

# IS AN MBA STILL WORTH THE EFFORT?

The de facto management qualification is still relevant, but only if business schools are willing to adapt, writes **Busani Moyo**

**F**or the past few years, there's been much soul-searching in the business community about the real value of one of its most prized accolades, the MBA. In a world dominated by tech giants that place entrepreneurship, innovation, flat hierarchies and, more than anything, practical engineering skills above traditional management practices, the star of the iconic qualification has been fading.

Interest in studying for an MBA – along with the rising cost of obtaining one – has been falling. So much so that according to *Fortune* magazine, several leading USA universities have cancelled, or are planning to cancel, their classic two-year courses. It doesn't help that an MBA is no longer a guarantor of wealth – only 16 of the world's 100 richest people have MBAs.

Uncannily, *BusinessTech.co.za* recently calculated that exactly the same is true of JSE-listed companies. Just 16% of South Africa's top CEOs hold MBAs.

Shorter, more specialist courses in business accounting or finance, says *Fortune*, are

increasingly popular as post-graduate students look for better returns on investment.

Demand for a Masters degree in data science or analytics, for example, is booming as businesses look to understand the value of "Big Data" and how analytics now takes on some of the decision-making processes for which managers were previously required.

That, at least, is how things stand in the historic home of the MBA. Are things different in South Africa, or is an MBA still seen as a vital part of a career in business?

## STILL POPULAR IN SA

"We are not yet in the situation of the USA; the need for management and leadership skills here is overwhelming," says Professor Helena Van Zyl, director of the business school at the University of the Free State's Faculty of Economic and Management Sciences.

Van Zyl accepts that the MBA could face a number of challenges going into the future, but she thinks that "an MBA is still the most recognised business and leadership qualification, in SA and overseas." >

**"AN MBA IS STILL THE MOST RECOGNISED BUSINESS AND LEADERSHIP QUALIFICATION, IN SA AND OVERSEAS." — PROFESSOR HELENA VAN ZYL**



Helena Van Zyl

"Business schools need to focus on creating transformative learning experiences for students who develop these scarce skills if they want employers to still value their product," he says.

This is a view supported by Van Zyl, who notes that "one of the biggest challenges for any executive is to manage people; an area to be highlighted more".

From the views expressed by Van Zyl and Sewchurran, it is clear that the MBA could still have a future going forward if business schools are prepared to move with the times. It is for this reason that individuals planning to do a degree may need to consider the institution they enrol in more carefully.

Sewchurran advises that good business schools are starting to realise that the MBA is becoming more "appealing to people who want to make a positive impact in the world through the work that they do".

He supports his views using a recent study by the Graduate Management Admissions Councils (GMAC) which concluded that MBA students are becoming less motivated by monetary gain and are instead showing more interest in earning the respect of the colleagues, creating social impact, and gaining international exposure. MBA courses of the future should be premised on the understanding that "business is a powerful force and used for good, it can be a powerful force for good," Sewchurran says.

While business schools are responsible for ensuring that their programmes are relevant for today's environment, MBA graduates themselves also have a role to play. For Van Zyl, this simply means that they should "apply what they were exposed to during their studies and not do an MBA just for the sake of an MBA". ■

Associate Professor Kosheek Sewchurran, acting director at the University of Cape Town's Graduate School of Business, agrees. Sewchurran notes the 2017 Graduate Management Admission Council (GMAC) corporate survey concluded: "Nine out of ten corporate employers around the world said that they would be hiring MBAs in 2017."

That said, if the MBA is going to make it into the future as a preferred qualification, believes Sewchurran, business schools will need to ensure that they make the programme relevant to the changing times. He suggests that the declines in interest in the MBA may have to do with the fact that there are many alternative business and leadership offerings within the market. He also suggests it could "be due to the fact that the MBA is



Associate Professor Kosheek Sewchurran

perceived to be an old-fashioned and inflexible degree; teaching out-moded things".

However, he argues that this is not the case with all MBAs because those that innovate and keep up with the changing times and ensure they offer programmes that genuinely help train corporate executives in the office environment today, will remain relevant.

## CHANGE OR DIE

Business schools are operating in a "swiftly changing business environment" and those that are "too theoretical (become), by implication, not relevant", says Van Zyl.

So what does being relevant mean in today's office environment? According to Sewchurran, it is the ability to train corporate executives to be able "to connect with others and complex problem-solving and creativity".

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## DID YOU KNOW?

According to mba.co.za, South Africa was home to the first MBA outside of the USA: The Graduate School of Management at the University of Pretoria (GSM).