

THE VALUE OF MBA AND EXECUTIVE DEVELOPMENT PROGRAMS

*a study
at Northeastern University
on the effects of programs
for experienced managers*

Colleges of business are beginning to experience the effects of the intensive period of questioning that is affecting higher education throughout the nation. This is particularly startling because schools of business seem to be at the height of their prestige. The MBA degree is much desired both by young, inexperienced men anticipating a business career and also by older, mature men of considerable experience. Northwestern University in Chicago reports that one-third of its candidates for MBA degrees are over 40 years old, and Northeastern University in Boston has more than half its MBA enrollees past 30 years of age.

At the same time, approximately 5,000 experienced businessmen attend non-degree executive development programs annually, a growing movement that began with the Harvard Advanced Management Program immediately after World War II and spread rapidly to other universities, especially during the 1950's. University executive development programs are shorter, highly concentrated, non-degree courses which meld the adult experience of older managers into the academic program of the business schools. Their prestige and acceptance has grown along with the acceptance of the longer, more formal MBA degree programs. It is a phenomenon of modern American higher education that mature, experienced managers have adopted the idea of continuous education and periodic educational renewal in a format and to a degree that has taken place in no other profession.

CRITICISMS OF EFFECTIVENESS

But questioning of business schools has begun. In his *Fortune* article of May, 1968, Sheldon Zalaznick suggested that corporate acceptance of the MBA degree is less because of conviction as to its real value and more because it assures a further screening of intelligent people who are motivated towards business.¹ The questioning has also extended to the executive development programs. Recent articles in *Dun's* (July, 1970), *Business Week* (Dec. 26, 1970), and the *Harvard Business Review* (Jan.-Feb., 1971) have reiterated the truism that

management cannot really be taught and that academic instruction unrelated to the real world of actual problems and strategic planning and decision making is, at best, incomplete.

Of course, this is not really such a new and startling discovery. The early founders of schools of business at the turn of this century recognized this essential point. In its earliest days, for example, the Harvard Business School built into its curriculum design opportunities for practical work experience through internships in industry and carefully selected summer jobs. Even today the Harvard Business School prefers a man with some experience to a man enrolling directly from college.

EXECUTIVE PROGRAMS' SPECIAL ROLE

In the case of executive development programs, the orientation is different. They are designed for the mature, experienced manager. It would be absurd for them to attempt in the classroom what can be better learned on the job, although sometimes the distinction is delicate. On the other hand, the executive programs cannot be excessively theoretical, since they are geared to the needs of practical managers. Yet they will fail their clientele unless they bring to bear on the practice of management the latest knowledge of the universities gleaned from the research and theorizing of the faculty.

It is also appropriate to introduce the managers to current criticisms of long-established operating policies and to propose alternatives that require testing in practice before their full acceptance. There are many subtleties involved here, but the essential point is that the schools of business are *professional* schools to serve the profession of management. The schools are weakest when they fail to make proper differentiation between themselves and the more research-oriented academic graduate schools and weaker still when they do not differentiate between the needs of younger students and older experienced managers. Executive programs must

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make this distinction and MBA programs, especially evening part-time MBA programs, must also do so.

MBA, EXECUTIVE PROGRAM STUDY

However, the really key questions remain: (1) what are managers seeking when they come to a business school in either an MBA or executive development format; and (2) what are the effects of their attendance? Much of the recent criticism of the schools seems based on general impressions rather than on anything very specific. It is also possible that too much has been expected of the business schools — results which were never possible.

The author has completed a comparative study of the objectives and perceived effectiveness of Northeastern University's MBA and Management Development Programs' 1967, 1968 and 1969 graduates. A selection of comparable groups was taken in terms of their status, upon enrollment, as "older, experienced managers in responsible positions." All of those chosen were at least 30 years old, held undergraduate college degrees, had a minimum of 8-10 years experience, were at middle levels of management or higher with salaries confirming the significance of the titles and had successfully completed either the MBA or the Management Development Program.

Over 90 per cent of those meeting the criteria responded to a survey questionnaire designed to find answers to the following questions: (1) what are the objectives of older managers in returning to the university for an MBA or executive development program; (2) does a university executive development program have more success with experienced, adult businessmen than the usual MBA program in meeting their objectives; (3) does the quality and effectiveness of teaching result in a greater program effectiveness; and (4) are the more effective teaching approaches those that incorporate student participation to a significant degree? Effectiveness is de-

termined on the basis of subject matter impact; growth in professional, analytical, ethical, and personal categories; as well as career influence.

STUDY FINDINGS

The MBA and executive programs are approximately equal in effectiveness by measures of subject-matter impact and various aspects of professional, analytical, ethical and personal growth. MBA graduates perceived more of a direct influence on their career progress, but executive program graduates had considerably fewer reservations about their program's effectiveness. Executive program teaching is perceived as clearly better than MBA teaching, although overall program effects were similar. The various participative approaches to instruction received the strongest endorsements from graduates of both groups when carefully directed and well-organized. Both programs stimulated their participants to further efforts at career development, especially through additional course work and largely in subjects of significant program impact.

IMPLICATIONS OF THE STUDY

The acceptance of graduate business education by mature, experienced managers represents a widening of the original concept of the university business school as a means of preparing *young* men for professional careers in management. The separate MBA and executive development approaches appear equally effective for older managers overall. However, the executive program's learning/teaching team approach and its de-emphasis of traditional academic devices of grades, exams, etc. seems more acceptable to an adult clientele and in several ways duplicates the real business atmosphere. It also melds the adult experience into the academic program in ways that suggest a possible model of a true professional school.

Such a true professional school would link closely the resources of the schools to the needs and experiences of busi-

ness. It would presuppose careful and continuous assessments of individual needs in relation to the resources of the schools and the requirements of the firms. It would emphasize continuing education and a curriculum designed to supplement the co-curricular efforts of the business firms. It would have clear notions of what a truly professional manager requires for his continued managerial development. It would bring together the enthusiasm of the younger student, the experience of the older student, and the special competence of the faculty in suggesting new directions and breaking new ground. There would be continuous appraisal both by the schools and by business to assess the quality of attainments and to suggest future needs. Business would then be more confident in the schools and their readiness to cooperate in the educational objectives of the firms. This would encourage the close interrelationship of individual career planning with the long-range objectives of the firm and the close cooperation of the schools with both.

POLICY NEEDED

The basic question for business organizations is one of educational policy — what are the educational needs of managers, what programs should be developed within the firm, how can the graduate business schools be of greatest help in meeting career needs, and how can the individual manager be a principal determinant of what happens to him educationally within the parameters of the organization's needs. In many instances this alignment is missing. Large numbers of individual managers enroll in MBA programs while still in their early 30's. Companies may finance these individual decisions through tuition rebates but otherwise show only the most general interest in the individual's goals, plans or progress. This can be a prescription for false direction, disillusionment and eventual disaffection. On the other hand, the company takes a positive stand on the executive program, not only financing it but usually selecting it

and integrating it into its plans for the manager. However, it often comes at a much later age, although many of the younger and more dynamic companies do send younger managers to executive programs.

Timing is very important in education. Obviously, some younger men should be in MBA programs and some in executive programs, a truism for all age brackets. But if there were a clear plan for the educational development of the individual manager, formulated in consultation with the manager and based on clearly enunciated career objectives understood by the organization and the

individual, there would be less career planning apart from the obvious career channel, the organization. It would also tend to reduce simple degree-chasing which substitutes symbols for success. It should also have important effects on recruitment because there would be a clear policy on managerial development, especially its educational aspects, which could go far to alleviate a frequent tendency to accept a management job "to get experience" rather than for its own career potential. But the most important effect of planned career development through continuing education is likely to be the true professionalization of management, combining continued

education with continued experience in a planned, goal-oriented way.

CONCLUSIONS

The recent flurry of articles reporting disillusionment with MBA and executive development programs is the inevitable consequence of unrealistic expectations of what results are really possible from any educational program. Since the founding of the university schools of business, the attitude of business practitioners has ranged from complete cynicism to a feeling that the schools can work miracles. In fact, the schools of business can accomplish much in the professional development of the manager when the managers have clear objectives and these objectives are supported and even mutually established together with the employing firm. The educational programs are weakest when the schools, the firms and the managers are all pursuing objectives apart from one another. The Northeastern University study of its MBA and executive development programs shows in great detail the strengths and weaknesses of these two approaches to university business education in furthering the development needs of older, experienced managers.

REFERENCES

1. Zalaznick, Sheldon, "The MBA, The Man, The Myth, and The Method", *Fortune*, May, 1968, pp. 168-171, 200-206.

Copies of the author's study, entitled *Professional Education for Experienced Managers — A Comparison of the MBA and Executive Development Programs*, can be obtained from the Bureau of Business and Economic Research, Northeastern University, Boston, Mass., 02115. The price is \$4.95 per copy.

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