



## School profile: The American University in Beirut

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The business education sector in the Middle East is booming and new schools or branches of established foreign ones are becoming increasingly active. But the Arab world's oldest business school at the American University in Beirut, now named the Suliman Olayan School of Business, is, despite its turbulent home base, determined to remain pre-eminent and rival even such august international institutions as Harvard, Wharton and Insead.

"Business education is a global industry. There is no junior league any more. You have to follow best practice and best standards otherwise you have no business to be part of the sector," says George Najjar, the dean.

To keep pace with the dean's ambitions, the school is set to move into what he says will be a state-of-the-art building in a new development on the lower campus, next to the sea. It will be adjacent to the university's new sports centre and is set to be completed by the middle of next year.

Demand for business education is growing rapidly as globalisation forces parts of the commercial sector at least to keep up – or catch up – with the rest of the world, even as the region's governments stay mired in a corrupt and bureaucratic past. Of course, the money from the oil glut in the Gulf needs its local fund managers and business leaders as well. Many established US and European business schools have recognised the potential and are opening branches around the region, mainly in the Gulf. They see a niche in particular for Executive and Corporate MBA programmes to tap the huge pool of liquidity that local businesses have at their disposal.

In addition, local universities in the Gulf are pouring money into business programmes. Institutions such as the American University of Sharjah in the United Arab Emirates, which was established just 10 years ago, benefit from their benefactors' very deep pockets.

Faculty members at the Olayan business school acknowledge that their institution cannot always rival the compensation packages or even the research money and support that some of the schools in the Gulf offer. But they unanimously emphasise the attraction of working in Beirut and say that the co-operative atmosphere among colleagues is especially conducive to research, which the school has made a priority.

Prof Najjar speaks of research as part of what he sees as academia's knowledge creation mission. But he acknowledges the practical side of it, which is to help the school attract eminent lecturers who publish in top-rated journals, thus also burnishing the school's image.

Business education started at AUB in 1900 as part of the faculty of arts and sciences. In 2000 the university turned the programme into an autonomous school of business, which was named after Suliman S Olayan in 2003, following a large bequest.

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The school still falls fully under AUB's umbrella, both academically and financially. Faculty members describe what they say are arduous rules for promotions. Income from the school's various programmes flows back into the university's coffers, to the tune of more than \$11m a year.

The dean says that the one way in which the school can increase the funds that it can spend at its own discretion is by attracting donations and endowments. Over the past five years, this has brought in \$11m which, among other things, has allowed the school to establish four endowed chairs. For fundraising, the school relies heavily on the AUB's network of business alumni, many of whom have gone on to work for big international companies outside the region.

One way for the school to work towards its goal of competing with important international institutions is by pursuing accreditation from the US Association to Advance Collegiate Schools of Business, which it is hoping to attain by June 2009. It will then, relatively rapidly, hope to acquire approval from the European Foundation for Management Development's accrediting arm, EQUIS.

The one circumstance that the Olayan school does not share with its international counterparts, and not even with other institutions in the region, is Lebanon's political instability and the accompanying security risk. This is making it both harder to attract faculty and students.

The EMBA programme is a case in point. Launched first in 2003, it has over the years attracted more than 20 per cent of its students from elsewhere, mainly from the Gulf. This year, amid the continuing political crisis that carries the threat of violence, 87 per cent of the students are from Lebanon while the only other nationality represented is Kuwait. The figures mask the fact that some of the Lebanese who are participating in the programme have built their professional careers in the Gulf, part of a longstanding but accelerating brain drain. Both for the participants from abroad and for the ones in Lebanon who have busy jobs, the format of the EMBA, three days every three weeks, is very attractive because it allows them to continue their work, although they have dubbed the initial 10-day orientation period, "boot camp". The price too, is a selling point, at less than \$50,000 it stands at one-third of that charged by other schools, says Mr Najjar. One way to sidestep Lebanon's turmoil is to launch programmes abroad, which the school is doing for the first time starting next month. One way in which AUB has dealt with the pressures of Lebanon's 1975-1990 civil war has been to sell consulting services in the region. But the new corporate EMBA programme for the Gulf Investment Corporation in Kuwait will represent the first time that the school has run a degree programme outside the campus.

The faculty involved in the programme says Gulf companies have been bypassing the schools that have been set up in their countries and have opted for the Beirut-based school instead.

Prof Najjar says several other corporate EMBA programmes are under consideration. Apart from extending his school's reach in the region, he says it will also help his goal of establishing the Olayan school as a premier research centre with a database of case studies on the Middle East and North Africa region.

Some facts and figures the school provided:

- The number of full-time faculty grew from 13 in 2000 to 49 in 2007-2008. Staff come from all over the world but there is a heavy emphasis on returning Lebanese expatriates.
- In 2007-2008, 1,300 students are enrolled at the school, most of them Lebanese. GMAT scores for admission to the MBA programme are on average 598, which the dean points out is higher than the aspirant peer average for the AACSB accreditation.

The school requires a two-year minimum prior relevant experience for admission to the MBA programme. They say all their graduates find employment within three months and many end up at international companies such as HSBC, Morgan Stanley, Citigroup, and Pepsi.

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