

INTRODUCTION

HEC Paris at the top

The French school retains its position once again, but elsewhere in the ranking there are movers and newcomers. By **Michael Jacobs**

THE 2010 FINANCIAL TIMES European business school ranking sees HEC Paris come first once again. Despite challenges from old adversaries and newcomers alike, the *grande école* has been Europe's top school for five years in a row. London Business School is ranked second and Insead third.

HEC's continued domination of the ranking – a combination of the five busi-

ness school rankings published annually by the FT – is partly explained by its range of expertise: it is one of only five schools to feature in all of the FT rankings in 2010. The quality of its programmes is apparent. Each is ranked in the top 10 in Europe, including a top place for the customised programmes the school designs to business clients' specifications.

HEC forms part of the Trium executive MBA programme – in which it collaborates with the London School of Economics and Political Science and the Stern School of Business at New York University – is second among programmes involving European schools in the global EMBA rankings. It is also the second European school in the global masters in management rankings.

“HEC Paris is the school of reference in France. It opens any door”

According to one masters in management alumnus, a degree from HEC is invaluable in the job market. “HEC is recognised as a quality brand in the financial world,” he says.

The experience of his peers from the class of 2007, surveyed as part of the FT 2010 ranking, support this claim. When asked about achievement of various personal goals following their degree, including career progression, international mobility and earnings, 82 per cent of graduates responded that they had accomplished their aims. This is perhaps not surprising, given the comments of another alumnus: “HEC Paris is the school of reference in France. It opens any door.”

The Paris-based school has not had things all its own way in 2010. The loss of the number-one spot in the masters in management ranking is a notable example. Having missed out to the Cems programme in 2009 (a global alliance of 25 business schools not eligible for the European schools ranking), HEC found itself relegated to third in 2010. The top spot was taken by ESCP Europe, edging out its rivals thanks to high scores for its internationalism. This rise to the top, coupled with a re-entry in

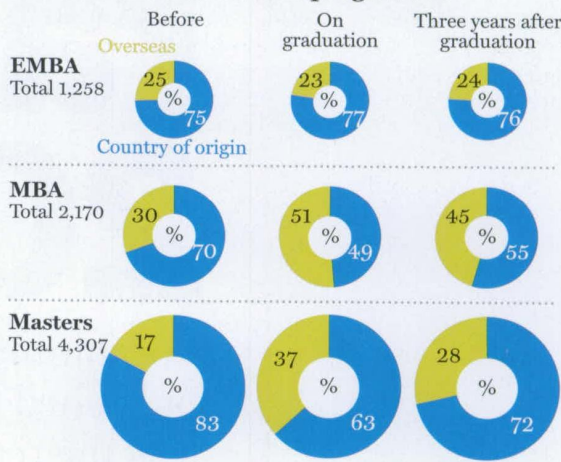
GRADUATES ON THE MOVE

Many business school students change countries during or after their courses

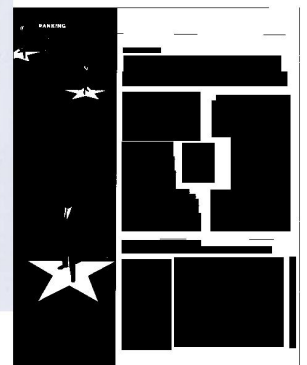
IN 2010, THE FINANCIAL Times surveyed approximately 42,000 business school alumni worldwide. Of the 17,000 who responded, almost half studied at European business schools. While most were of European origin, many moved between countries both during and after their degree.

The graduates from European business schools included 134 nationalities. A little more than three-quarters were European, with more from France than any other country (27.4 per cent). The next-biggest groups were British (6.5 per cent) and German (6 per cent). The large

International mobility: where students live before and after their programme



ILLUSTRATIONS: NEIL WEBB; GRAPHICS: RUSSELL BIRKETT



the ranking of customised programmes, has helped ESCP to seventh place in the overall European table, up five from last year.

Another notable climber in 2010 is the Saïd Business School at the University of Oxford. Having made its debut in the executive MBA ranking this year, ranked 15th of the European schools, Saïd climbed seven places to reach 11th position in the combined ranking.

It is a similar story for Universität St Gallen. The Swiss school entered the top 10 in the masters in management ranking and jumps 14 places in the European league table to finish 16th this year. Another school to break into the top 20 is SDA Bocconi at number 17, up seven places from last year.

Since the inaugural European business school ranking in 2004, the number of schools in the classification has increased each year. The 75 schools featured in 2010, spanning 21 European countries, is close to double the 40 schools listed in the very first ranking. The UK emerges as the primary location for schools in the ranking, with 21 out of the 75 having a presence there. France is not far behind, with 18 schools in total.

New entries include the European School of Management and Technology, at joint 45th thanks to its listing in both the custom and open executive education rankings. Aarhus School of Business at Aarhus University makes its debut at number 69 thanks to its masters in management programme. Overall, the masters in management degree remains the most common programme among European schools in the FT ranking. Fifty-eight schools have a ranked masters degree, compared with 32 schools with an MBA and 34 with an executive MBA. ■

French contingent is explained partially by the number of French schools in the masters in management ranking. The largest groups of non-Europeans were from India and China – 3.2 per cent and 2.8 per cent, respectively.

Data on where alumni were living before their programme, on graduation and three years later show the differing extent of mobility between programmes. Overall, 45 per cent of students moved between countries at least once during the period. Before starting their programme, 75 per cent of executive MBA alumni were

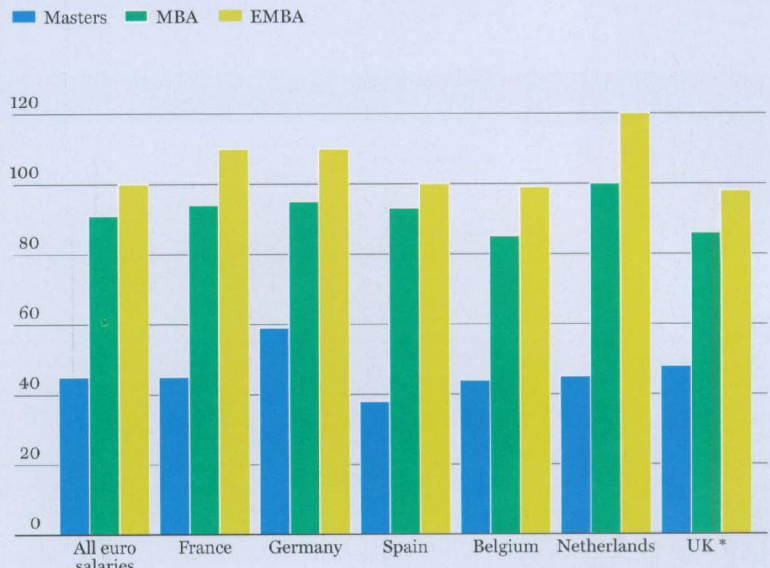
living in their country of origin. The figure stays more or less constant after graduation and three years later. MBA alumni, in contrast, were the most likely to live overseas – 30 per cent were overseas before their MBA. This swells to half by graduation, before dipping to 45 per cent three years later.

Mobility does not necessarily equate to a move overseas. Seven per cent of alumni returned to their country of origin between starting their degree and graduation. A further 12 per cent moved home three years after graduation.

MJ

Median salary three years after graduation

€ (000s)



Source: FT Data

* Based on average euro to sterling exchange rate for 2010

EARNING POTENTIAL VARIES ACROSS EUROPE

There are large differences between the salaries of business school graduates across Europe – and it depends on their studies too

THE SALARIES earned by business school alumni vary significantly according to their domicile, an analysis of pay data reveals.

Overall, pay levels and experience are closely related – the highest-paid alumni within the FT sample are those who have completed an executive MBA. On average, they were aged 34 with nine years' professional experience on starting their programme. This year, the median annual salary of EMBA graduates working in the eurozone three years after graduation is €91,000 (\$124,500). This compares with a median of €45,000 for the least experienced – masters in management graduates,

who were aged 22 when they started their degree. Country-specific data reveal significant differences. The

€1 in Spain is roughly 11 per cent greater than in Germany.

The difference in earnings between

highest-earning masters graduates are those working in Germany, where the median salary is €14,000

In Germany, the median masters salary is €14,000 higher than in the eurozone as a whole

higher than in the eurozone as a whole (€59,000). In contrast, masters graduates in Spain, with a median salary of €38,000, are rewarded the least.

Such a disparity is in part explained by differences in the cost of living – World Bank data suggest the purchasing power of

countries also varies according to the programme of study. For example, while the median salary of masters graduates working in the Netherlands

is in line with the eurozone as a whole, it is home to the highest-earning EMBA alumni (with a median salary of €120,000).

This suggests the market value of different business degrees, like pay, is not uniform within Europe.

MJ

Financial Times European business schools 2010

The top 75 graduate business schools in Europe (based on 2010 FT rankings)

2010	2009	2008	3 year	Business school	Country	Full-time MBA 2010	MBA salary today (\$)	MBA salary increase (%)	Executive MBA 2010	EMBA salary today (\$)	EMBA salary increase (%)	#
1	1	1	1	HEC Paris	France	7	122,086	104	2**	314,473	71	
2	2	2	2	London Business School	UK	1	142,340	124	1(5)***	305,306 (184,488)	109 (90)	
3	3	3	3	Insead	France/Singapore	2	139,941	102	4	227,080	75	
4	4	4	4	IMD	Switzerland	5	140,320	86	8	227,510	71	
5	5	4	5	IE Business School	Spain	3	139,458	159	6	169,240	144	
6	7	8	7	Rotterdam School of Management, Erasmus University	Netherlands	11	113,595	102	12(13)***	185,619 (143,477)	54 (75)	
7	12	6	8	ESCP Europe	France/UK/Germany/Spain/Italy				10	153,098	84	
8	8	11	9	Esade Business School	Spain	8	122,825	126				
9	6	7	7	Iese Business School	Spain	4	128,891	136	14	167,816	78	
10	8	8	9	EM Lyon Business School	France	27	91,122	69	29	105,531	54	
11	19	19	16	University of Oxford: Said	UK	6	136,467	108	15	185,712	65	
12	13	14	13	City University: Cass	UK	16	120,632	83	7	157,705	100	
13	10	10	11	Vlerick Leuven Gent Management School	Belgium	22	97,677	65	26	117,632	57	
14	11	11	12	Essec Business School	France/Singapore				15**	137,706	67	
15	13	13	14	Cranfield School of Management	UK	12	133,886	89	20	140,980	64	
16	30	30	25	Universität St Gallen	Switzerland				25	119,898	43	
17	24	21	21	SDA Bocconi	Italy	14	103,560	105				
18	16	30	21	Imperial College Business School	UK	13	120,306	107	18	125,926	74	
19	15	15	16	Stockholm School of Economics	Sweden/Russia/Latvia				22	119,176	52	
20	17	17	18	University of Strathclyde Business School	UK	18	109,994	106	34	118,863	31	
21	22	16	20	Warwick Business School	UK	17	110,700	86	19	124,506	71	
22	18	17	19	Aalto University School of Economics	Finland/South Korea/Singapore				27	121,864	48	
23	31	37	30	Copenhagen Business School	Denmark	32*	74,021	34	21	116,272	40	
24	49	40	38	TiasNimbas Business School, Tilburg University	Netherlands	24	96,993	85	11(30)***	138,731 (111,453)	62 (61)	
25	28	33	29	Edhec Business School	France							
26	19	23	23	London School of Economics and Political Science	UK				2**	314,473	71	
27	19	30	25	Grenoble Graduate School of Business	France							
27	38	39	35	Eada	Spain	30*	82,237	78	37	91,209	48	
29				WHU – Otto Beisheim School of Management	Germany				9**	157,267	75	
30	22	24	25	University College Dublin: Smurfit	Ireland	28	99,456	64	23	123,594	64	
31	34	47	37	NHH	Norway				35	108,783	25	
32	26	35	31	Mannheim Business School	Germany				15**	137,706	67	
33	37	34	35	Bradford University School of Management	UK	24	96,993	85	30**	111,453	61	
34	29	26	30	Ashridge	UK				28	146,891	70	
35	41	20	32	Lancaster University Management School	UK	10	112,214	131				
35	44	22	34	Solvay Business School	Belgium	29*	79,992	53				
35	31	47	38	Aston Business School	UK	19	93,717	90				

Footnotes

† The Cems programme was ranked second in the masters in management 2010 rankings, but it has not been included in the European business schools 2010 ranking as it is a programme, not a school. ‡ Data are provided for information only. Most

recently published data are given. # Figure in brackets refers to data from second programme for schools with more than one programme ranked. * School was not included in the published 2009 ranking for this survey. ** School participated in this ranking on the basis of a joint programme only. Underlying score

based on proportion of total score. *** School participated with more than one programme in this ranking. Underlying score based on combined scores. The line breaks denote the pattern of clustering among the schools. A total of 275 points separate HEC Paris at the top from the school at number 75. The top nine

Top MBA programmes

Rank	Business school
1	London Business School
2	Insead
3	IE Business School
4	Iese Business School
5	IMD
6	University of Oxford: Said
7	HEC Paris
8	Esade Business School
9	University of Cambridge: Judge
10	Lancaster University Management School

Top EMBA programmes

Rank	Business school
1	London Business School *
2	HEC Paris *
2	London School of Economics and Political Science *
4	Insead
5	London Business School
6	IE Business School
7	City University: Cass
8	IMD
9	WHU – Otto Beisheim School of Management
10	ESCP Europe

* Joint programme with school not necessarily listed here

Top masters in management programmes

Rank	Business school
1	ESCP Europe
2	HEC Paris
3	Universität St Gallen
4	EM Lyon Business School
4	Grenoble Graduate School of Business
6	London School of Economics and Political Science
7	Essec Business School
8	Esade Business School
9	RSM, Erasmus University
10	WHU – Otto Beisheim School of Management

Masters in management 2010 †		Executive education 2010		Faculty ‡			
Masters in management 2010 †	Masters in management salary today (\$) †	Open programmes – executive education 2010	Custom programmes – executive education 2010	Female faculty (%)	International faculty (%)	Faculty with doctorate (%)	Rank 2010
2	75,229	5	1	24	90	99	1
		3	13	24	85	98	2
		8	5	14	91	95	3
		2	3	10	98	100	4
		6	9	33	52	91	5
9	57,893		14	17	37	100	6
1	65,900	13	12	33	67	91	7
8	59,641	10	2	30	19	82	8
		1	7	18	47	99	9
4	54,783	22	16	27	51	99	10
		6	10	15	56	97	11
15	53,433			28	58	96	12
34	51,612	15	24	32	27	95	13
7	62,733	4	6	25	65	95	14
		11	4	28	44	79	15
3	80,800	17	17	13	61	100	16
31	50,877	12	11	28	17	80	17
25	56,372			26	79	95	18
12	65,294	20	17	12	62	99	19
23	47,580			39	33	72	20
		21		38	56	97	21
28	55,115	21	26	31	85	76	22
20	60,229			31	26	95	23
50	50,949	26	23	27	46	85	24
12	56,203	17	19	28	39	90	25
6	70,231			24	90	99	26
4	60,414	24	25	33	38	76	27
45	46,574	27	27	31	38	34	27
10	84,918			19	79	96	29
55	45,503			25	44	97	30
37	54,758	19	30	21	20	91	31
11	73,388			25	65	95	32
49	38,820			27	46	85	33
		16	8	38	36	44	34
55	35,802			29	32	89	35
18	52,492			17	35	98	35
36	46,789			31	43	80	35

business schools, from HEC to Insead, form the top group. The second group is headed by EM Lyon, which would need to increase its score by 30 points in order to enter the top group. The third group is headed by the University of Cambridge: Judge.

TABLE KEY

MBA:
European rank 2010 The position of European schools within the FT MBA 2010 ranking.
Salary today (\$) The average MBA salary three years after graduation in US dollars. (The 2010 ranking surveyed the MBA class that graduated in 2007.) This figure includes alumni salary data for the current year and the one or two preceding years, where available.
Salary increase (%) The percentage increase in average salary from before the MBA to today, as a percentage of the pre-MBA salary. The figure is a weighted average of increases from the current and two previous years, where available.

EMBA:
European rank 2010 The position of European schools

within the FT EMBA 2010 ranking.
Salary today (\$) The average EMBA salary three years after graduation in US dollars. The figure is a weighted average of the final salaries from the current and two previous years.
Salary increase (%) The percentage increase in average alumni salary from before the EMBA to today as a percentage of the pre-EMBA salary. This figure includes data for the current year and the one or two preceding years, where available.

Masters in management:
European rank 2010 The position of European schools within the FT masters in management 2010 ranking.
Salary today (\$) An average of salaries three years after

graduation. The figure shown is in US dollars.
European rank, open programmes – executive education 2010 The position of European schools in the FT ranking of open programmes.
European rank, custom programmes – executive education 2010 Position of European schools in the FT ranking of customised programmes.
Female faculty (%) Percentage of faculty who are women.
International faculty (%) Percentage of faculty whose citizenship differs from their country of employment.
Faculty with doctorates (%) Percentage of faculty with a doctoral degree.



Top customised programmes

Rank	Business school
1	HEC Paris
2	Esade Business School
3	IMD
4	Cranfield School of Management
5	Insead
6	Essec Business School
7	Iese Business School
8	Ashridge
9	IE Business School
10	University of Oxford: Said

Top open enrolment programmes

Rank	Business school
1	Iese Business School
2	IMD
3	London Business School
4	Essec Business School
5	HEC Paris
6	IE Business School
6	University of Oxford: Said
8	Insead
9	European School of Management and Technology
10	Esade Business School

Top for MBA salaries

Rank	Business school
1	London Business School
2	IMD
3	Insead
4	IE Business School
5	University of Oxford: Said
6	Cranfield School of Management
7	Iese Business School
8	University of Cambridge: Judge
9	Esade Business School
10	HEC Paris

Masters in management 2010 †		Executive education 2010		Faculty ‡			Rank 2010
Masters in management 2010 †	Masters in management salary today (\$)	Open programmes - Executive education 2010	Custom programmes - Executive education 2010	Female faculty (%)	International faculty (%)	Faculty with doctorate (%)	
38	40,548			36	49	93	38
28	44,778			26	41	88	39
28	44,972			31	23	88	39
51	45,926			25	65	95	41
				10	52	94	42
14	56,702			37	33	80	43
16	52,391			27	42	83	44
17	53,122			20	20	100	45
		9	15	27	73	95	45
58	30,681			23	3	57	45
19	49,353			51	46	74	48
48	50,678	23	29	33	18	67	49
21	49,609			49	37	73	49
22	53,986			36	15	92	51
23	58,810			16	48	76	51
				33	38	79	53
25	48,643			24	3	100	54
27	46,846			45	38	66	54
32	48,057			29	49	73	56
32	52,026			26	74	100	56
		14	22	38	17	83	58
35	78,603			28	3	36	59
39	63,207			36	4	63	60
				31	36	77	60
				32	35	84	62
		25	19	41	27	95	62
40	41,501			34	30	85	62
40	44,365			45	28	60	62
42	47,096			36	10	79	62
43	43,168			34	21	76	67
43	55,791			51	1	75	67
46	54,166			40	23	59	69
47	43,715			27	24	64	70
				44	24	91	71
57	49,818			25	17	66	72
52	34,895			26	30	100	73
53	36,096			44	5	71	73
54	42,857			30	41	79	75

business schools, from HEC to Ise, form the top group. The second group is headed by EM Lyon, which would need to increase its score by 30 points in order to enter the top group. The third group is headed by the University of Cambridge; Judge.

Top for International faculty

Rank	Business school
1	IMD
2	Insead
3	HEC Paris
4	London School of Economics and Political Science
5	Aalto University School of Economics
6	London Business School
6	Imperial College Business School
8	WHU - Otto Beisheim School of Management
9	HEC Lausanne
10	European School of Management and Technology

METHODOLOGY

Behind the scenes

Charlotte Clarke explains how the ranking is compiled

THIS IS THE SEVENTH YEAR the Financial Times has produced a ranking of European business schools. Fundamentally a "ranking of rankings", it is compiled from the four FT Business Education rankings published earlier this year, of full-time MBAs (published in January); open enrolment and customised non-degree executive education programmes (May); masters in management degrees (September); and executive MBAs (October).

The result takes into account the number of programmes ranked by the FT for each school and the quality of these programmes. All criteria from each of the rankings are used in its compilation: 20 criteria from the MBA

differences in score between each school in the ranking and the spread between the top and bottom schools. If a school participates in more than one programme within a given ranking, the Z-scores are weighted and combined. If a school is ranked on the basis of a joint programme only, it receives part of the total Z-score for the programme, based on the number of partner schools.

The Z-scores are converted to indices, so all scores for all rankings are within the same range. The indexed scores are added together and averaged out, depending on the number of rankings in which a school appears. The total and average figures are then weighted and combined to give a school's final score.



ranking and 16 each from the tables of open programmes in executive education, custom programmes, masters in management courses and EMBA's.

There are some differences between these criteria. For example, the MBA and EMBA tables measure the amount of research undertaken by faculty at each school, but the European masters in management and executive education rankings do not. The EMBA, MBA and European masters in management rankings include alumni salary data, but the executive education rankings do not.

The first step is to produce tables that contain only the European schools in each of the rankings. European schools that did not make it into the final table for each ranking (the top 100 in MBA, the top 95 in EMBA and so forth) are reinstated before each ranking is recreated to contain European schools only. Any European schools that appear in just one ranking - and this only on the basis of a jointly offered programme - are not included.

These new European-only tables include Z-scores for each school for each ranking in which they participate. Z-scores take into account the

Due to limited space, only a few of the individual ranking criteria are displayed in the final table. These include the most heavily weighted criteria for some of the rankings; for example, salary data (for the MBA, EMBA and masters in management rankings) and salary percentage increases (for the MBA and EMBA rankings).

From the executive education rankings, both customised and open programmes, only the final ranks are displayed. No single criterion contributes a particularly high percentage of the final mark.

All individual ranking data are shown primarily for information purposes. The overall European business schools ranking is based on the indexed scores behind the individual rankings, not on a simple aggregation of the ranking positions.

Judith Pizer of Jeff Head Associates acted as the FT's database consultant. Our interactive online ranking shows this year's results alongside tables dating back to 2004. For more detail, go to <http://rankings.ft.com/businessschoolrankings>