

Business Special

## Wiser Students Make Higher Demands

By Yekaterina Dranitsyna  
Staff Writer

In Russia, over 60 business schools compete for the opportunity to educate managers. According to estimations by Begin Group company, in value terms the Russian business education market is worth 1.29 billion rubles.

What is a typical MBA student like? And what do students normally expect from a business school?

“Year after year, MBA students are becoming more and more prepared for acquiring business knowledge. They are becoming more experienced (including experience in senior management) compared to students from previous years. As a result, business schools face higher demands concerning the quality of courses and professional level of tutors,” said Alla Zhavoronkova, head of the BEGIN project at Begin Group.

“Specialized courses are becoming more popular. As a rule, new educational programs offered by business schools are specialized – it’s easier to attract students to these programs,” Zhavoronkova said.

In Russia about 5,000 people receive an MBA diploma every year. According to a poll of MBA students completed by Begin Group earlier this year, in St. Petersburg 67 percent of students are men and 33 percent are women. The average age of the students is about 30.

Out of the total number of respondents, seven percent were specialists, 35 percent – mid-range managers, 37 percent – senior managers, seven percent – business owners and 14 percent were temporary unemployed.

Despite their relatively young age, MBA students, as a rule, already have a higher education qualification and several years of work practice. Only four percent of students said they had been working for less than three years. Most of the students said they had been working for over four years (23 percent), over seven years (39 percent) and over 11 years (26 percent). Eight percent of students said they had over 16 years of work experience.

Only three percent of students had enrolled on MBA programs without any experience in management, while 28 percent of students had up to four years of management practice, 36 percent – over four years, 26 percent – over seven years, and seven percent – over 10 years of management practice.

Students of St. Petersburg’s business schools tend to be younger and less experienced in comparison with their Moscow colleagues, the research showed.

When asked about their expectations, most of the students indicated gaining new knowledge (66 percent), career development (63 percent) and a salary increase (39 percent) as their main objectives. However, these expectations are not usually realized immediately after graduation.

“An MBA diploma becomes an advantage in a person’s career development several years after they graduate from a business school. Alumni should not expect immediate results. However, our poll shows that MBA students are promoted and get higher salaries even while they are still studying at business schools,” Zhavoronkova said.

Among the respondents, only 27 percent said that their expectations of a salary increase were already realized, while 45 percent indicated that their salary had not increased.

At the same time, ten percent of MBA students expect their salary to more than double within a year of completing an MBA course, while 16 percent of students expect their salary to increase by 50 percent.

28 percent of students expect their income to increase by 51-75 percent, and 12 percent hope to get a 25 percent to 50 percent salary increase. Five percent of students have moderate expectations of an approximate 25 percent salary increase and only 14 percent said that they do not expect any particular changes in salary.

In St. Petersburg, MBA students are more oriented toward career development and salary increase than in Moscow, according to the Begin Group research. Networking and new contacts, on the contrary, are less important for local businesspeople.

The poll showed that 25 percent of students considered an MBA course to be fully worth the cost of fees. Another 59 percent said that the quality of education more or less corresponded to the price.

Despite the fact that the students indicated new knowledge as the main advantage of business education, 90 percent of them said that the international accreditation of a business school is an important factor for them.

In St. Petersburg, students are more concerned about the school's accreditation than in Moscow, where 68 percent of students pay attention to this factor.

The students explained that an international accreditation is an advantage in job hunting and career development. Some students said it was an obligatory requirement of certain employers. The students expect an international accreditation to help them find employment in a larger company or move to an international enterprise.

Expectations of career development had been fulfilled for six percent of students, and more or less fulfilled for 36 percent while other 36 percent said their expectations had not been fulfilled, the research shows.

During their MBA education, 26 percent of students were promoted from mid-range management or specialist positions to senior management positions. 32 percent of specialists became mid-range managers, while another 13 percent of students started their own business.

According to Begin Group, MBA students appreciate the opportunity to develop new practical skills. They also value highly a useful form of education, books, qualified tutors, an individual approach, new knowledge, useful contacts, improvement in their social status, communication with colleagues, and an intensive education.

Most of the students asked expressed their dislike for formalism in education, a lack of practical lectures and hands-on lessons, non-adapted western business cases, unexpected changes in the lessons schedule, a discrepancy between theory and practice, a strict schedule that was incompatible with work, and a low professional level among their tutors.

In general, the respondents said that they were quite satisfied with the quality of MBA courses.

While ambitious employees are looking for opportunities to improve their qualifications and professional skills, only a small proportion of employers are actually concerned about the systematic education of their personnel.

According to research conducted by the Open Business School in St. Petersburg, 23 percent of respondents in private companies based in St. Petersburg and Moscow said that managers in their companies "take an active interest" in the education of their employees, and only 11 percent of respondents said that their managers consider education and staff development "a serious issue".

In most of the companies (56 percent) managers do not promote the idea of educating and training personnel.

Only one out of every three companies surveyed provided their employees with advice on professional and career development. Only 37 percent of companies had career plans for particular employees.