Chapter 7

The Usefulness Of M.B.A. Programmes

INTRODUCTION

It is evident from the foregoing chapters that employer respondents believe that current MBA programmes are not helpful in assisting managers to solve day-to-day problems of an organisation. On the other hand, the educator respondents believe that the MBA is the most recognised and prestigious degree offered by the business schools, a degree seen as a passport to success in the management echelons. Each school offers different versions and structures of the programme to suit different student needs and it is clear that enrolments are increasing. Furthermore, even though employer respondents often declare that current MBA programmes are only ‘somewhat important’ or ‘not very important’ to operating an organisation, their comments also reveal that they would advise their employees to pursue an MBA degree if they were planning a management career. As for the student respondents, driven by the aura of prestige surrounding the MBA, they seek it as a route to career achievement, thereby further increasing the demand for the programme despite the on-going concerns of its critics. The state of the MBA education in Australia is clearly paradoxical.

Is the MBA really a worthwhile qualification? Does it justify its prestige? How do industry and commerce view this qualification in an MBA employee? Is it worth anything financially to the graduate who has toiled long and hard, often while holding down a demanding job? This chapter addresses these questions. It examines respondents’ perceptions on issues such as the ‘worth’ of the MBA graduates to organisations and the Australian community, differences between them and the non-MBA employees and whether the degree is the appropriate or ‘best’ route to management effectiveness.

Within the chapter, the following main sections form the framework of analysis:

1. Usefulness of the MBA to Graduates and Employers; and
2. Usefulness of the MBA to Australian Community.
USEFULNESS OF THE MBA TO GRADUATES AND EMPLOYERS

Reported debates about the adequacy of MBA education often focus on the question of whether the graduates are well equipped for industry or not. There are allegations in the literature that business schools have failed to produce the kind of managerial talents urgently required by today's business. Literature also reports that most, if not all large Australian organisations spend millions annually on improving managerial capacities (Mel, 1988). Critics of the MBA are quick also to question whether organisations and the industry may gain any significant benefit from investments in sponsoring the education. Likewise in the analysis of data in the foregoing chapters, the majority of the employer respondents appeared unconvinced that MBA programmes would succeed in making significant contributions to the welfare of the organisations. All this reveals that acceptance of the degree and its holders is far from wholehearted. Is the MBA worth the effort of educators and students/graduates? To what extent does the education serve the Australian community?

Proficiencies Of An MBA Graduate

First of all, what can an MBA graduate do? What makes an MBA employee stands out from non-MBA employees? When asked to nominate the proficiencies to be expected from an MBA graduate, respondents cited the following:

- knowledge of business functions (facets of the organisation; integration of major systems);
- current business issues (interaction with environments, markets; demands, economics; finance);
- analytical skills (quantitative tools - theories and application to problems; systems development);
- international perspective (global competition, political, cultural and competitive awareness);
- managing technology (knowledge of new technologies, processes, products, services; managing information);
- social responsibility (ethical dilemmas in managing corporate relationships);
- organisational reality (accomplishing tasks; influencing changes; risk taking); and
- interpersonal skills/persuasiveness, leadership (communications, team building, negotiating, valuing cultural diversity and personal integrity).

These proficiencies tend to replicate the content and emphases of current MBA programmes, as shown in Figure 6.1 and Table 6.1 of Chapter 6. Educator respondents in particular emphasise that at the end of the programme an MBA graduate is expected to, or should, possess these proficiencies which enable them to perform senior managerial functions. This suggests that these proficiencies are also expected of an 'ideal' graduate. Are MBA graduates facing up to this 'ideal' challenge? To what extent do they perform the senior managerial functions satisfactorily?

Clearly, respondents tend to judge MBA graduates by their individual abilities, behaviours and attitudes. Employer respondents, in particular, emphasise that possession of business understanding or analytical skills, or the tangible items such as knowledge of company products and processes, does not demonstrate a graduate's senior managerial capability. Respondents were asked to nominate the essential senior managerial characteristics they would expect from and value in an MBA graduate: 'they were to perform at this level. Figure 7.1 shows the characteristics identified by them, the rank order of importance of these characteristics and graduate proficiency level in these characteristics.

The need to achieve results and the ability to work easily with a wide range of people, are seen by nearly all three groups of respondents to be the two most valued senior managerial characteristics expected of graduates. However, these appear to be scarcely demonstrated by graduates. The five most valued characteristics are those of personal drive, interpersonal skills, welcoming of challenge, willingness to take risks and willingness to accept responsibility. After these, come the breadth of experience in many functions, a desire to take new opportunities, as well as to build and lead work-teams towards organisational success. The low levels, on average, in graduate proficiency of these characteristics indicated by each group of respondents suggests that MBA graduates, although equipped with graduate management education, have yet to develop these essential senior managerial characteristics.

**Employer Dissatisfaction With MBA Graduates**

Employer respondents' comments about the MBA graduates also endorse the foregoing comments. In the interviews they often expressed concerns about the lack
### Figure 7.1 Perceived Essential Senior Managerial Characteristics Expected From And Valued In MBA Graduates: The Rank Order Of Importance And Graduate Proficiency Level In These Characteristics

<table>
<thead>
<tr>
<th>Senior Managerial Characteristics</th>
<th>Educators Grad. Rank Level</th>
<th>Employers Grad. Rank Level</th>
<th>Students/ Graduates Rank Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve results</td>
<td>1 med.</td>
<td>2 low</td>
<td>2 low</td>
</tr>
<tr>
<td>Work easily with a wide</td>
<td>2 low</td>
<td>1 low</td>
<td>3 med.</td>
</tr>
<tr>
<td>variety of people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meet job challenge</td>
<td>3 med.</td>
<td>4 low</td>
<td>1 high</td>
</tr>
<tr>
<td>Willingness to take risks</td>
<td>5 low</td>
<td>5 low</td>
<td>4 med.</td>
</tr>
<tr>
<td>Overall responsibility for</td>
<td>4 med.</td>
<td>3 med.</td>
<td>5 med.</td>
</tr>
<tr>
<td>important tasks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breadth of experience in</td>
<td>5 med.</td>
<td>7 low</td>
<td>6 low</td>
</tr>
<tr>
<td>different functions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desire to seek new</td>
<td>6 high</td>
<td>4 low</td>
<td>7 high</td>
</tr>
<tr>
<td>opportunities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership experience</td>
<td>4 med.</td>
<td>5 low</td>
<td>6 med.</td>
</tr>
<tr>
<td>Develop more ideas than</td>
<td>6 high</td>
<td>8 med.</td>
<td>5 high</td>
</tr>
<tr>
<td>other colleagues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to change managerial</td>
<td>7 med.</td>
<td>5 med.</td>
<td>6 low</td>
</tr>
<tr>
<td>style to suit needs of situation</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

of performance of MBA graduates. This, however, is in contrast to the views of the student/graduate group who, more often than not, recounted satisfying experiences and gains from their MBA programme. In turn, they assume that their managerial performance would be enhanced. There appears to be a significant mismatch between the expectations of the two parties about the abilities and attitudes expected of MBA graduates. Figure 7.2 records the areas of most common dissatisfaction employer respondents have with MBA graduates.

It is of significance to note that nearly all the employer respondents indicated dissatisfaction of some kind about the graduates. Among them there appears to be a general perception that MBA graduates may have a broad business outlook (‘they are good in conceptualising, operating in the abstract’, ‘newly minted MBAs lack supervisory and communication skills and leadership qualities’), but they have lost sight of the basics of business - competition, production, delivery, and most of all, people. Graduates also tend to expect others to recognise highly the MBA qualification and seek mainly senior positions of high salary, thereby triggering off a good deal of skepticism about their real abilities. Furthermore, what
they stand for as MBA graduates appears to be seen as more disruptive than
contribute to the organisation - comments such as 'honing their analytical abilities
and critical skills to the point that destroy the effectiveness of the team', we don't
know their jargons' and 'cold, hard-nosed, inflexible and abrasive' are not
uncommon among the employer respondents. Most of all, graduates appear to have
been stereotyped as lacking the hallmarks of a good manager:

We have a couple of MBA graduates who are anything but cold, hard
managers. Unfortunately, these two tend to be the exception.

(Em 12)

It has been shown in previous chapters that employer respondents trace and
direct such dissatisfaction back to the business schools and their educators,
particularly regarding the design and teaching of the MBA. The debate about these
corns appears to centre on another mismatch of assumptions among the three
groups of respondents. According to the educators, employers have
misunderstood the objectives of MBA education, hence resulting in the lack of
knowledge in developing the productive capabilities of the MBA graduates in their
employ. Many employers also lack the ability to exploit the graduates' strengths or
the finesse to help graduates to overcome their weaknesses. In turn, the graduates
are compelled to take charge of their self- or career-development. An educator
argued as follows:

MBA graduates are developed to be financiers and control artists,
not creators but preservers of wealth, that is, putting control
mechanisms, such as financing the organisation, in place. But
employers stash the graduates in the wrong place - accounting and finance department, wishing them to generate wealth. Therefore, MBA talent is wasted. They need to assign MBA graduates to upgrade the engineering, manufacturing or marketing levels of the organisation, not just put them into control and finance positions.

(Ed 23)

It is of significance to note that these insights about the aims and use of MBA graduates are not replicated by the employer respondents, which implies that employers are either unaware of or do not share these views. Comments similar to those of the educator above also suggest that educators consider wealth-preserving as chiefly and largely, if not solely, the role of senior managers.

**Student Satisfaction With MBA Programmes**

Contrary to the employer respondents' suspicion of the MBA education, the students/graduates, while acknowledging that some aspects of the programmes should be changed and improved, appear to be generally satisfied - 62% of them perceive the MBA as having high quality, 20% of them perceive average quality, while 16% perceive low quality, compared with only 19% of the employer respondents perceiving the MBA as having high quality, 65% of them perceiving average quality, while 15% perceiving low quality.

All of the students/graduates stress the rigour of the education which they perceive as purposively instilled by the educators as part of the curriculum. To them, surviving this rigour, or 'MBA experience', seems to have raised their self-confidence which is easily noticeable among all graduates interviewed. They cited gains from this experience, examples of which are:

- 'helped me understand functional areas';
- 'gave me insights on organisation strengths and deficiencies';
- 'addressed cutting edge issues of business';
- 'provided solid grasp of international issues';
- 'emphasised skills critical for success';
- 'helped me understand managerial roles/activities';
- 'helped me learn how to work with diverse people';
- 'increased my organisational mobility/promotability';
- 'helped me learn how to work effectively in groups', and
- 'provided me with a network of people who have a shared experience but different background'.

95% of them maintain that they will recommend the MBA to potential students.
It appears that there is a reasonable match between what students want out of the MBA education and what is being offered to them by the business schools. They want personal growth, stimulating learning environment, variety of knowledge, an opportunity to excel and, most of all, increased marketability. In fact, similar to the students/graduates’ perception of quality of the degree, 68% of the educator respondents have perceived the MBA as having high quality, 20% perceived average quality and 12% perceived low quality.

Despite some of the educators’ caution about the MBA being seen as a route to career shifts (Chapter 6, page 170) - students setting the kind of high expectations which is not the purpose and design of the degree, a high proportion of students and graduates express satisfaction with their MBA studies as management career preparation, or as a platform from which to launch themselves into a better future. Contrary to the employers’ criticism of MBA graduates as having apparently intolerable behaviours and attitudes in the workplace, as suggested by the employers in Figure 7.2, the majority of students/graduates of this research are surprisingly realistic, being fully aware that ‘having an MBA helps, but it guarantees nothing’, but ‘having an MBA gives graduates the perceived value to improving the organisation’. Surely, this is an indication of the maturity and diversity which deserves to be valued by Australian business and its employers.

**What Makes An MBA Employee Stands Out From Other Non-MBA Employees?**

In order to explore what makes an MBA employee stand out from other non-MBA employees, respondents were asked to compare the MBA employee with the non-MBA employee of similar background, experience and position and identify those areas of expertise used by the MBA employee and valued by the employer but not usually demonstrated by the non-MBA employee. Table 7.1 illustrates these areas of expertise.

It may be true to say that the fairly high rankings shown against ‘Problem identification and analysis’, ‘Goal-setting and achievement’ and ‘Strategic planning’ are predictable as these are common areas of emphasis in current MBA programmes (Table 6.1 of Chapter 6). However, it is significant that rankings shown against the people-expertise of ‘Teamwork and leadership’ and ‘Developing and managing subordinates’ are not as predictably low, as these are not areas usually emphasised
Table 7.1  Perceived Expertise Used By MBA Employees And Valued By Employers But Not Usually Demonstrated By Non-MBA Employees

<table>
<thead>
<tr>
<th>Expertise</th>
<th>Educator %</th>
<th>Employer %</th>
<th>Students/Graduates %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem identification and analysis</td>
<td>96</td>
<td>76</td>
<td>91</td>
</tr>
<tr>
<td>Goal-setting and achievement</td>
<td>80</td>
<td>61</td>
<td>83</td>
</tr>
<tr>
<td>Crisis handling</td>
<td>66</td>
<td>57</td>
<td>62</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>88</td>
<td>88</td>
<td>91</td>
</tr>
<tr>
<td>Organisational development</td>
<td>68</td>
<td>50</td>
<td>41</td>
</tr>
<tr>
<td>Facilitating</td>
<td>80</td>
<td>53</td>
<td>54</td>
</tr>
<tr>
<td>Working within constraints</td>
<td>76</td>
<td>61</td>
<td>58</td>
</tr>
<tr>
<td>Teamwork &amp; Leadership</td>
<td>76</td>
<td>53</td>
<td>66</td>
</tr>
<tr>
<td>Written communication</td>
<td>64</td>
<td>57</td>
<td>41</td>
</tr>
<tr>
<td>Developing and managing subordinates</td>
<td>76</td>
<td>50</td>
<td>70</td>
</tr>
</tbody>
</table>

by MBA programmes. The same applies to expertise like 'Crisis handling' and 'Facilitating' which also requires understanding and bonding between people. The rankings also suggest that MBA employees are able to sustain and handle the pressures of 'Working within constraints' and 'Crisis handling', an expertise very much valued in today's world of business:

The respondents identified those critical and real-life characteristics of a manager's work. The frequent mention of these characteristics by them suggest that MBA graduates possess and therefore are capable of making use of these expertise in the managerial job. Whereas, non-MBA employees of similar standing most likely do not possess and therefore are not capable of making use of these areas of expertise in the managerial job. Some of the employer respondents, although not large in number, acknowledged that their MBA employees appear to have produced more creative solutions, delivered more results and changes in their work than non-MBA employees. However, none of these respondents was certain that MBA employees had directly increased the worth of the organisation. 55% of them indicated that they would advise employees to pursue the MBA degree if planning a management career.

The graduate respondents, being the practitioners of the MBA education, were quick to identify the difference in their capabilities before and after the MBA programme. They believed that the MBA has developed in them job-useful capabilities which have helped improve their managerial work. Figure 7.3 shows examples of these capabilities.
Figure 7.3  Graduates' Perception Of Job-Useful Capabilities Acquired From The MBA

* understanding of business performance and efficiency (the economic environment
* political astuteness, including understanding of the role of government
* understanding of international business environment and operations
* knowledge in functional and quantitative areas of management
* critical thinking, strategic thinking
* management skills: initiative, time management, negotiation, resourcefulness, dealing with various audiences/stakeholders
* expertise in research methods
* flexibility and responsiveness
* original thinking, new ideas, insight, creativity
* interpretation, clarifying, reflectivity
* teamwork and communication (oral and written), including persuasion and motivational skills, conflict resolution

In the interviews with the employers, where there were criticisms against the MBA graduates, there were always also praises. However, when it comes to recruitment, an MBA degree does not appear to be a dominant criterion. Employers are of the view that where professional qualifications determine recruitment, such as accountants or engineers, the MBA degree takes second place to a range of other selection criteria such as personal qualities, experience, 'track record', or even affordability of the employer ('My company is too small to employ an MBA graduate' - an indication of uncertainty about the supposed value and what an MBA graduate can offer). While all of these respondents indicated that they would employ MBA graduates (although 34% of them said that they had not advised, or would probably not advise, their employees to pursue an MBA degree), their choice of the graduate as an employee is not because of demand but more because of supply ('If you were faced with hiring two identically skilled and experienced people, and one has stuck through and completed an MBA, which would you choose?').

Furthermore, while the 'contributing worth' of MBA employees to their organisation appears largely unknown to the employer respondents, the critics among them repeatedly judge these employees by 'worth' ('Do not believe the MBAs are worth it', 'Limited benefit or added value', 'Made little impact', 'Only graduates from the US schools'). Indeed, among all these paradoxical signals, what appears to be clear is that although employers are prepared to hire MBA graduates, they do not think these employees contribute significantly more to the organisation than other
employees. Furthermore, these respondents admit to having difficulty in explaining this paradox, declaring that MBA graduates contribute to an organisation 'in some unseen way' or they 'trust a gut feeling' that it is better to have some MBA graduates.

**USEFULNESS OF THE MBA TO AUSTRALIAN COMMUNITY**

*Are MBAs Serving The Current And Foreseeable Needs Of The Australian Community?*

It is inevitable that a researcher must attempt to clarify the above confusion. What might explain the reservations of the employers regarding the usefulness of MBA graduates to their organisation? What could add light to the cloud of uncertainty about the effectiveness of MBA graduates to Australian industry at large?

Respondents were asked to rate the extent to which MBA programmes are serving the Australian community by reflecting on the current and foreseeable needs of the country. Table 7.2 shows their response. The low rating given by the employers is not surprising in view of their current attitudes towards the degree. What is significant to note is the seemingly low rating of the educators when compared with their perception of the high quality of the MBA degree (68% of the educator respondents perceive the MBA as high quality) (this Chapter; page 185). It suggests that a greater number of educators than before are also putting the MBA education under close scrutiny. Students/graduates also appear doubtful about their worth to the community.

Underlying these ratings, views of the respondents reveal a whole series of assumptions and expectations regarding the worth of the MBA education to the Australian community.

**Table 7.2 Perceived Rating On The Extent To Which MBA Programmes Are Serving The Australian Community**

<table>
<thead>
<tr>
<th></th>
<th>Rating Scale: 1 to 10 (low to high)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDUCATORS</td>
<td>5.4</td>
</tr>
<tr>
<td>EMPLOYERS</td>
<td>3.5</td>
</tr>
<tr>
<td>STUDENTS/GRADUATES</td>
<td>6.7</td>
</tr>
</tbody>
</table>
First, in their consideration of the current and future needs of the Australian community, respondents often cited the following:
- management of change and growth in technology;
- new product development;
- creativity and adaptive organisations;
- process of innovation;
- entrepreneurialism;
- international markets;
- manufacturing management systems;
- research and development management;
- corporate planning techniques; and
- small businesses.

Among the employer respondents, the senior managers of chief executive officer status often emphasised that what is involved in planning, initiating or managing a growing organisation to be innovative, technologically advanced, internationally competitive, highly export-oriented and profitable, is always on the top of their agenda. They maintain that these are precisely the kinds of business concerns that Australian economy now needs. There are some enterprises operating like this, but Australian industry requires more of them to flourish, learning from their success and being inspired by their example. While individual respondents may not be as definite as these senior managers, views of the employers and students/graduates at large appear to endorse this agenda as 'major national managerial need'.

However, there is a different view among a large percentage of the educator respondents, who caution that these are the short-term needs of business enterprises and that employers are more concerned with entrepreneurship and pay little attention to the management of the organisation. They stress that the major national need is for all managers to develop and act on more positive attitudes towards creativity and strategic thinking than most business managers do now. If individual managers can be helped to perform better, more wealth can be created and the potential for improved quality in the workplace and society will increase. Inclusion of a large measure of the profit-creation or entrepreneurial approaches alone would not achieve this. The emphasis of 'national managerial need' should therefore be on functional and technical problem-solving, aimed primarily at maintaining existing assets and revenues - hence the 'generalist management approach of current MBA education.'
These data reflect two distinctly different contexts of the needs of Australian industry and its community. While there is no disagreement about the need for Australia to develop more businesses, there is considerable disagreement over how to encourage and stimulate the businesses. Some of the employer respondents argue that the contrasting view of the educators is well reflected in the current MBA education which is based on the perceived needs of middle and upper-middle level managers in large organisations which have low levels of change and no strategic conception of innovation in products, markets, technology or manufacturing. It is therefore difficult for them to see this as the background Australia most needs in the country’s managers, now or in the foreseeable future.

There appears to be an overwhelming disappointment among the employer respondents that current MBA education has very little relevance to their perceived national managerial need. To them, management education has failed to serve the Australian community adequately, claiming that educators’ visions of business and of business education within the community do not match the current and clear future needs of the community generally, or of the business community specifically.

**Maintaining Or Creating Wealth?**

While these employer sentiments are strong, the arguments of the educators cannot be ignored. The educators’ philosophy of designing an education which enables managers to *maintain* wealth has the same merits as the employers’ desire for an education which enables managers to *create* wealth. Surely, an education operating within either context will fail to sustain the Australian economy, or any economy for that matter. Perhaps what is needed is an education which addresses both of these contexts so as to serve current and projected community needs. Some of the views of the respondents reflect the need to move in this direction. For example, an educator in economics offers the following insight.

The key to turning the Australian economy around is to raise the value of Australian goods and services relative to imports. But one should not assume that our ‘lucky country’ syndrome will continue indefinitely. Hence, in raising the value of our goods and services, we should also attempt to diversify the economy so that progressively less reliance is placed on resources.

(Ex. 21)
These insights clearly describe the true needs of the Australian community. On one hand, 'diversifying the economy' requires the short-term-focused strategists to be creative and entrepreneurial, seeking and seizing opportunities, aiming primarily at generating new assets and new revenue - the type of managerial talent perceived as currently lacking by employers. On the other hand, 'raising the value of Australian goods and services' requires the long-term-focused strategists to enhance and maintain quality and increase the worth of assets and revenues. This is to be achieved through operating effectively beyond the confines of a single discipline and addressing integrated problems with a deep understanding and insight into the social, economic, political and technological contexts of the organisation - indeed, the type of managerial talent perceived by those more progressive educators as the purpose and focus of MBA education. Clearly, a management education which neglects one talent or the other - the 'creator' or the 'maintainer' - will not serve the Australian community well.

**An Education System To Both Maintain And Create Wealth?**

Is it possible for an education system to produce both types of managerial talent? Views of the educator respondents who perceive the MBA education as adequately serving the needs of the Australian community revealed a dimension relative to this question. These educators argued that even though the focus of the MBA is on generalist management, as the term implies, there is no specific intention to exclude areas such as technology, innovation or management styles. In fact, it would be foolish not to include these content in a modern management programme.

They maintained that usually in the MBA programmes students are exposed to current business and organisational issues which are Australian specific. For example, there are aspects on setting co-ordinated longer-term and shorter-term goals and strategies, at both national and business level, negotiating at company and political levels, aspects regarding transport and communications in Australia and overseas; study on overseas cultures and habits, with particular emphasis on Asia; management of Australia's primary and minerals industries, including processing, Australian market feasibility studies to establish market opportunities, including niche markets, all aspects of Australian Government, Australian industrial relations; and business ethics.

They also cited examples of their research efforts which are addressing the needs of Australian industry. For example, research on aspects of export promotion,
exploiting opportunities in the overseas market or the development and management of alliances and networks. In addition, they have Boards of Management which include chief executives from industry and they invite professional senior executives from local and abroad as guest speakers. In their consultancy connections with Australian organisations, they serve as advisors and/or agents of change.

Therefore, inevitably, the generalist approach of the MBA has in fact encompassed attempts to address both the 'wealth-creating' and 'wealth-maintaining' needs of the Australian community. In doing so, the MBA programme has become 'one of the toughest post-graduate courses on offer', and its rigour is well experienced by students/graduates ('the lectures and seminars call for deep and rigorous thought', 'during the MBA I had to be brutal with my time' and 'my family is very understanding, they realise the pressure the MBA has had on me and affected me ....') - the majority of students/graduates cited similar demands that MBA studies made on them, none of them regarded the programme as easy). One of the educators further emphasised as follows:

_There may well be a market in Australia for some specialist Masters programmes in Entrepreneurship. But whichever approach you select, employers have to see managers as just like anyone else. They have areas of strength and areas of weakness._

(EZ:09)

However, a small proportion of the employer respondents expressed some contrary views. They pointed out that business schools are not businesses but rather adjuncts of universities. Students are therefore taught in an environment which is distant from, and has little resemblance to, managerial working practice. Each organisation or business sees its managerial needs as unique, but business schools offer a set 'menu' and are unable to meet the needs of particular individuals in specific organisations. These employers also stressed that business administration should be considered as an 'intelligent' form of managerial activity which is practical in nature, not 'intellectual' or academic which appears to be the inevitable focus of business school educators. This partly explains why current MBA programmes emphasise managerial _knowledge_ acquisition and pay little attention to managerial _skills_ development and application. Yet, in order to become effective as a manager there is a need to be proficient in both, overlooking one or the other handicaps potential managers.

What transpires is that business schools and educators' regard their role in the Australian community quite differently from others. To them, the function of the
business schools is to be the breeding grounds for clever managers, in large quantities, to meet society's need. They also regard it as their responsibility to design MBA programmes which are more industry specific and provide mind-stretching experience to the graduates who can then make better contributions to the industry. While they are consumer-driven, they also strive to maintain excellence and distinction. Above all, the choice of trade-off's between the issues of business and education - 'what to give up in the programme to provide business what it wants?' - remains with the educators and the business schools and not with the Australian industry or community. Would Australia's community in general and its industry in particular accept this role as meeting their current and future needs?

CHAPTER SUMMARY

In analysing the usefulness of MBA education to the students/graduates, employers and the Australian community and industry at large, there appears to be a mismatch of assumptions, needs and expectations among all three groups of respondents. Both educators and students/graduates are satisfied to a certain extent with the MBA programmes, as the needs of the students for personal growth and enhanced managerial performance appear to have been met. Australian industry, represented by the employers, is dissatisfied with the graduates, as the expectation that they be business leaders whose specific role is to enhance organisational and community wealth, has not been met - an expectation which educators argue as not within their role in, and not part of the objectives of, the MBA education. Contrary assumptions concerning roles, objectives and needs abound among the three groups of respondents. It appears that the real worth of the MBA programmes remains undefined.
Chapter 8

The Future Of M.B.A. Programmes

INTRODUCTION

Analysis of the data has failed, at this point at least, to give any indication of a clear consensus among educator, employer and student/graduate respondents on how to educate people for responsible roles in business and management. Differences in assumptions, needs and expectations of most, if not all, aspects of the MBA programmes are a reality. From understanding the nature of managerial tasks, skills and knowledge, to the critical areas needed for managerial improvement, suitability of approaches and methods, current content, structure, students and teachers and the usefulness of the programmes, there seems to be a wide gap between what is provided by current MBA education and the needs of industry.

Particularly significant is the apparent lack of congruence between what the educators and their business schools assume employers want and what employing organisations are looking for in MBA graduates. Perhaps the current model of graduate management education has ceased to be relevant, as it does not discern the change rapidly taking place in organisations - a suggestion which was also evidenced in the literature review. Does this signal that the current era of MBA education may be drawing to a close, giving way to different or new thought and approaches in the preparation of managers demanded by leading organisations?

This chapter explores respondent perceptions regarding the needs of future managers and leaders, the assumptions underlying these needs and the proposals of each group for changed or different models of MBA education.

This being the final chapter on the analysis of the research data, drawing on the experiences of the past to visualise the future, it is anticipated that a much clearer picture for guiding the future development of MBA programmes will emerge. This chapter will conclude with a summary of the five data-analysis chapters.
The following main sections in the chapter form the framework of presentation:

1. *Future Development of MBA Education As Perceived by Educators, Employers and Students/Graduates;*

2. *Better Understanding of MBA Programmes; and*

3. *Summary of Data Analysis of the Research.*

**FUTURE DEVELOPMENT OF MBA EDUCATION AS PERCEIVED BY EDUCATORS, EMPLOYERS AND STUDENTS/GRADUATES**

The data discussed in the foregoing chapters suggest that Australian employers are disillusioned with the MBA education. They claim that the education has not enabled the managers of today and of the future to develop a range of skills and competencies needed by their organisations, skills and competencies which would enable the managers to solve new problems, to anticipate change and to adjust rapidly to changes in their organisational environments. Employers are not eager to employ MBA graduates and if they do, the expertise of MBA employees is often not utilised while they continue to request that managerial skills and competencies in their organisations be upgraded.

Discontent among educators, employers and students/graduates will certainly increase the gap between that which MBAs provide and that which is required by industry to satisfy its needs. To bridge this gap is of great economic significance because effective and efficient management and leadership in industry are seen as the most important factors contributing to rational economic growth and international competitiveness (Karpin, 1995). Since, clearly, there are mutual interests among the three constituent groups, it seems obvious and mutually beneficial that each should collaborate and learn from each other. So what possibilities exist for learning and collaboration among the three groups of respondents? What changes in current MBA education might be necessary in order to achieve this? What is it that each is looking for in future MBA graduates? What might be the main areas of concern or opportunities for improvement?

Respondents were asked to nominate what MBA programmes should contain, in the context of their own organisation or institution, or of their involvement with the MBA degree, for the enhancement of managerial effectiveness. Figures 8.1, 8.2 and 8.3 show their responses. Respondents proposed developments or changes they would like to see occur in future MBA programmes, thus also reflecting their perception of
the needs for and the purposes of management education. The following sections
analyse the views of the three groups of respondents.

Educators' Perception Of Future MBA Education

Figure 8.1 shows the cluster of areas of development considered by educator
respondents to be most important for inclusion in future MBA programmes. It
appears that this group of educators emphasises the importance of knowledge and
understanding of the workings of business environment and its operating functions.
A large proportion of these educators also recognise the importance of team and
communication skills, a balance between theory and practice and a focus on the
relevance of the MBA to Australian industry needs. In addition, they regard the MBA
as having a life-long effect on future managers.

Figure 8.1  MBA Educators' Perception On What Can Be Provided In Future
MBA Programmes For Enhancement Of Managerial Effectiveness

* Understanding of business environment and operations
* Need to emphasise the functional, behavioural and quantitative
  aspects of management
* Breadth and depth, theory and relevance, consistent with
  Australia's needs
* Translation of student learning into practices and effective
  action
* Personal management effectiveness - co-ordinating action,
  presenting opinions, responding to concerns of others,
  developing colleagues, identifying 'blind spots'
* Leadership and teamwork
* Encouragement of a wide variety of experiential techniques, such
  as integrating units, task forces, project teams, internal
  consulting, mentoring
* Sharing of responsibility of learning between educator/student/
  employer
* MBA as part of a 'life-long process of education'

All of the educators stressed that Australia needs far more highly educated and
skilled managers and they apparently agreed that this is a long-standing need. The
majority recognised that this need has not been met, partly due to the nature of the
product or service offered by them to business and partly to the short-term and
conservative approach of the Australian business community towards management
education, which is reflected in their scepticism about what is on offer.

The educators also maintained that the themes which recur with respect to the
development of senior managers indicate that, in future, MBA degrees should
continue to be predominantly 'generalist'-oriented. This, together with the 'methodological rigour' of the MBA and its purposefully diverse yet discipline-focused curriculum, serves as a general, but firm grounding in business concepts and techniques. For the aspiring managers who are already in business and have a commitment to their present employer, and who are seeking an educational path for developing a business and managerial career, this foundation is both preparatory and specialised for on-going, or life-long, management education and development.

**Emphasis on academic rigour in MBA programmes**

The educators often emphasise the need to maintain academic rigour in future MBA curricula. It may appear that educators have a bias towards knowledge of business and organisational functions and theories of, for example, international, economic and political business world and related fields, but they stress that such a background enhances a manager the ability to think creatively, critically and reflectively. Some of the educator respondents compare this MBA rigour with that in academic research, insisting that managerial tasks and skills involve the research rigour of problem-identification, analysis and solution. It is therefore not uncommon to find that MBA degrees have an approximate 40 per cent dissertation or research/consultancy project and writing component which aims at encouraging students to apply learning through the investigative approach of solving business and organisation problems.

While the majority of educators recognise the importance of human interaction, teamwork and communication abilities and processes required by future managers, together with the need for a balance between theory and practice in the curriculum, they argue that **content in future MBA programmes should not be sacrificed at the expense of process**. A small proportion of the educators argued that components such as the 'people processing' skills of a manager may best be acquired through well-designed, in-company development or training programmes. It was further argued that as the practice-focused nature of these skills require more than the knowledge-base of psychology or sociology of organisations, the teaching of these skills is often seen as deficient in business schools.

As all of the educator respondents claim that the primary purpose of the MBA is to educate potential managers in what would be useful to them in a life-time career of management, they anticipate continuous demand for management education. While they appear to be adamant about what they regard as the appropriate future
MBA curriculum, they tend to be flexible in meeting other needs of students and employers regarding structures, participants and teaching approaches. They recognise the principal trends affecting their potential students - such as students having less time to spend in learning; employers being more rigorous in examining the impact of the MBA education or the graduates on the organisation, seeking a more comprehensive range of educational services such as consulting and counselling, and some of the organisations are now designing or buying more tailor-made and sophisticated programmes with more experiential activities. A larger proportion of these respondents predict that it is likely that future MBA programmes will need to meet these demands if they are to be relevant and practical to future students.

Despite the reservations among most of this group of respondents regarding the maintenance of quality and standard, future alternatives to structures, selection of students and teaching approaches will be designed to meet a variety of customer objectives - such as lower costs in time and money for students, convenience for those in full-time jobs and flexible attendance and timing of entry and exit. Some of them also foresee that MBA programmes of various characteristics may increasingly gain popularity. For example, 'sandwiched' and distance-learning formats; modular systems combining full-time study with in-service training and/or practical application projects in the students' employing organisation; and company- or consortium-based programmes linking part of the MBA curriculum to the needs of the organisations which will have direct programme design, participation and operation control.

These future developments of the MBA education, as perceived by the educator respondents, suggest a move towards closer collaboration between business schools and employers and shared responsibility in the future education of managers. It also suggests a different philosophy of MBA education from the current one. The imperatives of the 'new' philosophy are likely to be an approach which emphasises diversification and experiments, quality and service, focusing on strategies increasingly targeting Australian organisations and, above all, a need for educators to understand and be sensitive to different organisational cultures and needs in order to generate appropriate MBA programmes.

It also appears that in future, business schools and educators may not have the same central control and influence over the MBA education as is currently the case. The focus will be on the organisation rather than on the school, stressing managerial outputs rather than academic inputs. Furthermore, as the traditional
purpose of the MBA programmes which stresses the achievement of high academic performance by students in the field of business studies is being challenged, traditional academic values, assumptions and needs are being challenged as well. Would MBA educators be satisfied with a changed purpose of MBA education, one which will aim at enhancing students' managerial competence to a desired, rather than high, standard which is more relevant to the employers?

**Employers' Perception Of Future MBA Education**

Figure 8.2 shows the cluster of areas of development employer respondents consider to be most important in future MBA programmes. From this collection of ideas it appears that employers, similar to the educators, require in future MBA managers, business knowledge and skills and the ability to apply learning in practical, work-based situations. However, they appear to be more concerned

**Figure 8.2  MBA Employers’ Perception On What Can Be Provided In Future MBA Programmes For Enhancement Of Managerial Effectiveness**

* Business/organisational advancement 'specialists' with 'generalist' management capabilities
* Combining sound knowledge base with practical abilities, not just specialist knowledge
* Co-ordinating abilities of various operations
* People, team, leadership, literal and vertical relationship skills
* Customer focus mentality, emphasis on quality and service
* Business sense: understanding different business cultures, foreign trade and investment, how to develop and use networks
* Written and verbal communications - plain language to express complex ideas
* Futuristic world view: more connected to vision and goals, globally oriented managers, emphasis on diversifications

than educators that future managers take on the role of turning the Australian economy around by focusing on customers and the 'business sense' proficiencies in operating organisations. The majority of these respondents stress that a 'business function format' rather than the 'management function format' in the current MBA programmes should be designed as the basis for short-term or long-term problem-solving studies in the degree.

What is most significant to note among these perceptions is that, unlike the educators, employers seek both business: 'organisational advancement 'specialists' and 'generalist' management capabilities in **all** future managers. This view is in contrast to the educators' futuristic view of the MBA education which aims at
developing senior managers as generalists - a proficiency in the functional, behavioural and quantitative aspects of management, with ‘breadth and depth’ and ‘theory and relevance’ consistent with Australia’s needs. The employer respondents’ argument appears to centre on two points.

First, the boundaries between first, middle and top levels of management are becoming blurred. The downsizing of managerial structure and the growing complexity and interdependence of units in many organisations have given rise to an imperative of developing first- and middle-level managers with conceptual, interpersonal skills and building lateral and vertical relationship within communication networks - the same kind of complex understanding emphasised by the MBA education which is currently designed as preparation for senior managers. It appears that the traditional assumption that first or middle level managers should be trained primarily in technical and applied areas and that what is taught in the broad-based MBA would only be useful to them in 10 or 20 years time, will cease to be appropriate in modern or future organisational environments. Tasks and responsibilities previously assumed to be the preserve of people in senior managerial positions are now an essential part of the job of managers also at middle and lower managerial levels. The educators’ futuristic model of the MBA degree appears to be more suitable to these ‘entrants’ to senior management.

Second, employer respondents appear to have a different concept of ‘senior management’ from the educators. They visualise future senior managers as those who are specialised in business or organisational advancement and leadership. They emphasise that the future of Australia needs this type of senior managers who advance and lead the organisations. For example, in advancing the organisation, these managers should have the specialist understanding and experience of working with different cultures, assimilating the similarities and differences between Australia and other countries so as to maximise business or other opportunities. They should be proficient in diversification, developing alliances, quality and service and the mechanisms of investment and trade as they relate to trading nations, domestic markets and the public’s concern for ethical business and other practices. In leading the organisation, they should have the specialist ability to prepare and transform their organisation to meet future challenges, such as in the areas of strategic management, ethics, total quality management, cultural diversity, leading in changing economics, effective team processes, and cultivating an understanding of critical thinking, risk taking and vision among followers.
Employer respondents claim that the educators' futuristic model of the MBA education appears to be lacking both of these 'specialist' functions of future senior managers.

**The need for revamping Australian graduate management education**

The employer respondents' perceptions of future MBA programmes may suggest a need for revamping Australian graduate management education. From philosophy to design, from curriculum and structure to suitability of students and teachers, even the understanding of senior management tasks and the relative knowledge and skills has to be reshaped to suit the changing managerial structure. The immediate and more realistic question is: Can the MBA be remodelled to meet these future demands of Australian employers?

Despite their many criticisms about the current MBA programme and its providers, some of the employer respondents acknowledge that cultivating managerial talents should not be the sole responsibility of business schools and the educators. Similar to the educators, they visualise a likely move towards closer collaboration with the business schools, despite the 'half-way house' attempts by both parties for many years. These half-way attempts are well reflected in the perceptions of various respondents in their views of others' practices in management education. For example, business schools are perceived as focusing almost exclusively on knowledge acquisition, overlooking self and skill development, and it is felt that control of MBA education is still firmly vested in the business schools. Employers are perceived as 'haphazard' and unsystematic in their approaches to developing and improving managerial expertise, particularly in their lack of effective utilisation of MBA employees, some of whose MBA programmes have been sponsored by employers. This research has revealed that only within recent years have the larger organisations become more proactive, by participating in the design and operation of the organisation-specific MBA programmes.

A small proportion of the employer respondents attempted to map out their roles in a future MBA education of business organisational and leadership acumen for senior managers. They anticipate detailed involvement in defining core knowledge and skills in business and leadership, which may include the following focuses in the MBA curriculum:
- scanning the environment: competitors, strategic intent, managing uncertainty, adapting to change (emphasis is be placed on the external environment rather than the inner workings of the organisation);
- buying and selling corporations: restructuring them, entering into joint ventures, divesting, therefore showing highly tuned sensitivity to the markets in the international arena;
- change: may have to be forced rather than behaviourally induced, through acquisitions, mergers, privatisation, deregulation or new technology which may prove to be more effective ways to eneulise change, despite the high failure rate;
- behavioural skills: for example, leadership, culture, vision, motivation; and
- structuring skills: for example, establishing relevant performance criteria of individuals, groups and organisation for assessment and reward.

Their other roles in the MBA education will include determining the syllabus and its development, the level of fees and the disbursement of funds, and structuring admission, supervision and evaluation. In future, selected business schools and educators will be more like validating partners, sourcing and in general maintaining desirable standards. There are also opinions among these employer respondents that before being awarded the MBA degree, students should be evaluated on their on-the-job performance during the six months after completion of the final assignment. In making this final evaluation, the employer and educator take into account the view of the student's supervisor and other relevant members of the organisation, and student's self-assessment of post-programme performance. These future roles of employers suggest an expanded MBA with greater depth and breadth which will result from a close alliance between schools and employers, exchanging ideas, practices and facilities for graduate management education and development. One respondent called this the 'ideal' MBA.

**Students'/Graduates' Perception Of Future MBA Education**

Figure 8.3 shows the cluster of areas of development student/graduate respondents consider to be most important in future MBA programmes. Similar to the educator and employer respondents, this group of respondents also emphasised a balance between practice and knowledge and a focus on behavioural and organisation skills relevant to real-world needs, in future MBA programmes. What is significant to note is their proposal for a 'practical MBA degree supported by theory rather than vice versa'.
A large percentage of these respondents stressed that future MBA programmes should be less academic. The fact that the MBA is a postgraduate degree appears to mean little to them. Applying theories of strategic management to their own organisations or to case studies is not seen as immediately useful and a few of the graduates maintain that they still do not have the skill or know-how to influence corporate strategy. Demographic details of the student/graduate respondents (Figure 4.3 of Chapter 4) shows that the majority of them were at junior- and middle-managerial levels before or during their MBA programmes. A large proportion of them anticipate little opportunity to put this 'senior managerial' knowledge to work very quickly after completing their MBA programmes. Would these perceptions suggest that these MBA students/graduates are seeking a post-experience vocational qualification rather than a post-graduate qualification?

**Figure 8.3 MBA Students'/Graduates' Perception On What Can be Provided In Future MBA Programmes For Enhancement Of Management Effectiveness**

- Problem-based approach, encourage students' questioning
- How to integrate/co-ordinate various dimensions/operations of management
- Encourage the 'enterprising' philosophy
- New ideas and depth in management issues
- Teach wisdom and human interaction and leadership skills
- Teach and link practice closely to dimensions of organisation
- Educators should have real-world, practical experience in industry, not just theory teaching
- Encourage teamwork of students/educators/staff
- Content be action-oriented to workplace wants/needs
- Dual-purpose degree - theory (conventional) and practice (business experience)
- Practical MBA supported by theory rather than vice versa

Overall comments of these respondents demonstrate that they do not share the employer respondents' distrust of educators. Rather, they look to the educators as a source of new and challenging ideas. However, their concerns for future MBA programmes are somewhat different from the educators'. As shown in Figure 8.3, these concerns are largely about the need for practical and integrated experience of business and management. To them, this is and will be the most critical side of their work.

Whereas educators' perceptions of the future MBA appeared to focus on the what and why of business and management, the perception of students/graduates was
on why and how. MBA education tends to teach them the understanding of basic disciplines of management so that they can interpret organisational conditions, but their immediate work demand them to learn new ways of working with various stakeholders across the disciplines strategically. The respondents also observed that, as the majority of managers in the organisation (similar to themselves) are at junior- or middle-levels and have been exposed to very little management learning, future MBA education should address these immediate (relevant) work demands and help them to prove their senior managerial potential to employers.

**What managers ought to learn in future MBA programmes**

It appears that in future MBA programmes, educators are still likely to emphasise business and management knowledge, whereas students/graduates are likely to seek business and management capabilities. In fact, interviews with student/graduate respondents often revealed a perception that while the MBA had taught them many things about business and management, but *it has not taught them what they ought to learn*. They cited many examples of what managers ought to learn in future MBA programmes, some of these being:

- how to assess that performance is deteriorating?
- how to assess whether the department or organisation is doing well?
- how to develop a strategy and implement it?
- how to use the strategy to set priorities for all of managers and staff?
- how to effectively present opinions?
- how to respond more effectively to the concerns of others?
- how to co-ordinate action with members of staff and with members of senior management?
- how to break down the functional smokestacks that evolved in the company’s history?
- how to develop colleagues who are better at analysing the situation?
- how to effectively identify and meet the needs of customers? how to retain them?
- how to design products and services to appeal to different market segments?

According to these respondents, these are job-specific performing capabilities, not the ‘intellectual abstractions of knowledge or quantitative techniques’ seemingly emphasised by the educators. Some of the graduates stressed that they require these capabilities, not knowledge, to prove their leadership quality
to their subordinates and superiors. The following comment of an employer well reflects the concerns of the graduates:

In fact, many of them [MBA employees] have honed their analytical abilities and critical skills to the point that their incessant questioning can destroy the effectiveness of a team trying to develop anything new under conditions of uncertainty.

(Em.19)

Apparently what is most important to students/graduates is how they can translate MBA learning into new practices and more effective action. It is these capabilities or skills which seem to be missing now and should be provided for in the future.

Respondents' Mismatch Of Assumptions, Needs And Expectations About Future MBA Programmes

It would appear that the current gap between assumptions, needs and expectations of the three groups of respondents will remain.

Educators assume that the MBA's generalist approach of a broad disciplinary base will continue to be a suitable education to prepare and develop senior-level managers whose functions, they believe, are concerned with strategies, visions, directions, policy decisions, goals and objectives. They also assume that to maintain intellectual rigour they cannot neglect the development of a rich theory and knowledge base and expert quantitative problem-solving techniques, while promising to attempt to balance between knowledge and practice through more skillful teaching and use of experiential techniques in order to suit student needs. Conversely, students/graduates assume that the future MBA should aim at better enhancing their current junior- and middle-level managerial tasks within various disciplines of the organisation by teaching them the skills and capabilities relevant to the immediate work demand of these levels. They appear to pay little attention to intellectual rigour and assume that it is through the performance of skills and capabilities they can then prove their leadership quality and senior managerial potential. As for the employers, they assume that educators’ futuristic model of the MBA will suit the development of up to middle-level managers, and they have a different vision of future senior manager al education which focuses on the characteristics of customers and “business sense” relative to Australian industry. As reflected by the following employer:

Current MBA graduates are good in conceptualising, operating in the abstract, I guess. Generally they are specialised in particular
segments of business areas. I certainly would not expect them to have senior or superior management skills just because of the MBA. These skills would be a by-product rather than a direct outcome of the programme. Future MBAs will have to be very different from what is on offer now.

(Em.16)

The contrast between the perceptions of the three groups of respondents is very wide and each party appears to have little awareness of the other’s assessment of future educational needs. This proves a lack of understanding between the three parties, despite even the seemingly satisfactory educator/student and employer/graduate relationships sometimes suggested by the respondents.

**BETTER UNDERSTANDING OF MBA PROGRAMMES**

Indeed, in contemplating the future of MBA programmes, each group of respondents often declared how unaware the others were of their needs and expectations. What is interesting to note, however, is that the groups scarcely reflect on their level of awareness of the needs and expectations of the others. The following comments are not uncommon among the respondents:

- ‘they (educators) should leave their ivory towers and go out to their customers’;
- ‘they (educators) should be walking, informing people and listening to what employers require’;
- ‘they (employers) never visit the school to get input from us or the students in order to assess the quality of the MBA’;
- ‘they (employers) never once contacted us (educators) to offer any sort of feedback, positive or negative, about the MBA programmes’; and
- ‘they (employers) have never carried out any sort of systematic study of our (graduates) track records from different programmes’.

There appears to be a significant lack of comprehensive information about the practices of each group in general and about the MBA education in particular. There also appears to be a hesitancy and passivity generated from the attitudes each group has about the others – some employers perceiving educators as intimidating, some educators perceiving employers as seeking ‘quick-fix’ solutions, short-term and very quick returns and that students are not much different; some graduates perceiving employers as incapable of utilising their MBA talents. Clearly, ramifications of perceptions of this nature are significant, particularly to the future
development of MBA programmes. With little information about one another, it is not surprising that disappointments and misunderstandings often emerge.

Nearly all of the respondents stressed their need to be more knowledgeable about the MBA programme if they had to consider its future effectively. Educator respondents cited the following as the information and advice they would appreciate receiving from the employers and students/graduates:

- skills and attributes required by future managers;
- future attributes of MBA graduates needed to be differred from current ones;
- extent to which employers prefer generalist or specialist managers, or vice versa;
- degree of importance between 'original and creative thinking' and 'communication ability' in the MBA programme;
- graduates' ability to manage change and people;
- employers' commitment to provide resources to business schools and students, and their effort in developing graduates;
- circumstances under which graduates are employed and reasons for not employing graduates;
- systematic study of track records of graduates from different programmes; and
- strengths and weaknesses of current staff and skills and attributes of educators required to meet industry needs.

Employer and student/graduate respondents cited the following as the information and advice they would appreciate receiving from the business schools and the educators:

- extent to which business school culture complements that of the organisations;
- extent to which employers and students/graduates are important customers to the business schools;
- educators' appreciation of business-wide issues as opposed to function-specific details;
- graduate abilities to work in cross-functional teams as strong as the depth of a particular expertise;
- the specialty of a business school and its MBA programme when compared with the others;
- business schools' commitment to long-term managerial development needs of organisations, e.g. partnership in continuously upgrading and evaluating graduates;
- opportunities for students to exercise real responsibility;
- exploratory discussions about future of managerial improvement, and
- opportunities for richer dialogue with industry and provide more information about the MBA.

Obviously, information and advice sought by the three groups of respondents is extensive and wide ranging. From the need to understand the nature of different kinds of managerial work, how managerial work will change in the future, what the graduates are doing, how well they are doing, to the changing nature of the business and managerial scene, changing needs of the employers, future needs of society, the essential areas of knowledge required by all managers, and the opportunities for learning available at the business schools, the purposes, aims, practices, outcomes and effects of the MBA education all appear to be in need of clarification.

Employers and students/graduates need advice on fitting their management actions to the requirements of a rapidly changing society, educators need advice on how to develop highly qualified MBA graduates to meet those requirements. It is of significance to note that so much of the detail about the various aspects of MBA education are still unknown to the three constituent groups. It is difficult to imagine how relevant and useful education for future managers can be achieved without their close collaboration.

**SUMMARY OF DATA ANALYSIS OF THE RESEARCH**

Chapters 4, 5, 6 and 7, together with this Chapter, have analysed the research data in sequence under five parts. These data are perceptions of the MBA-related educators, employers and students/graduates as they regard the MBA education offered by Australian universities. Chapter 4 analysed respondents' perceptions on management tasks, skills and knowledge; Chapter 5 on critical areas, methods and measurement of managerial performance improvement; Chapter 6 on content, structures, students and teaching of current MBA programmes; Chapter 7 on the quality of MBA graduates in terms of their expertise, performance and usefulness to Australian industry, and, finally, this Chapter on the future of MBA programmes.
Each of these five chapters represents a dimension of aspects or practices which are significant to the examination of MBA programmes.

For ease of reference, Figure 8.4 shows a summary of the five chapters of analysis, depicting both consensus and conflict in the perceptions of the three groups of respondents. These consensus and conflict also reflect similarities or differences in the assumptions, needs and expectations of the groups towards the various aspects of the MBA programmes. There is more conflict than consensus among the groups.

**Figure 8.4 Summary of Analysis – Consensus and Conflict in the Perceptions of Educators, Employers and Students/Graduates on Issues Related to MBA Programmes**

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<td>type of students</td>
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<td>-professionally mid-level managers</td>
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<td>Teaching</td>
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<td>-Medium quality -enhances integrative managerial abilities and skills -'specific'</td>
<td>-Medium/High quality -enhances integrative managerial abilities and skills -'specific'</td>
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**Chapter 7 usefulness of current MBA programmes**

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<th>senior managerial proficiency of graduates</th>
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<td>MBA quality</td>
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**current expertise of graduates**

| -focus on problem analysis and strategic planning | -focus on strategic planning and problem analysis | -focus on problem analysis and goal achievement |
| -lacks organisational development and written communication | -lacks organisational development and subordinate management | -lacks organisational facilitating and development |

| usefulness to Australian industry | -medium usefulness | -low usefulness | -medium/low usefulness |

<table>
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<tr>
<th>managerial need of Australian industry</th>
<th>-organisational management</th>
<th>-business-enterprise management</th>
<th>-business-enterprise management</th>
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<td>'maintain wealth'</td>
<td>-business + generalist</td>
<td>-business + enterprise management</td>
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**Chapter 8 the future of MBA programmes**

<table>
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<th>-generalist</th>
<th>-business + generalist</th>
<th>-business + generalist</th>
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<td>-business disciplinary knowledge</td>
<td>-business practice and skills</td>
<td>-integrated business knowledge and practice</td>
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<td>-broadening of senior managerial abilities</td>
<td>-broaderening of managerial abilities</td>
<td>-broadening of 'job-specific managerial' abilities</td>
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These data suggest a high degree of conflict among MBA-related educators, employers and students/graduates. From issues such as managerial skills, areas and methods of management improvement; content, structures and teaching approaches pertaining to the MBA curriculum; to quality and managerial performance of MBA graduates and their contributions to the current and future effectiveness of the Australian industry; there are visible dissensions among the three groups of stakeholders. Their divergence on the purposes, objectives, practices and outcomes of the MBA degree is significant. It is inevitable that these findings will have important implications for the improvement and development of Australian management education.

CHAPTER SUMMARY

This chapter has analysed the perceptions of educator, employer and student/graduate respondents regarding the future of MBA programmes and draws to a close the analysis of the total data of this research.

As respondents contemplate the future by reflecting on their experiences or practices relative to current MBA programmes, it transpires that each of the three constituent groups sees its needs as unique and the currency of these needs forms the basis of their expectations of future MBA programmes. It also transpires that each group has little awareness or understanding of the practices of the others and their assumptions on future MBA programmes are based on this apparent lack of information. It is not surprising that each has its own version of future MBA education. For the future, educators prefer the maintenance of status quo, with some modifications to suit customer needs, employers seek a different focus to meet Australian business needs and students/graduates seek relevance to their immediate job needs.
A summary of data analysis of this research, depicting the consensus and conflict in the perceptions of these three groups of respondents, has also been presented.
Chapter 9

Implications

INTRODUCTION

The purpose of this research is complex as it entails an examination of the effectiveness of MBA programmes. At the very least, concern for MBA effectiveness includes such questions as: What should be taught to students? How should educators teach the MBA curriculum? How do MBA students learn to become managers? How can other people, including MBA educators and MBA employers, help students learn to be effective in the tasks expected of managers? How can an MBA curriculum be structured so as to maximise not only student learning, but also the transfer of that learning into effective managerial practices, to the benefit of Australian industry and community? Only after addressing questions of this nature can MBA programmes be organised and operated to maximise the quality expected of them by students/graduates, their employers and the industry.

Therefore, the focus of this chapter - deriving implications from analysis of the data - is centred on differentiating and comparing the perceptions of the three groups of respondents regarding existing ideas and methods, within those effectiveness dimensions deemed to be of value to the MBA programmes. The analyses in Chapters 4, 5, 6, 7, and 8 have identified five effectiveness dimensions: content and goals, how students learn to become managers, business schools and educators, measuring graduate performance and a suitable base upon which to build MBA models. Within each dimension, perceptions of current aspects or practices of the MBA programmes are compared and the resulting implications for the three groups of respondents discussed.

Within the chapter, the following main sections form the framework of presentation:

1. Recurring Themes Emerging from the Data Analysis, and
2. Implications of the Recurring Themes.
RECURRING THEMES EMERGING FROM DATA ANALYSIS

Literature reviewed at Chapter 2 reveals that development of the MBA programmes in recent decades has been gradual. This finding shows little consensus among educators, employers and students/graduates on how to educate managers. More often than not, the evidence appears to explain decades of slow development, or resistance to that development.

From the data analysis of this research, a number of recurring themes has emerged:

- In reference to tasks, skills and knowledge of management, content and goals of MBA programmes comprise a major theme;
- In reference to the critical areas, methods, values and measurement of management improvement, how students learn to become effective managers;
- In reference to content, structures, students and teaching of current MBA programmes, a positive business school and educator effectiveness base;
- In reference to graduate expertise and managerial performance, quality measures on graduate effectiveness, and
- Finally, in reference to future MBA programmes, has emerged a need to work towards, or establish a suitable base upon which to build MBA models.

Each of these themes is briefly expanded below:

1. **Content and goals of MBA programmes**. The analysis revealed that all three groups of respondents were ambivalent regarding the content and goals of MBA programmes. While acknowledging the broad-based nature of management, few of the respondents were certain of, or agreed upon, the definitions of business/management knowledge, skills or tasks.

   Educator respondents argue that managers require the harder, quantitative 'sciences' of statistics or problem-solving modelling in business topics such as finance, accounting, economics, strategic or operations management in order to perform effectively. Employer and student/graduate respondents, on the other hand, emphasise that managers are unable to blossom without the softer, qualitative 'arts' of management, requiring a much more sophisticated understanding of human cognition (for example, perception, intuition and reasoning) and people-skills (for example, interaction, negotiation and leadership).

   The majority of educator respondents believe that the 'sciences' of management have been well developed, whereas those in the 'arts' are not. Traditionally, the 'sciences' of management have been the focal point of MBA programmes and years of development have enabled educators to teach these aspects better than the 'arts'. This is not to belittle the decades of fruitful development in cognitive fields such as psychology, sociology, anthropology and related areas. However, it does appear that learning effective management
depends to a large extent on progress in these fields, and that much progress is yet to be made in the development of human learning for managers. The old adage ‘If you don’t know where you’re going, you’ll likely wind up somewhere else’, illustrates the frustration of attempting to achieve unspecified goals in the absence of consensus.

2. **How students learn to become effective managers**. The analysis revealed a lack of knowledge among respondents about how students learn to become effective managers. The debate on ‘sciences’ vs ‘arts’ content of management has been intensified by the question of relevance and resultant approaches in educating or improving managers.

Educator respondents want MBA students to learn general business ‘knowledge’ and be able to operate at senior management level. Employer respondents are more concerned with the practice of operating a business and want students to learn business management ‘skills’. Student/graduate respondents, concerned with proving their abilities to employers for advancement purpose, want to learn ways of handling their immediate business or management ‘tasks’ which are at junior or middle-management levels.

These differences in values, needs and expectations, together with the different degrees of importance and difficulty given to evaluating the effectiveness of MBA learning, determine respondents’ perceptions on the relevance of management improvement areas or methods. As a result, a trend appears to have emerged among employer respondents that methods of educating or developing managers are to be closely aligned with specific organisational needs rather than with the ‘generalist’ managerial needs advocated by traditional MBA programmes. The majority of educator respondents are doubtful of these organisation-specific methods, claiming that they are too narrowly focused.

It is indeed very difficult to model the MBA movement in unspecified directions towards the achievement of unspecified goals, when so many of the values, needs and expectations among the three groups of respondents are so different.

3. **A positive business school and educator effectiveness base**. There appears to be agreement among all three groups of respondents that whatever effects an MBA programme has on students/graduates, those effects are chiefly mediated by MBA educators through the support of the business schools.

Decisions of business school practice (such as course content, structures, selection of students and educators) impact on graduate effectiveness. Educators’ knowledge, experience base, teaching style, research interests, dedication or diligence and resultant behaviour, are all perceived by respondents as correlated with graduate achievement gains from MBA programmes.

Respondents also tend to believe that business schools of the universities, within which MBA educators are employed, directly influence educator behaviour. An MBA educator’s motivation or career-orientation is, more often than not, dependent upon the
business school's culture, which is modified along either traditional university values, or its wish to meet MBA market needs. Respondents also perceive a lack of basis in business schools for selecting and developing suitable MBA educators, or for cultivating attitudes appropriate to meeting the changing educational needs and demands of Australian industry and community. That, currently, a systematic approach to generate educator and/or business school effectiveness is lacking is supported by all the data.

4. Quality measures on graduate effectiveness. The analysis revealed a lack of quality measurement of graduate effectiveness. Educator and student/graduate respondent perceptions of medium to high levels of managerial performance in MBA graduates are not supported by the employer respondents who, more often than not, criticised graduates' lack of managerial performance. However, among the three groups of respondents, measurement of graduate qualities appears to be considerably deficient.

Often, no measurement is made when it is conducted, the methods and instruments used are unstructured and unsystematic being either extremely broad in focus, or lacking specificity – for example, the effects of course content, background of students, structures, teaching methods, short-term or long-term improvement or success of the organisation. The need to yield benefits from MBA-learning has prompted those sponsoring employers of MBA programmes among the respondents to call for 'authentic' assessment of the graduates. Some of them suggested that in future MBA qualifications should not be awarded until graduates successfully complete a period of 'internship', collaboratively designed and monitored by educators and employers. This is intended to provide a systematic 'real-world assessment' of graduate capabilities in management.

5. A suitable base upon which to build MBA models. The analysis revealed that a suitable base for building MBA models does not exist. Each group of respondents wants MBA graduates to be well prepared for the 'management jobs of the future', yet the groups are in conflict about what those jobs will encompass and what critical managerial improvements will be necessary to prepare managers to fill such positions.

Educator respondents foresee the continued need for MBA programmes to broaden senior managerial abilities under the 'generalist' approach, together with a capacity to adapt to changing market needs. The 'generalist' approach originated from the United States in the early part of this century and there has not been any report or indication in the literature about the tested effectiveness of this approach (Orpan, 1987; Viljoen, et al., 1990; Hubbard, 1990; Burtrey, et al., 1992).

While employer and student/graduate respondents foresee the need for MBA programmes to broaden all managerial abilities in business practice and skills, they regard the 'generalist' approach, on its own, as being no longer adequate to meet the rapidly changing nature of Australian business and organisations. They consider that educators'
adaptations such as in upgrading course content, structures or teaching methods, are 'piece-meal', or 'Band-Aids', and do not address the fundamental problems of the MBA programmes.

Those problems are indicated by the following questions: What kind of education will be appropriate for managers? How much value will be added by a changed MBA curriculum? What should be reduced in the curriculum in order to provide what industry needs? How to reconcile the different perceptions and the different definitions of managerial skills? What skills are needed by future managers?

Answers to these and other related questions will significantly affect the relevance of MBA provision. Decades of attempts by business schools and educators to address the inadequacies of MBA programmes, have still not resulted in identifying and establishing a suitable base for building educational models for managers.

**IMPLICATIONS OF THE RECURRING THEMES**

As these five recurring themes reflect the current state of MBA programmes in Australian universities, what are the implications for the future development of management education programmes?

Each theme is closely related to one or more of the others and, overall, the themes suggest five (5) implications:

(i) the need for consensus about the goals and suitable content of MBA education;
(ii) the need for knowledge about how students learn to become effective managers;
(iii) the need for a positive educator effectiveness base;
(iv) the need for quality assessment on graduate effectiveness; and
(v) the need for a suitable base on which to build MBA models.

All of these affect the future effectiveness of MBA programmes in Australian universities.

**The Need For Consensus About The Goals And Suitable Content Of MBA Education**

This research suggests that there is very little consensus among the three groups of respondents regarding the goals and course content of the MBA programmes. This might well be the major reason for the apparent difficulties in MBA effectiveness.
Before addressing the differences, however, it is essential to acknowledge those similarities in values held by the three groups of respondents. The groups agree that organisations are experiencing a great deal of fundamental change as a result of an increasingly competitive environment and that this change requires organisations to focus on customers, empower people, take full advantage of technology and develop capabilities to manage cross-functionally, through continuously recreating structures, systems, products and people.

Respondents also believe that boundaries both inside and outside organisations and between nations are becoming blurred, such as boundaries between managers and employers, between functions, line and staff, organisation and its various stakeholders, competitors and partners, organisation and the society. In national and international organisations particularly, managers are required to provide consistent bearing and direction, co-ordinate the different parts of the business, be good team workers and team leaders and be very sensitive to cultural differences.

Additionally, there appears to be a keenly felt need among the three groups of respondents that Australia, as a country, must find a way of educating a much larger number of people before they become managers. This concern of the respondents reinforces that of the Australian Mission on Management Skills (1991:1) which reported that only 20% of Australia's more senior managers held bachelor degrees, compared with 53% in Germany, 65% in France and 85% in the United States and Japan. The report also stated that the number of Australian managers with any form of education other than secondary was frighteningly low compared to the nation's more successful international counterparts.

All of these organisational, environmental and demographic developments evidence the fact that managerial jobs and the requirements of managers are also changing significantly. Inevitably, suitable changes in the goals and content of the MBA education are to be expected. However, data indicate little evidence of concerted effort of the groups in effecting such changes. For example, management literature reports business schools designing subject-based MBA programmes for previously unexploited niche markets or programmes linked to professional organisations, occupational groups or specific industries, thereby delivering the degree in more flexible ways. There are now MBA qualifications in Sales and Marketing Management, Human Resource Management, Manufacturing, International Business, International Management, Asian Business, Strategic Management, Trading and Finance, Technology, Public Sector Management, and the like. However, despite
these diversifications or specialisations. It is of some concern to note from the data that there is little agreement between the groups about the fundamental goals and content expectations of the MBA programmes as a means of educating and developing quality managers.

Conflict about goals

The majority of educator respondents believe that the trend in graduate management education is to make senior managers into greater 'generalists'. They argue that MBA education is one of sophistication and that the generalist approach does not imply simplicity in the treatment of course content. At the same time, they stress that the acquisition of 'specialist' or 'functional' knowledge is essential to 'generalist' managers. There also appears to be a distinct conviction among educator respondents that the 'best', or ideal, MBA students should be people with professional qualifications and related work experience who are seeking a broad-based management education. The educators would then help them to learn to look into the future, to identify and analyse problems and to cope with change. Students would thereby acquire good analytical skills, good interpersonal skills and, above all, a continued ability to learn. A number of educators emphasised that learning to learn is the single most significant factor in both the quality and the success of students. These educators saw their function in MBA education as opening the students' minds to motivate them to continue learning, life-long.

The employer respondents, on the other hand, expect their managers to have a fundamental and general understanding of the basic disciplines of management. Managers, they agree, are expected to contribute to the development of an organisation rather than just developing 'functional' divisions and that they have the opportunity and the ability to work with colleagues across and outside the organisation. So, managers are strategic thinkers, constantly interpreting present conditions for the purpose of designing future ones. In this perspective, the managers are required to be leaders and innovators, initiating quality in standards and performance. Apparently these expectations form the basis of employers' goals towards the MBA education. To the employer respondents, these goals are perceived as 'functional' and 'practical' to organisational development.

However, repeatedly in this research, educator respondents challenged such goals as being short-term or associated with 'quick' benefits, neglecting the long-term effect of management education. It is of interest to note that this attitude among
the educators appears pervasive. Significantly, however, they appear to have omitted the simple reality that business is a combination of short and long-term objectives. While employers are interested in short-term goals, they also expect to be in existence in the next ten or twenty years' time. The reality is that if they are not profitable today, after a few years they would be out of business, with no future.

The same may be true for business schools today. There appears to be a need to ensure a balance between short and long-term perspectives. On one hand, business school educators perceive their role as providing education with long-term effects on a manager's career. On the other hand, there is a clear signal that success of, and income derived from, MBA programmes is important to ensure their viability and long-term existence. The notably high demand for MBA programmes by students has enhanced the image and desirability of management education. It is now legitimate and respectable to elate over the success, and profits, of the MBA degree.

By the same token, it is reasonable to conclude that employers' expectations and goals of management education should also be within both short and long-term parameters. The analysis revealed that internal, or in-house, management development or succession programmes among some of the employers are strategic in nature, some stretching over a period of 10 or so years. One of the three business schools which participated in this research has launched a distance-learning MBA programme which allows entry and exit points coinciding with students' career-life development.

All of the student/graduate respondents indicated that the MBA degree is a worthwhile qualification, only achieved through hard work and perseverance. While often a variety of reasons is given, the most popular reasons for embarking on an MBA degree are career advancement and improved managerial performance. It is of interest to note that while these reasons are mainly concerned with extrinsic effectiveness - career progression, marketability, financial rewards or others - the majority of this group of respondents placed more value on the intrinsic quality of career and work-life that an MBA education might bring - that is, self-confidence, perceived status, value to company, capabilities to cope with change, competitive edge or others. Such motivation appears to have formed the basis of their expectations and goals of MBA education.

However, it is also of significance that student/graduate respondents were often uncertain whether their personal goals should be geared towards those of their
educators or of their employers. The educational ideal of MBA educators, focusing on general management imperatives, providing rigorous challenge, intellectual quality, heightened motivation, varied interests, and other personal characteristics, (so that graduates are prepared with appropriate breadth and depth of business and management knowledge and are ready for an eventual position of significant managerial leadership), is undoubtedly extremely attractive to student supporters.

On the other hand, the expectations of the employers that MBA education provides a rigorous challenge in the development of business acumen, heightened capabilities and efficiencies in operating and controlling business units, effective management of people, (so that graduates are prepared with broad business and people skills and are ready for business leadership), are essential to student supporters, who know that employers expect them to meet the needs of today’s business environments. The contrasting ideals of educators and employers produce managers with different characteristics. It may be true to say that for a long time, MBA students probably assumed the educators’ ideal as their own for developing managerial careers and have, perhaps, elated over the results of that education. However, increasingly, the same students are likely to experience the need to be a different “breed” of manager – one who is more effectively meeting the business and enterprise needs and expectations of the employers.

As needs of the students/graduates change, so will their expectations of the MBA programmes. As the importance in business management is acknowledged, similar to their employers, students/graduates will expect their educators, as do their employers, to recognise the business phenomenon and demand specific, relevant and appropriate education.

The analysis revealed that educational respondents are reluctant to accommodate the needs of employers, as evidenced by their assumptions that employers are seeking ‘quick-fix’ education, ‘ownership’ of limited curriculum space and, to a certain extent, academic elitism. However, faced with more immediate and demanding expectations of the students (or the market place), educators may inevitably have to change their ideals.

**Conflict about suitable content**

The lack of consensus about goals between educator, employer and student/graduate respondents, explains why specific items of curriculum content
are included, or otherwise, in MBA programmes, resulting in a lack of consensus on what items of curriculum content should or should not be included. The analysis revealed not only significant disagreement, but also ambiguities, among the three respondent groups in the perception and understanding of Managerial Tasks, Managerial Skills and Managerial Knowledge. For example:

- **Managerial Tasks**: Educators, employers and student/graduate respondents, being main stakeholders of the MBA education, are unsure of the scope and boundary of the manager’s work. How then can future managerial roles be prepared? What kind of education process will enhance an ‘uncertain’ occupation such as management?

- **Managerial Skills**: Among the three groups of respondents there is a lack of universal agreement and understanding about the skills of management or the characteristics of a ‘skilled’ manager. How then would educators and their business schools, employers and their organisations, graduates and their recruiters effectively enhance the qualities of Australian managers?

- **Managerial Knowledge**: There is uncertainty among the respondent groups about who decides what managers should learn, what effective managers should learn and the depth of knowledge required by managers. This observation begs two more immediate questions. Is current management education relevant to a ‘well-educated’ manager? Does it develop the qualities expected of managers?

In curriculum matters, there is clearly a strong preference by educator respondents for breadth in the generalist approach and a more substantial quantitative background for students. Educator respondents tend to stress the importance of teaching systematic functions, analytical techniques and specialist knowledge, maintaining that these are the essence of MBA education and that the MBA degree is not designed to augment general managerial skills. There appears to be a hesitation, if not reluctance, among the larger portion of educator respondents regarding the role of teaching the ‘skills’ component, such as that in interpersonal relations, of management education.

The common argument among these respondents is synonymous with the iceberg syndrome in which they insist that content related to the organisation’s structure, procedures, rules and regulations (as synonymous with the exposed part of the iceberg), could be easily taught, whereas content related to the organisation’s culture comprising values, attitudes, unwritten ‘rules and regulations, (as synonymous with the submerged part of the iceberg), all of which operate in the working environment of the organisation, are just not appropriate in a course like
the MBA. Some suggest that organisational culture takes time and is best acquired by the manager while working within the organisation.

Educator respondents appear to view themselves as legitimate providers and decision-makers of an education which gives students a particular approach to management. However, data reveal that this approach is inconsistent with the expectations and goals of both employer and student/graduate respondents. It appears that what the educators do not teach in the MBA programmes is what the employers and students/graduates need.

This current mismatch of focus in curriculum content is alarming. Employer and student/graduate respondents assert that the role of MBA educators is to help students achieve ‘the bottom line’ in business through recognising that there is ‘a whole interpersonal relations movement around the world, not just in Australia, pushing businesses towards more qualitative evaluation’. The majority of respondents appear to insist that qualitative analysis should dominate the MBA curriculum, within which students learn to consider their value judgements, the human aspects of decision-making, problem-solving, cross-cultural matters and the like, which dominate the features of managerial life in the 1990s and beyond.

As articulated by the majority of employer and student/graduate respondents (and a small number of educator respondents), even within the quantitative components of the MBA programmes, qualitative evaluation prevails. For example, in the areas of identifying future trends or collaborating business environments, statistical analysis alone fails to critically examine the qualitative or cultural elements underlying these areas. There may be many, many, more issues underlying a numerically derived conclusion. In the event of determining and identifying, for example,

- trends in an industry for the future;
- the impact of existing trends or what organisation is doing;
- what competitors are doing, where the growth markets are likely to be in the next decades;
- what offers can be made which will be attractive to the customer in the next five years;
- how customers’ lives are changing and what organisation can do to influence them, or
- how to create opportunities to work with others, to examine the relationship between different human variables, financial ratios and financial measures, qualitative evaluation relative to leadership, teamwork, negotiation, communication, interpersonal relations and social interaction, determines the success of these events.

Data from the employers and students/graduates suggest that market demands for change in MBA content and curriculum — from quantitative-focus to more qualitative-focus — may be increasingly difficult to ignore.

**The Need For Knowledge About How Students Learn To Become Effective Managers**

When students graduate and are employed, they become the *practitioners* of MBA education and the first point at which current MBA programmes are judged. They are the end-products of the MBA process which aims to convert 'inputs' from business schools and their educators into the 'outputs' of graduate proficiency in senior management. That conversion process is complex. The 'inputs' encompass, among many other elements, student motives towards the MBA programmes, their general abilities to learn to become senior managers, their acceptance of instructions of MBA educators, their perseverance in what is generally regarded as a 'rigorous' and 'difficult' course and, as the data reveal, their personal qualities. In combination, these characteristics form the essential elements for equipping students to become effective managers.

However, the relevant literature virtually ignores these essential characteristics or requirements of MBA students. MBA literature focuses mostly on business schools, educators or employers; but extremely little is reported of the students. Yet, data collected from student/graduate respondents in this research reveal that effective managerial learning is closely related to each of these elements. In contrast, the data from educator and employer respondents indicate that, until now, they have either not recognised these important elements or they have actually discounted them.

**Real worth of MBA to students/graduates**

Have students/graduates really benefitted from the MBA programmes in any lasting ways, if the ultimate purpose of the programmes is to enhance managerial and organisational effectiveness?
Both management literature and research data indicate that in Australia, demand for MBA programmes has not diminished as business schools and educators expand the programmes into different versions or structures. There is also evidence that the prestige created by this demand may have increased the demand for MBA programmes by potential students.

To nearly all student/graduate respondents, the MBA degree is a worthwhile qualification, achieved only through enduring the rigorous programme experience and hard study. But they are also aware of criticisms of employers regarding quality of MBA graduates. Would hard work or dedication alone in the MBA programme continue to justify the worth of the degree? For example, students are known to have suspended employment for the sake of a full-time programme, or to have toiled long and hard in part-time programmes while holding down demanding management positions.

Indeed, the majority of student/graduate respondents have admitted to being constantly concerned about the real worthiness of the MBA degree to employing organisations, realising that potential employers will not perceive any value from the degree if it does not contribute to organisational effectiveness. This consideration might well determine whether students continue to regard MBA programmes as the preparation for a management career.

This research reveals that, while MBA programmes require students an average of 2-5 years' work experience before entry, the student/graduate respondents have an average of over 10 years work experience and an average age of around 30-35 years at the time of entry. The majority held first degrees and at least one-third held junior to senior managerial positions during their MBA studies. This implies that MBA programmes will attract some of the country's best qualified professionals, well-educated and well-experienced after the initial stage of a career, seeking preparation for a management career.

While a variety of reasons for pursuing the MBA degree has been given, the most popular reason is associated with the need to increase managerial capabilities in order to advance a management career. The background and motives of MBA students, taken at face value, seem mainly concerned with individual effectiveness rather than organisational effectiveness. However, such data also imply that the need to widen career opportunity will have highest priority for the average
organisation executives who have not been selected by the employer for senior managerial development. Instead of spending years to learn and experience different ways of addressing managerial problems within organisations, such executives will take the external route for self-development, pursuing MBA programmes as the chief avenue for upgrading managerial knowledge and skills. Thus, they will be enabled to cope with, or be ahead of, business and organisational change.

While the acquisition of MBA qualification might imply extrinsic financial rewards, it appears that the intrinsic qualities acquired through an MBA programme will be much more highly valued by students, in such areas as career projection, marketability, self-confidence, competitive value, perceived status or tested academic abilities. Perhaps this explains why a very large 77% of student/graduate respondents have self-funded the high expenses of their MBA programmes and 50% have forfeited up to two years of earnings from employment in order to pursue full-time MBA programmes.

All of the student/graduate respondents identified benefits derived from learning through the MBA programme. The learning experience extends to interaction with the academic society, fellow managerial students and, in the case of part-time students, with employers. Both educator and student/graduate respondents stress the rigour of MBA studies, from which students have learned to question their biases and prejudices, examine their strengths and weaknesses, develop a frame of reference for handling complex problems, draw on the different experiences and skills of work teams, or present their managerial potential to the employers.

To most of these respondents, the nature of MBA learning - 'In each of the 16 units in the programme, loads of reading, researching, copious report writing, presentations, syndicate work or small projects, not to mention the final dissertation' - is demanding and creates significant pressure on the individuals. Apparently, this is particularly so in the case of the intensive, one-year full-time Executive MBA programme conducted by one of the three business schools of this research. However, most of the students/graduates seem to have been 'pleasantly surprised' as such pressures have also challenged their 'hidden' potential and met their 'unfelt' needs for academic development. Meeting the challenges and having their potential proven becomes a fulfilling learning experience, which apparently has added significantly to the worthiness of the degree.
This implies that the learning experience of completing the MBA may well be the greatest asset of MBA programmes.

**MBA students as managerial learners**

The data reveal that employer respondents often criticise MBA programmes as theoretical and irrelevant. Student/graduate respondents, however, appear to have greater confidence in the MBA programmes. They do not necessarily share the employers' seemingly 'deep-seated' distrust of MBA educators. They stress that the MBA introduced them to new ideas in management and gave them access to a range of ways of doing things rather than to specific ways of any one organisation, implying that MBA education has somewhat met its goal of providing 'generalist' management education.

The analysis revealed that educators in general believe that teaching in traditional business disciplines such as finance, accounting, marketing and human resources management, is necessary because students, many of them Australia's practising managers, have little or no business education, or have specialised in one functional business area. It is their role, therefore, to first enable students to reach an acceptable standard of knowledge of various basic business disciplines and then to focus on the more strategic issues, thereby advancing students' understanding and analysis of business and management. This approach necessitates the need for conceptual teaching, particularly in the early stages of an MBA programme – an approach apparently perceived by the employers as 'academic', 'theoretical' and 'impractical' to the real-world of business. However, graduate respondents, particularly together with those student respondents at more advanced stages of their programme, have come to appreciate the educators' purpose and realise the importance of theoretical foundations as a basis for the application of MBA knowledge.

Notwithstanding this observation, this group shares the employers' view that while MBA programmes provide knowledge of business, they do not provide management competence and skills. Both groups emphasise that current MBA programmes have not taught the 'real-world ability' of business such as enterprise, people, team or leadership skills, implying that the current 'generalist' approach of MBA programmes, despite many modification attempts (reported in the literature and indicated by research data), is still deficient in those implementation skills which enable graduates to convert MBA knowledge into managerial practice.
The analysis reveals two aspects of this concern - content and methods. These two aspects, interwoven within students' learning experience, seem to comprise the core of the application problem.

At the time of data collection, within the three business schools, behaviour discipline comprising 'soft' units such as Organisational Behaviour, Communications, Leadership or Enterprise Management were offered as optional units. This suggests a lower degree of importance attributed to these units compared with the business discipline of 'hard' units such as Accounting, Economics, Finance or Strategic Management. Inevitably, graduates may or may not have taken any of the optional units on completion of the MBA programme. In addition, the data reveal that these 'soft' units are, more often than not, taught conceptually-based rather than skill-based.

Perhaps realising the increasing importance of qualitative evaluation which underpins quantitative analysis, a small percentage of educator respondents favour syndicate work as an experiential approach to teaching and learning. Syndicate work is also used as a 'skill-based' approach for teaching communication, team-building, negotiation and conflict resolution or leadership units.

Student/graduate respondents also appreciate the principles behind this approach as providing a valuable MBA experience. In a syndicate group, students operate as a team of managers to solve a hypothetical business problem which replicates what is expected of a business manager, making decisions and seeing the impact of many of these decisions on the performance of the syndicate. In the process, students draw on each others' work experience and on their individual and team effectiveness skills, just as managers must do in actual situations. The objective of the method is that students gain a clear, firsthand view of the kind of managers needed to run successful businesses, at the same time developing and improving sensitivity to different view points, interpersonal skills, presentation skills and self-confidence - a maturing process which also helps enhance their leadership potential. While this method of managerial behaviour and skill learning appears to be gaining prominence in MBA learning, it is still clearly secondary to the learning of specialist business knowledge.

The emphasis on business knowledge in all the three MBA programmes examined in this research implies that the majority of educator respondents are business knowledge oriented and are most likely untrained in, unfamiliar with, or
opposed to the place of managerial skill teaching in MBA curricula. The syndicate approach adopted by the small number of educator respondents, provides students, at best, with the opportunity to ‘pick up’ the skills, rather than learning the skills through concerted teaching efforts by educators. Furthermore, the data reveal that while some of the students may acquire aspects of these skills through this seemingly ‘learning-by-accident’ approach, other students fail to do so and experience stress rather than learning.

From the foregoing, it can be argued that MBA educators in Australian universities have been partly successful in providing management education, thereby proportionately meeting the needs of employers, students and in turn Australian business and industry. The programmes have provided a source of new or challenging business and management ideas, but have not enabled students to act as senior managers whose functioning depends on business intelligence and social interactions. At best, the programmes appear to have produced knowledgeable advocates of business and management, but not business managers with implementation skills.

Additionally, as revealed by the data, employers’ caution about employing MBA graduates, appears to have ‘crippled’ the identity of MBA programmes. Their evaluation of MBA graduates often focuses on ‘output’ performance, rather than on the ‘input’ and ‘transferring process’ of students’ learning. Their apparent lack of knowledge on MBA students’ intrinsic learning motives, potential and general abilities to learn to become senior managers and perseverance in the ‘rigorous’ learning which provides opportunity to develop maturing personal qualities may have, to a certain extent, perpetuated a low impression of the graduates.

To the graduates, this is a disturbing factor with very real consequences as increase in employer suspicion towards their managerial capability will be followed by decrease in the available job markets and various advancement opportunities they anticipated the MBA programmes would bring. Any employer indifference towards the MBA degree must result in a deficiency in career design for MBA employees.

The Need For A Positive Educator Effectiveness Base

University business schools are often high-profile organisations. As such, public attention and curiosity about their effectiveness has been frequently expressed. As reviewed in Chapter 2, the literature of the past ten to 15 years often
reports crises and debates associated with the role of the business schools in providing education for managers. As both management literature and data generated by this research seem to have attributed blame to the educators, (and none of these on-going concerns are in themselves either unworthy or inappropriate given the current business environment described), why then have the business schools appeared to be unresponsive over the last three or four decades at least?

This question raises a host of related questions which must be answered if any progress is to be made in reducing the conflict and maximising the consensus (and hence effectiveness) of MBA education. For example: Are these concerns, mainly originated from the employers, unfounded? Do the business schools and their educators view the changes taking place in the employers’ world as merely a passing fad? If so, why are they not convinced that graduate management education has to respond to these changes?

The pursuit for MBA effectiveness by business schools and educators

Educator respondents indicated, in the main, that business education is ‘a good thing’. They feel that they are involved in a worthy mission and are serious in their positive regard for the MBA degree. They hold generalised views about what managers need to learn in their programmes and believe that these programmes empower and develop students as leaders for competitive and creative organisations. The data reveal that the majority of educator respondents are aware of the problems facing management education and that fundamental change may be required. Some of these educators have been attempting to adjust to environmental, technological and competitive changes, albeit slowly compared to their American and European counterparts. This adjustment has been essential even if it is purely for their own survival. In order to meet market demands of the MBA qualification, new courses have been added, different structures and teaching approaches have been experimented with, global, interpersonal or ethical and other quality emphases have also been included in the curricula. With such new approaches and new experiences, those educators believe that they have characterised MBA education with innovation and creativity.

The data reveal many concerted efforts by business schools and educators for improving the MBA programmes. For example, in encouraging teaching excellence and classroom performance, there are now bigger literacy increases for good teaching, systematic peer reviews, teaching workshops and mentors for new staff. In one of
the schools there are student quality circles which offer weekly feedback to educators. It appears that there is a tendency to de-emphasise individual competition and create a co-operative learning environment.

In enhancing the resource of management knowledge and expertise among the three schools, various research centres have been resourced with expert staff on different developmental aspects of business and management. One of the schools admits to having a significantly large budget for resourcing its internationally renowned library catering for graduate management studies. Another school has employed the services of a Business Director to co-ordinate the marketing and commercial activities of its management education package. Two of the schools have established multi-million-dollar centres to accommodate related educational activities. Within the three schools, formal business and management forums and receptions for the public are frequently held.

**Do current changes in MBA programmes meet the needs of industry or educators?**

Despite these continuous adaptations and optimistic perceptions of the educator respondents and claims that they are responding to the needs of MBA employers and students, calls for change from industry continue. The data indicate that while some employers of Australian business are much encouraged by the adjustments in management education claimed by MBA educators, others argue that individual ideas and experiences are merely patchwork and barely scratch the surface of the problems associated with MBA education. Perceptions of the three groups of respondents clearly indicate a large gap, particularly between educator respondents and representatives of Australian business and industry (employee and student/graduate respondents), regarding what is currently effective or defective about MBA programmes. The extent of issues which comprise this gap is wide-ranging. From values to methods, from relevance of content to teaching and learning, from graduate performance to quality of the degree, from usefulness to Australian industry to the future outlook of the MBA education, The scope of conflict regarding provision of management education is overwhelming.

The fundamental concerns from business and industry appear to be that MBA education has not adjusted to Australia's changed circumstances as have other sections of industry and the workforce. Hence there is a need for business schools and their educators to be challenged to redefine a distinctive approach to business
education at graduate level, one that would satisfy the business community's needs and expectations - not just those of the business schools or their educators.

It is not unreasonable to suggest that, at the heart of the concerns about MBA education, may be the reluctance of business educators to fully accept and act on feedback from industry. The majority of educator respondents believe in the worthiness of their courses, but this research indicates that their values and resultant practices often create significant resistance to change, which has prevented deliberate, planned adaptation and progress towards greater effectiveness of MBA education.

Data indicate, for example, that in the MBA programmes of the three business schools, behavioural units are given low priority; strong emphasis is given to quantitative evaluation in problem-solving rather than qualitative evaluation; focus is placed upon conceptual management rather than implementation management, little attention is given by educators to integrative or 'deep' teaching, only a comparatively small number of educator respondents attempt to experiment with more effective teaching/learning approaches, and teaching appears to be valued much lower than research.

It is difficult to avoid concluding that the underlying values which govern the practices of business schools, their educators and the MBA education they provide, are blocking the fundamental redesign of the degree to adjust to Australia's changed circumstances.

**Educators' values impinging on MBA effectiveness**

MBA education, being renowned as the education for managers, although clouded by adverse publicity, has been successful in recruiting students and raising revenue for business schools. It is understandable that educators are reluctant to make significant changes, even after travelling the same education track for several decades and with key ideas originating from a long-gone era. Most believe that they are providing a worthwhile experience in the career development of their students and graduates. They believe they are teaching appropriate content and they pride themselves on their teaching of quantitative analysis together with the generation of efficient financial analysts, economic analysts, decision analysts, marketing analysts and the like.
A minority of the educator respondents admit that there is a need to change and that to cope with modern management they have to teach, and teach well, the implementation part of management — that is, social action skills enhanced by visionary and leadership understanding and entrepreneurial sensitivity. All three schools appear to have attempted at various times to teach these critical issues, particularly interpersonal or persuasive skills, but apparently rather unsuccessfully. To change long-held educational ideals, requiring educator respondents to broaden their concept of what really constitutes business education for modern managers, is both stressful and difficult. It requires not just a change of curriculum, but an invasion of academic territories including current core disciplines and research, adaptation of new and unknown expertise, and the redesign of the whole of the MBA experience. Among the educator respondents, there was no shortage of argument against these threats to their profession. The strongest one is represented by the following statement:

**Intellectual emphasis is the business of the university. We teach students rationality based on analytical criteria, judgement based on evidence, even intuition, it is based on reasoning.**

(Ed.11)

Because of these values, educator respondents are seen by business and industry as being indifferent to the realities of managerial work and/or of choosing to teach their preferences rather than what business organisations need. To the employers, these seemingly ‘academic’ values lack customer focus among business school educators. In general, educator respondents may agree that their customers are the students and their employers, yet on closer examination of the literature, the structures, systems and rewards of business schools are designed to focus inwardly on individual educator’s personal careers.

The literature reports that business school educators, like any other university academics, are mainly evaluated in terms of their contribution to the national and international academic literature within their own disciplines. In this sense, journal editors have become their customers who demand that publication be of interest to other academics. Unfortunately, what is interesting to other academics may be of little relevance to the issues of real-world businesses. When educators are not experienced in addressing real-world business problems, it is likely that practical or application-oriented material would have been avoided in the classroom. In fact, a small number of educator respondents have acknowledged that, as a result of these academic values, and in view of the interactive and integrative nature of
business and management practices, few business school educators are equipped to teach the MBA programme.

The three business schools of this research, being among the more renowned and well-established in Australia, have indicated that they do not have to compete for students, or be involved in aggressive marketing like the other more recent schools and MBA programmes. They have admitted, however, to competing for faculty, respectability and product differentiations in 'fashionable' areas, such as finance, entrepreneurship, leadership, technology and globalisation, additional to the need to constantly maintain a certain amount of resources and effort to promote their programmes and address changing market needs. While the need for a competitive edge or addressing changing market needs may well be the major reason for adaptation and change, however, there is clear evidence that the majority of educator respondents are concerned that, when pushed to adopt the employers' perspective in measuring the quality of MBA education, the roles of MBA educators will be redefined - so will be the missions of the business schools, the structure of the MBA programmes, the methods of teaching and the approaches of research.

It is easy to imagine the amount of tension which prevails as so many of the value dimensions are in conflict. This tension explains, perhaps, the apparent deficiency in interaction and collaboration, not to mention consensus, among the three groups of respondents even though each group has a major stake in the others' decisions and actions regarding managerial education. This tension is apparent in the data collected, as employer respondents are increasingly seeking alternative models of education and development for their managers. Indeed, to the educator respondents, what determines the quality and success of the work which they have been doing is largely unknown. Which yardsticks of measurement are appropriate and whose is the most valid perspective?

The data further revealed that while a small number of educator respondents admitted commitment to the academic values discussed above, the majority of educator respondents appear reluctant to acknowledge that these values impinge on the progress of MBA programmes. This is to be expected as it is perhaps more acceptable to them that their work may need to be somewhat redefined to cope with the demands of a changing world; but it will be unacceptable to them that the classic model of the 'university academic' has become a problem to MBA education. To admit to the latter would stimulate another series of threats to a bundle of jealously guarded fundamental values, among them individual freedom, intellectual
superiority, importance of the subjects they teach and research on, and even their motivation, career-orientation, selection and development. Similar to the values of other professionals, these values are the educators' identity, are what they represent and are therefore not to be questioned.

These values are most apparent in the data which indicate that the majority of educator respondents strongly object to company-based graduate-level business administration programmes, claiming that these programmes are narrowly-focused, lacking in academic rigour and academic scrutiny, eventually resulting in the proliferation of awards and watering-down of standards and quality of management education. While these concerns are real to the educators, there is very clearly no starting framework to work on these concerns.

Furthermore, the data reveal that the majority of educator respondents will project the same philosophy into MBA programmes – a generalist approach, business disciplinary knowledge and broadening of senior managerial abilities – with some adaptations to customer needs. But would this constitute real change, or merely making a begrudging acknowledgement of market competition and demands? Is this satisfying when faced with career threats? Is this tokenism towards change, when it looks good to appear to address commonly perceived problems? Or is it really avoidance of risk, as real change will involve experiments which demand time and effort and, more important, will involve challenges to individual self-perception of intellectual superiority and importance?

The Need For Quality Assessment On Graduate Effectiveness

The above apparently negative discussion about the role of traditional academic values in achieving effective MBA education is not meant to belittle the decades of fruitful development of management education undertaken by business schools and their educators. On the contrary, the data demonstrate that the MBA degree, being the prime exemplar of management education, is of considerable value for all three groups of respondents.

For the educators, the MBA programmes are an important bridge between them and the world of the practising managers. The programmes are also means of keeping them up-to-date on the problems and challenges facing companies and the executives who operate them. For the employers, despite their continuous criticisms about the programmes and graduate performance, criticisms which have been manifested through decisions and practices of the business schools and their
educators, the schools are their main source of management education and knowledge, while at worst the MBA programmes expose their managers to viewpoints which may be very different from their own. For the students/graduates, the degree is valuable in fulfilling many of their developmental needs - appreciation of the corporate world, a variety of ideas, personal growth, stimulating learning experience, opportunity to excel - thereby steering them towards advancement in the management career.

While these contributions to MBA education and, in turn, to individual and organisation effectiveness, should not be dismissed, disaffection with management education, both reported in the literature and expressed by respondents to the present study, indicate that critics of the education, among them employers and students/graduates, appear to have far higher expectations of the MBA programmes than the business schools and their educators have assumed. Furthermore, those who judge the effectiveness of the programmes, including the educators themselves, appear neither distinctly aware of the purposes, operations and outcomes of the programmes nor of what criteria should be used as a basis for judgement. The data reveal that the three groups of respondents, being major stakeholders in MBA education, know or understand extremely little of each other's values, needs and expectations associated with management education, not to mention their individual roles and responsibilities in enhancing, promoting and demonstrating the effectiveness of that education.

This lack of critical knowledge may well render any evaluation of MBA education suspect. More often than not, criticisms originate from the employers and are directed at the business schools and their educators. As educator respondents actively involve in defending the existing programmes and themselves, there is an increasing reluctance among all three groups of respondents to accept (or avoid) accountability for management education.

In this context, MBA education appears to be in a state of aimless drift - no driving purpose nor any clear direction for development and change. The on-going 'tug of war' between educators and employers, with students/graduates caught in the middle, compounds segregation and confusion among the three parties.

The concerns of educators in graduate effectiveness

Educator respondents regard their function in MBA education as that of 'growing new managerial talent', 'doing things that ever the most successful
organisation cannot do by exposing a manager to a very broad range of experiences, ideas, and people from different backgrounds and cultures, and providing a chance for managers to learn new techniques, make new contacts, and develop business vision. They encourage graduates quantitative abilities to identify and analyse problems, a way of thinking or mind-set which evaluates alternatives in terms of costs and benefits, a process which they regard as the key part of management. They are optimistic about the graduates they have turned out, about the degree of strengths possessed by graduates and how well-prepared the graduates are for ‘eventual positions of significant leadership’.

They are increasingly concerned, however, that graduates may not do as good a job in interpersonal relations. Traditionally, MBA educators have had the teaching of analytical skills well developed; but the development of communication, interpersonal skills and the like, have, for reasons already discussed, been ignored or postponed.

Educator respondents consider that the generalist approach of MBA programmes has provided an overview of the corporate world. To the students, the majority of whom are professional technical people without any basic business education, this may well be an eye-opener on how the commercial world operates and a worthwhile opportunity for expanding their knowledge and thinking — subsequently becoming more effective in managerial areas, in a shorter time than would other employees. Educator respondents, while claiming that they have worked hard to meet the demands of both employers and students, are not clear as to what other commitments and actions are expected of them.

Educator respondents also appear to be aware that they may have developed in graduates the characteristics of the ‘Crown Prince Syndrome’ — proud, ambitious, aggressive, mobile, ‘looking for the next break’ — which have both positive and negative effects on graduates’ career performance. They are concerned that employers in general, while generally dwelling on the negative nature, do not appreciate the positive characteristics as strengths. So employers have, say the educators, failed to utilise graduate talent or to provide appropriate tasks to challenge graduates’ managerial potential.

In this regard, educator respondents are most critical of the employers claiming that it is the employers who have failed to recognise that MBA education requires substantial work experience to be effective. Employers’ apparent
reluctance to expend time, cost and effort in creating opportunities and career paths for the highly-motivated graduates to utilise their newly acquired knowledge and maximise their skills, has resulted in frustrated graduates - who, for their part, have now gained a reputation for impatience and leaving their employers for somewhere else after only short periods of employment. While this reputation is damaging to the graduates, employers are themselves responsible for the adverse publicity about the quality of MBA graduates. Educator respondents emphasise that effective managerial education does not end at the completion of an MBA programme but continues with the employers in their organisations.

The concerns of employers in graduate effectiveness

Employer respondents, in the main, appear to have based their assessment of MBA programmes on their perceptions of MBA recruit managerial capacity and, to a lesser extent, on the relationship between themselves and the business schools. While all of the employer respondents are able to identify some concerns about MBA graduates, the majority of them appear to know little about the capabilities of graduates, to the extent that some of them do not regard MBA employees differently from non-MBA employees. Even among employer respondents who have sponsored employees for MBA programmes, most have failed to identify the specific reasons for sponsorship.

It appears that employers are largely unaware of, or do not understand, the level of contribution MBA educators and graduates actually make to employing organisations. Even employers who have recognised some of the values MBA graduates can contribute are, in general, unable to articulate the benefits of management education to their organisations. Apart from using broad benefit issues such as 'ability to upgrade the organisation', 'better with a proper education', 'motivated, capable people' and 'able to demonstrate effectively why they can do a better job' to describe MBA-educated managers, what is happening and why it is happening in the MBA education, is largely unknown to them. Among employer respondents, there is an overwhelming sense that the little that is known and everything that is unknown about the MBA degree is in question.

It is not surprising that employer respondents are unsure of the worth of the MBA graduates to Australian industry as a whole. Furthermore, being not as closely 'in touch' with MBA education as student graduates are, and being over-shadowed by the long-standing and generally adverse attitude of Australian employers towards
MBA graduates, together with the slow recovery of the Australian economy and its impact on organisations, business and inustry, it is easy, if not convenient, for employer respondents to label their managers (MBA-educated or not) ineffective. The data reveal that managers are ill-equipped in enterprising skills, in creating wealth, in visionary or leadership skills and the like - all essential business and management practices urgently required for the revival of Australia's economy.

None of the employer respondents accepted any responsibility for graduate effectiveness. On the matter of employers providing organisational experience tailored to the experiential and developmental needs of MBA graduates, the data reflect an attitude contrary to that of educator respondents. Employer respondents regard MBA graduates like any other graduates - as being hired to do a job for which they have received special preparation and that only a minority of those graduates are to be selected, tested and prepared for senior management positions. If organisations employ MBA graduates for long-range executive development purposes only, large numbers of MBA graduates will inevitably be unemployed and unemployable.

Such an attitude demonstrates that employer respondents are as conservative and unwilling to change as are the MBA educators whom they criticise as being traditional and outdated. Just as educator respondents in general appear reluctant to approach the problem of revolutionising MBA education, employer respondents do not display a great deal of savvy in how they might or should approach the problem of fitting MBA graduates with the right jobs or, for that matter, with the right organisation.

The concerns of students/graduates in graduate effectiveness

Student/graduate respondents appear to have a different mind-set from educator and employer respondents about graduate effectiveness. Their concern is with 'individual-effectiveness' rather than 'organisation-effectiveness'. On the whole these respondents appear satisfied with MBA education. Particularly among the graduates, there is an overwhelming sense of pride and status in having completed the MBA programmes. This implies a high degree of satisfaction, which is contrary to the general disaffection of the employers towards the graduates. The MBA experience of interacting and networking with the intelligentsia - business academics, fellow students who have been carefully selected for a rigorous course and, in the case of part-time students, the employers with whom they practise their
newly acquired knowledge or skills - ap; ears to have been significantly valued by both student and graduate respondents.

Some are more than pleasantly surprised that the MBA programmes have uncovered their hidden potential and met many of their unfelt needs. All of these respondents were able to identify some benefits of the programmes, regardless of whether those benefits were among the characteristics they originally sought at the time of embarking on their studies. To them, graduate effectiveness equates to having survived the MBA experience, a sense of accomplishment, self-confidence and, of course, managerial job-useful capabilities which they have thereby acquired, such as knowledge and understanding of environments and management operations together with abilities on critical, strategic and reflective thinking.

However, graduate respondents soon realise that such outcomes of the MBA programmes are different from the effectiveness expectations of their employers. Among other things, their employers seek from them enterprising skills - skills of integrating intuition, leadership and social interactions, the ability to read signals which tell the business state of affairs, global awareness, investment, marketing, consumer marketing, operations, finance, auditing, and others. These respondents, assured by their educators that they have been well prepared for managerial work, learn from their employers that what they have learned is somewhat irrelevant to the real needs of business. As products of MBA education, and sandwiched between the different effectiveness assumptions of educators and employers, graduates are forced into conflict situations of having to represent the values of the educators while, at the same time, striving to meet the values of their employers.

Furthermore, the values of the Australian community also bear upon them. If the community is to survive in the fiercely competitive international environment, the economic success of these educated managers in performing and delivering results and change is crucial. MBA students/graduates, perhaps unbeknown to themselves, are playing a central but difficult role in business education. Many of them have originally taken on management education as a route of self-development towards a better managerial career, but by doing so they are inevitably expected to strengthen both the Australian organisations and the Australian community.

Conflict impinging on graduate effectiveness

As can be seen, each group of respondents has its own needs, expectations and perceived outcomes of graduate effectiveness and each may have little knowledge of
what the values and concerns of the others are - the values and criteria with which
each group of respondents evaluates the relevance and usefulness of MBA education as
reflected in its graduates. The lack of consensus among the three respondent groups
makes any evaluation or measurement impossible. Through decades of presentation
of management education, educators and employers have become the greatest critics
of each other. Students and graduates are viewed and evaluated by both their
academic mentors and their corporate employers, their self-perceptions, as well as
their perceptions of business education in Australia, are therefore directed by both
educators and employers. Being caught in the middle, they are in an unenviable
position as their own values are being imposed upon and, at times, pulled to opposite
extremes by these two influential constituents. Confusion and disappointment then
follow when many of them have put high premiums on their management education,
but have not received fully in kind in return. The voice of students/graduates
appears least heard and their values and needs least considered, as they remain
comparatively the most unimportant party of the three.

The Need For A Suitable Base On Which To Build MBA Models

It appears that for several decades, management commentators have assumed
that there is a 'right way' to 'make' managers - and have been looking for it to
appear! MBA education, hailed as the 'best way' to educate managers, has
experienced decades of change and development, particularly improvements through
experimentation, flexibility, initiative and creativity. While the majority of
educator respondents claim that the MBA is 'at its best, ever', it has also been singled
out by employer respondents as being the culprit of Australian managers'
deteriorating performance.

All three groups of respondents appear to have adopted a variety of responses
towards the development of MBA education, responses with which either one or the
other party often disagrees and which have further confused their individual roles or
their assumptions of the roles of each other in that education. In turn, each group
appears to be becoming increasingly oblivious to the changing needs and expectations
of the others in relation to management education. The lack of genuine dialogue
between the groups breeds further misunderstandings, conflicts and barriers to
change. In addition, as evidenced by the data, there is now a tendency among
employer respondents of larger organisations to 'abandon' the current MBA
programmes and seek alternate models of management education.
Conflicts in values and practices abound among the three groups of respondents. Nevertheless, there appears to be significant pressure on the parties to collaborate and to improve their relationship in pursuit of a suitable MBA model and of an effective way to satisfy the needs and expectations of all concerned. Educators and employers in particular, whose decisions and practices impact on graduate effectiveness, will need to be the dominant groups in a partnership in MBA education.

**Partnership in MBA education - educators' perspective**

Despite the foregoing inferior image that management educators have developed and their apparent divorce from the day-to-day realities of business and industry, there should be considerable optimism. There is a small number of educator respondents actively seeking co-operation and alliance with the employers - an indication that genuine partnership in MBA education is in existence or slowly emerging. The data show that these educator respondents perceive their relations with employers as reasonably strong, 'They are good, but could - and should - be better'. They are satisfied with their interactions with employers, such as in placement services, student internships, course advisory committees, active consultancies, joint business and industry research, using experienced business executives as guest speakers or part-time faculty, and involvement with executive development programmes.

For marketing their recently launched open-learning MBA programmes, one of the three schools has adopted a strategy of targeting the corporate market rather than individual-student market. This strategy introduces corporate employers to a process of education in which their sponsored employees will not be forced to complete in one block of time and on a full-time basis, but can exit at appropriate stages having acquired what the organisation at the time feels necessary. Other indications of partnership include workshops, in which educators invite human resource managers of organisations to the business schools for topical forums. A People Skills Forum, for example, will include discussions on framework, metrics used as definition, critical issues, impact on business and management practices, result, achievement, skills and contributing factors to good People Skills.

However, the majority of educator respondents appear to have given little serious thought to their relationships with the employers. Partnership with the employers does not seem to be high on their priority list of things to do, particularly when MBA education is currently in high demand by students. Nevertheless, the
interactions between the few educator respondents mentioned above and employers imply that selling of the overall concept of management and MBA education by educators is increasing. They are generally marketing themselves, informing industry groups, major or small employers, and listening to what they require, thereby gaining a better appreciation of what is needed in modern management education.

These activities, although 'piecemeal' and largely concerned with pedagogical matters, pave the way for more co-operative efforts between educators and employers. While educator respondents in general may view such interaction as 'a good thing', it is of significance to note from the data that the majority of them perceive themselves as fighting a difficult battle in the conflict of values. On one hand, they are well aware that being relevant to the business community is a highly desirable quality and that such partnerships in MBA education with employers are an appropriate route to achieving this quality. On the other hand, they appear to hold themselves back, believing that in their eagerness to 'please the employers', that is, to be realistic and practical, they may be in danger of losing their originality and independence of action and judgement, the very qualities which symbolise academic functioning.

There also appears to be a strong belief among these educators that they are and should be the leaders in MBA education, that to be the informed critics of management education, they have an obligation to the academic profession to consciously maintaining a discrete distance between themselves and the employers. Despite decades of constant calls for management education reform, these values still appear to be actively influencing the attitudes and behaviours of educator respondents.

**Partnership in MBA education - employers' perspective**

Employer respondents, on the contrary, almost totally disregard these educator values, which have been long-time embedded in the offerings of the MBA education. From the employer perspective, these values are 'traditional', outdated, and characterise the business schools as being complacent and conservative. Particularly when the current business world is changing at such a fast pace, they blame these values for diverting the educators from developing innovative ways of educating managers.
The data also reveal that the need for improved educator-employer relationships and partnership in MBA education is of greater concern to employer respondents. Forced by the need to improve managerial quality they are eager to play a much more central role in the education of their managers. This enthusiasm, however, appears to have been negated by what they perceive as ‘deliberate detachment by the educators’. This is perhaps best evidenced in the concerns, if not objections, expressed by the majority of employer respondents about employers seeking post-graduate status of company or consortium-operated managerial education where, once again, there is a conflict of expectations between the two parties. As one seeks possible co-operation, the other focuses on negative evaluation.

Employer respondents tend to regard themselves as the major stakeholder group of, or major financial contributor to, the business schools. For example, employers sponsor MBA students, recruit MBA graduates, contract educators as consultants, fund research projects and utilize research findings, invite educators as teachers in internal executive development programmes and so on. These roles played by employers, however, appear to have been significantly undermined by educator respondents. Both the data and management literature show that management educators, when evaluating their own operations, often focus on curriculum, course content, standards and teaching methods of MBA programmes, rarely including their relationships with the employers.

Given the seemingly extensive support of employers to management education, the relationship between educators and employers should have been close enough for both parties to be quite familiar with the different aspects associated with the operations and effectiveness of MBA programmes. This, at least in so far as this research is concerned, is not so. The majority of employer respondents had little understanding of the culture of the business schools, or of the internal operations of MBA education – which they claim they have been substantially supporting. More important, like the educators, most of the employer respondents appear to have little idea of how to effect, or lead, a major change in MBA education on their own.

A partnership in MBA education between educators and employers may well be the basis of developing more suitable models of management education. Employer respondents consider their involvement in such a partnership as integral to an MBA programme, in everything from programme planning and admissions to teaching and student evaluation, from matters of policy to programme design, course review and participant progress – indeed, a very different format of partnership between
educators and employers from that which appears to prevail in Australian management education today.

The data reveal that none of the educator respondents expressed similar views on such a partnership. The employer respondents' pursuit of integral involvement in the MBA education appears logical. Not only would it allow employers to play a more critical role in the education of their own future managers, but it would also bring the outside world into the workings of the business schools, enabling both educators and employers to see how their own particular knowledge, interests and needs tie in with that of others.

Increasingly, employers are charging their role in the field of graduate management education, to the extent of acquiring a new role, that is, the role of the provider of management education, a role which has traditionally been the property and prerogative of the business schools and their educators. Although this research shows that only a few larger organisations are in the process of operating post-graduate status business and management programmes, on a limited basis and in conjunction with selected business schools, other smaller organisations are enthusiastic about this alternative approach to MBA education. While the data do not indicate that this may be a new wave in the future development of graduate management education in Australia, employer interest in such a development demands attention.

In their attempts to negotiate MEA-equivalent company or consortium-based programmes with the business schools, to combine the MBA programmes with their internal executive development, or to expand the depth of executive programmes to be sympathetic with that of the MBA curriculum, employer respondents of larger organisations solicit, not only accreditation of business schools, but also the academic expertise of educators. Compared to the educators, these employers are the active party in more holistically re-designing management education for Australian managers. Their activity implies a desire and a need for greater interaction and hence more informed and potentially better relationships between employers and educators. However, such an initiative will be unlikely to succeed unless the educators also make it happen.
Partnership in MBA education - students'/graduates' perspective

This research suggests that the voice of students/graduates appears to have been least heard in the development of MBA education. The literature on management education also tends to focus on the needs and expectations of educators and employers. Student/graduate respondents in general considered the MBA programmes as a chief route to career-life development in management. This pursuit for self-development appears to have been fully endorsed by educators but negatively seen as 'self-serving' by the employers who expect Australian management education and its graduates to play the central role in securing the effectiveness of Australian businesses and hence the success of the Australian economy.

As the data indicate, there is little evidence of employers' concerted effort or involvement in the career development of MBA graduates. Employer respondents appear to be unaware of how graduate learning and knowledge can be transferred and effectively utilised in the workplace. On the other hand, the attitude of many is that graduates should be fully management-educated by the MBA educators before entering managerial positions. The reluctance and failure of employers, as represented by the respondents, to provide experiential and developmental opportunities to MBA graduates, is well evidenced by the data.

In the current climate of organisational downsizing and restructuring, career development issues have gained increasing prominence among various levels of employees. The frequent target in downsizing has been middle management jobs (Feldman, 1996). Consequently, at just that point in their careers when they might normally expect to work their way into top management, mid-level managers find themselves with fewer available positions for promotion and greater obstacles to keeping their current positions. As revealed by the data, the majority of MBA student/graduate respondents are employed at this managerial level. By self-funding and persevering through the MBA programmes, they attempt to secure internal and external mobility in their careers.

However, this ownership of career responsibility is more likely seen as 'self-serving' by the employers. The overwhelming lack of sponsorship of MBA students by employers, as reflected from the data, may also imply employer bias towards mid-level managers. That bias could be based upon the age dimension, that this level of managers does not have the potential for development, or that the cost of
development of this age group and level of managers does not yield sufficient benefits for the organisation when compared with that of early-career managers.

Such employer bias, or discrimination, substantially hurts not only the career paths of aspiring managers, but also the long-term viability of the organisation. The data indicate that employers currently contribute comparatively little either to MBA education or to the growth and development of their managers—despite their widespread concerns about managerial performance and call for improved management education in Australian universities. It appears imperative that the partnership in MBA education be extended to the student/graduate group, the aim being to encompass its career development needs. The assumptions and values of students/graduates which underpin their expectations of MBA programmes are as influential to the effectiveness of the programmes as those of the educators and employers. Aligning managerial career planning and organisational development is essential for the success of business, management, employers and their organisations.

CHAPTER SUMMARY

This chapter has made comparisons between perceptions collected from the three respondent groups of MBA-related educators, employers and students/graduates. In the course of the comparison, implications of these perceptions—including each group’s underlying assumptions, values, needs and expectations about the MBA education—of the three groups of respondents have been derived. The likely impact of those implications on the future effectiveness of MBA programmes in Australian universities has been discussed.

Analysis of the data collected reveals five implication principles. These are: the need for consensus on content and goals of MBA education, the need for knowledge about how students learn to become effective managers, the need for a positive educator effectiveness base, the need for quality assessment on graduate effectiveness, and the need for a suitable base for building MBA models. Each of these levels impacts on the future effectiveness of MBA programmes in Australian universities.

Combined, these implications point to a need for partnership in MBA education, that is, better understanding and negotiation between educators,
employers and students/graduates. Only then will suitable management education be provided, utilised and effectively practised by future managers and leaders in Australian business and industry. As employers are increasingly assuming the role of providing alternative management education for their managers, educators are expected to facilitate and experiment with non-traditional designs of curriculum and of the teaching and learning processes. Students/graduates, in responding to fast-changing environmental forces, will need to shift their attention from the content to the process of management. MBA education in Australian universities could be about to experience a new and more effective phase of development.