

## Chapter 1

### Introduction

*This research explores how well Master of Business Administration (MBA) programmes offered by Australian universities satisfy the needs and expectations of three groups of key stakeholders – the MBA-related educators, employers and students/graduates. In recent years, the MBA has been widely considered as the most recognised and prestigious management degree offered by university business schools. It is a qualification regarded as being the most desirable education for senior managers and a passport to success in the management echelons. However, accompanying increasing demands for entry of MBA programmes, are widespread discussions and concerns about the adequacy of the MBA degree in meeting its stated objectives. Important questions are being raised by students, employers and educators alike in terms of the various facets of the education offered: syllabuses, structures, teaching approaches, relevance and quality, and above all, how successful the programmes are in enhancing managerial excellence and organisational effectiveness. MBA education today is being seriously questioned.*

*Within this chapter, the following main sections form the framework of introduction of this thesis:*

- 1. Background of Research;*
- 2. Research Rationale and Design; and*
- 3. Research Findings.*

### **BACKGROUND OF RESEARCH**

The researcher, who has been a management educator for more than two decades, has always believed that, in preparing and developing managers, management educators are enthusiastic about what they do and derive satisfaction from it. To these educators, the process of teaching management topics and issues is challenging and often exciting.

This was certainly the experience of the researcher for most of her career and, for many years, she was confident about her role and effectiveness as a

management educator. In recent years, however, a shift of focus has occurred resulting in the researcher becoming increasingly concerned with her 'clients'. In the case of management education, the 'clients' are not only the students and graduates, but also their employing organisations together with the customers these organisations serve. Doubts have arisen initiating questions such as: Do the 'clients' really benefit from management education in any lasting way? Is the amount of time, effort and energy the researcher has invested in helping to educate and develop managerial talents, a worthwhile endeavour? Are her guiding principles still valid? Increasingly, it is difficult to answer these questions unequivocally. Twenty years ago, the researcher was confident about her contribution to the education and development of managers and these questions never arose. Were her expectations more self-centered then, or is it really one of life's realities that growth and development are partly a process of disillusionment? However, she has grown increasingly more uncomfortable and uncertain about her role and contribution to effective business/management education and to the overall welfare of her community.

From whence does this doubt and role ambiguity derive? Are there other factors besides age and personal introspection underlying the researcher's doubts about management education as a whole? A selection of observations made in the overall business and management education environment by the researcher over the past twenty-year period suggests that there are far more significant contributions to the situation than the researcher's age and maturity.

### **Problems Deriving From Current Management Education**

Management education covers a very wide range of education levels, from in-house, in-service short courses at Diploma and Advanced Diploma levels of the Technical and Further Education system, through to Master's and Doctoral degrees at various universities and graduate business schools. Universities in Australia offer a wide range of awards specialising in either management education, or awards which have significant management education components. For example, Master's and Doctoral degrees are offered in Educational Administration, Business Administration, Hospital Administration, Nurse Administration and Leadership. However, there is one degree which dominates nationally and internationally as being the specifically designated award for the management world. It is the Master of Business Administration (MBA).

## **The Master of Business Administration (MBA)**

The MBA traces its origin to the turn of the century when the first business schools in the United States launched graduate management education with the MBA degree. Over the years, this origin and its traditional 'generalist management' approach has helped maintain the status of the MBA, among other business- or management-related degrees, as *the* most desirable advanced preparatory programme for senior managers in business and management. The provision of an MBA degree has become the central function of many business schools. This is evidenced by the increase in the demand for MBA places, coupled with widespread editorial reports and promotions on the MBA programmes. MBAs are publicised internationally and such publicity captures the recognition of many aspiring managers and their organisations. Statistics on the growth of MBA degrees reflect continuous demand. In 1992, more than 700 business schools in the United States graduated over 78,000 MBA students. This compares with the early 1970s when there were less than 300 business schools. In Australia, during the period 1987–1992 there had been an increase from 700 to more than 1,000 MBA graduates per annum and the number of MBA programmes had grown from 15 in 1986 to 35 in 1992. Most recently, Karpin's (1995:300) Australian statistics reveal that 38 business schools educate around 17,000 business students and the MBA has become the dominant model for the highest level of management education.

In its early days, MBA programmes were geared primarily towards full-time students. Today, however, many business schools offer programmes designed for students in employment who have less time to study. There are 2-year or 18 months full-time programmes which can also be studied part-time and 1-year intensive structures catered for executives with advance business backgrounds. There are also distance and sandwich courses. In general, MBA applicants are required to have obtained a first degree and an average of 3 or more years of work experience. Some programmes also require the achievement of middle to high scores in the Graduate Management Admission Test which is a standardised measurement for general verbal and mathematical abilities. This apparently high entrance requirement to an MBA programme is designed to attract qualified professionals, well-educated and experienced after the initial stage of a career, who are seeking preparation for advancement in a senior management career.

A typical curriculum of the MBA programme reflects the traditional 'generalist management' approach – that is, to make senior managers into highly

competent 'generalists'. MBA educators stress the acquisition of 'specialist' or 'functional' knowledge as essential to 'generalist' managers. Such knowledge includes, among other business and management disciplines, specialisations in Accounting, Finance, Economics, Operations Management, Information and Decision Analysis, Marketing, Statistics, Strategic Planning, Law, Organisation Studies, Public Sector Management, General Management and Quality Management. The specialisation in Organisation Studies, for example, covers topics such as leadership, group behaviour, motivation, ethics, human resource management, and the like. This specialisation has been generated in recent years by social scientists observing how managers manage. However, this specialisation is often considered optional or occupies a small part of the MBA programme which traditionally focuses on business disciplinary knowledge and analysis.

As will be seen in the literature review in Chapter 2, the generalist approach of MBA programmes provides a depth of knowledge of the corporate world for students who are professionally qualified and experienced, but without any basic business education of a formal kind. To many of these students, the MBA may well be an eye-opener on how the commercial world operates and a worthwhile opportunity for expanding their knowledge and thinking, subsequently enabling them to be more effective in managerial practice. Being the prime exemplar of education for managers, the MBA programmes are an important bridge between management educators and the world of practising managers and are a means of keeping the educators up-to-date on the problems and challenges facing companies and the executives who operate them. The programmes also provide an important source of business and management techniques for employers and their organisations and expose managers to viewpoints which may be different from their own.

Many other fruitful aspects of MBA experiences have also been reported in the literature, including: students acquiring appreciation of the modern corporate world and a variety of ideas; learning of new techniques of analysis, one of which is the quantitative abilities to identify and analyse problems – a way of thinking or mind-set which evaluates alternatives in terms of costs and benefits and a process which is regarded as the key part of management, making new contacts and networks; developing a business vision, global and quality awareness; personal growth and stimulating learning experience; opportunity to excel; and fulfilling developmental needs of managers. It appears that the MBA degree may play a vital role in steering students and graduates towards management excellence and organisational effectiveness.

## **The problems**

During recent years, increasing uncertainty and perhaps disaffection appear to have developed with regard to management education in general, and with the MBA degree in particular. This results in uncertainty and disaffection which inevitably impacts on the development and quality of such highly specific education. What might have been a trend two decades ago, has now become an issue. Consider the following issues:

1. Purpose and objectives. Is management education in Australia merely concerned with developing managers? Is it purely concerned with strengthening organisations? Or is its real purpose to impact on the customers that the organisations serve, in such a way that Australian society can benefit? Current management education appears to chiefly address the first question. Answers to the other questions are equivocal, so the investment of effort and resources by all those associated with this type of education (such as educators, employers, students and graduates) must also remain questionable.

One school of thought suggests that the purpose of management education is to focus upon the acquisition of relevant knowledge and to cultivate the cognitive abilities of the educated manager. Surely the obvious strategy would be to concentrate on programmes which do both, by teaching useful knowledge in a way which also ensures that graduates will have been trained to think. It would appear, however, that many management programmes with high technical content often surrender the latter objective in favour of knowledge quantity, forcing students to surrender the development of their own opinions. When this happens, not only is the objective of the education unclear, but any well-intended purposes are negated.

2. Curriculum – for example, the 'general management' puzzle. Most MBA programmes, being the prime exemplars of education for managers, include 'general management' as a major component of the curriculum, the focus of which is rarely clear. Most of the MBA programmes teach a very wide range of business functions and strategies at an appreciation level, but specific management skills training is not seen as broadly appropriate. How the 'general management'-related programmes relate to different levels of management or the development of the managerial career is rarely argued or explained. For example, MBA programmes are usually advertised as being designed for senior-level managers, but their all-embracing 'general management' syllabuses rarely appear to provide the variety and depth of both knowledge and skills which are relevant to this level of managers.

3. What do managers need to know? It is increasingly difficult to obtain definitive or even confident answers to this question from either educators or managers. To many educators the answer appears to be in the teaching of numerous concepts from economics, statistics, mathematics, accounting, law, research methods, psychology, communications, and the like. Management literature, on the other hand, continuously portrays the majority of business managers as operating in a management framework of communication and feedback through making decisions, gathering information, interpersonal relations, problem-solving, managing and leading others.

There appears to be a general lack of clarity about the kinds of problems managers experience at work, the skills they find most useful for managing people or making decisions and the types of information they find most relevant. What is clear, however, is that the activities of practising managers and the resultant managerial profile differ markedly from what has been portrayed by management education programmes as typified by the MBAs. Educators of these programmes appear to have assumed a particular and narrow definition of management and are unresponsive to, or have made no effort to determine, what managers actually do or should do and what they should know in order to be effective.

4. Functional approach vs Cross-functional approach. Just as a typical management education curriculum includes functional areas such as marketing, accounting, operations management or economics, so educators teach parts of the curriculum in isolation from one another. There would appear to be little effort required in integrating the points of view of various disciplines. For example, quarterly sales problems impact on scheduling, costing, warehousing and personnel, together with rewards and motivation of sales people of the organisation, but this kind of linkage is rarely covered in MBA programmes. Management problems of this nature are systemic and require cross-functional analyses of the disciplines. However, more often than not, this kind of systemic issue – which is the difficult, but the real, part of management – is not addressed in the curriculum and students are left to 'put the pieces together' themselves. It appears that current management education programmes are designed to teach functional competency, not cross-functional management.

5. Management Education method. This is the subject of continuous debate between employers and educators. Employers tend to view on-the-job experience and action learning as the most relevant way to develop managerial skills, essentially because the process is flexible and addresses organisational contingencies, such as time, task or activity demands upon managers. On the other hand, students of academic management programmes are required to complete a

series of relevant subjects, knowledge of which they can draw upon to respond to the many contingencies that they might face in a management situation. While each method no doubt has its merits, each also implies an 'assembly-line' style of education or training package where managerial students have little opportunity for choice in their career development interests. Additionally, there is little evidence that the two methods involve any interactive process and each appears to discourage potential managers from pursuing life and career goals.

6. The 'Clients' are not happy. The management literature abounds in critical remarks about the state of management education as typified by MBA programmes. Task forces sponsored by government have suggested that management education has become anachronistic in the current climate of change characterised by globalisation of the economy, increased competition, increasingly complex technologies and the changing composition of the workforce. Business leaders and employers claim that management graduates often lack practical skills, have not been taught relevant and appropriate leadership skills and, more important, are unable to manage real organisations. Students and graduates voice similar concerns as they face the frustrations of recruitment and employment. In recent years, these criticisms appear to have caused many management educators to seriously evaluate their curricula. However, their responses (and those of their business schools) to this challenge to change, vary widely. It is not clear if the need for change lies solely, or even mainly, with management educators.

## **The Need For Change In Management Education Is Critical**

### **Government inquiries**

Criticisms of this nature and calls for change in management education are current and, as will be seen in the literature review in Chapter 2, are frequently documented in management literature of the past decade or so. During this period there has also been a number of government-commissioned studies and initiatives on management education in Australia. For example, the *Ralph Report* (1982), the *Training Guarantee (Administration) Act* (1990), the *Interim Report on the Benchmark Study of Management Development in Australian Private Enterprises* (1990), the *Australian Mission on Management Skills* (1991), and more recently the *Karpin Report of the Industry Task Force on Leadership and Management Skills* (1995) and the *Report on Quality and Standards of Management Education* (1996). These studies have been mainly concerned with analysing problems and opportunities of managerial education and development and advising on viable options for improving quality in Australian management education.

The Karpin Report (1995) is the most recent, large-scale study on Australian management and leadership skills and explores the challenges likely to face management education in Australia in the coming decade, as a consequence of the way the country prepares its business leaders, managers, educators, trainers and related government policy makers. The report noted that massive changes in the domestic and international business worlds have created a set of broad strategic issues which must be the focus of the future agenda of management education. Significantly, the report warned against complacency, cautioning those associated with management education, particularly the educators who have traditionally occupied the decision-making role in such education, to address these issues, or fail to prepare students with the attitudes and skills necessary to manage the difficulties and opportunities which await future business leaders.

### **International developments**

Internationally, similar questions regarding purpose, objectives, curriculum, content, approach and method of management education and its effectiveness to students, graduates, employers, organisations and business communities have also been raised. For example, Porter, *et al*'s (1988) three-year, large-scale study on the future of management education and development in the United States identified, among other issues, the particular content commonly found in a business curriculum and the significant lack of attention given to 'people' skills. His views were echoed in much of the management literature across the United States, Britain and Australia by commentators such as Day (1988), Banham (1989), Turner (1989), Whitley (1989), Quillien (1993), Watson (1993) and Karpin (1995). Prominent management writers such as Schein (1988) and Mintzberg (1989) of the United States have been concerned with the qualities of education which managers require to be successful in the 1990s and beyond. Their views were endorsed by many subsequent international writers (Bain, 1992; Linder and Smith, 1992; Syrett, 1993) who raised questions about the slow rate of change in management education.

Management literature also suggests a continuing exploration of different models of management education; for example, the 'American', the 'Japanese' and the 'European' models have been compared by researchers such as Edfelt (1988), Luthans (1990), Cannon (1991), Porter, *et al* (1991) and Dufour (1994). Out of this comparison has emerged another trend in management education which is



referred to as 'leadership education' (Jones, 1985; Porter, *et al*, 1989; Karpin, 1995). It appears that the emphasis on 'business' in management education is the focal point of concern (Orpan, 1987; Kavanagh, 1991; Talbot, 1993; Dunston, 1991) and there is a continuing search by management commentators for alternative approaches or a 'generic' model to educate and develop managers (Dertouzos, *et al*, 1989; GMAC, 1990; Louis, 1990; Green, 1991; Wechsler, 1992; Foggin, 1992; The Australian Financial Review, 1993).

### **Previous research on management education improvement**

Similar to her many colleagues in management education, the researcher would like to think that she is doing an effective job preparing students for a management career. However, the perceived problems, the criticisms and the various national and international inquiries into management education have established, at least in part, that despite their good intentions educators must contribute a great deal more than they have done to date to the improvement of management education. While accepting that the need for improvement in management education is imperative, this realisation is nevertheless disturbing. Equally significant is the fact that neither the literature nor previous research has addressed the necessary improvement and attendant development problems of management education.

Perceived problems, criticisms and inquiries about management education have, in the main, identified the reasons for improvement to, or modification of, that education. There are discussions on various facets of management education, such as structural and financing adjustments, the content of curriculum, the role of business schools and others. There are calls to deviate from the traditional business curriculum and demands that business schools define a particular mission in graduate business programmes, as well as provide specialisation in individual programmes to satisfy the diverse needs of the business community. Others emphasise the need to focus on skills development in management education. However, underneath these broad suggestions for improvement, specifics regarding *what* kind of changes are required or the type of improvements necessary are not clear. More important, the process of *how* to change and improve management education, when it is addressed at all, is even more ambiguous.

While there is substantial literature on the development of management education, research in this field focuses on two broad categories of issues. In research dealing with *contextual* issues surrounding management education,

funding situations, monitoring bodies, government intervention, the roles of business schools and business educators, the structure of curriculum and curriculum design and market and organisation demands for effective management skills and leadership have all received attention. In research dealing with issues related to curriculum *content*, the emphasis has been on business and management theory, together with management techniques or skills. However, there has been little research in synthesizing the contextual and content issues in the pursuit of working towards a comprehensive understanding and development of the management education process. To this researcher, knowledge of the systems within which management education operates or knowledge of all the theories of business management, does not ensure effective education or the appropriate preparation of managers.

What is needed is to expand understanding and awareness, perhaps through directing the focus of research towards more holistic studies, if management education is to become more effective and more workplace relevant. Similar situations have been researched at various levels, principally in other countries and especially in the United States but, as will be seen from the Literature Review in Chapter 2, Australian researchers have largely limited their attention to individual aspects of the overall business management complex, and its associated formal education provisions, without any attempt to deal with the whole complex in a comprehensive manner.

## **RESEARCH RATIONALE AND DESIGN**

### **The Rationale And Research Questions**

What appears to be largely missing from the relevant literature and research is an *understanding* of the *attitudes* and *viewpoints*, and in turn the *behaviours* and *practices*, of those important stakeholders who are directly involved with and participate in the managerial educational process and who play essential roles in determining the effectiveness of that education. While there may be many stakeholders in management education, those most involved and concerned are the educators, the employers and the students/graduates. More often than not, the literature of educational improvement tends to focus on the educators, to the neglect, or even exclusion, of the other groups. Traditionally, management educators have been the *providers*, while the employers of graduates have been the *users* and

students/graduates have been the *practitioners* of the education. The individual investment of time, energy, effort and finance make each of these constituents a major stakeholder in management education, in terms of their own effectiveness and in terms of the Australian economy. In achieving a proper, balanced interaction, these groups of stakeholders must determine the effectiveness and success of management education in Australia.

The rationale for this research is based upon this premise. The underlying research *hypothesis* is that understanding the interactive process between the three constituent groups of educators, employers and students/graduates is essential for the determination of relevance, effectiveness, development and future direction of management education. Understanding of the *values*, that is

- the assumptions (taking something for granted),
- the needs (requirements; necessities; feeling the lack of something), and
- the expectations (something looked forward to; expectancy; hope)

which underlie the perceptions of these three groups as they interact and as they view the state of management education would appear to be critical. These perceptions form the basis of group behaviours and *practices* and, if understood, should generate answers to many still unanswered questions about managerial task requirements, appropriateness and relevance of both knowledge and skills, together with effectiveness of methods and approaches of education and development. By exploring both consensus and conflict between these perceptions, it is hoped that solutions to current problems as well as the development of strategies for on-going development of management education can be found.

This research will explore the perceptions of selected groups of educators, employers and students/graduates. The Master of Business Administration (*MBA*) has been selected as the basis for investigation. In Australia, the MBA has been for many decades and remains as the prime exemplar of management education for practising and aspiring managers. In recent years, while retaining high market demand, the award has been the focal point of disaffection among employers, students and graduates and within the business community generally. This paradox has also been extensively documented in the literature and it would therefore seem most appropriate to investigate these perceived problems of management education in the context of MBA programmes. It can well be assumed that whatever is concluded from such investigation will have a cascade effect upon all related management education programmes.

Though broad in scope, the main Research question is this: *How well do the MBA programmes offered by Australian universities satisfy the needs and expectations of educators, employers and students/graduates involved in the management education enterprise?* This is the broadest question which can be asked in this research.

In order to narrow the focus, the following subquestions dealing with topics specifically explored in the interviews, observations, documents and other archival material were raised:

1. *What assumptions underlie the values and convictions responsible for perception differences between educators, employers, and students/graduates with regard to the purposes, objectives and outcomes of Australian MBA programmes?*
2. *What perceptual consensus and conflict exists between educators, employers and students/graduates with regard to the purposes, objectives and outcomes of Australian MBA programmes?*
3. *How do these perceptions influence the satisfaction of needs and expectations of these three groups?*
4. *What are the needs and expectations of these three groups relative to the management education enterprise?*

Answers to these questions will allow the development of a grounded theory of implications and recommendations. The following questions complete the investigation:

5. *What are the implications of these needs and expectations to the modification and/or justification of MBA degrees in Australia?*
6. *To what extent is MBA education critical to the achievement of short-term and long-term managerial and organisational effectiveness?*
7. *What is needed for the MBA degree to be accepted industry-wide as the most desirable and appropriate formal programme for management education?*

These research questions are designed to obtain a comprehensive view of the nature of uncertainty and disaffection towards current MBA degrees offered by Australian universities. While the literature of management education clearly indicates an awareness of this deficient situation, there is little or no agreement between individual commentators and researchers as to the causes of the deficiency or, among other issues, of the appropriate education and development in the

management enterprise. Why is there still, after all these years of delivery of and research into management education, no apparent consensus between providers, users and practitioners of that education as to the management market needs or expectations and the satisfaction of those needs?

To address this mystery, it is necessary to elicit specific data about the perceptions of educators, employers and students/graduates who are closely associated with the degree and highlight the assumptions which underlie their values – convictions, needs and expectations. Differences and similarities in these values impinge on individual purposes and objectives of the MBA education and, in turn, effect different behaviours and practices towards the outcome of the education. To complete the investigation, it is essential to explore the relationship and interaction between the three constituent groups – a process which is singularly neglected in the literature. Perceptions collected, collated, compared and analysed across the three groups should consolidate a total perception of the short-term and long-term education needs of the management enterprise, from which implications for improved provision and implementation of MBA programmes should become evident.

### **The Design**

The *qualitative* paradigm has been chosen in the design of this research. Within this paradigm, approaches of Phenomenology, Hermeneutics and Symbolic Interactionism have practical data collection and analysis implications to the research. The research process is based upon the perceptions of MBA-related educators, employers and students/graduates. These perceptions, together with the values and prejudices associated with them, will be interpreted with a view to identifying and clarifying the areas of conflict and consensus which emerge from interaction between these three groups. *Interviews* are the primary tool of data collection. Interview questions have been generated into five broad categories of *research variables*. These are:

- the nature of management,
- attitudes to management improvement,
- current MBA programmes,
- usefulness of MBA programmes, and
- future MBA programmes.

Within these categories the following significant issues have been targeted for specific attention: managerial tasks, skills and knowledge; critical areas, methods and measurements of management improvement; MBA-related content, structure,

students, educators and their business schools; effectiveness of current MBA programmes and graduates and impact on the business community; and future outlook and expectations of the MBA education.

Three Australian business schools which offer MBA programmes were selected as the *venues* of the research, namely the Australian Graduate School of Management of the University of New South Wales, the Graduate School of Management of the Macquarie University and the Graduate School of Management and Public Policy of the University of Sydney. The most significant reason for choosing these business schools is that their MBA programmes are long-established, are nationally and internationally recognised and enjoy high demand by students. The researcher believes that views of the MBA-related educators, employers and students/graduates from these three schools must be broadly representative of those likely to be expressed by other Australian universities.

Altogether, 25 MBA-related educators, 26 MBA-related employers and 24 MBA-related students/graduates of these three schools agreed to participate in this research and were interviewed in depth.

## THE RESEARCH FINDINGS

From the foregoing discussion, it can be anticipated that the data will highlight the widely publicised claims that management education provided in Australian universities does not adequately or appropriately serve today's business organisations. The data should, therefore, clarify what and where the deficiencies are, how such deficiencies have emerged, who (individuals, groups, organisations) are and should be responsible and how the situation might best be addressed.

If the data show that management education offered by Australian universities is inadequate or inappropriate for today's business organisations, the gap between what management education promotes and the type of management education needed, even demanded, by industry will be revealed. Assuming that educators, employers and students/graduates differ in many of their assumptions about the purposes, objectives and outcomes of such education, the significance of these differences and what may be similar will also be identified by the data. Any perceptual mismatch among the three groups regarding both the management process and what and how

managers should be developed will undoubtedly influence the satisfaction of individual needs and expectations of management education.

These data should also expose the resultant behaviours and practices of each of the groups. For example, does each group value and adhere to its perceived individual needs and expectations? Is there evidence of co-operative interaction among the groups, or that short-term or long-term managerial and organisational effectiveness has been achieved by management education in general and MBA programmes in particular? Would the data indicate that the responsibility for current problems relating to management education offered by Australian universities lies not only with educators, but also with employers and, perhaps to a significant extent, students/graduates?

Findings of this nature should reveal important implications for the improvement and development of management education. To start with, should there be a great deal more consensus among the groups? If so, can more consensus be achieved through examining and remodeling individual value-systems and practices? For example, in changing values, should educators focus the education on the customers, view change as beneficial and be willing to shift priorities? Should employers' expectations of the educators and business schools be more realistic, and should they take initiative in addressing the educational problems which they also partly-own? Should students/graduates undertake responsibility for self-development and adopt a proactive stance with respect to their own educational experience?

In addition, in changing practices it may be essential that educators effect cultural change in the business schools, recognise the gap in customer understanding, establish partnerships with employers and students/graduates, so as to serve the life-long educational needs of managers and help the managers to help themselves in their career development. For the employers, it may be essential that they clarify the requirements of managers, investigate the broad and specific issues of modern business, build partnerships with educators and students/graduates through maintaining meaningful dialogues and better manage investment in the education of their managers. Students/graduates, in their pursuit for continuous and meaningful education and development, may need to build mutually beneficial partnerships with both educators and employers.

Finally, it is also anticipated that data will highlight the function of government in management education. Represented by task forces such as that of the Karpin inquiry (1995) into management and leadership skills, the government may play an essential role in facilitating the improvement and development process of management education in Australian universities.

## **THE FOLLOWING CHAPTERS**

In the following chapter, the relevant literature of management education is reviewed with the aim of demonstrating the extensiveness of that literature, highlighting the long-term and consistent criticism of deficiencies in the provision of management education; identifying those areas where researchers and/or commentators do not agree on either the details of the problem, or on potential solutions to the problem; providing a framework for endorsing the significance of this study, as well as providing a basis upon which results may be compared with those of other studies; and validating the place of this study in the total literature of management education research.

The notion of 'business' has become the central theme of management education (Chapter 2; page 36), leading to the terms 'business education' and 'business and management education' being used when often 'management education' is addressed. In the remaining chapters of this thesis, these different terms will be simplified by the use of 'management education'.

Chapter 3 deals with the methodology used in this research, describing its implementation, particularly the processes of data collection and data analysis. Chapters 4, 5, 6, 7 and 8 analyse the data collected; while Chapter 9 discusses the implications of the analysis and Chapter 10 concludes the research with recommendations and suggestions for future research.



## Chapter 2

### Literature Review

#### INTRODUCTION

*During the past decade there have been, as evidenced by a vast literature on the topic, considerable discussions between the public and private sectors and the tertiary teaching institutions about the importance of management education and about the adequacy, or otherwise, of its provision. These discussions, coupled with student demand, have apparently resulted in a proliferation of various management education programmes in the institutions of higher education. For example, the Master of Business Administration (MBA) programmes alone, (not including personnel management and other administration and business management courses offered through technical and university institutions, to say nothing of consultancies in in-house - in-service - programmes in various aspects of the management enterprise), are now offered through over 38 institutions in Australia (Australian Financial Review, 1996), compared to 10 years ago when there were only 15 (Karpin, 1995).*

*During the same period there has been a marked increase in the number of employers, in complying with the Training Guarantee (Administration) Act 1990, willing to commit funds to encourage their managers to acquire relevant management education. (This Act was subsequently amended and ceased to function in 1994). However, even a superficial survey of media releases over this period and the current years indicates concern, if not disaffection, with the level of effective managerial knowledge at the 'work face'. Most recently, the Karpin Report (1995) removes any doubt about the existence of this concern.*

*In view of the vast literature associated with management education spreading over many decades, this literature review will concentrate on written material of the past 10 to 15 years relative to this concern. At the same time, selected factors considered by this researcher to be most significant in the development of management education will be reviewed. These factors represent issues which are constantly debated between management commentators.*

*For example, there are issues on what management is about, the way it impacts on management education, the different types of management education and development available – and how the current state of management education affects educators, students and employers. In the course of these debates, characteristics relating to the tradition of management education, its presence and its future, the curriculum design, the pedagogical process, the quality and standard, the business environment, the practice and inclination of teachers, students, employers, and above all, the managers, also emerge. This review aims to identify and highlight these characteristics which have been proved decisive in the development of management education.*

*These factors and characteristics reflect a complex developmental stage of management education over the past 10 to 15 years. For clarity in charting such complexity, it is essential that a clear framework for illustrating this development be presented in the literature review. For example, the review should begin by illustrating the need to understand what management is and what managers do before proceeding to what they should know and how they can best acquire this knowledge. In addition, the latter part of the review should reveal how the educators, the employers and the students and graduates of management education relate to one another, as well as to their overall impact on the current state of management education. For this purpose, the following main headings form a useful framework for presentation:*

- 1. What constitutes effective management?;*
- 2. What is Management Education?;*
- 3. The Typology of Management Education;*
- 4. The Providers of Management Education;*
- 5. The Users of Management Education; and*
- 6. The Practitioners of Management Education.*

*It should be noted that considerable effort has been given by this researcher to retrieve literature on management education and related issues, in which a number of local and global searches, some under several periodical indices, have been conducted. It transpires from these searches that a large percentage of this research material originates from the United States and Europe, and comparatively very little has been written*

*in relation to the Australian context. While the research reported in this thesis is Australian based, nevertheless, this researcher believes that the international literature reviewed represents many of the characteristics of the Western Hemisphere which are similar to those of Australia and that it is therefore adequate to reflect Australian management education.*

*The literature search has been extensive and has included both national and international sources. Education and business indices have mainly been used as a basis for the search. As envisaged, descriptors which can be used to generate appropriate data are wide-ranging in view of the encompassing nature of this research. For the purpose of selection, descriptors used which indicate the areas of focus of this research were: administration; management; management competencies; management skills; organisation; organisation effectiveness; organisational change; Total Quality Management; leadership; management education; business education; MBA; management development; management training; evaluation; management research; business research; adult education; liberal education; educational research; and others.*

*In addition, MBA brochures and publicity materials from selected business schools in Australia, the United States, Britain and some Asian countries have been used. Therefore, the literature resources used have been generated from texts, periodicals, government reports, press commentaries, publicity releases and public records, all of which the researcher believes are invaluable source of data for this research.*

## **WHAT CONSTITUTES EFFECTIVE MANAGEMENT?**

### **Management And Managers**

For several decades the question "what constitutes effective management?" has been a topic of constant debate among management commentators and practitioners. Kotter's "The General Manager" (1982) echoes the concern of other researchers (Katz, 1955; Mintzberg, 1973; Stewart, 1984) that a large gap still exists between conventional wisdom on management functions, tools and systems, and actual managerial behaviour. Kotter's findings on what successful general managers do – such as being less systematic, more informal, less well organised, more

frivolous – raise serious questions about management education which relies heavily on management 'theory'. These questions, and especially the characteristics of effective management, continue to be explored.

However, despite 'seventy-five years of management education to draw upon' (Stewart, 1984, in reference to the 75th Anniversary of the Harvard Business School in 1983), it remains true today that 'no one knows exactly what a manager's job is'. A general survey of management literature up to the early-1980s also confirms that there has been surprisingly little in-depth research into, or systematic building of knowledge on, the manager's work. More recent literature still reflects Brianas' (1987:17) concern that:

In these days of sophisticated technology that can take us to the moon, and 'modern management methods' that business schools and schools of management espouse, it seems extraordinary that little is known about what managers do.

The search for the key to effective management began nearly 100 years ago when the first management schools were set up in the United States. Sisson & Storey (1988) recorded that the initial emphasis was on generating theories of management which would provide the necessary understanding for improvement of practice. The classical management theorists of the era brought to our attention that management functions involved planning, organising, executing and controlling. Many of the discussions at the time revolved around the concept of management and what constituted the process of managing. However, despite decades of widely differing images of the reality of organisations, as presented by theorists, the search has proved elusive (Morgan, 1986). In retrospect Cave and McKeown (1993:122) argue that:

The major problem is that the concept of management is uncertain while the primary activities of an organisation – creating, marketing and exchanging goods and services – are easily observable, the processes of managing which give broadly-based purpose, direction and order to these activities are often less clearly visible and are closely embedded in the total action. It is problematic to attempt to separate management from the other activities of an organisation and to isolate it from the context in which it takes place.

It is not surprising that attention eventually turns from the study of management to the study of managers. The pioneering studies of Mintzberg (1973) and Kotter (1982) demonstrate that what managers do can be observed, recorded and analysed. Mintzberg's empirical study of the behavioural characteristics of

managers has led to 'a realisation that there are significant differences between the actual behaviour of managers and what has been conceptualised in earlier studies'. Observing managers in action has become a more common research approach in an attempt to identify what managers need to be good at. Increasingly, the prevailing assumption of the classical school, that the management task contains a set of generalisable functions, is refuted.

Stewart (1984) supports this case by pointing to an increasing number of organisation managers who feel compelled to break out of their organisation's routines, convinced that 'variety is the essence of managerial work'. Her research reveals that the demands of one manager's job differs significantly from those of another – even in the same organisation – so too are the demands of apparently similar jobs in different organisations. Additionally, there can be significant changes over time. The nature of the task of even the top level managers in an organisation (who can be said to fall into a 'general' manager group) is far more complex than is often assumed. In 1982, contrary to the prevailing 'formal rationality', Kotter predicted the essential character of general managerial work as being reactive and fragmented and that there could be significant differences from one situation to another.

Management commentators on the whole support these researchers' criticism that traditional theory-led management thinking has failed to develop the real skills required for managing effectively, such as the ability to develop effective teams, to take risks, or even to obtain detailed knowledge of business operations. However, the real limitation in the reports of these observational studies is that they reveal nothing about the competencies needed for an effective manager. Although supporters of the behaviourally based model (Mintzberg, 1973) claim that identifying the roles of managers and obtaining a general understanding of how managers behave, teach managers how to manage, yet Hales (1936:89) argues that:

This knowledge is still only partial as it says much about what managers do, but little about what they ought to be doing to be effective.

Thorpe (1990:4), while examining the state of management education in the United Kingdom in relation to what managers actually do, expanded Hales' idea that there was also:

..... the question of whether the studies of whatever aspects of managerial activity or competence mentioned described good or bad managerial behaviour,

as Hales had pointed out that no study had sought to compare managers with non-managers. Luthans (1987) also emphasised that none of the behavioural studies explains the intentions underlying the observed activity, or attempts to discover the outcomes; and that the relationship between intentions, actions and outcomes is crucial if an attempt is to be made to suggest what managers are expected to do, or what they should do, in order to be effective. Sisson and Storey (1988:5) also insisted that no simple answer to the problem exists. While more and more managers are expected to demonstrate behavioural characteristics associated with innovation and enterprise, according to the two researchers:

The one thing that organisations ignore at their peril is to seek definition of what they expect their managers to do.

It is now apparent that the language of the management theorists is vastly different from the language of managers and, as a result, may not be personally meaningful to the practice of management. Viljoen (1990:11) argues that:

Management is an amalgam of highly personal choices: about how to use [the manager's] accumulated talents; about the need to work with subordinates; about the need to give to subordinates; about how to deal with specific constraints and the demands of their jobs; and about choosing an approach to managerial activities with which [the manager] feels comfortable.

These characteristics differentiate the concepts of major theories of management, in that such theories underplay the importance of the use of personal attributes in management and the need for managers to both work with and develop others in an organisation.

### **The Competency Movement**

The inconclusive results of research into what managers do has prompted continuing research to determine what generic competencies successful managers have or need to have (Cave and McKeown, 1993). The search began in earnest in the United States in the 1970s and was highly publicised in the 1980s in the United Kingdom. The establishment of the American Management Association (AMA) and Britain's Management Charter Initiative (MCI) at the early stage of the movement intensified the respective governments' and industries' commitment to develop the

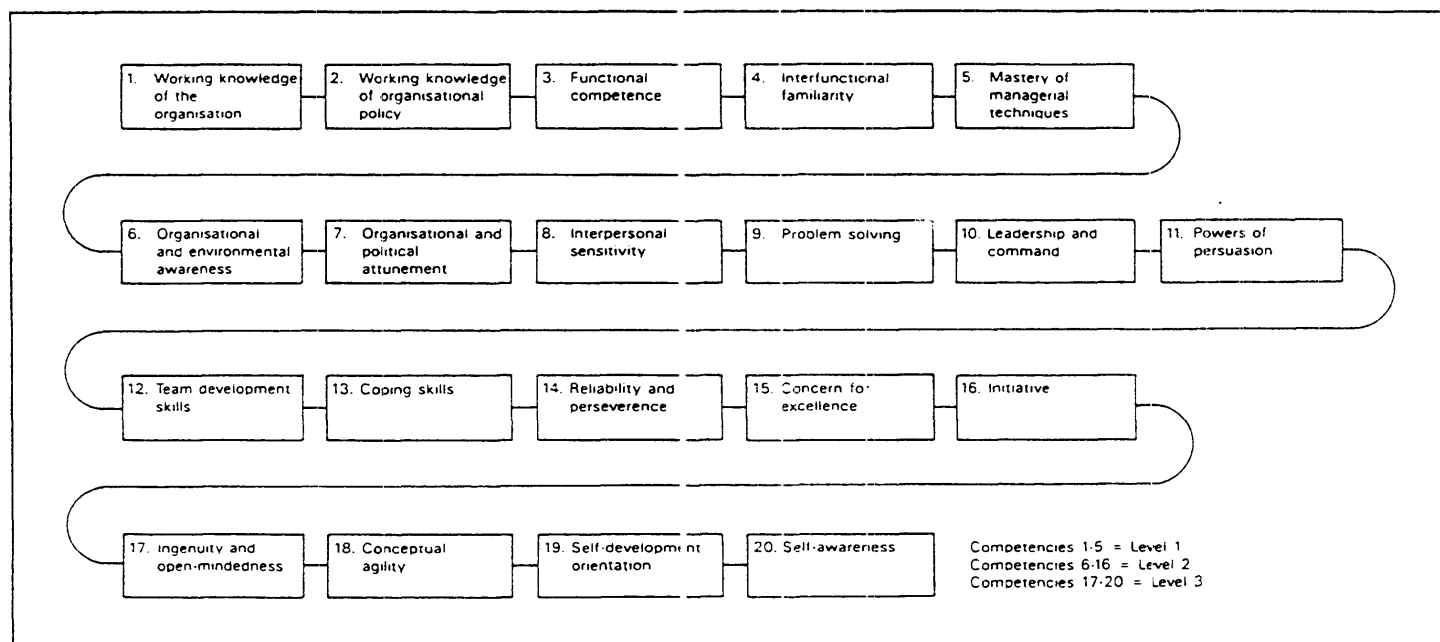
competencies of managers. The AMA, based on interviews of more than 2,000 managers in 12 organisations, initiated a generic model which identifies competencies specific to the particular job of a manager. This model contains clusters of competencies in 5 basic groups – goal and action management; leadership; human resource management; subordinate direction; and focuses on others. Specialized knowledge is also an integral part of the derived model (Boyatzis, 1982). Managerial competency is broadly defined as:

..... a generic knowledge, motive, trait, social role, or skill of a person linked to superior performance on the job.

(Hayes, 1980:69)

Keys (1988) regards the competency movement as the most extensive attempt of the management education and development field to reappraise itself in two decades. At the early stage of the movement, research of Burgoyne and Stuart (1976) identified a number of qualities found to be possessed by successful managers. This initial research has been subsequently elaborated – for example, Snell and Reynolds (1988) expanded the number of attributes used by Burgoyne and Stuart. Thorpe (1990:5) summarised Burgoyne and Snell's work and Figure 2.1 presents his picture of managerial competencies.

**Figure 2.1 Managerial Competencies – A Summary**



(Source: Thorpe, R, (1990), Alternative Theory of Management Education, Journal of European Industrial Training, Vol 14, No 2, pp 5)

As explained by Thorp, the competencies fall into three levels:

- Level 1 represents the kinds of basic knowledge and information which managers use in making decisions and taking action.
- Level 2 represents specific skills and attributes which directly affect behaviour and performance. These competencies allow managers to acquire the basic knowledge and information involved in level 1.
- Level 3 are those qualities which allow managers to both develop and deploy the skills and resources in level 2.

This model can be likened to an iceberg. Level 1 is visible and is readily tackled in traditional management courses. Levels 2 and 3 are less tangible, having less to do with content and more to do with context and process.

The generic nature of similar definitions, summaries or expanded versions (Boyatzis, 1982; Institute Of Manpower Studies – UK, 1989) of the competency approach has been highly criticised because, as in the early days of studies on the nature of management, it is difficult to accept that the competency characteristics are common to the 'whole class' of successful managers. In addition, there is no explanation as to how these characteristics might be broken down into 'narrow sets' of competencies in the first place and then eventually be re-combined or re-constituted for integrated managerial performance. The kind of synergy that may take place remains a clear limitation. Major criticisms of competency attainment, as highlighted by Burgoyne (1989), revolve around issues such as:

- emphasis appears to be on skills;
- competencies are not easily separated;
- generalisation over a wide range of industries, managerial functions and activities;
- permanence of listing of competencies, given the nature of managerial work;
- unclear representation of ethical and moral content; and
- undefined relationship between individual competence and collective or organisational competence.

The last issue also refers to the measurement aspect. Jacobs (1989:33) highlighted a major difficulty that:

**'Soft' personal qualities like assertiveness, creativity, sensitivity and intuition are difficult to measure under any circumstances.**



Publications of Handy (1987) and Constable and McCormick (1987), which underpinned the rationale for the launch of Britain's Management Charter Initiative, also intensified the debate. However, on the value of the competency model Constable and McCormick argue that 'it is extremely difficult to separate out competency from skills and knowledge'. It seems probable that a manager may have knowledge and skills but not be competent. But it is increasingly unlikely that a manager will be competent without having knowledge and skills. On a positive note, other researchers (Snell and Reynolds, 1988; Canning, 1990) elaborated on Boyatzis' (1982) emphasis of a 'fit' between the job demands, the organisation environment and the individual's competencies. They directed the debate to the importance of a competency approach which reflects the context and process of specific organisations – that is, the culture and environment in which particular organisations find themselves operating. Canning (1990: 13) argued that:

The focus of resource allocation should be around helping particular organisations to develop a competency approach which reflects their individual needs and the markets in which they operate. In other words, ..... developing the methodology and the know-how to use such a system, rather than developing generic competencies.

Kolb (1984) believed that an individual's cognitive style is affected by early experiences and proposed an 'adaptive competencies' approach. Based on the Experiential Learning Theory which provides an approach to assessing managerial learning needs, he devised a managerial competency profile having direct association with the basic modes of the experiential learning process. His rather different focus is said to be a more holistic concept, enabling comparison to be made of the learning needs in different managers' jobs and in different organisations, and emphasising the 'fit' between managerial knowledge and job demands.

During the 10-year period preceding this research, discoveries and findings of scores of researchers on management effectiveness provided many different instruments for exploring managerial competence. Major advantages, disadvantages and 'grey areas', as perceived by management academics and practitioners, were presented. Wills' (1993) big-picture overview of the competency movement is representative in this regard.

Research on this approach continues. On the whole, researchers are fairly cautious about the contingent nature of their studies which continue to address the underlying problems or dangers associated with such a framework approach to understanding a complete manager. An especially valuable contribution of this

approach is in the area of management development which requires an exact knowledge of what should be developed in managers (Frank, 1991). Irrespective of one's instinctive feelings about its concepts, the fact remains that the competency approach is slowly but surely building a large groundswell of support among organisations (The Australian Mission on Management Skill, 1991). In Australia, Karpin (1995) reports that 45% of organisations use the concept.

### **Competency-based management education**

Competency-based management education continues to be debated. This approach places primary emphasis on what the person can do as a result of education and training. It is designed to ensure that individuals who complete education and training meet minimum specified standards. In other words an individual's attainment is measured against 'objective standards' set by a recognised body. Albanese's (1989:66) study revealed that:

On one side are those who believe that teaching managerial competencies offers hope for curing the ills of present and future managers. On the other are those who argue that teaching managerial competencies not only cannot be done well, but should not be done at all, at least not in business schools.

In between are the vast majority of management educators and trainers who, while keeping an open mind, are still forming their opinions.

### **Management Effectiveness**

Amidst the quest for competencies (the reality of the movement is yet to be explored), other means of identifying management effectiveness have emerged. More recently, management commentators have pointed out that research into competency has, so far, examined what managers currently *do*, whereas what is needed is to know what managers will have *to be able to do* in the future (Morgan, 1988; Collin, 1989). The future, as defined by these researchers, is expressed in 'a more dynamic, complex and organic way than is allowed in the classifications of competencies currently being studied'. Collin (1989:24), in the context of management effectiveness for the future, argued that:

..... it rests in the development of attitudes, values, and 'mindsets' that allow managers to confront, understand, and deal with a wide range of forces within and outside their organisations as well as in the development of operational skills.

An earlier study by Lafferty and Coletti (1985) supports this view. Their 'diagnostic and counselling approach' to managerial change and development is believed to have been greatly influential upon managerial thinking, performance and philosophies. In their 3-year programme to develop managerial skills, involving nearly 50 participants, a systematic diagnosis of specific areas of need for each participant was conducted, and emphasis was given to causes, rather than just descriptions, of problems. Their argument (1985:89) was that:

The more accurate the concept of self, the more psychologically healthy the person. .... Under such conditions managers are able to grow substantially and to display more effective administrative behaviour. .... When managers have it all together, they raise their own sight and choose an appropriate path towards self-improvement, which results in greater effectiveness for them and increased productivity for their organisation.

This self-concept and self-improvement approach was also well supported by Schein (1988) who drew on the importance of 'nurturing' managerial potential through training for self-insight. Schein (1988:10) also believed that this type of managerial change and development enhances the concept of managerial competence which:

..... encompasses the blend of skills, knowledge, aptitudes, attitudes, temperament and personal qualities that enables a manager to manage.

### **The Skill Approach**

Like Mintzberg, both Schein and Porter, *et al* (1988) were forerunners in emphasising managerial 'skills and personal characteristics'. Watson (1993) reported that there is some variation in the use of the word 'skill' in the literature; for example Mintzberg's (1973) use was not quite the same as Porter, *et al*s (1988), and the qualities called *competencies* (Thorp, 1990:5) previously described had much in common with Mintzberg's *skills*. In making comparisons, Watson (1993:17) summarised the qualities of good managers identified by Mintzberg as follows:

- peer skills: the ability to enter into and maintain peer relationships;
- leadership skills: the ability to motivate and train subordinates, to provide help, and to deal with problems of authority and dependence;
- conflict resolution skills: the skills of mediation between conflicting individuals and handling disturbances;

- information-processing skills: the abilities to discover relevant information, and to present it to others, both orally and in writing;
- skills in decision-making under ambiguity: how to realize that a decision has to be made, and then how to make that decision;
- resource-allocation skills: the skill of choosing among competing resource demands;
- entrepreneurial skills: the ability to search for problems and opportunities and to implement change in organisations;
- skills of introspection: managers need to understand themselves, and to learn how to learn.

Porter, *et al*, in their three-year study on the future of management education and development in the United States, identified (1988:72) nine particular skills and personal characteristics commonly found in a business curriculum. These were:

- analytical
- computer
- decision-making
- initiative
- leadership/interpersonal
- oral communication
- planning/organizing
- risk taking
- written communication

Their study revealed (1988:324) that 'the field (management education and development in the United States) was too analytical or quantitative', and management programmes paid insufficient attention to the following key issues:

- interpersonal skills
- communication skills
- external environmental factors
- globalisation of business activities
- entrepreneurship
- ethics

The research results of Porter, *et al* also showed that academics (deans and faculties of universities, business schools, and the like) gave relatively high rating (up to 80%) on the analytical content, yet corporate respondents showed *an overwhelming preponderance of opinion that behaviourally oriented subject matter should receive more attention in the curriculum*. In their concluding chapter, Porter and his colleagues emphasised the significant lack of attention given to the 'soft (i.e. people) skills' which are integral among the nine skills and personal characteristics identified. Soft skills include the abilities to communicate, to

motivate, to lead, delegate and to negotiate. In addition, soft skills have strong elements of self-knowledge, self-discipline and self-management (Jacobs, 1989).

These views are echoed in much of the management literature of this period (for example, Day, 1988; Banham, 1989; Turner, 1989; Whitley, 1989; Quillien, 1993), in which continuous debates address 'soft' (versus 'hard') skills, 'thick' (versus 'thin') content, 'qualitative' (versus 'quantitative') analytical techniques, leadership and interpersonal skills, together with humanities and social sciences as important elements in the development of management effectiveness. Watson (1993:22) reported an enormous accumulated body of knowledge about leadership, group behaviour, motivation and so on, which had been generated by social scientists observing managers managing. Turner (1989:10) defended the academic perspective by emphasising that:

Business education should provide 'data banks' of knowledge and a 'tool kit' of analytical skills. It is individual's responsibility to acquire these before entering a management career. Management development is concerned with developing 'people' skills, shaping the ability to achieve results, improving problem-solving and decision-making skills and, interlinked with experience gathering, is the joint responsibility of employer and individual. Business education is not a substitute for management development.

Porter, *et al* (1988:324) cautioned that soft skills are actually quite deep and sophisticated abilities and that:

Perhaps most critical is the question of whether there are sufficiently well-validated and feasible methods available to the faculty to bring about a demonstratable increase in such skills as leadership and effective interpersonal influence.

### **Management In Australia**

The 1990s are an especially important period in the development of thinking about the kinds of skills that managers will need to manage successfully in the future. Many successful organisations acknowledge that their effectiveness is increasingly based on the quality of the people who work for them, particularly their managers (The Australian Mission on Management Skills, 1991). In Australia, the Industry Task Force on Leadership and Management Skills led by Karpin (1995) reports, after a 3-year nationwide and overseas research and investigation, that the ability of Australia's managers to manage enterprises flexibly and to achieve world best-practice standards impacts directly on unemployment, as 'it affects the ability

of the macro economy to absorb economic shocks and adjust employment levels accordingly'.

Karpin and his team further emphasise that without *appropriately skilled managers* who can adapt themselves and their organisations to change, it will continue to be difficult for Australian enterprises to maintain their competitiveness. It appears that managerial leadership and skills are now 'playing a central role in the success or failure of the country's economy' and that there is currently an urgent need to raise the effectiveness of these aspects of managerial performance. Indeed, to meet this need Karpin and his team outline some major strategies for reform in the specific area of *management education and development*.

The following section will review current issues and emerging trends of management education and development. Karpin's, and other respected writers' (Mintzberg:1989, Porter, *et al*:1989), proposed *managerial leadership and skills* approach to save economies will continue to be explored.

## **WHAT IS MANAGEMENT EDUCATION?**

### **Educating The Managers**

Perhaps the most significant contribution to the understanding of the nature of management has been the work of Mintzberg (1973) who developed the results of empirical studies on managerial work into a coherent account of what most managers do. There have been other accounts of managerial activity by such researchers as Kotter (1982) and Stewart (1984) and, while the enthusiasm of these may not have been fully shared by others (Whitley:1939), the question of what constitutes good management education has been significantly explored.

It is Schein (1988:13) who declared that:

**Though the world needs more leaders and entrepreneurs, we do not know how to identify or educate such people.**

He challenged any claim that to teach people leadership or entrepreneurialship 'is false advertising', being convinced that to enhance and enrich those people who already have the talent for leadership or entrepreneurship roles, is doing society a

great service. On identifying the myths and folklores of the *leader* embedded in one of the ten roles of a manager, Mintzberg (1989:79) also found it ironic that

Despite an immense amount of research, managers and researchers still know virtually nothing about the essence of leadership, about why some people follow and others lead. Leadership remains a mysterious chemistry.

Schein and Mintzberg were concerned with the qualities of education, particularly the leadership components which managers require to be successful in the 1990s and beyond. Their concerns have been endorsed by many subsequent management writers (Bain, 1992; Linder and Smith, 1992; Syrett, 1993) who have raised questions about the historical background and slow development (Cruikshank, 1987) of this type of education, even though it traces its origin to the end of the last century when business schools in the United States first began. The Harvard Graduate School of Business Administration, although not the earliest business school, remains one of the most influential in the world.

Watson, as recently as 1993, claimed that little thought had been given to the qualities needed to educate managers effectively. The emphasis of the business schools at the time was to teach a well-defined body of knowledge, set forth in a clear-cut syllabus, containing subjects which seem relevant to the task of business management. These subjects included accounting, commercial law, economic resources, industrial organisation, banking and finance, and insurance. Little was taught about the actual act of management, largely because there had been so little thinking on the subject at this time.

Cruikshank (1987), in reviewing the history of the Harvard Business School over the period 1908-1945, recorded that from the start, providers of management education have taught a body of knowledge *about* management, which is felt to be of use to the manager, but they did not teach *management practice* as this aspect of the work of the business school develops only slowly, as a better understanding of the nature of managerial work evolves. What is more, it appears to have been a 'frankly knowledge-based activity' and the goal was to teach information about business, rather than to educate - 'lead out' - people into the qualities needed to run business.

Since the end of World War II this 'traditional' state of management education has been the target of widespread and continuing concern. It has prompted a number of national inquiries and enactments relating to the state of management education. In Australia, for example, there have been among others,

- the *Cyert Report (1970)*, which recommends that Australia should have one business school which was a centre of excellence based on North America and European lines;
- the *Crawford Report (1979)*, which notes a nation-wide urgency to improve industrial productivity by altering managerial inadequacy;
- the *Ralph Report (1982)*, which proposes, *inter alia*, structural and financing adjustments to management education in general;
- the *Training Guarantee (Administration) Act (1990)* which introduces the Training Guarantee Scheme requiring business employers to spend 1% of their payroll on training (as government would not provide additional funding, the Act encourages business schools to impose fees on students and generate funds from the business community);
- the *Interim Report On The Benchmark Study Of Management Development In Australian Private Enterprises (1990.i)*, which notes:

With respect to methods of management development, most enterprises prefer mixing theory with practice via short in-company or external courses attended throughout a manager's career. The role of formal education is more seen as providing the basis for further development rather than as an end in itself. This, notwithstanding postgraduate management education, has emerged as a valued component of improved managerial performance;

- the *Science And Technology Issues In Management Education - A Report To The National Board Of Employment, Education And Training And The Science And Technology Awareness Programme Of AITAC (1992)*, which aims to find out how far formal management education offered in Australia covers issues related to science and technology;
- the *Karpin Report (1995)*, which explores the way Australia prepares its managers for work and leadership and seek solutions to the problems and challenges facing Australia's business leaders, managers, educators, trainers and government policy makers; and
- the *Quality And Standards Of Management Education (1996)* - which advises on viable options for improving quality in Australian management schools through the development of a professional accreditation system.

Enquiries of a similar nature have generated extensive discussions between management commentators (Porter, *et al*, 1991; Keys and Wolfe, 1988;



Quillien,1993). Orpan (1987) summarised the major criticisms levelled at the state of management education and its development over the years as follows:

- the curriculum was ineffective with too much emphasis on the theory, the narrow disciplines, the quantitative analysis, while insufficient attention was given to the personal development of students;
- academics were of poor quality, their teaching approaches lacked intellectual rigour, and their research had little to do with problems faced by managers; and
- universities were not suitable providers, failing to either develop programmes of good standard or produce managers who could be really effective in the contemporary world.

While a majority of the critics appear to share this view, there is an influential minority who question whether or not management education can ever be effective as a 'once-in-a-life-time' event or can be taught at all (Orpan,1987; Fulmer and Graham,1993), taking into account the rapidly changing environment within which the manager operates. As Porter and his colleagues (1989, 1991) pointed out, the never-ceasing vacillation in economies, rapid development of technology, globalisation of markets, structural and organisational changes, together with diversity in demographics, work roles and attitudes, could all render management education 'perpetually inadequate'

### **Educating The Leaders**

Skousen and Bertelsen (1994) also record that the 1980s was a decade of massive change and, in some cases, upheaval. It is now clear that the era of traditional management education is rapidly drawing to a close and is giving way to a new focus on quality and a renewed interest in leadership (Bain,1992; Fulmer, 1993). This approach is being demanded by organisations to help them compete with world-class businesses. The challenge for management education is to help leaders learn to manage change effectively and efficiently.

This view is extensively expressed in the current literature on management education. All around the world, management educators and practitioners seek ways to address the 'new paradigm' relative to contemporary management (Handy of Britain,1987; Porter and McKibbin of the United States,1988; Dufour of Britain,1994; Karpin of Australia,1995). In this respect, America's Commission on Admission to Graduate Management Education's study on *Leadership for a*

*Changing World: The Future Of Graduate Management Education* completed in 1990, and the study of Australia's Industry Task Force on *Leadership and Management Skills* led by Karpin and completed in 1995, are widely noted. The literature suggests a continuing exploration of different models of management education, for example the American, the Japanese and the European models have been constantly compared over the past ten years (Luthans, 1990; Cannon, 1991; Porter, *et al*, 1991; Bain, 1992; Linder and Smith, 1992; Dufour, 1994).

Out of these comparisons has emerged a new trend in management education which is referred to as 'leadership education' (Jones, 1985; Porter, *et al*, 1989 and 1991). As Jones (1985:41) noted:

The need still exists in modern management education to continue to develop the skills which have been emphasised in the past. .... I believe that this development of leadership and entrepreneurial skills has been taking a back seat and it should come to the front as one of the main objectives of management education.

Karpin and his Task Force (1995:xxxvi i) also drew a similar conclusion from their consultations and research:

The distinction between managers and leaders is increasingly irrelevant in the context of downsizing and flattening organisational structures. In the future all managers, irrespective of level, and indeed many employees, will need some leadership skills.

The following section reviews the literature on the typology of management education. This will be followed by the reviews on the roles played by the providers, the users and the practitioners of management education. The influence of these constituents has registered a significant impact in the developmental process of management education

## **THE TYPOLOGY OF MANAGEMENT EDUCATION**

### **Management Education In Default**

Current literature on management education gives the impression that the process of developing managers is by no means fully understood and that there is no consensus about what form it should take. What actually occurs in different courses and programmes appears largely unclear despite the period of rapid expansion which

commenced during the mid-1960s. This was noted by Orpan (1987:37) almost a decade ago, who also reported that management education:

..... is now one of the most popular choices with very high entry requirements at both the undergraduate and postgraduate level in universities and colleges with little sign that growth will be slower.

However, there remain many unresolved questions and many issues identified but not addressed. Edfelt's (1988) study of comparative perspectives of management education in the United States, the United Kingdom and Japan, reported that nations differ in their general views, but there are some corollary questions regarding, for example:

- what should such education consist?
- how, when, or where, and for how long it should be carried out?
- should it be done in tandem with other formal education (general, technical, or other), or only after the other has been completed?
- should it cater for persons with previous occupational or managerial experience?
- should it take place in academic or non-academic institutional settings?
- what type of teaching/learning methods are the most effective?
- to what extent should adjustment be made for the background, age, personal qualities, knowledge, skills, occupations, and aspirations of the participants?
- who is best qualified to teach management?

Indeed, all of these questions, which also represent the distinctive features of management education, have formed the basis of much criticism and debate among management commentators.

### **The MBA – Management Education Or Business Education?**

Firstly, a distinction should be made between 'formal' and 'non-formal' management education. On one hand, management as a field of study has been previously featured as *commercial education*, which later broadened out to encompass *business administration*, itself now commonly perceived as *education for the managers*. At postgraduate level, the Master of Business Administration (MBA) degree is most representative and is widely regarded as *the* preparation of senior managers for business and management (Burke, 1993:35, Bain, 1993:5). At undergraduate level, the choice of management as a field of specialisation (for

example, a 'major' within a business studies degree) or sub-specialisation (a 'minor') is also commonplace.

Indeed, the attention given to management studies is considerable. Between certificate- and doctoral-levels, there exist, either full- or part-time, on- or off-campus (distance learning) study programmes for an assortment of qualifications in various business and management disciplines. There are, for example, specialised degrees in finance, marketing, industrial relations and operations research; or general degrees classified as 'business administration' or 'management' degrees. Traditionally, such 'long-term' and 'structured' study is the central function of academic institutions, and is generally regarded as 'formal' management education. On the other hand, there is a pervasive view, mostly among management practitioners, that the most relevant and effective learning of management is likely to be 'non-formal', such as learning from 'short-term' academic courses, from corporate training (that is, the intentional development of social, technical or functional skills while on-the-job) (Keys and Wolfe, 1988) and especially from 'unstructured' experience, mentoring, coaching or observing.

This differentiation alone generates considerable implications over the aims of management education and in turn the content of such education. Kempner's (1991:65) international survey MBA degree reports that:

**The MBA has become the common currency for top level management education in much of the world. In many countries it is one of the key routes to advancement.**

This report, in fact, echoes the findings of many observers over decades of management development (Leavitt, 1989; Porter, *et al*, 1991; The Australian Financial Review, 1993). In addition, according to Kempner (1991:66), there appears to be a general agreement that the MBA is:

**..... the process of developing managers who will run efficient, profitable enterprises in a competitive world for the creation of wealth in society.**

It is clear that the notion of 'business' has become the central theme of management education, leading to the terms 'business education' and 'business and management education' being used when (often 'management education' is addressed. Kempner also reports a common choice of MBA syllabus which consists of four groups of subjects:

- Money: the basic elements of accounting and finance, and the analysis of markets, risk and uncertainty, and company valuation;
- Numbers: the traditional topics on mathematics and statistics which underpins so much analysis; the applications of quantitative methods for management, including computer and systems and information management;
- Business environment: the economic and social issues affecting the organisation, and the possible impact of change; subjects include government and marketing management, and technological change; and
- People: the management of personnel, subjects parallel between staff recruitment, leadership and personal psychology.

Popular literature has been filled with critical remarks about the state of the MBA education in general. It appears that the emphasis on 'business' is the focal point of attack:

[Management education] need not be an MBA programme. I have no concern about the B in the MBA. We need to teach management, and it really makes little difference whether that be for hospital directors, government administrators, or business people. I believe management schools should call their degree Master in Administration

(Mintzberg, 1989:85)

The MBA places too much emphasis on quantitative analysis, particularly where it deals with financial controls and cash management, and too little on the qualitative factors that arise in making genuine managerial decisions.

(Orpan, 1987:42)

MBA programmes do not actually teach people to manage. .... They give little attention to the disciplines of implementation (often called the 'soft' skills): behavioural studies, international relations, leadership, communication and ethics

(Kavanagh, 1991:40)

The MBA approach [is] a model of *management*, [not] a model of *managers*.

(Talbot, 1993:332)

The MBA programme should continue to concentrate on producing generalist managers, rather than specialists in any one area [of business].

(Dunston, 1991:8)

Many business leaders claim that today's business students receive much the same education they themselves received, despite vast changes in all aspects of the business environment. Rapid growth and market success [of the MBA] caused complacency among

business educators about the traditional business school model. It is clear that this model is ill-suited to the needs of the next century.

(Muller, *et al*, 1991:83)

### **Management Education And Management Development**

The literature reveals a large body of management observers and spokespersons of professional organisations, with similar views to the foregoing regarding the current state of management education (Dertouzos, *et al*, 1989; GMAC, 1990; Louis, 1990; Green, 1991; Wechsler, 1992; Foggin, 1992; The Australian Financial Review, 1993). It also indicates that there is a continuing search for alternative approaches to educate and develop managers. Talbot (1993) rejected the MBA as purely an academic qualification, '*unashamedly set out to offer a preparation for senior management*'. He argued for the competency approach in addressing the 'qualitative' nature of management education. Foggin (1992), agreeing with Porter and his colleagues (1991), emphasised the *practical* nature of management education.

Together, these researchers examined the merits of company-based executive education, in-company MBA programmes, consortium MBA programmes and a *learning alliance MBA model* for leadership education, drawing on examples from Europe and other countries. Mintzberg (1989) proposed his 'ideal' management programme to replace the MBA, the content of which would be one-third *skill training*, one-third *descriptive insight* and one-third *technique*. Edfelt (1988) studied the prospects of delinking formal management education from academic institutions. Indeed, the range of issues and alternative strategies being discussed is extensive. From managerial knowledge to the quality of teaching, from theory to practice, from institution setting to duration, from synergy to attitudes, practically every facet of management education continues to be widely debated, as is evidenced in Australia by the Karpin Report (1995).

Management education is undoubtedly undergoing a dramatic change, and its many new faces are yet to be exposed to broad-based public scrutiny. It appears that while the literature continues to describe the development of management education as limited and uneven, its quality is nevertheless improving. Edfelt (1988:335) reported that management as a discipline of study was becoming more well established and even then it was likely that management education was bringing 'positive gains' for the managerial community at large. As he put it:

Managers who perform without any knowledge of management theory are likely to be less effective than those who master only the art of management, other factors being equal.

However, all the questions are not yet answered. In which way should management education be 'reinvented'? How possible is it to have a 'generic' model of management education? Is there ever going to be 'one best way' of educating, developing or training managers? Can the concerns about management education be resolved? – these are just a few of the more pertinent questions.

Current issues relating to the providers, the users and the practitioners of management education will be reviewed in the following section. It represents an attempt to focus the extensive literature into three narrower perspectives so that research needs might be more clearly identified.

## **THE PROVIDERS OF MANAGEMENT EDUCATION**

### **The University Business Schools And The MBAs**

Much of the criticism directed at management education is associated with its delivery or provision. Traditionally, university business schools and departments of faculties supply post- and under-graduate education for management, while technical and further education (TAFE) institutes provide courses at diploma and advanced diploma levels. In recent years, however, this traditional role of academic institutes is being challenged much more in earnest than before (Reeve, 1992:3). Several years ago, Mintzberg (1989:80), who was concerned with undergraduate education in management, argued that:

It is wrong – socially as well as economically – to train relatively inexperienced people in management. Management training should be directed at people who have substantial organisational experience coupled with proven leadership ability as well as the requisite intelligence ..... so that the knowledge base is deep, or 'thick', as anthropologists might put it.

Others such as Byrne (1986:61) and Gleeson (1993:35) also raised serious doubts about graduate management education. To this end, the attention of popular business literature concentrated on the MBA which traces its origin to the turn of the century when the first business schools in the United States launched graduate management education. Over the years, this origin and its traditional 'generalist

management' approach (White, 1993:49) helped maintain the status of the MBA, among other business- or management-related degrees, as *the* education for business and management. Management literature also reports that the MBA has gained considerable popularity since its inception and has been widely regarded as *the* preparation of senior managers in business and management (Burke, 1993:35; Bain, 1993:5). It has also become the central function of many business schools, evidenced by the increase in the demand for MBA places, coupled with widespread editorial reports and promotions on the MBA programmes. MBAs are publicised internationally and such publicity captures the recognition of many aspiring managers and their organisations.

Statistics on the growth of MBA degrees reflect continuous demand. Linder and Smith (1992:16) report that in 1992, more than 700 business schools in the United States graduate over 78,000 MBA students; whereas in the early 1970s there were less than 300 business schools. Brown (1992) showed that in Australia during the period 1987-1992 there had been an increase from 700 to more than 1,000 MBA graduates per annum and the number of MBA programmes had grown from 15 in 1986 to 35 in 1992. Dwyer (1994:vii) recorded a continuing growth demonstrated by the fact that in 1994 there were more than 6,000 MBA students from more than 40 Australian programmes. Most recently, Karpin's (1995:300) 1995 Australian statistics reveal that 38 business schools educate around 17,000 business students and that the MBA has become *the dominant model for the highest level of management education*.

Over the past 10 years, surveys about the value of the MBA also report that the qualification has been recognised as an essential tool for management advancement or career change (Kempner, 1991:65) and that MBA graduates continue to make relatively higher earnings than their counterparts with other business and management qualifications (Dalley, 1985:30). However, despite the MBA's popularity and competitive edge, reviews of the various MBA programmes appear mostly unfavourable (Byrne, 1986:61).

In the 10 years preceding this research, management education literature is dominated by critical comments about the MBA. Major criticisms are directed at the 'currency' and 'relevance' of the degree, in view of the massive changes which have taken place in the external environment during the decades since its inception. More frequently management commentators were dissatisfied with the quality and standard of managers which MBA education produces. Some of them (Graduate Management



Association Survey, 1991; White, 1993:38) attributed the falling standards of the MBA to rapid growth. They also questioned the appropriateness of the MBA as education for business and management. Many observers called for the redesign of management education and emphasised the importance of rethinking the purposes of and future demand for graduate management education (Gleeson *et al*, 1993:9; Foggin, 1992). In particular, the academic nature – *The MBA is an academic qualification* (Bickerstaffe, 1992) – of the degree has been criticised as a major deficiency in management education for today's business and managers.

While the MBA is held in high regard by the business schools and the entering students, Bain (1993:5) reported that most businesses place little value on the MBA as a qualification for management. Comments of this nature originating from businesses (Kavanagh, 1991; Foggin, 1992) are frequently directed towards the business schools' concentration on research and theory. Bain (1993:5) stressed that business schools needed to encompass both theory and practice as:

Research helps provide business schools with much of their dynamism; a school which does not do research is in danger of teaching lessons of yesterday, not tomorrow. Yet too much research divorces business schools from the real world of business, and does not help managers to find and implement solutions to the problems they face.

### **The Management Educators**

Academic educators teaching management education are also subjected to scrutiny and criticism. There are concerns that academic research is becoming too specialized and prevents business schools from knowing and teaching *what industries need*, despite what the faculties *think* they do. Muller and his colleagues (1991:84) reported on the 'reductionist' nature of much faculty research, pointing out that:

The narrow academic interests and analytical empiricism of faculty members results in highly specialized faculty members isolated from one another as well as from practitioners.

More important, a long-standing criticism of the MBA is that it does not teach people *how* to manage. Kavanagh (1991:40) records that:

[MBA's] strengths are in the technical and quantitative disciplines, business analysis, accounting, strategic planning, marketing and economics. Their weaknesses are that they give little attention to the discipline of implementation (often called the 'soft' skills):

behavioural studies, interpersonal relations, leadership, communication and ethics.

Linked to remarks like these, critical editorial comments have also been directed at the pragmatism of content (Nash, 1986:17; Watson, 1993), the method and quality of delivery (Edfelt, 1988; Clement & Stevens, 1989; Hasan, 1993:47), the traditional roles of the management academics (Luthans, 1990) and the institutionalized ethos and value of the business schools (Ashton, 1988; Muller, *et al*, 1991; Reeve, 1992:4; Syrett, 1993). As Dufour (1994:15) commented:

Sadly, although universities dedicate a great many resources to research and new knowledge, they remain mostly the conservators of old traditions.

There appears to be a general argument that these essential characteristics of the MBA are currently in a 'disastrous state', obstructing the business schools from successfully meeting the changing needs of all its constituents and of the environment. It is clear now that university business schools and their educators are going to be doing more in the area of management education than they have in the past. Dufour (1994) maintained that the whole process of graduate management education required a reinvention, while earlier Porter, *et al* (1991) emphasised that 'management education is too important to be left exclusively to management educators'. Bain (1992:559) supported similar views of 'radical transformation' declaring that:

Business schools [alone] cannot provide a substitute for a good general education or management learning that should occur within companies.

### **Managing Management Education**

The paradoxical views about the value of the MBA continue. On one hand, critical comments suggest that MBA programmes are 'antiquated' (due to the impression that they are largely adapted from the Harvard MBA course content of the 1950s) and not helpful in solving the day-to-day problems of operating a company. On the other hand, survey results (Hubbard, 1989:40) show an overwhelming desire (of 78-86% respondents) of aspiring managers to acquire MBA degrees at the time of planning their careers.

During the recent decades, various surveys and inquiries have been conducted into management education which report that MBA offerings have been greatly

increased (The Ralph Report, 1982) and that there is 'a proliferation of MBA programmes' (Graduate Management Association Survey, 1991). However, this researcher's cursory survey of Australian and overseas management publications over the past 15 years reveals that there have been surprisingly few evaluative studies on management education which actually establish or endorse the real benefits of the MBA to business and management. Positive comments such as 'the (MBA) qualification raises a person a little beyond the fray', and 'it (MBA) provides students with some very general principles of management, how the pieces fit together, how to approach problems as opposed to what the problems are' (Thompson, 1991:98) appear to have created even more ambiguities about the MBA as a whole.

Nevertheless, attempts to address the deficits of formal management and business education are reported in the literature. For example, both Hugstad (1983) and Watson (1993) argued for re-emphasis upon liberal education content in the business and management curriculum, stressing that such content cultivates the intellectual analysis and 'cultural literacy' required of a manager. Watson also indicated that there is now an enormous body of knowledge developed about the act of management and about what may be termed as the environment of the manager; although it is the latter body of knowledge which fills the larger part of most business school syllabuses.

Syrett (1993) recorded some revolutionary trends which have been adapted by the business schools. For example, some schools have overhauled their MBA programmes, placing more emphasis on cross-disciplinary subjects such as globalisation, quality, and customer care. Schools are also more concerned with developing closer partnerships with their clients, designing customised research and programmes for managers based on highly focused corporate and regional objectives (Stonham, 1992:56). Many schools also act more like consultancies than mere suppliers of pre-packaged programmes.

Internationally, in the United States, the American Assembly of Collegiate Schools of Business (AACSB), which is a recognised accrediting agency for college business programmes, regularly reviews its accreditation standards and procedures in order to allow for experimentation within business programmes (AACSB, 1991; Hasan, 1993:48). In Australia, the Industry Task Force on Leadership and Management Skills (Karpin, 1995:297-349) recommends that a professional accreditation system be established as part of the drive for improved quality from management school graduates.

Also in the United States, one of the principal current trends is for business schools to establish alliances with other schools at home and abroad, with industry, government, and non-profit organisations such as professional bodies. Such alliances also represent attempts by the business schools to stay in contact with business. As noted by Harper (1994), the impact has been significant. It results in new and multiple roles being created for the business schools, 'restructuring the institute experience' of many a management academic. In Australia, however, a survey conducted several years ago about the concerns and attitudes of the universities and business chief executive officers of business and higher education (Sinclair, 1991:22), revealed a strong agreement across university and business respondents that universities should aim at being excellent teaching institutions that are concerned with general as well as life-long professional education and that university autonomy should be maintained while business should increase its commitment to research and development.

### **Other Providers**

Out of this on-going pressure upon business schools to change, a different type of provider of management education has emerged. Traditionally academic institutes have initiated the supply of formal, long-term, and award-earning management education programmes. Currently, however, corporations and consultancy organisations are accounting for an increasingly large share of management education and development through non-formal, short-term and less structured management and development programmes. The literature suggests that there will be increased intermixing of formal management education and actual practice than in the past. As Luthans (1990:72) reports that:

Up to now, the tendency has been education first and practice later. This tradition is going to change. .... We are going to see more extensive, all-encompassing management development. Management education is going to be interwoven with extensive practice throughout one's career.

Intensive, in-house, advanced management programmes for executives, and other managerial training courses (Chesterfield-Evans, 1993; Jamison, 1993) are reported to be more effective than business school-based education for managers (Stonham, 1992:58) - more likely due, perhaps, to the programmes being divorced from many of the traditional 'academic' characteristics which have hitherto proved to be a hindrance in the effective provision of management education.

The literature also reports on the experiments of some of the new models of graduate management education which are linked closely to specific industries or organisations: off-campus and on-campus MBAs (Smith, 1989:54), company-based MBAs and consortium-based MBAs which trace their origins to the European countries (Porter, *et al*, 1991), distance-learning MBAs (The Australian Financial Review, 1993), MBAs for the Engineers (White, 1993:48) and other professions, collaborative MBAs between business schools (such as the 6-member Consortium of Australian Management Schools formed in 1995) (Marshall, 1996), to cite just a few examples, are aimed at deliberately integrating formal education and practice.

The company – and consortium – specific programmes maintain some of their roots with the academic institutes (for example, in library facilities and selected teaching and research expertise) but at the same time draw substantial involvement from the participating organisations and industries in terms of programme design, structure, selection of participants, teaching method, evaluation and other essential aspects of the programmes. The Consortium-based MBAs, for example, are formed by a group of organisations to achieve either economies of scale for specific courses or obtain a specialised educational product for a particular industry. The organisations involved regard the alliances as securing greater educational buying power which is not available to smaller organisations, and this simply makes it easier to achieve what the organisations need (Higher Education Council, 1996:14).

The following section will review literature which reports on the part that industries play in the development of management education. Industries in this research have been defined as the 'user' of management education in terms of their capacity as employers of managers or management graduates.

## **THE USERS OF MANAGEMENT EDUCATION**

### **The Changing Management Environment**

Indeed, employers and industries play a significant role in the development of management education. Their never-ceasing demand for better education for their employee managers is perhaps the major force in revolutionizing management education. Coupled with this, the development of management over decades of reform and 'paradigm shift' (Karpin, 1995:x; Carter, *et al*, 1995:1226, 1276) has

brought with it a new set of organisational requirements. These include flexible organisations, open communication, empowered employees with local knowledge, widespread organisational learning, product development driven by core competencies, creativity and others, which in turn create a need for suitably prepared managers who are constantly being demanded to cope with volatile internal and external environments. One notable requirement of today's business is management leaders, instead of management administrators, whose practices effect enterprising cultures and spirits that sustain the country's economy. In other words, managers of today and tomorrow are expected to succeed not only for the corporations they serve, but also for the society at large.

This notion of being leaders and reformers of social and economic gains is, of course, very different from the traditional expectations of managers and their jobs. The kind of education required to fulfil these new and challenging roles, also requires managers to rethink their attitudes towards management education. During the steady growth periods of the 1950s and 1960s (Fulmer and Graham, 1993) the need for management education and training, particularly for senior management, was held in low regard. Corporate managers at the time viewed education as being unnecessary and the idea that 'real managers do not need training' prevailed (Linder and Smith, 1992:32). The 1970s and 1980s, however, saw this view being challenged. Among provocative judgements made by management commentators, Stretton (1985:197) reported that the dominant character of Australian leaders was one of generally negative attitudes within large sectors of the community. These negative attitudes were:

..... attitudes of management to risk-taking, new product development, and the use of advance technology; attitudes of labour to the use of new technology and to changes to work practices necessitated by changing circumstances; attitudes of governments to aid to industry, to the ordering and buying of goods, and to regulating economic activity; attitudes of the public to entrepreneurship, innovation and technology in the economy, and to the possibilities and achievements of Australian technology.

Stretton stressed the need of an attitudinal change among managers and others in the Australian community.

### **The Demands Of Employers And Their Business**

Overall, the literature demonstrates that the decades of development of management and management education have been paralleled with constant requests

for improvement, especially from corporate managers who are employers of the management graduates and whose organisations are recipients of the effectiveness, or ineffectiveness, of management education. They also appear to have been the biggest critics.

Traditionally, these recruiters looked to university business schools to educate their managers, that is, to broaden their knowledge of business and business environments and to train them with new experiences and skills (Bain, 1993). However, as evidenced in this review, in recent years serious doubts have been expressed as to the will and capacity of the business schools to adequately address the current and future needs of business managers and leaders, including the need for attitudinal changes as identified by Stretton (1985). Employers, in particular, are apparently disillusioned by the increasing proportion of non-performing management graduates (Buttery and Tamaschke, 1992; Linder and Smith, 1992; Fulmer and Graham, 1993; Hasan, 1993; Syrett, 1993, Chief Executive, 1993), and many of them have started to question, for example, the worth of management education.

Taking the MBA as an example, employers have begun to ask whether the degree really makes students better managers, whether the curriculum needs to be altered, what is the ideal programme for an MBA, and how best to employ MBA graduates. Examinations on the attitudes of corporate managers to the MBA programmes (Orpen, 1986:15-16, 1987 The Economist, 1991) itemised the following characteristics employers expected in their MBA graduates:

- generalist managers, rather than specialists in any one area;
- improved practical managerial skills, rather than analytical and quantitative skills;
- acquisition of judgemental skills such as marketing, human resources, and strategic planning, which are more important than relatively more technical areas like quantitative methods and accounting;
- experience in company projects, having applied and integrated a broad range of business aspects, rather than mere 'ivory tower' concepts; and
- abilities in interpersonal communication, leadership and as administrators.

Orpan also reported that while employers were not totally dissatisfied with MBA programmes, they stressed the importance of graduates as effective leaders of people. However, Orpan (1987:47) also argued that:

Management education cannot be expected to make students experts in the art of managing. Like any other skill it is something that can only be acquired by actual practice in doing it. The trouble lies not with the [management education], but with the unrealistic expectation of the critics.

Whether the expectations of the employers and their organisations are really unrealistic is an interesting, if rhetorical, question.

Management literature over the past decade reports a dramatic shift in the concept of business and management practice, partly due to global competition increasingly dominating domestic markets (Stonham, 1992). Organisations are no longer stable. Being creative, entrepreneurial, cash-starved, rapidly-growing, trying to develop, implementing and selling leading-edge technology in a highly competitive international market characterise the order of the day. It has become clear that changes in business and management practices are necessary. These organisations have searched for answers among Japanese management practices (Dufour, 1994; Skousen and Bertelsen, 1994) and those of highly performing companies. The focus is on quality and there is a renewed interest in leadership traits (Karpin, 1995). However, all this soul-searching appears to have led to more confusion. As Fulmer and Graham (1993:30) reported:

On the one hand, we recognise the crucial role that learning must play in helping to maintain competitive vitality; on the other, there has been little specificity about what type of learning is needed under various circumstances

### **The Body Of Knowledge For Management**

So what is modern business saying to the educators? What type of learning is needed for its managers?

Among recent management literature there appears to have been an active search for a body of knowledge appropriate for the modern business environment. What sort of knowledge is necessary for the effective education for today's management leaders? Where should it come from? Is it true? What does it mean? Is it of any use? Is it worth the money people pay to acquire it? Various models and approaches generated by management contenders (Nowlen, 1988; Linder and Smith, 1992:28, 33; Green, 1991:35; Leavitt, 1989:44) clearly demonstrate that effective management practices require more than mere knowledge.



From managerial experience to functional specialisation, from what managers 'need to know' to 'sheer knowledge' in management and what 'the manager's job' is (Hughes, 1988); practically every facet of the content, the context, and the process of management education has been discussed (Leavitt, 1989; Phillips, *et al*, 1993:19). At the same time the interests, needs and expectations of students, educators or employers have also been explored (Osborne, 1988:51-52, Clegg, *et al*, 1995:1289). From function-specific knowledge to cross-functional skills, from broad insights to focused analysis, from country economics to institutional culture, from pedagogical impediments to customer expectations, management literature appears to be dominated by the search for the type of education and learning which will produce effective and productive management and business graduates. In this regard, the views of management commentators, researchers, educators and practitioners are extensively varied – each of them often claiming to have *the* answers. To this date, it is evident that much still remains unknown about what will, or will not, constitute effective and worthwhile education and development for potential and/or practising managers.

However, while the literature reviewed reflects great diversity and some uncertainty of opinions, it does record many of the current interests, needs, expectations and the resultant practices of employers and businesses (Osborne, 1988:51-52; Clegg, *et al*, 1995:1289) as they continue to search for appropriate managerial preparation. Various studies on the perceptions of employers towards the educational needs of managers (Linder and Smith, 1992; Sinclair, 1991; Phillips, *et al*, 1993; Chief Executive, 1993) appear to highlight the importance of going beyond mere knowledge, to the achievement of high level implementation skills in management education and development. These include such skills as leadership, communication, thinking and decision-making, corporation and teamwork, most of which were outside the traditional management education curriculum until the late 1980s and early 1990s (Chief Executive, 1993:58). On the issue of future managerial development, Phillips, *et al*'s study (1993:19) concluded that:

Management development for the future across all sectors has to be process-oriented, rather than merely content-oriented; and action learning has been suggested as the appropriate method to develop process managers for the year 2000. .... Managers need to acquire not only specialist knowledge, but also practical and process skills through action learning and action research.

Similar to other management commentators who are concerned with the increasing importance of responding to fast-changing environmental forces, (such as Linder and Smith, 1992:30; Miller, 1992; Carter, *et al*, 1995:1236), Phillips, *et al*, (1993:20) re-emphasise that:

What managers need is not so much specific knowledge and skills, but general competences and methods to acquire new knowledge, and skills to solve completely new problems. This means integrating research and action, or action research by the managers themselves into their own managerial or organisational practice. Furthermore, entrepreneurial attitude and 'vision' are required to compete in an international context.

It appears that what the employers expect of education for their practising and/or potential managers is a facilitation to identify and develop company-specific core concepts and key learning factors which would appear to be significant in the process of global competitiveness. In their attempts to collate and address the many business needs and concerns expressed by the employers, Denhardt (1987), Leavitt (1989:47), Hubbard (1990:45-48) and Foggin (1992:8) identified the various dimensions of managerial proficiency as a basis for the type of knowledge and learning required of managers. Views of employers are, of course, significantly different from the traditional model of management education described earlier in this literature review. Is this, and will this be, the true knowledge of management education? Recently, Bickerstaffe (1992:xi-xi) of Britain, while claiming also that the MBA is representative of management education, argues that:

It is very hard to define exactly what an MBA degree is. Just as there is no real definition of what an MBA is, there is no agreed formula for teaching it.

### **Meeting Employers' Needs**

Management literature records that compared to a decade or so ago there is now a higher level of agreement between businesses and business schools with respect to the aims and objectives of university management education, the characteristics and standards desired of management graduates and, more important, the general attitudes of both groups towards the education (Sinclair, 1991:23; Linder and Smith, 1992:28, 31; Miller, 1992:23-24; Cadotte, 1992:31). Currently there is apparently an optimistic outlook for increased business and academic co-operation with both groups continuously identifying desirable initiatives which, if implemented, would be mutually beneficial. Although Dwyer (1994:33) claimed that:

..... business and universities continue to have little understanding of exactly what they expect from each other,

there appears to have been a fundamental rethinking about management education and development in general that it is no longer solely the responsibility of academic institutions any more than it is solely the responsibility of businesses.

Businesses, while taking advantage of the many opportunities which business schools offer, are now also occupying a pro-active role in the preparation of their managers and in different stages of the managers' career development. A trend has begun which sees university business schools customizing their products, tailoring their programmes to specific organisation and industry concerns, integrating with the management career and its long-term learning process and, all in all, adding real value to their client organisations (Miller, 1992:23-24; Foggin, 1992:7; Chief Executive, 1993).

In this regard, recent literature also reports on new types of MBA which are company or consortium-specific (Australian Business, 1989:52-53; Hubbard, 1989:41), company or industry-specific, involving applied research by academics (Linder and Smith, 1992:26-27; Cadotte, 1992:31), direct financial support from businesses for higher education, together with a positive trend towards pre-experience, shorter-term, off-work 'executive education' for managers. In the midst of this mild revolution, however, there remains a small minority of management commentators who are concerned that all this may lead to educational institutions 'losing their sense of excellence and distinction' (Orpan, 1987:46; Turner, 1989; Chief Executive, 1993:62).

The following section concentrates on the students and graduates of management education, in particular those of the MBA programmes. For convenience in this research, these students and graduates are regarded as 'practitioners' of management education, because they are the end-result of management education. They are potential managers being prepared to practise the act of management.

## **THE PRACTITIONERS OF MANAGEMENT EDUCATION**

### **The MBA Students**

Management education literature is dominated by the on-going exchange between university business schools and employers regarding their interests in and

concerns about this type of education. However, comparatively speaking, very little has been reported (Ainsworth and Morley, 1993:3) about the perceptions of students and graduates as to the nature of the education they receive and subsequently endeavour to implement. Amidst the criticisms from businesses about the current state of management education, the MBA students and graduates, being the end result of what is generally regarded as the dominant model of highest level management education (Karpin, 1995), appear to be hardest hit. To them, the consequence of the employers' dissatisfaction is very real and immediate. With an increase in employer dissatisfaction about the managerial capacity of MBA graduates and a decline in the job market (Bickerstaffe, 1992:xi) and other opportunities they had anticipated that an MBA qualification would bring, MBA graduates are puzzled and dissatisfied.

Yet the demand for the MBA education has not ceased, but rather increased to produce an 'explosion' of MBA programmes over the nation (The Australian Financial Review, 1993:36). How worthwhile has it been for them in terms of the time, effort and money invested, in pursuing an education they assumed appropriate to them? At the same time, are these students and graduates victims of inappropriate management education?

Management literature reports repeated experiences of 30 to 40 years old professionals in disciplines such as engineering, commerce, science, medicine, humanities, general studies and others, having first degrees and substantial experience in technical competence, who take the risk of leaving their first or mid level management positions in order to embark on full-time MBA programmes (Dalley, 1985:30; Graduate Management Association Survey, 1991). They are aspiring managers seeking advancement or more rewarding opportunities in their careers. Some of them are funded by their employers to take this path, yet a large percentage of the others are self-supported, bearing an even greater opportunity cost. There are others, of course, who remain in their jobs (because they cannot afford otherwise) and assume the heavy load of pursuing part-time studies in what is seen as 'one of the toughest post-graduate courses' (Link, 1993:19).

What is it about the MBA which exerts such powerful influence upon its believers? In contrast to the reported lack of confidence of business and employers towards the MBA education, it appears that these potential business graduates must be convinced that the MBA can confer upon them a substantial competitive edge. How can the apparent contradiction be explained?

### **Is The MBA Worth It?**

Despite widespread doubts expressed about the value of an MBA, the literature reveals that those who have achieved this qualification usually feel that the consequent gains have been significant and worth the effort (Coco and Mayer, 1992:29; Lewis, 1992, Dwyer, 1994). This view is supported by a small number of assessments about student and graduate satisfaction (Grigg and Hewson, 1992; Ainsworth and Morley, 1993; Rothman, *et al*, 1995) which also record favourably on issues such as:

- reaction to the educational and development experience;
- knowledge gained during the experience;
- behaviour changed as a result of the experience; and
- outcomes achieved, or results attributed to the experience.

It appears that to students and graduates, the MBA is seen as an opportunity to improve knowledge, efficiency and effectiveness. These factors, apart from the personal development values, are essential to speed the individual through the route to substantial career and salary progression. Above all, there also appears a significant sense of pride in achieving an MBA, that those who complete the course successfully are a kind of intellectual elite in a world-wide fraternity. To some students, the networking and demanding nature of an MBA programme alone is a significant and worthwhile experience. Lewis' (1992:23) record of two graduates' reactions is significant in this regard:

**It was well worth it, even though I don't directly use many of the skills I was taught. It broadens the mind and teaches you to work with different types of people.**

**It was an excellent year. I didn't learn much from the tutors but I did learn an enormous amount from other students, including problems I just hadn't considered**

Similar to any education process which develops personality, broadens skills, enhances confidence and, in some cases, opens new opportunities, an MBA programme is, no doubt, of considerable long-term benefit to the individual. Furthermore, it has an international perspective, promotion of the MBA programmes being extensive and worldwide – 'it is the most publicised programme for business and management'. The attention generated from government enquiries and business commentaries overtly suggests that the MBA 'is the top management qualification and a passport to success, and that there is nothing else comparable to it' (Dalley, 1985:30). This

kind of competitive publicity cannot fail to confirm the MBA's worthiness to both graduate and undergraduate. However, a closer consideration of the management literature reveals that it is not clear at all how those benefits gained by the graduates can contribute to the effectiveness of the organisations in which the MBA graduates are employed.

### **Worthiness Of The MBA To Employers**

A substantial portion of the literature states that many employers are suspicious, even hostile, towards holders of MBA degrees. MBA graduates are regarded as arrogant, having overtly high expectations of their likely starting salary and career progression, and disruptive of normal career planning structures (Bickerstaffe, 1992:xi). Other criticisms relate to their individualistic outlook, 'reluctance to get their hands dirty', and a general lack of ability in both good management techniques and the art of leadership (Chief Executive, 1993).

Of greater significance and perhaps the real reason behind these criticisms, is that many employers do not believe that MBA students and graduates have been appropriately educated to meet the needs of business (Linder and Smith, 1992). Such negative attitudes result in the snowball effect of a high turnover rate in MBA employment and an increasing lack of employer interest in the career and professional development of MBA employees. Bickerstaffe (1992:xi) reports that:

The lack of acceptance of the MBA in many business areas is one reason so many graduates go into the management consulting and financial services sectors, areas that have an 'MBA culture'.

Similar to the employers' criticisms of management education, practitioners while generally contented with the MBA education they receive, are also aware of room for substantial improvement (Rothman, *et al*, 1995:658). For example, Grigg and Hewson's (1992:23) survey of the perspectives of MBA alumni, highlights the following issues:

- the need to link theory and practice;
- the need to ensure relevance to management practice;
- the importance of involving business in programmes;
- the value in recognising alumni as a major programme resource;
- emphasis on research-based management concepts;
- enhancement of critical skills and competencies;
- attention to both 'management' and 'managing' perspectives;
- internationalised programme;
- integrated programme;
- international perspective; and

- attention to ethics in management.

Many of these concerns have a direct correlation with those matters being discussed between employers and business schools as they attempt to co-operate in preparing better quality managers for business. However, only fairly recently has there been an increase in management commentators endeavouring to address another important but virtually neglected factor, as reported by Dwyer (1994:15):

Employers often find it difficult to establish the quality of the graduates they are interested in employing. Employers ..... are now finding the whole situation very confusing. They used to know what an MBA was. Now people are turning up with degrees from everywhere.

In this regard, Sinclair's (1991) report on the Business Higher Education Round Table between academic institutions and businesses found that, although business leaders claim that they hold a positive view of the value of a broad education for their managers, the fact remains that some of the biggest employers refuse to employ new graduates; and 'the short-term lack of productivity during the transition of the new graduate from university to workplace is clearly regarded as a cost to be avoided'. In this case, business appears to assume 'ready-to-install' managers in graduates.

This problem is also a pedagogic one, as pointed out by Denhardt as early as 1987 (1987:124), that employers fail to accept the 'real world' as an appropriate location for learning and are reluctant to approve educational experience outside the traditional classroom. Increasingly, management literature is pointing out that while the MBA remains a high-demand qualification for many reasons - for example, students looking to 're-tool' themselves, to acquire new skills in order to pursue a new career - employers are seeking improved abilities in effectively managing complex, changing organisation situations. The truth is, as reported by Bickerstaffe (1992:xi):

An MBA cannot of itself change people or their career histories. A one-year or two-year programme will not make a desirable finance director out of a chemical engineer. An MBA adds to what an individual already is; it does not change anything.

Reports also reveal that business appears unable to use MBA graduates effectively, being unsure of how to fit them into the organisations and how to get the best out of them (Weldon and Weldon, 1981; Linder and Smith, 1992:26,31), resulting in discontent and disillusionment in both employer and employee.

Furthermore, employers argue that the majority of the graduates lack the necessary personality attributes and leadership abilities to step directly from campus into high visibility organisation environments and emphasise that:

An MBA is not itself a guarantee for success. Graduates still have to prove themselves capable of performing in the job in order to be promoted into management.

(Lansbury, 1988:18)

## CHAPTER SUMMARY

Who is right and who is wrong? Whose views are more valid and worthy of serious or immediate consideration? In Australia, as in other parts of the world, the debate between the providers, the users and the practitioners of management education appears to be largely circuitous and non-productive.

This literature review has discussed the documented views of the educators, the employers and the student/graduate group and how their views relate to one another. Management literature consistently brings to the fore shortcomings in the current process of management education programmes and in their product. These shortcomings derive from three sources – universities, their graduates, and the companies which employ those graduates.

It appears that both university business schools and employers are unsure of what constitutes modern day effective management. Schools find it difficult to define an appropriate scheme of management education. Employers find it difficult to define the type and quality of the business and management graduates they are interested in employing. Students and graduates, although feeling that individual gains from the management courses are significant and worth the effort, are yet confronted by employers who believe that they have not been suitably prepared as managers. Above all, all three parties are unsure of how the knowledge and experience of the education gained by potential managers can be translated into assets for fast-changing businesses and complex organisations and, subsequently, for the Australian economy.

It would appear that there is a significant 'mismatch' between the needs and practices of the business schools, what students want out of a management career and what employers expect, as a consequence of the urgent demands of everyday business, as adequate preparation in the area of business and management. The needs, the wants, the expectations of these three major stakeholders in management education



are, according to the literature, overtly diversified and conflict abounds. It is likely that the route to consensus in effective management education will be a long and unsettled one.

The literature indicates, therefore, an urgent need to research the interface of the three stakeholder groups, to compare and contrast the conflict and consensus apparent between the views held – focusing upon the validity of the expressed values, needs and wants of each group – within the context of the current unsettled state of management education. Researchers such as Ainsworth and Morley (1993) and Rothman, *et al* (1995) suggest the need for such an examination which sets out to evaluate the real impacts on all concerned, relative to current and future expected needs of the world of management. From this examination should emerge a clearer direction to effective management and equally effective management education.