"Why the MBA?" Survey Results

Our survey reveals their challenges with the MBA

June 2013

METHODOLOGY

The MBA is still popular and viewed as a staple for a successful career. In today's competitive business environment, we often expect the MBA to contribute significantly to one's individual value proposition and market them for increased opportunity.

The insights gained through this survey will assist students, professionals and academics in developing a better understanding of the need for the MBA, as well as how they can help students become successful in achieving their goals.

Career coaches at BT Consulting framed the survey questions and analyzed the results of this survey. Responses to this questionnaire closed in May 2013.

In total 45 responses were used for comparing and analyzing survey results. The sample included MBA aspirants, students and graduates. While this is a small sample, we feel the results are important and help clarify the issues MBAs are facing.

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BT Consulting (BT) is Atlanta's leading high achiever career consulting group, focused on helping high performers achieve the next level of career and personal success. BT is a thought leader on the MBA degree. BT is the creator of MBAWriters and the Henry Series for MBAs, releasing 6 books to date to address many career aspects of the MBA. The founder of BT is Todd Rhoad. "Success is the intersection of preparedness and opportunity. You must develop both," he says.

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EXECUTIVE SUMMARY

The clear finding from our “Why the MBA?” survey is that most MBA graduates are not seeking the degree for a specific opportunity. Eighty seven per cent of the 45 business professionals we surveyed say that they earned the MBA for “more career opportunities,” while twenty seven percent sought a better salary.

Career mobility is obviously a key driver for future success as forty nine per cent sited “move into a management position” and “get a job in another company at a higher position” as the kind of opportunities they sought. Additionally, fifty three per cent of respondents earned the MBA to “be prepared to take advantage of a future opportunity.”

These results indicate that maybe not a great deal of thought and analysis is put into the return on investment of the MBA, even though sixty six per cent said that the MBA “met expectations.” After all, if you’re using the MBA for an opportunity some time in the future, it’s hard for it to disappoint you right after graduation. However, almost 1 in 5 students indicated that the MBA was “below expectations.”

With regards to their expectations, we were curious where they were developed. Twenty three per cent cited “university advertisements” and thirty seven per cent identified “friends” as a key influence.

Since most respondents chose the MBA for career opportunities, we were interested in how they might obtain those opportunities. We asked them if networking was a major goal of their MBA pursuit. Strangely, sixty one per cent stated that they “didn’t choose the MBA for networking.” This is a clear separation point between top tier programs and all others, which we will discuss in this report.

Most of the respondents (56%) had graduated within the past two years. It’s likely that the recent economic slump has had a dampening effect on their expectations. Maybe they didn’t want to set their expectations too high because they would most likely be disappointed. However, it would seem likely that networking would be more important during a time of low employment. After all, that’s how most jobs are found.

While this is a short survey with limited participation, we feel there are a couple of key issues that should be addressed. The first is the prime mover for earning the MBA; that is, career opportunities. The second is the lack of interest in Networking. This is almost a contradiction in itself.

The composition of the forty five respondents include graduates in the ranges of 0-2 years, 3-5 years, 6-10 years and 10+ years.

Please enjoy the results of our short survey on personal branding and let us know if we can support you in any way. Thank you for taking the time to review our results. Your feedback is always welcome.

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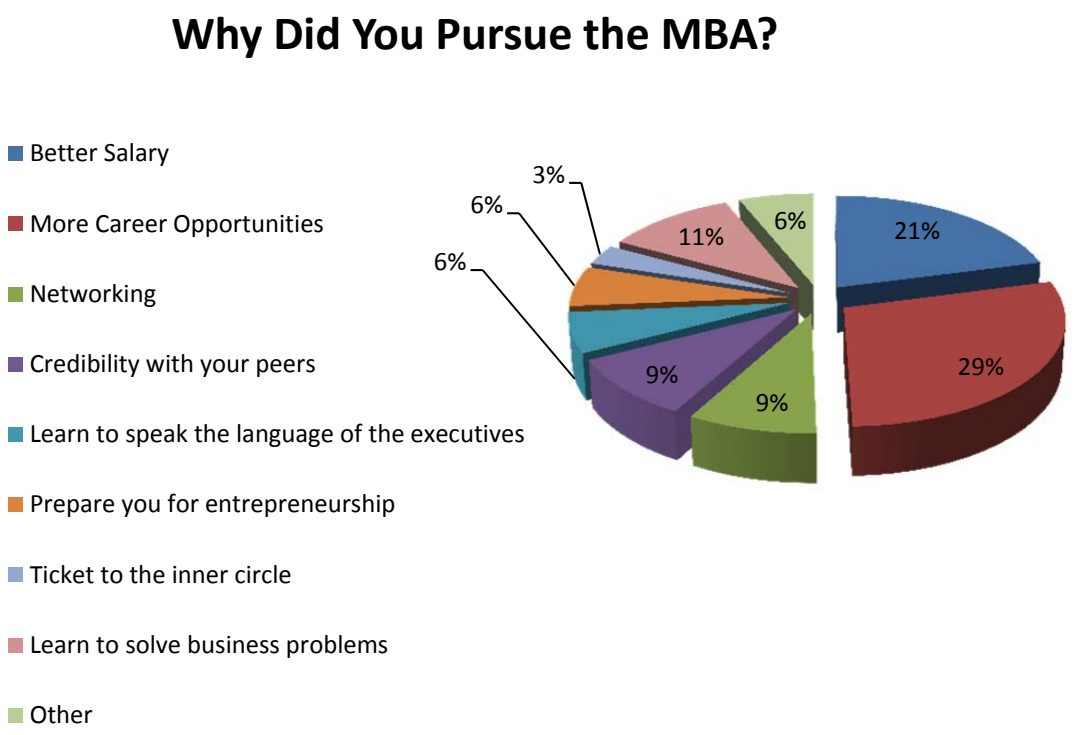
WHY THE MBA

This survey sought to find out why professionals pursue the MBA. While this is a very short survey, it does provide useful insight behind the pursuit of the degree

WHY DID YOU PURSUE THE MBA

The first question posed simply asked "Why?" As the results indicate below, most professionals are seeking a path to more and better opportunities, all of which provide the potential for improved financial growth. The Other category included reasons like personal goals and using time productively. Surprisingly, some comments alluded to the "opportunities that a full time MBA provides." While further clarification of these "opportunities" were not provided, it is likely that many MBA graduates embark upon the MBA program with the perception that the possession of the degree will attract significant attention to their new skill set and credentials. Even though it is not clear where opportunity may come from, it is obvious that professionals are pursuing it with the idea that the MBA will bring more money and choice in their career.

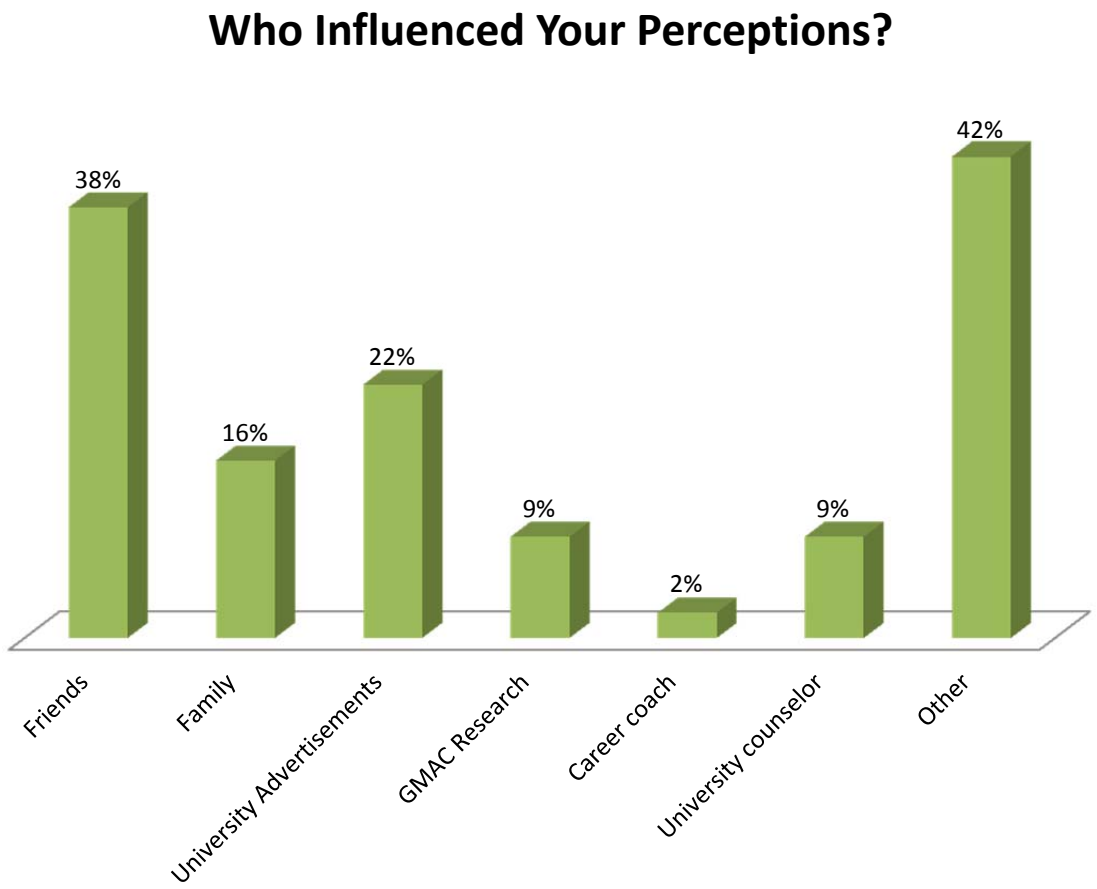
These results are in alignment with GMAC's 2012 Prospective Student Survey which highlighted "increased job opportunities" and "increased earning potential" as their two top motivating factors for earning a graduate management degree.



WHO INFLUENCED YOUR PERCEPTIONS OF THE MBA

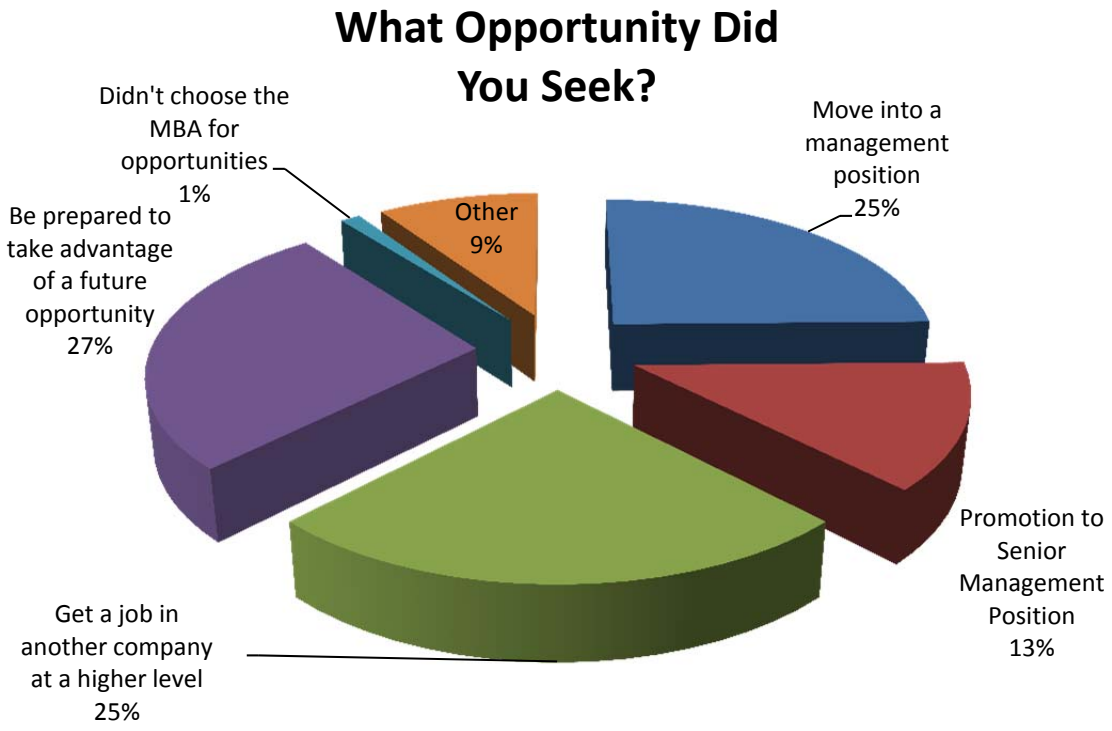
Professionals are seeking the MBA for money and career options. In this next question, we sought to understand where they obtained this perception. Who gave them the idea that the MBA degree had such powers? According to our results, their friends were the biggest influence. The Other category identified influencers such as employers, work colleagues, their own observations, mentors, and convincing members of the college or university. MBA aspirants gather information from the college or university through various means, such as internet searches and websites, including the Financial Times and the Economist. Then, they discuss the benefits with those closest to them, such as friends and family. They don't seem to confer with career experts, either private or academic.

Interestingly, GMAC's survey shows that the university's website has more influence than the ranking publications, such as the Financial Times. Our survey did not dive into the detail as deeply but it was apparent that students use online resources to aid in their decision making and development of expectations and that the information universities produce are used in student decision-making.



WHAT SPECIFIC OPPORTUNITIES DID YOU SEEK?

By far, the biggest reason these respondents identified as the purpose behind their pursuit of the MBA was more career opportunities. But what does this really mean? What kind of opportunities did they want? Who would be providing them? The results are shown below. From the graph, it's obvious that the MBA is earned by most to create a better future. Comments in the 'Other' response imply that the opportunities are not immediate, defined or known at the time of graduation but are expected to improve upward mobility at some point later in time.

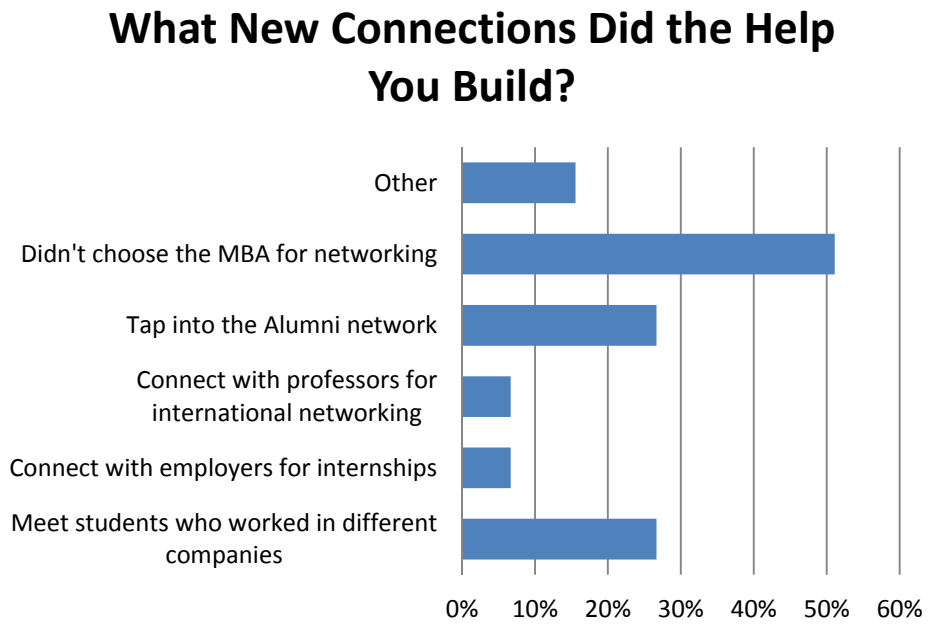


USING THE MBA FOR NETWORKING

If MBAs are choosing the MBA as a key to future career growth, are they using this development time to create channels of communication with people and companies so that these new opportunities can be funneled directly to them? Surprising, over half of respondents didn't choose the MBA for networking. Unfortunately, our survey did not pursue this idea further but it would be interesting to learn how graduates expect to find future opportunities. Is it possible that the only requirement is to have the works MBA on your resume or CV? If this is the logic being used, graduates may find that the MBA may fail to serve future needs in a timely manner. It takes time to build a network that can efficiently and effectively support your career.

Networking is considered the most effective way of finding a job, especially in challenging economic times. According to the U.S. Bureau of Labor Statistics, seventy per cent of all jobs are found through networking. Through networking graduates can uncover job opportunities that might not yet (or never) be listed on job-sites, or create an opportunity that did not previously exist. So where does this leave most MBA graduates?

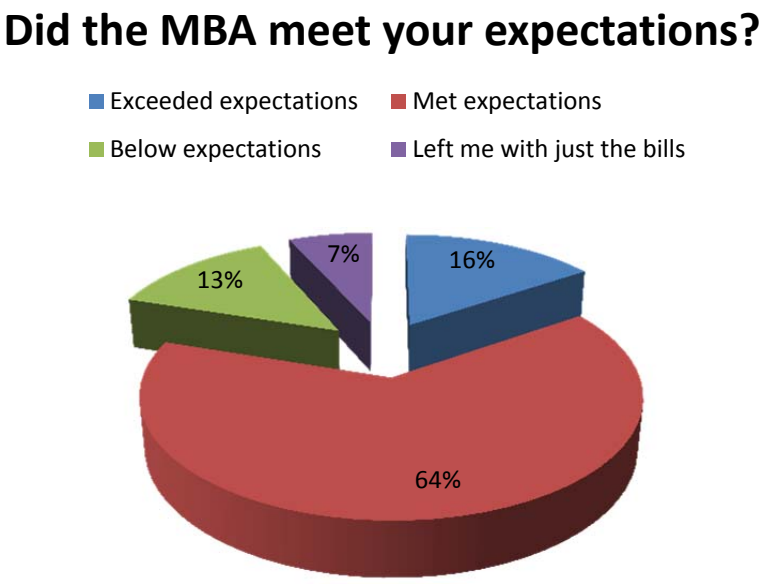
For those students who utilize their time during the program to network, they seek out existing students who work in other companies and the university's alumni network. Very few seem to spend time with professors or tapping into companies through internships. There could be many reasons for this. The respondent pools could be mostly working professionals who sought the MBA in their spare time, where an internship wouldn't be necessary (since they are already working). This would also explain why many respondents wouldn't connect with professors, who typically have ties to specific companies they have worked with in the past. Lastly, the composition of respondents is heavily swayed towards younger professional (0-2 years after graduation). These professionals may not fully understand the impact of networking on their career or possibly feel that the performance is the prime mover for career success.



DID THE MBA MEET YOUR EXPECTATIONS?

With respect to the first question; that is, why you pursued the MBA, we asked respondents how well the MBA program met their expectations. With most respondents choosing the MBA for better career options in the future, it would be quite interesting to understand how they felt the MBA degree would meet these expectations. Overwhelmingly, sixty four per cent of respondents felt that the MBA met their

expectations and sixteen per cent stated that it exceeded their expectations. Our actions are driven by intrinsic or extrinsic motivators. Intrinsic motivators are those factors that drive us to action because they are personally interesting. Extrinsic motivators are factors that push us to a certain activity because of the perceived outcome of performing that activity. If students have high expectations for the perceived outcomes, such as higher pay and more career options, they are more likely to choose that the MBA met or exceeded their expectations even though they have not yet experienced the outcomes they desire. This could be driven by the fact that they don't have any evidence to refute these expectations. They only know that the benefit hasn't materialized yet, but expect it will in the future.



WHEN DID YOU GRADUATE?

Our respondent pool consisted mostly of new graduates or those who've graduated within the past two years. This pool is very interesting considering the recent economic downturn and the impact it may have on students' expectations and the actions taken during their program. Considering the current economic conditions, it was expected that the results would be more negative since the employment market has been quite challenging for the past few years. Granted many professionals choose academia to ride out the storm, they were not graduating into a booming market that is full of opportunity. Despite these conditions, graduates seem to remain upbeat about their future prospects and feel that the MBA will help them take advantage of any new opportunities to materialize when market conditions improve.

CONCLUSION

In this survey, we probed recent MBA graduates about their decision to earn the MBA. As expected, the driving factors were increased job opportunities and increased earning potential. However, considering the challenging economy recent MBAs have graduated into, it was surprising to find that most did not engage in networking activities. Perhaps most respondents were currently employed and did not need to seek employment in other companies or it is possible that graduates had simply removed the idea of immediate employment considering the challenging employment conditions. It is also possible that the MBA programs they attended did not promote networking activities.

In *The Independent's* recent article, "MBAs and the Power of Networking," Helena Pozniak interviews several key members of some of UK's top academic institutions. Here's a short blurb that communicates the power of some universities:

> *"What business schools do so well is to put students in front of powerful contacts. Henley's new music MBA for example has a steering committee which reads like a who's who of the UK and US music industry, whom students meet and network with. Ashridge recently hosted film-maker Lord Puttnam; Brunel Business School organises speed consulting sessions with invited corporates and Cranfield's careers team give one-to-one coaching on leveraging business links."*

It's not all the student's fault. Forbes' says "Half of students either haven't used their school's career office, have had a bad experience or feel the office needs improvement." This is typical of the lower tier programs. Over the years I've spoken with many top tier MBA graduates. Any of them will tell you that the one of the biggest activities they engaged in during their program was networking. The quality of their networks, in terms of connections to the upper levels of corporate America, is usually much better than most other programs. This is a clear distinction between programs and obviously one that most MBAs feel they don't need.

Regardless of whether you are looking for a job after graduation or you already have one, networking skills are a key element to prolonged career success. MBAs need to focus on learning them and using them. The MBA program is a perfect platform for building these skills. Companies are happy to entertain students are trying learn about business, which makes it much easier to get your foot in the door to talk to key players in the company. If you wait until you graduate or even longer, connecting with these same people becomes significantly more difficult. At the very least, you should be identifying key players that you will be contacting some time in the future.

RESOURCES

Helena Pozniak. "MBAs and the power of networking." The Independent. April 10, 2013. Retrieved from <http://www.independent.co.uk/student/postgraduate/mbas-guide/mbas-and-the-power-of-networking-8567430.html>.

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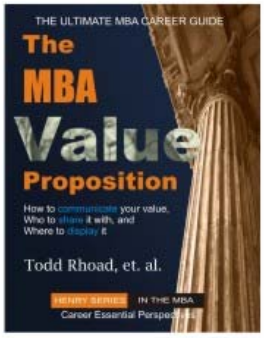

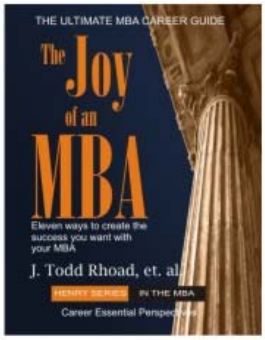

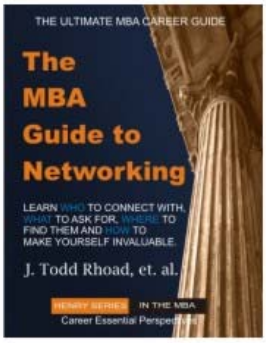

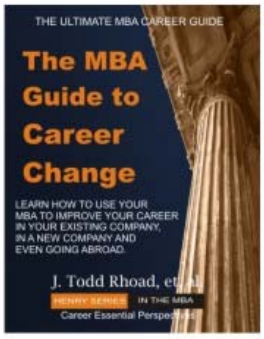

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