

EXECUTIVE VALUE



Dubai is a melting pot for international MBA students.

Is the value of an MBA changing these days? As more and more executives sign up to MBA courses in the Gulf and globally, what can you do to stand out from the crowd? Mark Atkinson reports.

JUST A FEW years ago, having an MBA on your CV was enough to make you stand out among your peers. Now it has become the norm rather than the exception and often the minimum qualification for a managerial position. Has this given the qualification less weight?

"I don't think the increase in executive programmes has diluted the value of an MBA," says Javier Gimeno, dean of executive MBA, Insead. "But it has drawn a distinction between the quality of MBAs. In any maturing market, students become more discerning about the programmes they enroll in."

Philippe Riewer, academic development director, Stafford Associates, agrees: "Key today in this market is the quality of the university, which in some ways is more important than the programme itself. We are talking about branding

your CV, and the right university will do that."

Ehsan Razavizadeh, regional director MENA, Cass Business School, believes the recession has strengthened the case for upgrading your qualifications: "A business degree is highly valued (in the Gulf) and is even becoming more important than before. The recession has made employers very choosy. Having hundreds of applicants for an open position means that candidates need to stand out in every respect, and having an advanced degree from a reputable school may supply that extra edge."

"In this region especially, there are

certain industries and positions that require an MBA or advanced degree. Without it the chances of moving up are slim."

The downturn has also helped shape the MBA curriculum to keep it more relevant towards current challenges.

"During and after every recession, interesting changes takes place in MBA education worldwide," says Professor Christopher Abraham at S P Jain Centre of Management. "The current recession has provided powerful insights on the reasons why financial markets fail. After gaining these valuable insights into economic behaviour, MBA programmes are trying

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to redesign the curriculum.

“Lessons learnt from past recessions and the series of corporate scandals from companies such as Enron, WorldCom and Tyco have prompted business schools to take a serious look at ethics, corporate governance and corporate social responsibility – so much so that these areas have become an integral part of the new MBA curriculum at the leading business schools around the world, including ours.”

Gimeno says that an MBA might be a way for employees in regional offices to keep abreast of emerging developments. “Professionals within the region may feel a bit out of the loop compared to their colleagues at headquarter locations. Taking an

executive MBA enables them to stay competitive in terms of promotions, opportunities or moving to different locations,” he says.

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Defining value

Perhaps the predominant marketing angle of an MBA is the notion that you can potentially double your salary as a result (estimates use 50 per cent as a rule of thumb). For some an MBA might be the ticket to a big payday. Others might expect more modest returns. Salary considerations may be dictated by a number of factors – the industry or country you work in, or your age and professional experience at the time of study.

Another MBA gauge is employability. “It is surprising, but very few universities track their students’ employment in the period immediately after graduation,” says Nick van der

Walt, executive director and dean, Hult International Business School. “We use this as one of the key performance indicators of the campus. Last year, 83 per cent of our MBA graduates accepted employment offers within three months of graduation.

“There is a second component to this – the payback period on your fees. This should not exceed two years for the improvement in their income earning potential.”

Jack Zimmerman, coordinator – executive and graduate, Zayed University, concurs: “A master’s degree is an investment and should be evaluated just like any other investment... what does it cost and how much does it return over my entire career?”

The way that people view their MBAs is also changing, with more people using it as a way to gain a more ‘holistic’ knowledge on people management and the different aspects of running their own business.

“Traditionally, MBAs were career paths for corporate roles,” says Gimeno. “Now we are seeing more and more MBA graduates interested in an entrepreneurial career. More than 50 per cent of our alumni has run their own business at some point in time.” This is particularly the case when small businesses have more access to capital through private investors and infrastructure through an increasing range of outsourcing options.

“Another huge value of an MBA is in work mobility. In general, on a global scale the workforce switches jobs more often. By having a degree, opportunities increase – both in moving jobs or

getting the investment backing to start a company,” says Gimeno.

As a way of differentiating themselves and providing more international exposure to students, some universities now require course participants to spend some time studying at the school’s different locations. Such schools in the UAE include Duke University, Insead and S P Jain Centre of Management.

“In a market saturated with MBA graduates, organisations are keen to look at differentiated MBAs to address their expectations in terms of the right knowledge, skills, attributes and attitudes,” says Professor Abraham. “These include a focus on providing global awareness through a multi-locational/multi-cultural learning experience. For example, S P Jain’s Global MBA is a one-year programme currently offered as a two-city experience in Dubai and Singapore. In the near future, [this] will also include Sydney. This provides a unique opportunity for each participant to be exposed to different cultural nuances and business practices that help to prepare them as a global business manager or leader.”

All well in theory, yet there is nothing to guarantee that the regional branch of a reputed international university will in any way reflect the standards of its main campus. Recently in the UAE, a handful of universities were closed down for providing a sub-standard offering to that of their headquarters.

As Gimeno advises, pay particular attention to whether international schools in the region are of the same quality as the main campus in terms of programmes and admission standards. Some local campuses cut corners, so make sure you are satisfied they offer the same quality. Points to look out for are whether the local branch has the same admissions criteria and standards as the main campus, whether participants have



Ehsan Razavizadeh, regional director Cass Business School.

access to the same courses and same standard of faculty. Applicants need to be fully aware of how to select the different offerings.

Gimeno says that rankings are very useful for understanding the different components. One reference point is GMAT (Graduate Management Admission Test), a widely-recognised entrance assessment, the acceptance level of which differs between universities. Gimeno suggests a desired average of around 650.

“You also want to join a programme where the other participants are of a high calibre, which will provide more value to you,” he adds.

Others feel that GMAT might not be the best indicator – in cases where applicants might have test anxiety, for example, which might inaccurately reflect badly on them. It might therefore be more valuable to do a composite such as looking at undergraduate records and other cross references.

Dr Melodena Stephens Balakrishnan, MBA programme director, faculty of business and management, University of Wollongong in Dubai (UOWD), offers a more local perspective. “[The

region] requires more local education initiatives,” she asserts. “The challenges of MENA are unique but textbooks are more Western and now Asia focused. Does the university use cases from this region for teaching and are the professors researching or consulting in this region? We need staff with [local] market knowledge – this comes with both industry experience and research. Students must ask these questions before joining a university that promises just name.

“While a big name with UK and USA accreditation is important, one has to ask the question – if the programme does not have a local accreditation, is there a commitment issue? Are the students getting the same benefits as on the main campus? Very often certificates will say ‘external programme’ at the bottom, or even worse will highlight the fact that only a certain percentage is transferable to the main degree if students wish

to transfer. In that case perhaps the ‘degree’ might be more a diploma.

Another important factor is access to relevant information. Dr Balakrishnan points out that UOWD has a world-class library with 27,000 items including books, journals, newspapers, kits, cassettes, videos and DVDs, more than 60,000 e-books, 300 online databases and more than a million online accessible documents.

Building networks

As the expression goes, it’s not what you know but who you know – and nowhere does the aspect of networking

hold more potential value than in a strong alumni.

“It’s the networks you build in class that will help you later,” says Dr Balakrishnan. “One HR director says future job offers often come from these informal networks [if] the alumni bond is a strong one.”

Another way to raise your profile is through what van der Walt describes as ‘roundedness’: “It is taken for granted that employers don’t want students who do not perform academically. However, they will give preference to those that show other gains. For example, students that have been involved in taking the initiative in organising industry events, participating in global case challenges among business schools, or organising initiatives such as a finance or consulting club.”

For those ready to move on to the next rung of the ladder, DBAs seem to be emerging as the next place to

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go from an MBA, and are growing in availability within the region. Stafford Associates will offer the Nottingham Business School DBA from the end of May. Perhaps into the future, the DBA will become the main way to distinguish yourself from the crowd.

In the meantime, the longevity of the MBA continues. “I can remember when I was growing up and I overheard conversations about the lifecycle of the MBA,” recalls van der Walt. “When I started my career it was the same story and we are still asking the question. The MBA has been remarkably long-lasting.” ■