you to do more practical things,” Tomoradze said. “If a top [manager] hears something, he can put it into practice, and we want to use this potential.”

The school is also implementing the EMBA program to create a “party of top managers,” which is another attraction of the EMBA: exclusivity. Many programs have a minimum work experience requirement and keep each incoming class small and carefully selected.

In Moscow State University's Graduate School of Business's EMBA program — where more than two people are competing for each spot in the 25-person class that the school is currently admitting — applicants must have a college degree and at least five years' work experience in a leadership position.

Much of what students learn in class comes from their peers during discussions, said Vyacheslav Boltrukevich, the director of the school's EMBA program.

Even when the EMBA program uses the same business cases as the MBA offering, Boltrukevich said, "the education's different because the group of students is different."

The program focuses on business development and overall strategy, rather than the business operations on which the school's MBA program concentrates. Furthermore, the MBA program lacks the international component of the EMBA, which includes visiting international professors and sends students abroad for a six-day to seven-day module.

The curriculum comprises eight modules — management, business environment, financial investment, international, human resources, strategy, change management and globalization — and includes classes such as IT in business and cross-cultural management.

"People come to our program less to acquire a toolkit and climb the career ladder — because they're already professionally established — and more for ... rethinking of their professional activity," Boltrukevich said. He added that the majority of students are studying on their own initiative and at their own expense.

Professional activity aside, spending several nights and weekends a month with 24 other corporate higher-ups isn't a bad way to make valuable contacts. Bogatyryov said he enrolled in his program mainly for the formal education, but he admitted that the acquaintances he made with the "motivated people" around him will likely be useful.

"Alongside the education, I developed my own circle of people," he said.

Bogatyryov will complete the program in May, but already he said the EMBA program is well worth the higher price. He said he's now ready to lead any project in any sphere of business.

"Before, I wouldn't have tried," he explained. "Now, I can't wait."

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