

European business schools

Companies turn down the funding tap for executive MBAs

Corporate backing for students fades along with single-employer careers



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Adam Jones OCTOBER 12, 2016

Jonathan Delauménie is typical of executive MBA students in many respects — with one glaring exception.

Employed by Sapa, a maker of aluminium products, he was 38 when he started his EMBA at [HEC Paris](#), the French business school, last year, shortly before being promoted to become one of Sapa's four global sourcing directors. He wants to use the course to layer on to his expertise in engineering, sourcing and operations management, the general management and finance skills that are often necessary to reach the top.

"I'm really looking at getting other competencies," he says, while admitting it is not straightforward balancing the travel demands of his new position with the need to fit in an eight-day block of study every second month. His age, motivation and demanding schedule all fit the mould of an EMBA student; what is rare about Delauménie is that his employer is picking up the entire €66,000 bill for his course.



Rare breed: Jonathan Delauménie's
€66,000 EMBA bill is being picked up in full

As the concept of lifelong careers at the same employer slowly fades into history, fewer and fewer EMBA students are securing full corporate sponsorship for their mid-career skills boost. According to a survey in 2015 by the Executive MBA Council, which tracks trends in the course globally, 23.2 per cent of EMBA students managed to secure reimbursement for all of their fees, while another 35.6 per cent had obtained partial reimbursement — leaving 41.2 per cent pushing on with no financial backing from their employer whatsoever.

The downward trend can be seen by comparing these figures with those of 2011, when 27.3 per cent of students benefited from full financial sponsorship and 36.9 per cent were paying their own way (the proportion receiving partial sponsorship was relatively constant over that period).

This movement tallies with the experience of Richard Johnson, associate dean for the University of Chicago Booth School of Business's EMBA programme in Europe and Asia.

Business Education

"Funding certainly has been reducing," he says.

"The days of a big company saying OK, we are going to fund five students every year for a set number of years... those kind of days are pretty much over."

He adds that the trend for less financial sponsorship is not entirely down to companies taking a more hard-nosed view of longer-term staff retention and development. Some employees do not want to commit to their employers for years let alone decades — so they turn down the offer of a company-sponsored EMBA to preserve their flexibility.

"There are quite a lot of examples these days of people who get offers of funding but don't take them up because of the requirements that come with them," he says.

And financial outlay is not the only way to measure company largesse, he adds — just allowing an employee the time to pursue an EMBA is a meaningful investment by that organisation.

"Time is almost as valuable these days as cash."

For Delauménie, now 39, getting Sapa to agree to foot the bill for the course was a gradual process. He says the money came with a commitment on his part to stay for three years, or face having to repay all or part of the cost to the company, depending on how much of the lock-in

period had elapsed. “I’ve been loyal to Sapa because I enjoy this work and enjoy this company and I’m not looking outside,” he adds.

William Luk is a Hong Kong-based civil engineer working as an operations manager for Chun Wo Development Holdings, a construction and property group listed on the Hong Kong Stock Exchange. He is benefiting from what he describes as a “well developed succession plan”, in which his employer identified him as a staff member to be nurtured.

After putting him through his paces with interviews and written exercises, Chun Wo agreed to pay for 70 per cent of the course fee for his EMBA at [CUHK Business School](#) in Hong Kong. Luk in turn agreed to stay with the company for at least two years after graduating.

“I have no intention to leave the company after the undertaking period, simply because of their effort and commitment to develop staff,” he says.



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Carly Weil, a 28-year-old pricing strategist working at American Express Global Business Travel in New York, had been reconciled to paying her own way when she started an EMBA at

Columbia Business School.

“A pretty big percentage of my class was unsponsored. The sense that I got was that most didn’t think it was an option for them,” she says.



Surprise bonus: Carly Weil’s company picked up the tab partway through course

Although her employer was willing to grant her time away to attend the course (something she views as almost equal to a cash commitment), it did not go so far as to sponsor her financially, at least not at the outset. That changed about halfway through the course after a corporate restructuring meant that the chief financial officer took an interest.

“She found out that I was in the programme and self-funding and said it was a fantastic thing.” At that point her company started picking up the tab — and Weil agreed to stay there for at least three years from her graduation, which happened in May.

Michael Desiderio, executive director of the Executive MBA Council, advises prospective students to anticipate how their employer is likely to respond before making a request for full reimbursement. If it is pretty clear that the company will balk at such a suggestion, it makes sense to ask that the company merely share the cost with the individual instead.

“Prospective students have to do their homework,” Desiderio says. The trend for companies to shy away from picking up the full tab is not going to suddenly reverse in the coming years, he adds.

The likes of Delauménie are probably going to be even rarer in the future.

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