

It's a better job that counts

Michael Jacobs

James Edsberg (pictured below) started his MBA programme at Insead in Fontainebleau, France, in 2001 in the hope of moving away from his career in commercial law into a more business-oriented role. But things did not quite go to according to plan and he graduated into the worst market for MBA graduates for a decade.

"Career-changing opportunities are tough to come by in the best of times – we graduated into a market that was just recovering from the dotcom, so it was safety first for most people," he says.

Some of his fellow MBAs were forced to return to their former jobs, often out of economic necessity given the heavy burden of loans taken out to cover tuition.

Mr Edsberg took a riskier approach and co-founded a London-based consultancy, Lighthouse Global, where he still works as a partner. "My entrepreneurial spirit was lit during the programme and I decided to give it a go while the fire was still in me," he says.



Many MBA graduates will face similar decisions this year. They may also reflect on the value of their MBA and the bad publicity that has attached to the degree. With several high-profile MBA graduates found culpable in the financial crisis, many business schools are looking to their laurels and considering whether ethics and social responsibility should replace profit margins and shareholder value.

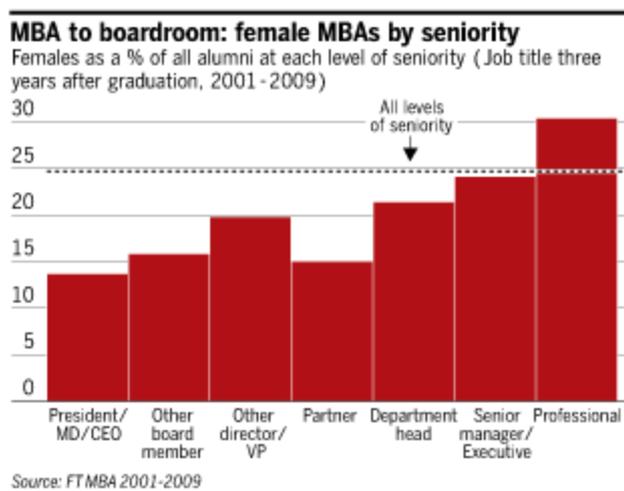
Feedback from more than 65,000 alumni, gathered annually by the Financial Times since the third Global MBA ranking in 2001, shows that what motivates MBA students is getting a better job.

When asked about their reasons for studying, students consistently report career progression as the most important factor. Between 2001, when the graduating class of 1997 was surveyed, and 2009, when the graduates of 2005 completed the FT questionnaire, career progression was the highest priority on six out of nine occasions.

Students rate a broader understanding of business as the second most important reason for studying for an MBA. Increased earnings, the most tangible benefit of professional development, comes third.

Business schools are as consistent as their students when it comes to focusing on these three key goals. Between 2005 and 2009, where comparable data on achieving programme aims are

available, almost 90 per cent of those surveyed said they had increased their business knowledge. And 86 per cent of alumni said their earnings increased with their MBA.



Employment data for alumni before their MBA and three years after graduation support these findings. Between the 2001 and 2009 surveys, six out of 10 of alumni secured a more senior job following their MBA.

Using this data to predict future trends, however, may be unwise. The damage recent events have done to the MBA brand could make graduates a less attractive proposition for employers, at least in the short term. The fact that there are fewer jobs available as a result of the credit crunch will have an impact.

Given the general levels of satisfaction of MBA alumni, talk of the need for radical change appears slightly reactionary. That does not mean there is no room for improvement. One obvious target is female participation. Women are consistently in a minority on MBA programmes, on average composing a quarter of alumni since 2001.

As for female seniority and remuneration, year after year female MBAs report that they earn less than their male counterparts and are under represented at the highest levels of companies. Holding business schools accountable for this broader social issue might be considered rather unfair, however.

But Mr Edsberg is happy with his MBA, which continues to stand him in good stead. "My MBA has been utterly integral to my business success," he says.

"There's pretty much no business problem you can throw at me in a meeting that I haven't at least heard of before. And if I don't know the answer, I know where to find it – which is just as important."

Financial Times, New York, June 7, 2009, Business Education, online.