

The alternative solution

Intensive management courses provide an alternative to a B-school degree.

Retaining talent remains a challenge in corporate China, where staff turnover rates run as high as 20% per annum in the local operations of multinationals. To keep potential headhunters at bay, companies are increasingly offering executives short management training courses, as incentives for staff retention.

JLJ is an international HR consultancy, and more than half its China-based clients currently provide accredited training to their employees, AJ Hu, a partner at the Shanghai office said. Most of the courses are conducted in universities; popular courses include primers on management procedures as well as training for company human resource and accounting executives.

Human resource managers are using training programs because poaching is widespread.

“There is an increasing trend in companies using executive education or training as an effective retention technique and this will certainly continue,” Hu remarked.

Intensive courses

These executive training courses, otherwise called open enrollment courses, are different from the traditional MBA and EMBA program, in that they require no entrance examination. Depending on the school, courses set up modules according to management fields, lasting from a few days to a couple of weeks.

Most non-MBA programs at the China Europe International Business School (CEIBS) campus in Shanghai are three-day courses tailored to meet the

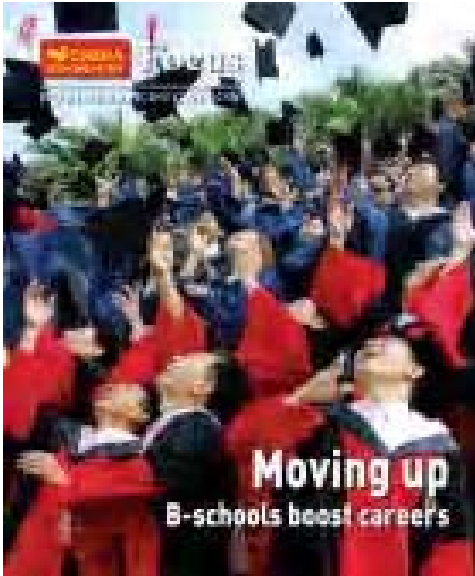
demands of the Chinese operations of multinationals, Gordon Gao, director of the executive education department at CEIBS said. However, longer courses that last over a week are available as well.

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The most popular courses from CEIBS are a four-day mergers and acquisitions program and a management development program offered in 15-day sessions taught in Shanghai at approximately US\$3,907 and US\$7,709 per participant, respectively. Most of the school's programs are taught in Chinese because so far the greatest demand is from Chinese operations of multinationals, Gao added.

Open enrollment is growing for Chinese executives being trained for management roles in multinational companies. At CEIBS, staff from Chinese-owned companies account for about 20% of enrollment.

One of the European business schools cashing in on open enrollment, EM-Lyon, is targeting French companies who want to train Chinese talents to replace expatriate management staff in China, Robillard Yves-Henri, director of the school's China operations said.



“Most European companies are reducing costs by replacing expatriate staff with domestic talent,” said Robillard.

The French school’s program includes a five-day seminar in Europe with six days in Shanghai. Participants have included Air France, Alcatel and Peugeot Citroen since EY-Lyon began delivering the course in 2003.

Open enrollment programs are popular, but customized programs are on the rise too, and increasingly, universities are offering courses in-house. An EM-Lyon in-house operation for China in 2006 began offering tailormade programs coaching managers and executives, Robillard Yves-Henri said.

Of CEIBS’ China-based programs, 30% are customized. Recently, in one of several deals between local and international institutions, US-based Babson Executive Education signed an agreement with Beijing’s Tsinghua University to deliver customized executive education programs to global managers at multinational corporations throughout China.

“The trend is towards internal or on-site training rather than at open enrollment universities,” Hu remarked.

Despite rising demand, the market for customized multilingual programs in China is still immature when it comes to course offerings to multinationals. Fudan University offers Chinese language courses on strategic management, HR and marketing delivered in three-day modules each month at US\$7,079.

But Bright Zhang, the training director at school remarked, “We lack English-speaking professors for the kind of advanced executive development programs we’d like to do.”

Course trends

Despite this, newer courses are appearing in China-based business schools. They are picking up on recent economic developments such as the Chinese government’s emphasis on innovation and engagement with neighboring India.

A China-India CEO program at Cheung Kong Graduate School of Business (CKGSB), with campuses in Shanghai, Beijing and Guangzhou, brings Chinese and Indian CEOs together for two-day sessions in both countries.

The program was designed by CKGSB and INSEAD along with the Confederation of Indian Industry to collaborate on problems the two countries share. Issues like how to build home-grown global brands and accessing capital and technology, for example, are pertinent to executives from both countries. A class of 40 executives paid US\$10,459 each for the first session of the course.

For companies wanting to keep profits up while retaining staff, open enrollment and customized courses is a viable alternative to expensive MBA and EMBA programs.