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Domini Stuart considers the latest trends in MBA programs across Australian universities and asks how they are adapting to a changing market.

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Feature

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# IN SEARCH OF KNOWLEDGE

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In 2008, three Harvard professors challenged the value of the Master of Business Administration (MBA). In their book *Rethinking the MBA* they suggested that business schools, particularly those in the US, were churning out very skilled management analysts when they should really be producing graduates who were equipped to lead their companies through both good and turbulent times.

“They proposed teaching holistic decision-making in order to create long-term strategic viability,” says Bob O’Connor, executive director of Queensland University of Technology (QUT) Graduate School of

Business. “The model is called ‘Knowing-Doing-Being’, where ‘knowing’ is the technical knowledge you need to be an effective manager and leader; ‘doing’ is putting that knowledge into practice and ‘being’ is about integrity, self-awareness and aligning personal, corporate and stakeholder values.”

Most MBAs on offer today have made the shift to this more holistic approach. “Decisions that are in the best interests of all stakeholders will always benefit the organisation in the longer-term,” O’Connor continues. “Directors are charged with making decisions in the best interests of

the company so, for them, this translates as fulfilling their fiduciary duties.”

## A broader view

Many directors are what O'Connor describes as “deep in their discipline” – expert in a field such as law, finance or engineering. But business problems are rarely confined to one area.

“A large infrastructure project, for example, will have technical, engineering, human resources, financial, political and governance domains,” he says.

An MBA provides exposure to all areas of a business. “The aim is not to make students expert in every field but to provide them with the grounding they need to ask the right questions and to evaluate the information they receive,” says associate



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professor Larry Neale, MBA director at QUT Graduate School of Business. “If you have never been exposed to a particular discipline the jargon can sound like gibberish.”

For many directors, rapid changes in the business environment have created a dangerous gap between their experience and the problems they are required to solve.

“They must be cognisant of the fact that, these days, business models are constantly under threat,” says Laura Bell, associate dean of academic programs at Melbourne Business School (MBS).

“The impact of Uber on Australia’s taxi business model is one of the more publicised examples but disruption is happening in every sector. Directors must also have the capacity to assess new opportunities in the marketplace and understand what

their competitors are doing. An MBA can help them develop the strategic foresight they need to govern in this unfamiliar environment.”

Dr Sarah Kelly, MBA program director at the University of Queensland Business School, believes that technology has changed the process of effective problem-solving.

“A fluid, fast-moving business environment requires directors to be flexible, adaptable and creative,” she says. “A good MBA will give students the resources they need to solve any business problem that might be thrown at them. An MBA should be a greenhouse for innovative thinking.”

Most MBAs offer innovation and entrepreneurship as a separate subject or embed them in the curriculum. “It’s not a question of teaching students how to become entrepreneurs but rather how to develop the entrepreneurial mindset that will enable them to make connections other people overlook and take the blinkers off when they’re looking for solutions,” says Bell.

## Adapting the content

MBA providers are also challenged by the fast-moving business environment. “In order to maintain the currency of what we’re teaching we need to be sensitive to the real needs of the business community,” says Dr Laurel Jackson, director of postgraduate education at the University of Western Sydney’s School of Business.

“We recently redesigned our whole curriculum in order to fine-tune the balance between theory and practical application, and we have also introduced some innovative subjects. For example, towards the end of the degree we run a program called ‘100 Days’. Senior business people come in to help students think about their first 100 days in a new organisation or role and how they would structure and prioritise the work they do.”

The amount of data flooding the boardroom is driving many directors to search out skills in business analytics and data mining. There is also a growing demand for cross-cultural competence. “These days, organisations of all sizes employ and work with people from all over the world,” says Dr Venkata Yanamandram, MBA course director and faculty leader, academic portfolio and curriculum at the University of Wollongong’s Faculty of Business. “The way you relate to them can have a profound effect on your business. For example, cultural sensitivity could help to secure overseas contracts and increase your customer base, while teasing out how to motivate employees from

different backgrounds could boost your productivity.”

Many business schools seek input from advisory boards – usually a mix of students, academics, industry representatives and senior business people. “Our advisory board provides direction to ensure that our graduates have the skills they need and that our market offerings are cutting-edge,” Yanamandram continues.

## The fundamentals of governance

The fundamentals of good governance may be covered by the core curriculum or offered as a separate subject. “We have a relationship with the Australian Institute of Company Directors and students gain credit in the MBA for completing the *Company Directors Course*,” says Dr Don Clifton GAICD, program director, Master of Business Administration at the UniSA Business School.

“We have workplace projects that require students to develop reports to the board of an organisation so they get real life experience of working in that space and our board experience course allows students to engage in board projects and sit in on board meetings as observers. We also offer a course that looks at organisational governance as part of its topic content.”

However governance is taught, ethics and sustainability are playing increasingly prominent roles. “I think there is a consensus that the global financial crisis was a managerial rather than a financial problem, and that many MBAs were teaching students how to make money rather than how to make money responsibly,” says Yanamandram. “Now top-level business



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schools are tightening their focus on responsible behaviour – for example, many have signed the *Principles of Responsible Management Education*, whose values are inspired by the United Nations Global Compact.”

Yanamandram continues: “Our own teaching, learning and assessment activities incorporate a broader and more inclusive concept of corporate governance that extends to corporate responsibility. Students develop the critical and evaluative skills that will enable them to align as nearly as possible the interests of corporations, individuals and the broader community.”

At MBS, ethics is the first subject taught in both full and part time MBAs. “This is a way of framing the set of models and frameworks students are going to use throughout the program,” says Bell.

“It is very important to us that students understand they are expected to be ethical business leaders. We’re also responding to demand; we’re finding that the generation coming through is very interested in the impact they have on the world and other people and are very committed to building sustainable business processes and businesses.”

Most MBAs cater for students with a particular interest in governing not-for-profit (NFP) organisations. “They are often looking for a global perspective that is ethically orientated,” says Kelly.

Kelly adds that the nature of MBAs is shifting focus to become more global in approach. “We are building that into the curriculum along with opportunities for international immersion. We’re also running

a program that wraps around the curriculum and encourages students to volunteer with local, national or international NFP partners. They share their business experience in exchange for an opportunity to apply their new classroom skills in the field, and this works very well in terms of both their learning and their personal development.”

She continues: “The program also attracts students in careers with for-profit organisations who are keen to be socially responsible. It helps them to gain a sense of where they stand in the world and why their skills are important not only to generate profits but also sustainable profits.”

### The best use of time

In Australia, most MBAs require some level of managerial experience. That means studies will often coincide with a particularly busy time in students’ careers. “MBAs need more flexible study options for time-poor people and a more client-focused approach to business,” says Clifton.

“We are seeing this evolve, especially in the online space, but there is still a long way to go before MBA providers embrace the notion that the student is the client, the school is the service provider and things we teach, like a ‘meet the client need’ approach to business, should be practiced by the schools themselves.”

Three years ago, MBS launched a one-year program for people who cannot afford to take 18 months or two years out of their working lives. They are also putting material online for their executive MBA students.

“This gives them an opportunity to do background reading and practice sessions before they come to a class,” says Bell. “They arrive ready to debate and engage and to make the most of the face-to-face contact.”

Most MBA providers have either adopted, or are moving towards, a model of blended learning, but few see a future for an online MBA.

“Many business schools are providing online content and materials and much of it is available to anyone who wants to read it because they know that information is not the major source of value,” says Neale.

Technology may be very good at delivering the “knowing” component of the “Knowing-Doing-Being” model, but it is not yet capable of delivering in a substantial way the “doing” or the “being”.

“This applies particularly to leadership,” says O’Connor. “Leadership is a people skill and I think it would be very difficult to learn and practice good leadership through a screen.”

One of the most attractive benefits of an

MBA is the opportunity to gain social capital by developing and extending professional networks. “It is 20 years since I did my MBA and I still have very strong business relationships with the people I studied with and met during the program,” says Jackson. “That has been of real value to me throughout my career.”

### Making a choice

An MBA represents a serious investment in terms of both money and time. The right MBA will provide a healthy return on that investment. The trick is to find it.

“Thinking through the detail of what you want from an MBA will narrow your focus,” says Neale. “You need to consider the reputation of the school and how well the style and structure of the program fits in with your work and lifestyle. Other factors like price, previous job outcomes and location will also come into play.

“This is a complex and high-risk decision for many people so it’s vital that you collect information from as many sources as possible and evaluate it carefully. An MBA deserves as much due diligence as joining a new board.” ■



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Venkat Vanamandram