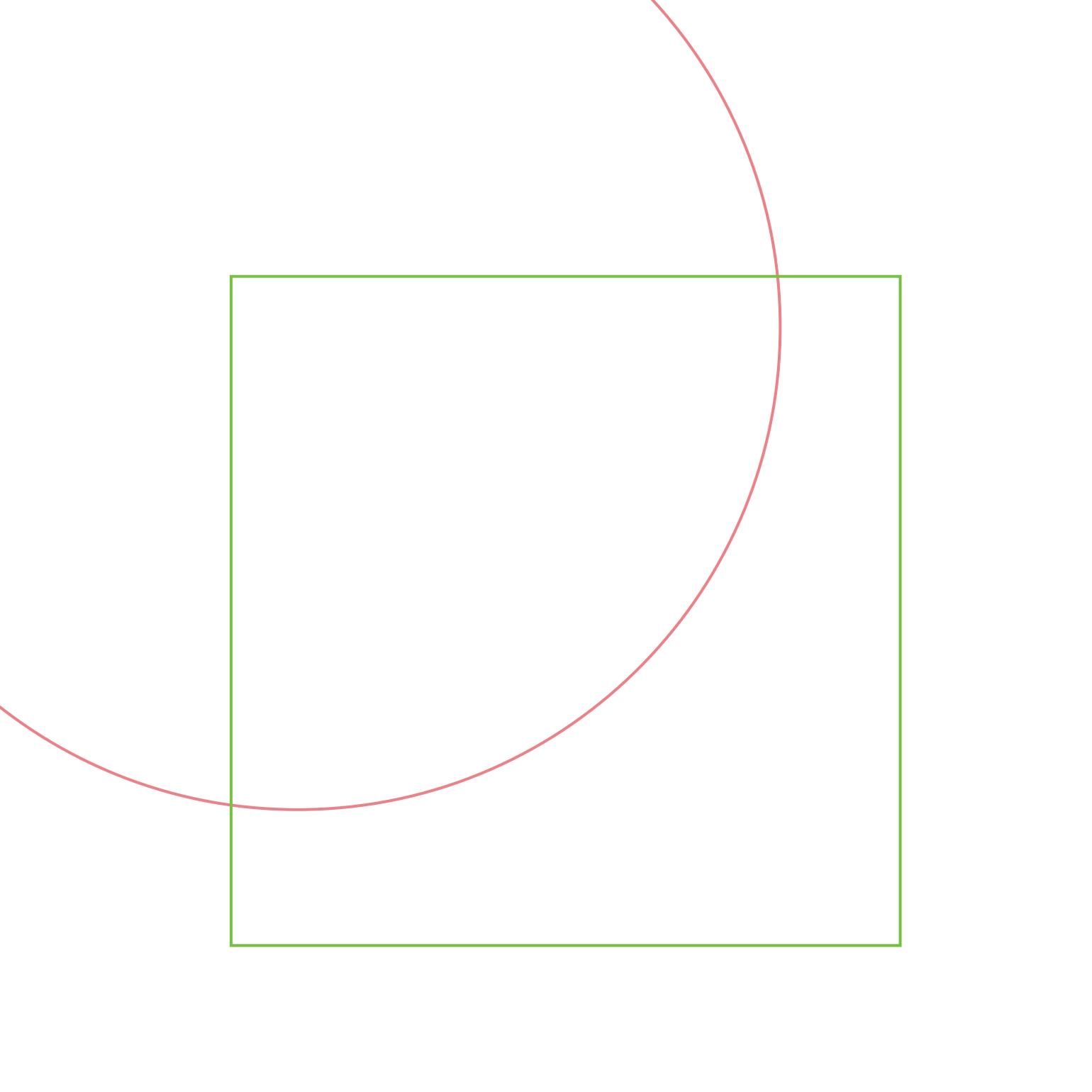


The Country Vignette Series 2019:

Pre-experience graduate management education in Spain

Graduate
Management
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The Country Vignette Series

The *Country Vignette Series* has been developed to illustrate how pre-experience business master's degrees have evolved over a 10-year period. Focusing on the supply of, and demand for, English-language taught master's programs in a single country, each vignette combines quantitative data — compiled from Graduate Management Admission Council™ (GMAC™) research on the entire market — with qualitative insights from domestic business schools.



Pre-experience graduate management education in Spain



The impact of the Bologna Accord process on higher education in Spain cannot be underestimated. By introducing a new qualification to the domestic market (master's) and pushing Spanish universities to become nationally and internationally competitive, the sector has been transformed. In less than two decades since its creation, the country's graduate management education market competes on the world stage: between 1 July 2017 and 30 June 2018 (TY2018), graduate programs in Spain attracted over 6,000 Graduate Management Admission Test™ (GMAT™) exam scores from candidates from outside the country, two-thirds of which were from outside the European Union.

The internationalisation of Spain's higher education

Prior to the 1990s, legislation stipulated that students must study at their local university and competition for students was therefore unheard of. Education was publicly-funded and domestic. This had two significant impacts: higher education did not welcome international (degree-seeking) students, and institutions had no experience of competing for students.

However, this changed with the launch of the Erasmus programme (EuRoepan community Action Scheme for the Mobility of University Students). This programme pushed institutions to counsel students on international study options, and welcome students from abroad. Additional impetus came when Spain joined the European Higher Education Area (EHEA) in 1999 and agreed to implement the Bologna Reforms.

One visible outcome from joining the EHEA was the launch of master's degrees in 2007. Previously, Spanish universities only awarded bachelor and doctoral degrees, with the former being the traditional route to employment. While some business schools may have offered a 5-year bachelor's degree which included a master's in the fifth year, they were not marketed as standalone master's courses because of government legislation.



The expansion of Spanish graduate management education

The country experienced a rapid expansion and proliferation of master's degrees following the adoption of the Bologna Accord. Initially, the country chose to follow a 4+1 model (4-year bachelor's, 1-year master's), but this has recently been relaxed to permit the 3+2 model which is more common across Europe. As these programs developed, Spanish institutions were forced to be more competitive at home and abroad, pushing them to develop marketing and recruitment capabilities.

According to GMAC research, the number of English-language master's programs offered by Spain's business schools increased by about 112 percent between 2007 and 2017, from 50 to 106. This growth clearly illustrates the impact of the Bologna reforms on program supply over the past decade. In addition, the number of master's programs in Spain using standardized exams, including the GMAT, increased from 24 to 48 (100 percent growth) in the same period.

"The Bologna Accord was the catalyst for us to expand and develop our complete portfolio of master's degrees," says Olaya Garcia-Lancha, the former executive director of msc programs at Barcelona's ESADE Business School. "It gave us the speed and independence to adapt to market needs."

While legislation formalising the position of master's degrees in Spanish higher education only came into force in 2007, ESADE, a private business school, launched their first two master's degrees (international management, marketing management) in 2006. Other master's programs followed: Master's in Finance (2009); Master's in Innovation and Entrepreneurship (2011); and a joint Master of Science (MSc) in global strategic management (2016) with Lingnan University College (China) and the University of Virginia's McIntire School of Commerce (United States).

Student, employer demand



“We’re adapting to students, employers, and society,” says Garcia-Lancha. “Globalization prompted us to launch new programs that span multiple countries and opened us to students from all over the world. And employers spurred us to launch a master’s in business analytics in 2018.” ESADE is not alone in creating new data science programs as research from IBM projects that annual demand for new data workers will reach 700,000 by 2020.

Garcia-Lancha adds that the Bologna reforms injected a sense of dynamism into the Spain’s graduate management

education market. Business schools “have to move otherwise risk becoming obsolete. There is still plenty of bureaucracy such as the procedures to establish officially-recognized degrees. But I think we’re better able to read and understand the market, employers, and student needs. We rely on our academic research to help us determine what is coming so we can change our offering accordingly.”

The evolution of teaching models



The Bologna Accord also challenged the traditional education model which emphasised theoretical knowledge and encouraged universities to focus on practise and greater specialization. Garcia-Lancha says: “Employers at that time [in 2007] complained that students came out of university with knowledge but were ineffective in the workplace. Graduates were unable to apply their

knowledge, and this resulted in companies having to deliver additional training at great expense. Additionally, students lacked depth in the functional area they were working in. Employers accepted the new master’s degrees enthusiastically because it gave the students professional skills and an applied approach to learning. These were the last notches the students needed on their belts.”

An increasingly global student body seeking specialist programs

The expansion of program offerings in Spain has resulted in an increase in the domestic and international student population. Domestic students recognize the value a master's degree can bring to their career, with Spanish employers clamouring for new, forward-thinking and innovative talent. Meanwhile, international graduate management students have come to appreciate the growing reputation of Spain's business schools and strong graduate employment outcomes.

To attract students from further afield, business schools have increased the size of their marketing machines and actively seek out students from abroad, particularly the Americas. Spain's master's degrees have benefited from a broader sectoral shift towards greater specialisation and hence the rise in specialised master's programs. These programs are proving a draw with students because they can be completed more quickly and cheaply than an MBA. GMAC data showed that master's degree programs attracted 34 percent of GMAT exam scores in 2018, up from 29 percent just five years before.

At ESADE, most of the Master's in International Management cohort is from outside the country, with some 50 nationalities represented. The school also notes an uptick in candidates from North America, Latin America and Asia applying to its suite of graduate programs. Garcia-Lancha

says: "We started our Master's in International Management degree with 60 students, and the Master's in Finance with about 60 students, in 2009. Today we have 534 students across all the master's programs. And with our business analytics degree, we plan to launch two different sections to cope with rising demand from students. They recognize the fact that companies are in need of specialized knowledge and technical skills. So, our specialist programs are growing at a rapid rate."

In addition to diversity in nationalities, ESADE is also witnessing an increase in the number of master's students who come from diverse professional backgrounds. "In the past, the majority of our candidates came from a management background. However, many are now engineers, scientists or are from other disciplines," says Garcia-Lancha. The business school runs courses in the summer for such candidates, providing them with an intensive introduction to management education so they can hit the ground running when they begin their degree programs. "We are eager to have more of these profiles to bring diversity and richness to the academic environment," Garcia-Lancha adds. "We have lawyers, musicians, doctors and psychologists. We don't say no to anyone [because of their background]; we are open to any profile that fits us—if they meet all of our admissions requirements."

Admissions to master's programs



Academic requirements vary depending on each course, but generally candidates for master's degrees will need to have an undergraduate degree. Proficiency in English is a must at ESADE, with a minimum score on the Test of English as a Foreign Language (TOEFL) of 100. For the International English Language Testing System (IELTS) a 7.0 score is required for admission. In addition, the school requires msc applicants to submit up to five essays, along

with two recommendation letters, a personal interview and a standardised admission test score. Garcia-Lancha says the GMAT remains "very important" because "it's a predictor of academic success." She adds: "Of course, if a student fails their course it may be for other reasons, but for us the GMAT is a very good predictor of academic success. So, if all other parameters of two candidates' applications are equal, their GMAT score can help us make the decision of who to admit."

Work experience and master's degrees

With rapid changes in the student body, Spanish graduate management schools have had to adapt their admissions processes and requirements to ensure they remain fit for purpose. One big change has been an increase in the number of applicants to pre-experience programmes having some work experience. While work experience is not generally an admissions requirement, it can be a differentiating factor for candidates, says Garcia-Lancha. “A candidate should have fewer than two years of full-time work experience for admission to our msc degree programs, but we have come to value internships highly. It’s an indicator of motive, drive and success. But we don’t choose a candidate based on one metric. We take a holistic view of their application.”

GMAC data shows that the number of master’s programs (including mscs) in Spain that require no work experience has risen from 34 in 2007 to 101 in 2017 (197% growth), which is in-line with the general growth of such degrees in the country.



Future trends



Looking towards the future, Garcia-Lancha believes that Spain's graduate management education market will continue to evolve over the next decade, just as it has done since the adoption of the Bologna Accord, if not more so. The challenge for business schools will be predicting these trends and adapting quickly enough, which is vital to remain relevant in a fast-changing and globalized business environment. "What we know is there will be change. The key success factor is how well we can adapt to that change.

"We know it's coming, but not how," she says. "There's more emphasis on soft skills already, such as communication and emotional intelligence. Those will likely play a bigger role in business education moving forward. The other big trend is technology. Schools will all move to a more digital framework, with online and distance learning expanding. Education in general will be more tech-driven. That will be the biggest trend in the next decade."

Case study: Entrepreneurship

Entrepreneurship is “in the DNA” of Barcelona’s ESADE Business School but the trend in recent years has had a greater impact on Spain’s graduate education market. With a high unemployment rate since the global financial crisis of 2008, young people in Spain are increasingly turning to entrepreneurship as a way to have a financially and socially rewarding career. Young people have been inspired by global start-ups such as Twitter and Airbnb. Meanwhile the country’s burgeoning tech scene is taking off, often in partnership with academia.

In 2016, Barcelona was ranked ninth in the European Digital City Index, with Madrid placed 14th. The Spanish government has done much to spur entrepreneurship among the younger generations and attract international entrepreneurs and investors by offering easier access to visas. Business schools are playing their part, too.

At ESADE, an entrepreneurial ecosystem is helping students develop commercially viable ideas. Eworks is ESADE’s venture creation course, offering a series of activities to foster support for business projects among the school’s community. ESADE BAN, the business school’s alumni business angels network, helps those ideas get the capital injection they need to scale, working with more than 150 networks in more than 50 countries. In addition, in 2011 ESADE launched a Master’s in Innovation and Entrepreneurship. Olaya Garcia-Lancha, the former executive director of MSC programs at ESADE, says: “There’s a huge need for entrepreneurial skills in Spain and ESADE was founded by entrepreneurs and business people, so the entrepreneurial spirit is in the DNA of the school. The Master’s in Innovation and Entrepreneurship, which has between 60-80 students, has been crazily successful. We expect the entrepreneurial trend to continue to grow.”



Appendix: Higher education in Spain

Higher education is offered by four different types of institution— *escuelas universitarias* (university schools); *colegios universitarios* (university colleges); *facultades* (faculties); and *escuela superior de ingeniería y arquitectura* (higher technical schools of engineering and architecture). Spain has a total of 76 universities: 52 are public and the remaining 24 are private (seven of which are affiliated with the Catholic church).

Compulsory education ends with secondary education at age 16 and students wishing to continue can opt to study for the *Bachillerato*, a two-year pre-university program. Upon completion students take the *Pruebas de Acceso a la Universidad* (PAU), the university entrance exam. Results from both the PAU and *Bachillerato* are combined to create a *nota de corte* score, ranging from 1 to 10, which is used by all universities to select students. A four-year vocational program provides an alternative path into academic higher education. Those who have completed their Grado Superior are eligible to enter bachelor studies.

After joining the European Higher Education Area (EHEA) in 1999 and becoming one of the original Bologna Accord signatories, Spanish higher education experienced significant reforms. Master's programs were introduced in 2007, and this prompted institutions to start seeking students from abroad.

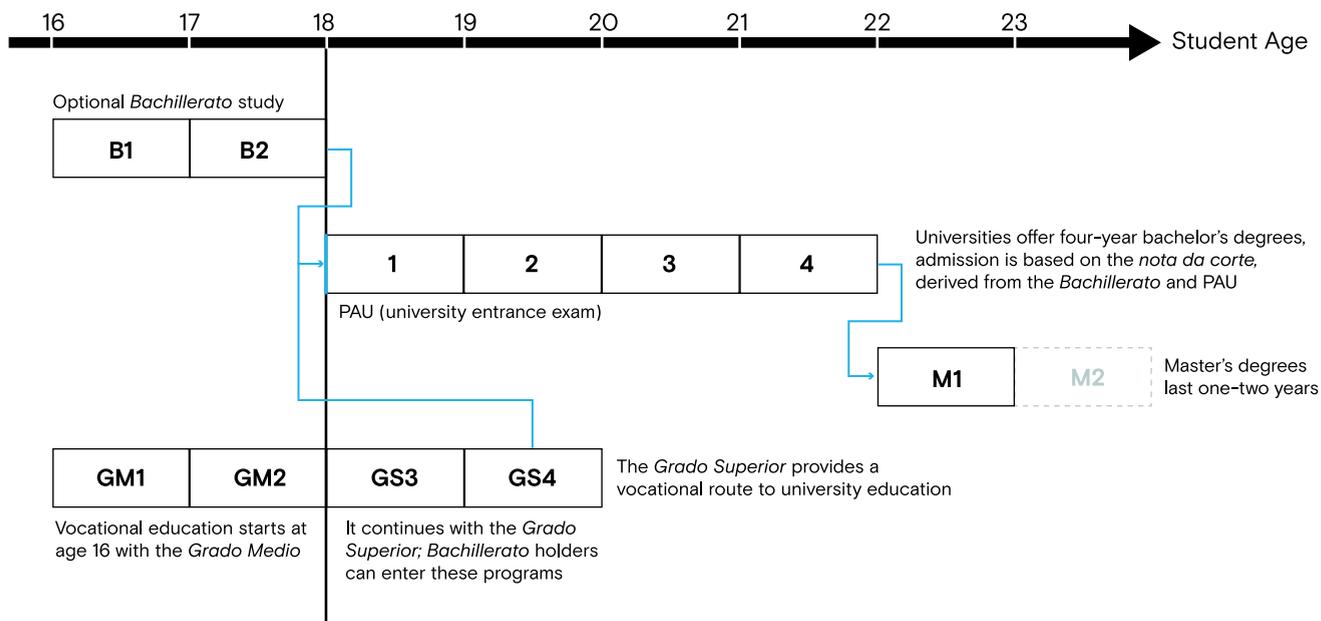
An interesting quirk of Spanish higher education is that institutions have always been able to award both recognised and unrecognised degrees, something which allowed a small number of institutions to offer master's programmes before they became part of the national system. While the award of unofficial qualifications may seem unusual, employers do not appear to differentiate and look to institutional reputation as a quality indicator. In contrast, recognised degrees are listed in the national registry (the *Registro de Universidades, Centros, y Titulos*, or RUCT), are subject to national quality controls, and are essential for work in the public sector or to continue studies.

Bachelor's programs require students to complete 240 ECTS¹ credits (120 US credits) and programs typically last four years. Master's can last one-two years (60-120 ECTS). Tuition fees are low, calculated based on credits, and subsidised by the government. They typically range from €11-22 per ECTS for a bachelor degree, €22-36 for master's. The cost of studying at a private institution will be higher.

¹ECTS is the European Credit Transfer System; one ECTS credit is equivalent to 25 hours of study.



High-level diagram of Spain's higher education



Notes

Indicates a competitive entrance process that typically uses a standard assessment

Key data points

Market data based on desk research

	2007	2017
Institutions offering business master's degrees	25	34
Programs offered:		
All master's	50	106
...of which MSc	14	30
...of which Master of	25	62
MBA	32	41
EMBA	7	15

GMAT usage among Spanish master's programs

	2007	2017
Master's program using the GMAT exam	13	42
Number of GMAT scores received	556	2,917
Top five source countries for master's students	Italy Germany US Greece Turkey	Germany India Italy France China



For questions or comments regarding this vignette, please contact GMAC at masters@gmac.com.

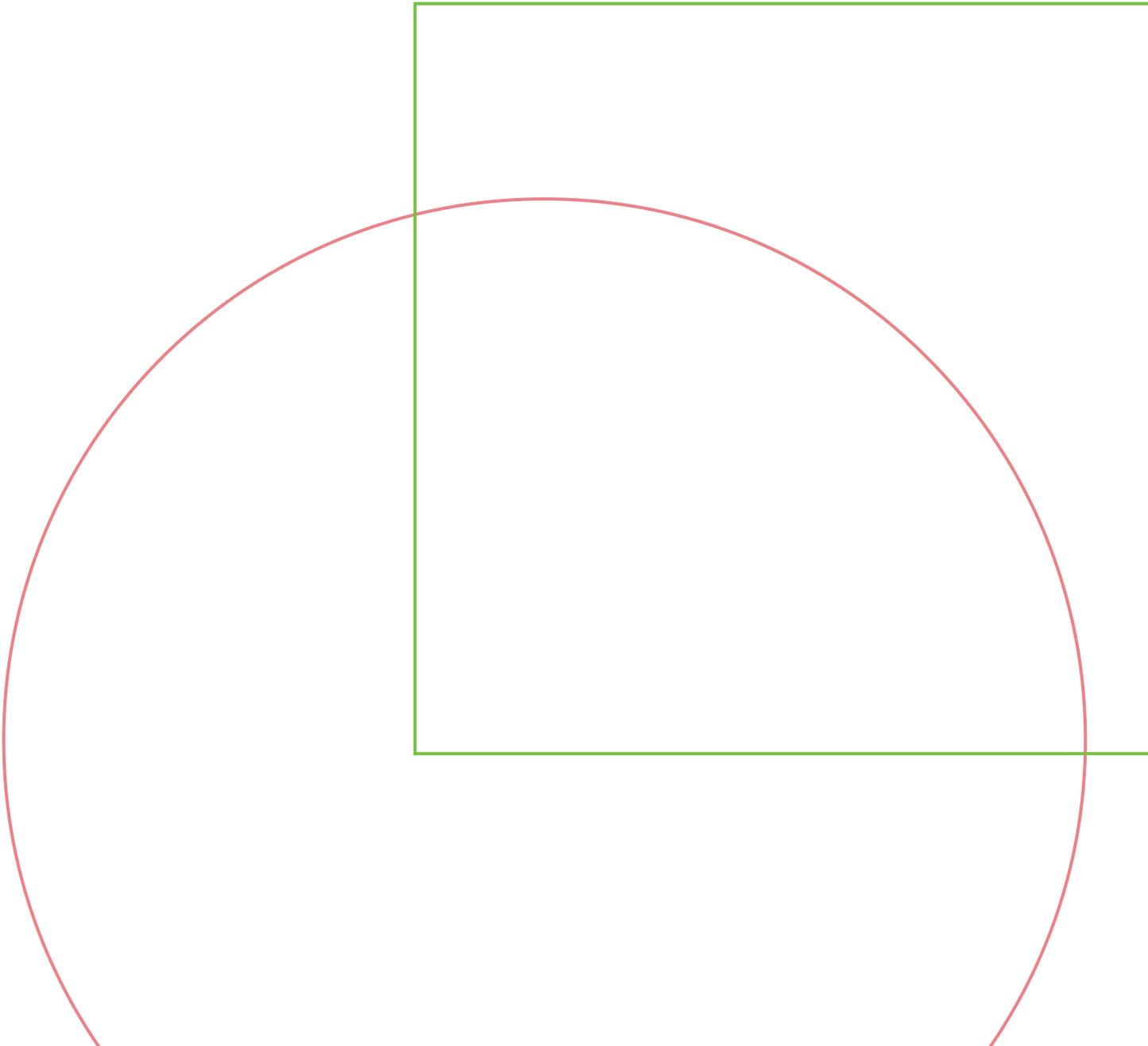
Acknowledgements

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About GMAC: The Graduate Management Admission Council (GMAC) is a global association of leading graduate business schools. Founded in 1953, we are committed to creating solutions for business schools and candidates to better discover, evaluate, and connect with each other. We work on behalf of the schools and the graduate management education community, as well as guide candidates on their journey to higher education, to ensure that no talent goes undiscovered.

GMAC provides world-class research, professional development opportunities, and assessments for the industry, designed to advance the art and science of admissions. Owned and administered by GMAC, the Graduate Management Admission Test™ (GMAT™) exam is the most widely used graduate business school assessment, recognized by more than 7,000 programs worldwide. Other GMAC assessments include the NMAT by GMAC™ exam, for entrance into graduate management programs in India, South Africa, and the Philippines, and the Executive Assessment, specifically designed for executive programs around the world. Our flagship portal for graduate management education resources and information, mba.com, receives six million unique visitors a year, and features the School Search search tool and GMASS™ search service, matching candidates and business schools.

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