

## To MBA or Not to MBA

Anita Roddick has said they are not worth the paper they are written on, fabled school dropouts Bill Gates and Michael Dell didn't bother with them, yet multinationals are queuing up to hire people who have them. The business qualification that has divided opinion is the MBA – Master of Business Administration – and this year in Northern Ireland, hundreds of executives will invest time and money to attain one. So what's the bottom line for Northern Ireland's MBAs?



Denis McCarthy, Chair Executive MBA Association

It happens every Spring – thousands of business executives, CEOs and entrepreneurs and ambitious business graduates in the UK and Ireland decide to defer social life and sleep to go back to business school to achieve a Masters in Business Association (MBA), the internationally accredited qualification that's reputed to fast track careers, increase salaries and open up a world of career opportunities.

60,000 CEOs, Senior Managers and entrepreneurs in the UK and 7,500 in Ireland hold an MBA

qualification, and those who embark on an MBA course each year must be prepared to juggle a tough regimen of part-time study alongside demanding day jobs, others opting for full time commitment to study. It can take up to three years of grinds, hefty fees and waving goodbye to weekends. The rewards on offer? - strategic smarts, improved performance, career enhancement and salary improvement.

So does it deliver, is it worth it? – those are the question that executives are asking – and in many cases their employers, who often underwrite or

sponsor the cost of part time "executive" MBA courses. Value for money – or return on investment – are critical measurements when investing anything between £8,000 (at the University of Ulster) and up to £45,000 in the top European business schools. For companies, there is an expectation of enhanced performance from their newly minted MBA executives, and an improved skill set and leadership capability that should take the executive up the organisational ladder. For executives, the expectation is geared to promotion and higher salaries.

Business schools offering MBA courses have no shortage of applicants – there's currently something of a boom in international business school intake, that's a reflection of both buoyant economic conditions and demographics – there's been an increase in the 25-34 year old demographic globally – which is traditionally the recruiting zone for MBA courses.

Be warned, an MBA is not for everyone – so who should consider it? According to Denis McCarthy of the MBA Association, which is dedicated to ongoing learning and networking beyond the MBA classroom, candidates fall into three categories: Managers and Executives who are ready for a new challenge – an MBA can equip them with the analytical, strategic and practical management skills to take them to board level. Recent graduates who are considering a career in management consultancy – especially with the top international consulting houses will find an MBA an astute investment. And increasingly, MBAs are proving good moves for owner-managers in SMEs who need to take a "helicopter" view of their businesses to form an effective growth strategy.

For Greg Devin, a late 1990s graduate who runs marketing service company New Meridian, a part time MBA was an opportunity to work "on the business" and well as in it. "The key elements for me were the frameworks, tools, and methods to help analyse your and to identify short

medium and long term, challenges and opportunities and how to deal with them. The network that grows out of an MBA classroom is also second to none, and provides invaluable advice and support."

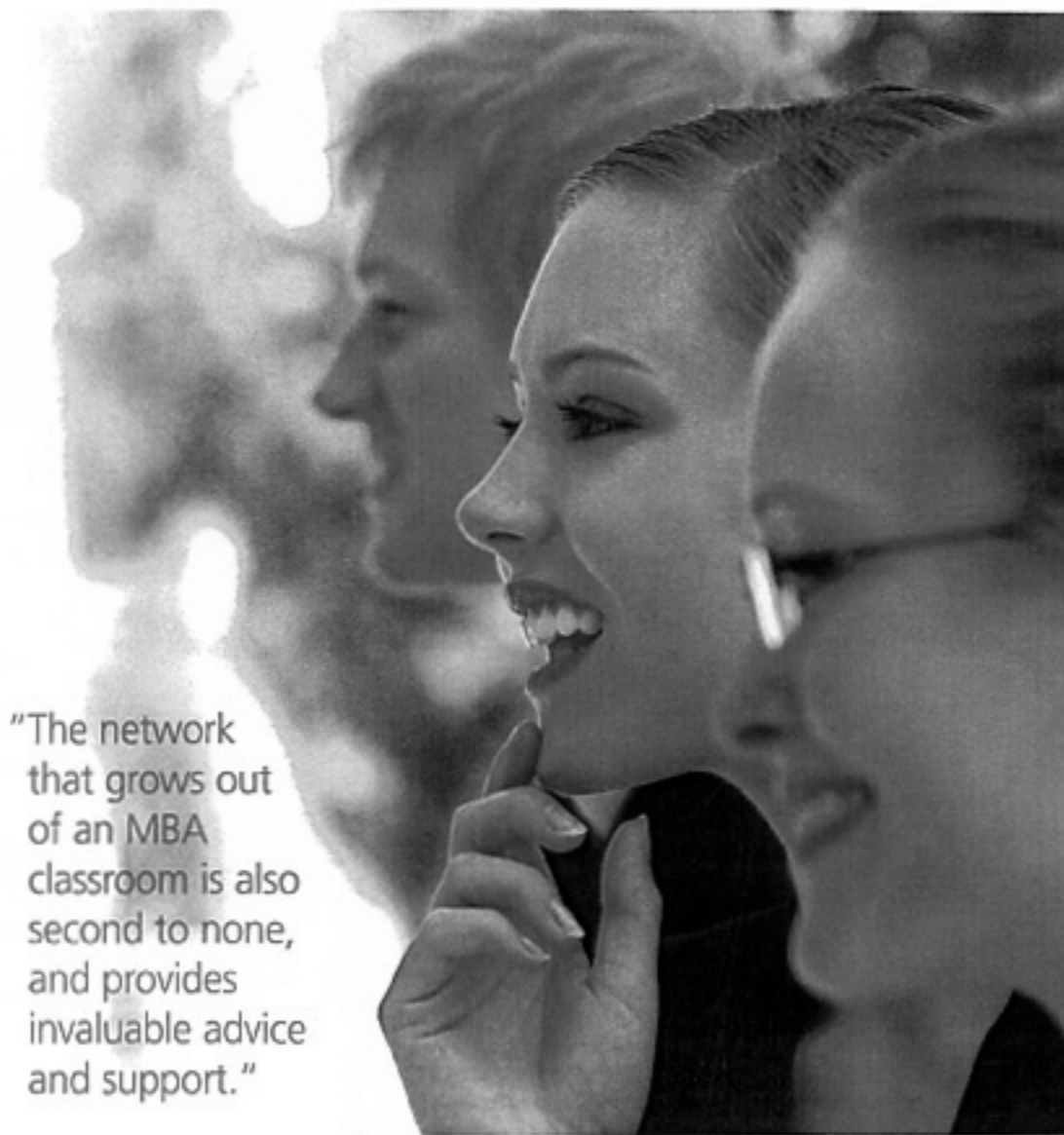
Jacqui Dougan, who set up TLC, a pharmacy business consultancy last year, found the diversity of the classroom appealing: "A diverse mix in the classroom means a more interesting approach to problem solving and strategy setting – and I found the mix of public and private sector MBAs in Northern Ireland is quite challenging – and reflects the wider economy".

Aidan McGrath, a serial entrepreneur and co-founder of Aetopia, an InterTrade Ireland Seedcorn regional winner, points to the value of the network also, but highlights crucially that while an MBA delivers a skill set that entrepreneurs – who must wear many hats – need to effectively run their companies, there is a gap between the MBA classroom and the coalface of start-up and small business life.

Nonetheless, the attainment of an MBA does confer a certain distinction, and can be a differentiator when it comes to the interview chair. Stephen Ingram, director of the DP Group, the Belfast based recruitment and executive search company, puts it this way: "An MBA can certainly give a candidate an edge in the recruitment process. It demonstrates a capacity for strategic thinking and a capability for organisational improvement. It has always been particularly valued by management consultancies and professional service companies who would rank an MBA as a highly desirable criteria, but we have found in recent years that private companies and public sector organisations are recognising the benefits, too".

### The Bottom Line for MBAs:

The MBA Association, the representative body for MBAs living and working in Northern Ireland, the Republic of Ireland and abroad, recently followed up its members' fortunes via a poll by Amárach Consulting, to mark the launch of its job networking website,



"The network that grows out of an MBA classroom is also second to none, and provides invaluable advice and support."

The results were encouraging for anyone considering going back to business school in 2007.

The overwhelming majority of MBA respondents did indeed find that their careers were substantially enhanced following completion of their MBAs. Within two years of graduation:

- 51% had changed position; 36% had achieved significant promotion.
- 70% of MBA graduates enjoyed salary increases – almost half experienced a boost of 20% or more within two years of completing study – and 14% experienced 50% plus salary enhancement within

- One in four MBA graduates earned €100,000 – 150,000 in 2006.
- The gender divide is indeed apparent with 25% of males earning €100,000 – 150,000 in 2006 compared to 17% of females.
- Salary enhancement for private sector MBAs outperformed their public sector counterparts – 17% of those working in the public sector earned over €100,000 compared to 36% in the private sector.

The best news for graduates is that the MBA qualification continues to be held in high regard

respondents believe that an MBA has provided competitive advantage and is a differentiator in the recruitment process.

**About the MBA Association of Ireland:** The MBA Association of Ireland (MBAAI) is the 2100-strong representative body for MBAs living in Ireland. Its mission is to improve the practice of management through continuous learning, to which end it organises around 40 events throughout Ireland each year. 80% of members are MBA graduates of less than 10 years standing; the average age group is 35 - 40 years, and members occupy middle and senior management positions within industry and commerce in Ireland. Its new job networking site launched this month – visit [www.mbaassociation.com](http://www.mbaassociation.com)

