

**An MBA graduate as an “informed generalist”: is this good enough for employers? A case study of South African Business Schools**

**Oliver MTAPURI**

University of Kwazulu-Natal  
Howard College Campus, Pietermaritzburg  
South Africa

[mtapurio@ukzn.ac.za](mailto:mtapurio@ukzn.ac.za)

**Mankolo LETHOKO**

University of Limpopo  
Turfloop Graduate School of Leadership  
South Africa

[Mankolo.lethoko@ul.ac.za](mailto:Mankolo.lethoko@ul.ac.za)

**Abstract**

Numerous studies have been done with regards to the quality, relevance, curriculum content, employers' needs in relation to MBA graduates and the students' expectations when they enrol for an MBA. However, there are a few studies which have been done to investigate the need to have a traditional general MBA programme or an MBA with specialisation. The content (curriculum) of business education and the ways in which it is transmitted constitutes the crux of the existence of business schools. It is against this backdrop that this paper seeks to investigate the different configurations that exist within the MBA with specialisation or a traditional MBA with no specialisation. The article uses content analysis of the curriculum of the existing curriculum of 16 accredited business schools in South Africa in order to determine if South African Business schools are embracing the latest developments in management education, whereby institutions are moving towards an MBA with specialisation as opposed to a general MBA. The article draws conclusions from the existing curriculum and literature, and makes recommendations that business schools in South Africa should consider having some specialisation in their curricula in order to accommodate candidates from various fields more effectively instead of making everyone an informed specialist.

**Key words:** Master of Business Administration (MBA), MBA curriculum, traditional MBA, MBA with specialisation

## **MBA programından “genel kültür seviyesinde” mezun olmak: Çalışanlar için yeterli mi? Güney Afrika’daki işletme okulları üzerine vaka çalışması**

### **Özet**

Sayısız araştırma, öğrencilerin MBA programlarına kayıt olmadan önce programın kalitesi, ders içeriklerinin uygunluğu, müfredatı gibi konularda araştırma yaptıklarını ve işletme programlarından beklentileri hakkında değerlendirmelerde bulduklarını göstermektedir. Fakat bir MBA programının içeriğinin klasik bir şekilde mi yoksa bir uzmanlık alanına yoğunlaşarak mı düzenlenmesi gerektiği konusunda çok az araştırma mevcuttur. İşletme eğitiminin içeriği (müfredatı) ve bu içeriğin öğrencilere nasıl aktarılacağı konusu bu eğitimi veren okulların en önemli sorunu olmaya başlamıştır. Bu makale MBA programlarının müfredatlarının genel içerikli mi yoksa bir alanda uzmanlaşmaya yönelik mi olması gerektiği konusunda bir inceleme sunmaktadır. Makale Güney Afrika’daki akredite edilmiş 16 tane işletme okulunun müfredatının işletme eğitimindeki en son gelişmeleri kapsayıp kapsamadığını değerlendirirken, söz konusu müfredatın belli bir alanda uzlaşmayı teşvik edip etmediğini de konu alıyor. Makale Güney Afrika’da mevcut müfredat üzerinde yapılan yorumları içeriyor ve sonuç olarak, Güney Afrika’daki MBA programlarının genel bilgilere sahip olan mezunlar yerine farklı alanlarda uzmanlığını kazanmış kişiler yetiştirmesini öneriyor.

**Anahtar Kelimeler** Master of Business Administration (MBA), MBA curriculum, geleneksel MBA, uzmanlığa yönelik MBA

### **Introduction**

According to the Council of Higher Education (2004: 69),

*“the status of the MBA as a postgraduate degree, its multidisciplinary nature, its practical orientation, its purpose to the world of business and to society’s broader needs, and the differences between business expectations of the MBA and the actual outcomes of the qualifications offered by business schools have been more or less constantly contested since the opening of the first business school in the US in the late century.”*

In line with the above quotation, the MBA programme has been praised and criticised in extant literature. The article cites some critiques of the MBA qualification: on the one hand, according to Louw et al. (2001: 43), “MBA programme succeeded in developing the ability to

identify the relationships between elements, concepts and theories and to integrate them into a new logical whole, while simultaneously providing the opportunity for the practical application of material learnt. This reinforces the concept that MBA education is career-orientated”. On the other hand, Pfeffer and Fong (in Rubin & Dierdorff, 2009) note that to “date little evidence exists supporting the actual connection between mastery of the MBA curriculum and subsequent on-the-job behaviour”. Mintzberg (2004) also cited in Rubin & Dierdorff (2009) argues that “today’s conventional MBA programmes are more akin to specialised training grounds for the specific functions of business, rather than the broad practice of management”. Bennis and O’Toole (in Rubin & Dierdorff, 2009) strongly maintain that “business schools have lost their way by refusing to view management as a profession rather than a science...the focus of graduate business education has become circumscribed and less and less relevant to practitioners”.

It is against this backdrop that this article seeks to pose the following questions: what configurations exist in MBA programmes *vis-à-vis* specialisation? What is the response of the South African business schools in terms of creating MBAs which respond to national, industry and institutional imperatives? What does literature recommend with regards to offering either a general MBA and having specialisations in MBA degrees?

### **Research Methodology**

This article is based on a study of MBA Programmes being offered at both private and public business operating in South Africa. Sixteen Business schools offering MBA programmes in South Africa were studied. Data were derived from institutional information in brochures and on the internet/web pages of the institution, document and literature reviews. The data analysis took the form of content analysis in which the researchers analysed the modules being offered in each of the 16 institutions, and investigated if the degrees were general or specialised towards certain fields such as healthcare, engineering and so forth.

### **The MBA Curriculum in South Africa**

Anil and Icli (2013: 179) point out:

*Individual and social development can be achieved with the help of education. Knowledge society and knowledge-based economy creates a new global system. In this new global system, the*

*economic system, the economic power of an individual is measured by his or her knowledge and education level while the competitive power of a country is measured by both its human and social capital. Universities are affected by these changes around the world. Therefore gaining and/or sustaining competitiveness depends on their curricula, research facilities, visions and implementing changes accordingly.*

Rubin & Dierdorff (2009: 216) argue that because MBA programmes were conceived on the understanding that they train future managers, there should be some congruence between the required managerial competences and the courses on offer which should nurture such competencies. This discussion implies that amongst other elements, curriculum plays a significant role in terms of making an institution or nation to be competitive. In addition, “A mission is the foundation for designing, delivering, assessing, and justifying a school’s curriculum to critical accreditation bodies such as the Association to Advance Collegiate Schools of Business (AACSB; Thompson, 2004 cited in Rubin et al., 2009: 212). Table 1 and 2 depicts a picture of the most common core modules and common elective modules which are offered in 16 South African Business schools.

**Table 1: Most common core modules offered at business schools in South Africa**

<b>Marketing</b>	<b>16</b>
<b>Strategy</b>	16
<b>Financial Management</b>	16
<b>Leadership</b>	15
<b>Human Resources</b>	14
<b>Research Methods</b>	14
<b>Managerial Economics</b>	13
<b>Operations Management</b>	12
<b>Management Accounting</b>	9
<b>Organisational Development and Transformation</b>	8
<b>Financial Accounting</b>	7
<b>Information Technology Management</b>	7
<b>Quantitative Methods</b>	6
<b>Business Ethics &amp; Corporate Governance</b>	6

*(Source: Lethoko & Mtapuri, 2014)*

**Table 2: Most common elective modules offered at business schools in South Africa**

<b>Entrepreneurship</b>	<b>10</b>
<b>Information &amp; Knowledge Management</b>	<b>9</b>
<b>Finance</b>	<b>6</b>
<b>Project Management</b>	<b>5</b>
<b>Public Sector Management</b>	<b>4</b>
<b>Environment management</b>	<b>4</b>
<b>Marketing Management</b>	<b>3</b>
<b>Business &amp; Professional Ethics</b>	<b>3</b>
<b>Investment &amp; Portfolio Management</b>	<b>3</b>

*(Source: Lethoko & Mtapuri, 2014)*

The proliferation of electives appears to be more of bait than what the students or employers want. According to the Association to Advance Collegiate Schools of Business (AACSB) (2013), the curriculum content of a General Business and management knowledge areas must include the following general skills areas:

- Written and oral communication;
- Ethical understanding and reasoning;
- Analytical thinking;
- Information technology;
- Interpersonal relationships and teamwork;
- Diverse and multicultural environments;
- Reflective thinking; and
- Application of knowledge.

From the above discussion and in conjunction with the modules discussed in table 1, South African Business Schools should ensure that the courses on offer are able to develop such knowledge, skills and competencies. A lot also depends on how these courses are delivered and the curriculum offered to make a judgment on aptness of the curricula on offer.

In addition, the Council of Higher Education (2005) lists the following skills which should be included in an MBA in its Business education learning skills profile:

- Concrete Reflective
- Abstract Active
- Interpersonal skills
- Analytical skills
- Behavioural skills
- Sense-making skills
- Theory skills
- Goal-setting skills
- Leadership skills
- Information gathering/Quantitative skills
- Action skills
- Relationship skills
- Information analysis technology skills
- Initiative skills

In terms of the cross field outcomes, MBA students are expected to possess wider, generic skills such as being able to identify and solve problems; work in a team; collect and analyse and evaluate material; communicate effectively; recognise problem solving contexts and participate as responsible citizens.

From the two accreditation bodies, it can be concluded that the South African curricula is on track in terms of the content that is being taught at the MBA level. However, the CHE (2005) points out that MBA programmes are facing an identity crisis as they enter the new millennium. The CHE (2005) argues that there is an international tension between a “professional” MBA and an academic MBA, and notes that this distinction is potentially dangerous to the field of management sciences. The AACSB (2013) makes a distinction between the content of a General Master’s degree programme and Specialised Degree Programme. The differences are depicted in Table 3.

**Table 3: Difference between a general and a specialised Master's Degree programme**

<b>General Business Masters degree programs</b>	<b>Specialised Business Master's Degree Programmes</b>
<b>Leading in organisational situations</b>	Understanding a specific discipline from multiple perspectives
<b>Managing in a global context</b>	Framing problems and developing creative solutions in a specialised discipline
<b>Thinking creatively</b>	Applying specialised knowledge in a global context for practice oriented degrees
<b>Making sound decisions and exercising good judgment under uncertainty</b>	Conducting high quality research for research-oriented degrees
<b>Integrating knowledge across fields</b>	

**(Adapted from AACSB: 2013)**

Various authors have written about these phenomena of a general versus an MBA with specialisation. As such, various models and configurations have been suggested by various authors and are discussed in detail below:

### **MBA Configurations According to the Literature**

Hunt and Speck (1986) propose the following configurations and possible types of MBA programmes:

- The broad and completely unstructured MBA – A broad flexible two-year programme allowing students to structure their entire programme.
- The broad and semi-structured MBA – a two-year course that requires students to take courses in key areas of business in the first year, but allows them to structure the second year.
- An MBA with strong specialisation – a two-year programme that requires students to take courses in key areas of business in the first year, pick a major and concentrate almost exclusively on the major area (7- 8 courses) in the second year.

- An MBA with moderate specialisation – a two-year programme that requires students to take courses in key areas of business in the first year, and take 3 – 4 courses in the major area during the second year along with 3 courses in elective areas related to the major.
- The broad and completely structured MBA – completely structured two-year programme, where a student follows a strict sequence of required courses in several areas of business, but does not major in a specific area.

Gupta, Saunders and Smith (2007) maintain that academia and industry have started looking for functional specialisations (in functions of business such as finance or marketing). Thus, an MBA with concentration or specialisation or even a functional MBA degree has evolved. Single stream specifications have evolved into dual specifications wherein students pursue combinations of functional domains. In some cases, there are some recent trends pointing to an emergence of sector specific MBAs. Some of the existing fields include Duke's Health Specific MBA, North West's marketing MBA, and MBA programmes in Retail, Banking, Insurance, Tourism, Real Estate, Disaster Management and Energy are all evolving. In addition, Hunt and Speck (2006) developed another configuration of an MBA with specialisation which is discussed below.

### **Type 1: General MBA Programme**

- Focuses on Core subjects that are aimed at developing knowledge and skills in all key areas of business, rather than specialised areas.
- This kind of MBA is accepted more by employers who desire general business organisation and communication skills over specific functional skills.
- For these employers, the primary purpose of an MBA is to produce managers who understand the entire business rather than a specific segment.
- This programme attempts to produce managers who can understand every aspect of the business.

### **Type 2: MBA with Specialisation**

- Many business educators have decided that the Core MBA Curriculum is no longer enough to suit the needs of today.

- Businesses are more interested in hiring students who are more exposed to a more specialised, integrated, and experiential and sequenced curricula.
- Today, companies want employees to learn specialised skills sets and they will contract MBA programmes to deliver them on site.
- This programme does not conflict with the need for general knowledge.

### **Type 3: General MBA and Specialisation Options**

There are concerns about focusing too much on MBA specialisations. Focusing on a speciality could gloss over the basics such as marketing and finance. It could also result in a smaller pool of applicants, a less diverse student body, a diminished educational experience and limited career choices for graduates. Some of the configurations include the following:

- A more narrow appeal could also be a problem to big recruiters such as consulting companies that prefer the general MBA.
- Some business schools are compromising by offering management specialisations that have broad applications such as leadership.
- Many educators argue that business schools need to provide students with well-rounded capabilities because most companies still look for criteria they did 30 years ago.
- Some business schools prepare students with both a generalist background and specific knowledge.
- Some business schools offer a combination of general MBA programmes and specialisations.
- Other business schools give students a choice between a general MBA and a general MBA with specialisation.
- In some cases, students could get a general MBA in which they complete core courses required to graduate and then take additional electives or select a specialisation in a functional area.

#### **Type 4: MBA with Numerous Specialisations in Niche Areas**

- Narrow specialisation maybe more in demand as businesses lean towards demand for an informed generalist.
- Example: the University of Wisconsin-Madison which, in 2004, replaced the general MBA 13 distinct specialisations in everything from arts specialisation to applied corporate finance.
- The university has chosen to build speciality around specific industries within their area.
- In a sample of 27 business schools, they had a total of 85 niche specialisations in the US.
- Four most common specialisations are in marketing, finance, accounting and management.
- Other common MBA concentrations included management information systems, human resources, international business, entrepreneurship and operations management, health-care, project management, innovation and change, creativity, etc.

#### **Examples of MBA with Specialisation:**

According to the literature, the following MBA specialisations already exist in various countries across the world:

- Real Estate MBA – US;
- MBA with specialisation in Supply Chain management – Bryant University;
- MBA in sustainable development – Malaysia;
- MBA in accountancy – Singapore;
- MBA with specialisation in International Business, Singapore;
- MBA in Pharmaceutical marketing;
- Executive MBA in Health Administration with Pharmaceutical option;
- Executive MBA in Water Management, US
- MBA for Public Sector Management.

In South Africa, a few business schools are slowly beginning to move towards specialisation such as the North West University which offers an MBA in Marketing and the University of Limpopo which offers an MBA in Public Sector Management. In a student survey, the respondents emphasised the need for specialisation as opposed to generalisation. However, a holistic approach which integrates all relevant subject matters was deemed important for a “balanced overall development” (Louw et al., 2001: 44).

### **Decline in MBA Interest**

On the one hand, some observers have concluded that there is a decline in relevance and influence of MBA programmes. On the other hand, the rate of return for MBA is high and the demand for MBAs on the part of the recruiters has increased. What is apparent is that the curriculum has to be continuously assessed to ensure that they are timely and germane to the needs of businesses.

### **What do the Students Want?**

In a study of South African business schools, Louw et al. (2001: 44) come to the conclusion that business schools should focus on Small Business Management and Entrepreneurship than on the management of big firms. According to the students surveyed, they claim that the MBA programme should have a “larger practical component” comprising experiential and learning by doing, in which South African case studies of small/medium-sized businesses and the service industry are involved; invitation of guest lecturers from business practice; homework involving collaborating with a real firm; firm visits, and presenting to and being assessed by people in business such that the training is life-long, outcomes-based and largely practical (Louw et al., (2001: 44).

They also argue that the training should emphasise the development of more qualitative “soft” than quantitative “hard” skills. Examples of soft skills include leadership skills (creative thinking, systems thinking; team building skills, public speaking skills, Interpersonal skills, and presentation skills), entrepreneurial skills and so forth (Louw et al., 2001: 44). Rynes et al. (2003 cited in Rubin & Dierdorff, 2009) argue that their research showed “negative attitudes toward learning such soft skills”.

Louw et al. (2001:44) note that the students also wanted opportunities to network internationally with other business schools in student exchanges arrangements and that international lecturers

should be involved in the delivery of courses, and finally that the facilitators on the MBA programme should have practical experience.

### **What does Industry Want?**

In a study in the USA involving managers, and using Factor Analysis, Rubin & Dierdorff (2009: 216), identified six competencies required by managers, namely,

- **Managing Decision-Making Processes** - Getting Information; Judging the Qualities of Things, Services, or People;
- **Managing Human Capital** - Coaching & Developing Others; Resolving Conflicts & Negotiating with Others; Developing & Building Teams;
- **Managing Strategy & Innovation** - Thinking Creatively; Developing Objectives & Strategies; Providing Consultation & Advice to Others;
- **Managing the Task Environment** - Communicating with Persons Outside Org.; Establishing & Maintaining Interpersonal Relationships; Selling or Influencing Others;
- **Managing Administration & Control** - Evaluating Information to Determine Compliance with Standards; Documenting or Recording Information; Performing Administration Activities;
- **Managing Logistics & Technology** - Inspecting Equipment, Structures or Materials.

In addition, Rubin & Dierdorff (2009) also provide the courses linked to the competencies as follows:

- **Managing Decision-Making Processes** - Managerial Decision Analysis; Decision Models; Applied Statistical Analysis; Managerial Statistics; Quantitative Methods;
- **Managing Human Capital** - Organisational Behaviour; Human Resource Management; Leadership Dynamics; Organisational Theory; Negotiation; Managerial Effectiveness;

- **Managing Strategy & Innovation** - Strategic Planning; Strategy Implementation; Strategic Analysis; Competitive and Corporate Strategy;
- **Managing the Task Environment** - Marketing Management; Managerial Economics; Macroeconomic Policy; Globalisation of Business; International Economics;
- **Managing Administration & Control** - Managerial Accounting; Financial Analysis; Contemporary Business Law; Corporate Finance; Business Policy; Cost Analysis;
- **Managing Logistics & Technology** - Operations and Supply Chain Management; Management Information Systems; Production and Operations Management; Operations Management.

They came to the conclusion that incumbent managers highly rated *managing human capital* and *managing decision making processes* as the critical behavioural competencies required in management. However, they lament the fact that “competencies are not given proportional ‘space’ within most MBA programmes’ required course work.” They surmise that MBA programmes “deliver content relevant to general managers” (Rubin & Dierdorff, 2009: 217-218).

While acknowledging that an MBA is a general degree, they posit that it should not include everything because “generality may obscure the depiction of complexity” (Rubin et al., 2009: 220).

### **Concluding Remarks**

There has been a mixture of reactions and viewpoints in terms of whether to specialise or not in MBA studies. Various authors have raised the following points with regards to the MBA degree:

- Students indicate that opportunities for increased salaries and career advancement are the reasons for pursuing an MBA degree. However, they are not sure as to whether they want to specialise or not.
- Graduate programmes in business education are at crossroads, as the students and faculty are torn between selecting or offering a general MBA programme and an MBA with specialisation.
- The existing literature supports both options.

- Traditional MBA programmes focus on required courses that are aimed at core business disciplines with no specialisation in the functional areas. Then students take electives based on a variety of interests.
- MBA programmes have increased over time on the basis of the belief that businesses need people who have a more in-depth understanding of particular functions and the tasks that they require.

In conclusion, South African Business Schools have not ventured fully in this debate. Are SA business schools offering relevant curricula? This depends on the evaluation yardsticks to be used to make that judgment. Rubin et al. (2009: 211) suggest “the behavioural competencies serve as key, evidence-based criteria against which assertions of curricular relevancy can be systematically evaluated”. This is an area we posit for further research in the South African context guided by national and global imperatives.

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