

**The Relevance of Executive MBA Programs:
Student Expectations and Satisfaction**

by
Janis Weinstein Dietz

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ABSTRACT OF THE DISSERTATION

THE RELEVANCE OF EXECUTIVE MBA PROGRAMS: STUDENT
EXPECTATIONS AND SATISFACTION.

Janis Weinstein Dietz

The Claremont Graduate School: 1997

Investment in executive education has grown steadily since its inception during the last century. Several studies have attempted to measure the effectiveness of executive programs; prior research has indicated that some programs lack relevance.

This study addressed the topic from the perspective of corporations, whose future executive education decisions are affected by the relevance of current programs, and program alumni.

In a partial replication of a 1959 Harvard study, which queried graduates of 39 residential programs, I surveyed the 1993-1995 executive MBA graduates of four schools: UCLA, University of Colorado, University of Utah, and University of Washington. The main research question was:

Are executive education programs meeting the needs of their mid-career students ?

In addition to the above, the changing workplace prompted the following queries:

- a) **Is there a difference between the satisfaction of the students with the programs in 1959 and now?**
- b) **Are the programs affected by lack of security in the workplace. Are people using the EMBA to change employers?**
- c) **Do sponsoring companies use the skills learned?**
- d) **Do women have a problem with the 'glass ceiling'?**

In addition to collecting the surveys, I interviewed the four program directors, 10 corporate executives whose responsibilities include executive education, and 24 of the 157 alumni who returned the questionnaire.

Frequency distribution, correlation analysis, and stepwise multiple regression were used to analyze the survey data.

The major findings were: 1) EMBA students today are satisfied with the relevance of their education; 2) Students are dissatisfied with schools that employ professors with outdated or inadequate teaching skills; 3) Instability in today's workplace is prompting some people to change jobs or go into their own business once their EMBA is completed; 4) Corporations will continue to invest in these programs, but there is more specific succession planning in conjunction with the career path expected for the employee; 5) There continues to be little ethnic diversity in the programs.

THE RELEVANCE OF EXECUTIVE MBA PROGRAMS: STUDENT
EXPECTATIONS AND SATISFACTION.

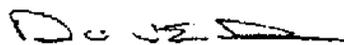
By

Janis Weinstein Dietz

A dissertation submitted to the faculty of the Claremont Graduate School in partial fulfillment of the requirements for the degree of Doctor of Philosophy in the Graduate Faculty of the Peter F. Drucker Graduate Management Center

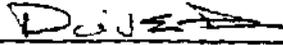
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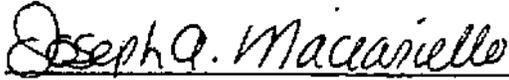


David Eli Drew, Ph.D.

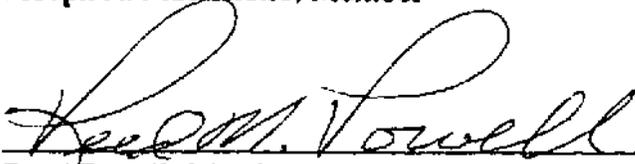
We, the undersigned, certify that we have read this dissertation and approve it is adequate in scope and quality for the degree of Doctor of Philosophy.



David E. Drew, Chair



Joseph A. Maciariello, Member



Reed Powell, Member

This dissertation is dedicated to John, without whom this dream would not have been possible, and who really did marry me “for better or for worse.”

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No Ph.D. dissertation is ever completed without the help of many people, whose friendship, advice, and aid are critical in the completion of the project. On the chance that one of these many people is inadvertently left off this document, my apologies and my thanks.

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Liz Stillman has been my guardian angel. She has laughed with me, cried with me, and told me to push on when I wasn't sure I had the strength. Liz also read the chapters as they were concluded and provided valuable feedback.

The rest of the Drucker Center entering Class of 1991, including Jim Canning, Jim Cook, Gary Gibbons, John Kensey, Dietmar Kluth, Keith McFarland, Emile Pilifidis, and Larry Wangler, have given me constant support throughout the process of finishing this research.

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CHAPTER 1

INTRODUCTION

Executive education has been growing steadily since its inception. There have been many attempts to evaluate its usefulness, but none have given a clear, quantitative answer to the question about effectiveness that corporations continue to ask in order to justify further funding. Today, there are new questions that should be asked of executive education participants in order to measure the level of quality currently being delivered in this field.

There is little question in the international business economy today that major changes in competitiveness, downsizing, and globalization affect the terms and content of executive education. The goal of this research was to find out how changes in the business world, and the demographics of the student population in general during the past 25 years, have affected the evaluation by students of executive management programs. As there is evidence of the need for a restructuring of many programs (Johnson, et al., 1988; Levitt, 1989; Byrne, 1993; Lord, 1993; Bongiorno and Byrne, 1995; Bryne & Leonhardt, 1996), this study also examined how practitioners in executive education have reacted to the expected changes in student reactions to their programs. This research project used parts of a comprehensive study, conducted from 1959-1965 by Harvard professors Kenneth Andrews and Reed Powell, to evaluate the effectiveness of executive management programs. That survey was entitled “The Effectiveness of University Management Development Programs” and, with a sample of 10,000, was the largest of the studies done to date¹ This study used the 1959 survey as the basis for comparison of

¹ P.E. DuJardin, 1981, Residential General Management Programs and Adult Development (351 participants); A. Fresina, 1988, Executive Education in Corporate America (300 corporations); C. Ingolls, 1986, Executive Education Programs: Meeting Strategic Organizational Purposes, (400 corporations); A.

student reactions to the quality and long-term effectiveness of executive MBA programs.

I chose to use executive MBA programs, rather than the residence executive programs of the type used in the Harvard research, because of the prevalence of executive MBA programs in existence today which did not exist in 1959 and which are usually the result of self-selection rather than nomination. Only two executive MBA programs existed prior to 1964: The Executive MBA Program at M.I.T. was established in 1931 and the program at the University of Chicago was founded in 1943 (Hilgert, 1992). This relatively new program offered a new target population for me to study by using some of the same questions that Professors Andrews and Powell were asking of individuals who were not getting an advanced degree from their programs, and most of whom were chosen by their employers to attend rather than through self-nomination (Du Jardin, 1981). I wondered if the end result of an earned degree would color responses about the program upon completion. Differences in the population used in the current research from the Harvard study include:

Country of residency and gender.

The 10,000 survey recipients for the first survey were all men, and most of them were Americans. Given the diversity of the corporate and student population today, a study replicating some of the issues might bring a different response on some of the issues. Today's Harvard Professional Management Development Program and Advanced Management Program actively recruit international executives because of their understanding that the US no longer holds a concentration on business leadership (Harvard, 1996). The recruitment brochure for their current programs lists participants from over 30 countries across all continents.

Security in the workplace.

The decade of the 1990's is experiencing consistent downsizing of corporations. Men and women whose parents spent their entire careers with one company cannot hope to do the same. Almost 94% of the men who had been sent to the programs that prompted the Andrews survey were still with the same company three years later. The average tenure was seventeen years. The principal significance of this finding to Professor Andrews was that university programs were not used as recruiting grounds for men looking for new opportunities. Today's executive students are facing a decidedly different outlook in terms of job security. I was interested in knowing if my survey participants were using the programs to change employers.

Return to the workplace

Most of the people from the original research were supported in their new knowledge by their companies. How do women fare when they return to the "glass ceiling," which describes the impediments women encounter on their way to corporate executive suites (Groves, 1996)? Is there a difference in the support from companies where there is not as much security for the executive who has spent two years pursuing an Executive MBA? In a 1988 study (Johnson, et al., 1988) commissioned by the Graduate Management Admissions Council, it was found that most companies require little or nothing of substance in terms of proof from executives and managers they have sent to MBA programs.

Support of industry

The earlier work was heavily supported by the petroleum industry. Studying the differences by industry might indicate both expectations and changes. For instance, the

1988 Graduate Management Admissions Council project found EMBA programs heavily concentrated in the banking and finance areas.

Relevance of course work

For the most part, the participants in the Andrews/Powell survey were complimentary about the quality of the education they received. However, these were short-term residence programs. I expected the longer-term executive MBA programs to elicit more diverse responses with regard to course relevancy. Several studies have been critical of the course work relevancy to on-the-job experiences (Johnson, et al, 1988;Morrisey, 1993), even though most studies are complimentary about the “broadening” atmosphere of these programs (Du Jardin, 1981; Hilgert, 1992). However, a recent American Assembly of Collegiate Schools of Business (AACSB) survey found that there was a greater demand by part-time students for classroom information that is relevant to their workplace (Levenson, 1995). In a 1993 report on the question of whether business schools have lost touch with business, Professor Jack Hershey at Wharton noted that “students are beginning to classify schools into two groups; those that have new curricula and those that don’t (Lord,1993, p. 55).”

Importance of the topic

The importance of the topic stems from the increasing need by corporations to justify expenditures at all levels. If there are differences in the reaction of students based on some of the differences cited above, a research project might be able to identify how those differences are affecting the impact of today’s programs. If practitioners in executive education need to be addressing the needs of their clients/students in a more focused fashion, this research is expected to contribute to the improvement of the programs involved.

There is a substantial body of literature pointing to a dissatisfaction within the sponsoring corporate community with the applicability of coursework to the needs of executive students. This study also investigated whether some of the changes predicted in earlier publications have indeed been made in executive MBA programs. Currently, there are few studies detailing that these changes in relevancy have been made.

The marketing field is increasingly turning to separating customers into targetable groups for the purpose of personalized promotional programs (Grant, 1995). This suggestion has been made by some of the literature, but little response has been uncovered. The importance of treating their students as customers, and as different customers from their younger MBA students, will impact planning for executive programs as we go into the next century. Media reports about the increase of as much as 19% in applications to top business schools, plus the comments that part-time learners are especially interested in course work, raise the question about what the dominant trends are (Bongiorno, 1995). This leaves the interesting paradox of those critics who “deride MBA curricula as outdated and say the degrees no longer guarantee corporate success and wealth (Lancaster, 1995, p. B1)” and the fact that applications, especially to top business schools, are increasing.

Outline of the dissertation:

This dissertation is divided into 11 chapters. The first chapter introduces the topic and discusses the points of research.

Chapter 2 is a review of the literature as it relates to executive training education.

Chapter 3 discusses the research question and the underlying issues that relate to the main goal. It also covers the methodology used in the research. The triangulation method is described as it relates to the way the research was conducted. The survey of

four schools, interview of 25 respondents, interview of four program directors, and interview of 10 corporate people responsible for executive training are described in depth.

Chapter 4 describes the results of the survey, using tables to present the descriptive information gained from the surveys. It includes comparative statistics with the 1959 Andrews/Powell work. Chapter 5 also reviews the survey work from the basis of relevant statistical analysis. It supports conclusions regarding the correlation between key variables used in the survey.

Chapter 5 describes the interviews conducted with the four school program directors.

Chapter 6 covers the semi-structured interviews with corporate sponsors and their reaction to levels of skills available in the workplace today, as well as their expectations for future availability of the types of employees they feel they will need.

Chapter 7 describes the semi-structured interviews conducted with the 24 survey respondents who agreed to be interviewed. To protect anonymity and provide for freedom of report, the names of the alumni have not been used.

Chapter 8 discusses implications from the perspective of the alumni survey results and interviews. It also includes recommendations for further research.

CHAPTER 2

REVIEW OF THE LITERATURE

The individual corporation school, which began as early as 1872 (Eurich,1985), offered classes in both basic "culture education" and training for upper level occupations. As industry grew, the importance of ensuring that employees were trained in the proper way grew as well. The origins of the American Management Association come from these roots. In 1913, thirty-five leading corporations sent top officials to provide a forum for idea exchange and training. The participants in the National Association of Corporation Schools, as the organization was named, grew to two hundred (ibid.). The term "executive training" first appeared at the NACS convention in1919. Today the American Management Association, as it is now called, offers over 5,000 training sessions annually (Graham,1993). Research into this subject supports the belief that today's leading companies are also the leaders in sponsored executive education. Names like A. T. & T., IBM, Bell South and General Electric continue to be found in reports of efforts on behalf of corporate business to keep the education of its executives up-to-date.

At about the same time that corporation schools were springing up, the University of Pennsylvania established the Wharton School of Commerce and Finance with a \$100,000 grant from Joseph Wharton (Moulton, 1993). Programs were then developed at Berkeley in 1899, and at the Universities of Chicago and California before the turn of the century (Andrews, 1966). Programs developed by corporations, universities and entrepreneurial training companies have continued to grow as the industrialized society has grown. Sometimes men (until relatively recently , there were no women attending these programs) were sent to these programs in order to improve skills, sometimes as a prelude to greater responsibility, and sometimes as a reward for hard work (Humble, 1973; Moulton,1993).

Investment in executive education has continued to grow, to a projected level of \$12 billion today (Byrne,1993). This research focused on the Executive MBA programs, which number 139 in the United States and Canada. There are a total of 750 MBA programs, both full and part-time, offered at this time. The investigation addressed some of the many changes that have precipitated a need to update executive education.

Comes and Powers, among others, wrote that "advanced skills will be needed in this volatile atmosphere ," referring to the next century's capitalistic requirements (1994, p.13)." The requirement of a college degree for a lifestyle that twenty years ago would have required only a high school diploma is only one element in the technologically supported knowledge-based organization, "an organization composed largely of specialists who direct and discipline their own performance through organized feedback from colleagues, customers and headquarters (Drucker, 1988, p.45). Knowledge increases in geometric proportions. The ability to understand the shift from products or services to information will be required to take advantage of the next wave of economic growth (David and Botkin,1994). As a matter of fact, on October 5, 1995, The Wall Street Journal noted that Syracuse University is at the forefront of a new program entitling MBA graduates from the '60s,'70s or '80s to upgrade their skills in several locations around the country. This research was designed to ask the following question of business schools: have they updated their skills as well?

The use of extended training gained more purpose with the growth of complexity and the growth of technology. Those purposes include skills upgrading, rescuing the derailed executive, investment into those who are important players in future strategy formulation, and "window dressing" for corporate image. In 1973, Humble described management training as a system that includes corporate and individual needs, evaluation of training options, and planned opportunities. In the 1966 publication of the Andrews

study on effectiveness of executive education, over 70% of the respondents mentioned “broaden thinking” in a particular discipline or the total field as the purpose for undertaking the program (Andrews, 1966). Formal training courses as a way to prepare promotable managers for greater authority have always been among the basic reasons for corporate use of executive training (ibid.). In the following paragraphs, I will discuss the reasons behind why managers pursue executive education and then move on to the literature behind the sub-questions asked in the dissertation.

a) Skills:

The first reason that companies embark on executive education is to improve skills or to teach new skills that may be required to master new technology. With each year, new concepts and new methods requires updating and education planning. Many new concepts, such as ‘Just in Time’ (JIT) delivery schedules, are given a lot of emphasis while they are relatively new ideas.

By mid-life, many managers are missing the broader ranges of thought required to expand their conception of their job requirements (Moulton, 1993). Although that may have often been true of prior aging workers, the current combination of lightning speed technical improvements, global change, and increased competition make this slow-down a critical problem unless continual learning is pursued.

One of the areas being seen is flexibility in education for those whose work and for whom time limitations make attending classes once a week problematic. The American College was the first to experiment with new technologies by developing a course called “Money Manager” that can be used on IBM and Apple computers. Classrooms can be all over the country; the reach and flexibility of this type of education is only beginning to take advantage of pent-up demand. California Polytechnic University, in Pomona, California, was experimenting with modular distance learning (MDL) during the winter quarter of 1995. By using voice-mail and data mail boxes, students and instructors can communicate 24 hours a day, according to Dr. Rhonda Rhodes, College of Business Administration director of graduate studies (Cal. Poly,

1996). A number of Fortune 500 companies have signed up for the Executive Education Network, an interactive satellite network that transmits MBA-level courses from schools that include Wharton, USC, Penn State, and Carnegie Mellon (Anderson, 1995). In addition, distance-learning programs are springing up because business schools see that “the new techniques and technologies of distance learning hold the potential to revolutionize executive education (Byrne, 1995, p.64).” One of the questions in the survey asked respondents whether they would be interested in distance learning if it were available. The reason for this is that a product like distance learning requires training just to use it; the availability of it does not necessarily suggest that potential students will rush to choose distance learning over traditional face-to-face methods of education.

b) Derailed executives:

Moulton (1993) discusses the derailed executive as someone who is demoted, fired or stalled for reasons of their own making. By targeting multiple job assignments and course work designed to motivate more productive behavior, a worthwhile person can be saved. The literature supports the supposition that it is worth the cost to retrain rather than replace a key member. However, the layoff practices of the past several years would tend to open this question to debate for some of the more expensive programs and some of the more expensive managers.

c) Public image/Retention

The Rand Graduate Institute is not only an example of high-level academic work given by a corporation, but of a corporation that has recognized that it is good for the image of the company and is an aid to the recruiting of highly qualified staff (Eurich, 1985). General Electric’s corporate schools in Ohio have long been known for their quality education and used as an attraction to hire the best employees.

d) Contribution to Strategy

Many CEO’s have turned to executive education to help their strategic agendas, in which case they must oversee the training of the skills necessary to create and manage the strategy (Bolt, 1993). A number of the better known business school professors have consulted with such companies as AT&T, Eastman Kodak and Phillips (Byrne, 1991).

e) Reward