

MBA GRADUATES MAY TURN AWAY FROM WALL STREET

25 January 2010: The global financial crisis will have a major impact on the future of business schools. Speaking at the opening of the academic year of the University of Stellenbosch Business School (USB) on Thursday, January 14 2010, Professor Eon Smit, outgoing director of the USB, said there are more lessons to be learned from the crisis, both for USB and for the global business school community.

He says one effect of the crisis is that one may begin to see fewer MBA graduates becoming investment bankers. The preferred new workplace may no longer be Wall Street, but instead, entrepreneurial start-ups.

He also put forward the view that in the future, business schools may migrate closer to big business in order to learn and advise, while dissenting voices from business schools may become more audible in public economic debates of the future.

“First we have to radically rethink the risks in our programmes. We have to move on from standard deviations and distributions and consider new risk models, deal with systemic risk in financial markets as well as the risk exposure arising from global integration and the domino effect.”

He commented that many business schools received much criticism over the past eighteen months, as the financial crisis led to a public onslaught on the ethics of the system. “At USB, we have long been sensitive to most of the ethical and governance issues that business schools have been criticised for. This was not a result of having better foresight than our peers, but simply through being exposed to the unique challenges faced by a developing society with massive income imbalances.”

Reassuring the new intake of students, however, Smit said that for those 500 000 students around the world currently enrolling in MBA programmes, there is no crisis for business schools. “It would be unwise, however, to close our eyes to the very prevalent lessons contained in this bleak history of an exploded bubble.”

The USB has seen a marked increase in the number of students from South Africa, the rest of Africa and internationally with a 22% increase in the number of full-time students compared to last year.

The English modular MBA programme starting in March is oversubscribed with close to 100 people who could not be accommodated. The number of students on the Afrikaans modular MBA programme has also increased substantially. The USB's modular MBA programmes have seen a sharp increase in the number of students over a number of years now.

"Fortunately we still have another English modular MBA intake in June so any students who missed out on the March programme, will still be able to join the USB in the June intake," says Marietjie Wepener, head of marketing at the USB.

The Master's Degree in Development Finance (MDevF) degree has seen an overwhelming response from students across Africa with the latest intake consisting of almost 60% of students from the rest of Africa. South Africa's first SAQA-accredited MPhil in Coaching degree, which is being offered for the first time at the USB from February 2010, is fully subscribed with a class that was capped at 25.

Also speaking at the academic opening was Prof Arnold van Zyl, Vice-Rector (Research) at Stellenbosch University, who spoke about the benefits of research to a university.

According to van Zyl, research is one of the most valuable tools a university has at its disposal. Stellenbosch University currently generates around 35% of its turnover through research and ranks in the top 5% of universities in the world in terms of research output.

"We need to ensure that the curriculum our students are taught is at the front end of the business world. As staff we need to read and to engage in the research community to ensure that we provide the freshest and most up-to-date information."

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About University of Stellenbosch Business School (TBC by client)

Since its inception in 1964, the University of Stellenbosch Business School (USB) has become a renowned player in the international business school community. The student body, which grows each year, presently comprises over 650 MBA students, some 150 students of two further Master's degrees, 26 PhD students and several thousand other students taking part in the wide range of shorter executive courses. The USB MBA offers a solid theoretical grounding for the practical, real-world application of management and



leadership competencies in any business sector in South Africa, on the African continent as well as in the global business community. The USB is the only business school of a South African university with two international accreditations: [EQUIS](#) from the European Foundation for Management Development and [AMBA](#) from the Association of MBAs. Visit www.usb.ac.za for more information.