

Philippine MBA Program: A Vision of the Academe and Industry

Stanley S. Nangoy
University of Santo Tomas
Manila, Philippines

MBA program has been recognized as one of the most successful business and management education programs in the 20th century. Is the MBA program still considered important in the 21st century as it was in the 20th century? This study provides some insights from the Philippines' Academe and Industry about the prospects of the 21st century MBA programs in the Philippine business environment that will be greatly influenced by information technology and global business orientation, and the MBA program should concentrate on an entrepreneurship, international business, and information technology.

Keywords: MBA program, business administration, management education.

Despite Asia's economic and currency crisis in the late 1997, World Executive's Digest printed the following head line in its March 1998 issue "MBAs: THE BOOM CONTINUES". This issue highlights the 1997 MBA Career Guide Recruiter Research, which reported an increase trend of MBA Recruitment Index in all business sectors and industries from 93 up to 1997. (Guacquirelli, 1998)

History shows that since 1960 the MBA program has become the most lucrative and most important program in management education. Learning business schools all over the world have become the major source of managers for executive recruiters. A Fortune poll of top Chief Executive Officers (CEOs) in 1993 shows that 68% of executive recruiters expect no change in the percentage of MBAs they hire. (O'Reilly, 1994)

Despite its attractiveness, the growth and development of MBA programs have been not without problems. Since 1970 the MBA program has become a "prerequisite" for career development, and the demand for MBA graduates has been increasing, hence many universities, colleges and institutions, even some of them without strong background in business and management education, started to offer the MBA degree. Subsequently the emergence of the second and even third class business schools – most of them without accreditation – started to fill the market with unqualified graduates. (Mendoza, 1992)

By late 1980's to the 1990's as the issue of globalization and the use of computer and other sophisticated electronic devices started to dominate the business operations and the demand for the new skilled employees increased, there seemed to be a consensus that the MBA program could fill this demand. New MBA programs were introduced by many leading business schools and these were imitated by other less prestigious schools.

All over the world, MBA programs have been patterned after the US model, but problems continue to beset the business education world. (Ettorre, 1992)

Business and management educators and the business community have constantly complained about the quality and performance of the MBA graduates. The existence of overpriced MBA graduates, who employ unethical practices are suspected as the root causes of the collapse of the major well-established companies in Europa and US, as well as for the current monetary chaos in Asia. (Mowday, 1996) The latest economic crisis in Japan is partly considered as the failure of the higher education system, which produced unqualified graduates who have little to contribute to firms. (Kattoulas, 1998)

By 1990, as the big companies started downsizing the layer of middle management where most MBAs have been hired, corporations began to reexamine their MBA hiring strategies. The glorious day of the MBA program seemed to begin to fade. (Ettorre, 1992) Corporate executives began to issue suggestions to business school to revise their curricula, and universities were asked to synthesize their course offerings. (Ettorre, 1992)

As the 21st century transforms the world from the industrial age into the information age, the mode of conducting and operating business changed drastically. Experts, both academicians and practitioners have come up with new concepts on business and management education. Thus :Revitalizing, Revising, and Transforming the MBA” have become a loud and demanding issue and the question ‘How does the MBA programs define this new order and be able to prepare manager, who will lead business and society into new era?’ has been a critical concern.

STATEMENT OF THE PROBLEM

This study aims to investigate the characteristics of the business environments and the changes in business concepts and practices which are envisioned by the academe and industry as the factors that will strongly affect the operation of the future Philippine business schools and their MBA programs.

Hence this study attempts to identify: 1) the characteristics of the 21th century Philippine business environment, 2) the competencies required for the 21th century MBA graduates, and 3) the profile of the 21th century MBA program,

Specifically, this study answered the following research questions:

1. What are the visions of the academe and industry in the following issues: a) the 21th century Philippine business environment, b) the 21th century Philippine MBA graduates competencies, and c) the 21th century Philippine MBA programs?
2. Are there any significant differences, in the visions of the academe and industry in identifying: a) the 21th century Philippine business environment, b) the 21th century Philippine MBA graduates competencies, and c) the 21th century Philippine MBA programs?
3. As envisioned by the academe and industry, what will be the main characteristics of a) the 21th century Philippine business environment, b) the 21th century Philippine MBA graduates competencies, and c) the 21th century Philippine MBA programs?

4. Are there any significant differences, in the visions of the academe and industry in identifying the main characteristics of a) the 21th century Philippine business environment, b) the 21th century Philippine MBA graduates competencies, and c) the 21th century Philippine MBA programs?
5. In the light of the 21th century and as envisioned by the academe and industry, what are the changes in (a) the Philippine business environment, (b) the Philippine MBA graduates competencies, and (c) the Philippine MBA programs?
6. In the light of the 21th century, how do these perceived changes vary when the respondents are grouped into the academe and industry?
7. What is the model of the Philippine MBA program for the 21st century?

METHODOLOGY

The descriptive survey method of research with closed ended questionnaire was employed to elicit the perceptions and the visions of selected academe and selected industry respondents. The questionnaire was validated and pre-tested prior to distribution. The population of the study is the MBA program directors and the deans of graduate business schools to represent the academe, and the human resources managers of multi-national corporations to represent the industry.

The purposive sampling was used, and the academe respondents are the MBA program directors and deans of graduate business schools from the all MBA programs in National Capital Region, while the industry respondent are the human resource managers from the best multinational corporations enlisted in the November 1998 Asia week issues and Business World volume 12, 1998.

FINDINGS

Philippine Business Environment.

As envisioned by the academe and industry the following issues will strongly affect the 21st century Philippine environment:

1. Global employment opportunity for professionals
2. Awareness of moral/ethical/cultural values
3. Air and water pollution control
4. Industrial waste control
5. Traffic and sewer system control
6. International trade and business
7. The formation of economic alliances
8. Hi-tech employment
9. Hi-tech information and telecommunication in both individuals and business transactions
10. Supremacy of universal human right and democratic concept in controlling the government authority
11. The formation of global market and deregulation in local/regional economies

They also envisioned that the following changes will strongly affect the future Philippine business environment:

1. Understanding other major foreign language (s)
2. Foreign ownership in local business
3. Automation and robotic
4. Biotechnology and genetic engineering

Philippine MBA Graduates Competencies.

The academe and industry envisioned that the following competencies are required for the future Philippine MBA graduates:

1. Global business orientation
2. Intercultural understanding
3. Understanding local/global political issues
4. Proactive leadership
5. Innovative and creative
6. Integrative ability
7. Technology literacy
8. Flexible adaptive behavior
9. Negotiation skills
10. English fluency
11. Computer fluency
12. Strategic/policy development
13. Business functional understanding (e.g. accounting, finance marketing, etc.)

In the long term seven additional competencies will also be required for the future MBA graduates:

1. Understanding in legal environmental protection
2. Understanding values/ethics
3. Ability to motivate others
4. Breadth and depth of knowledge in current issues
5. Understanding of other foreign language (s)
6. Economy literacy
7. Quantitative analysis

Philippine MBA Program Features

The following features are considered by the academe and industry as important criteria for the future MBA program:

1. Admission criteria: GMAT/TOEFL score or entrance exams and interview, and managerial work experience.
2. Curriculum: strategic management, geopolitic and international business, entrepreneurship, and information technology
3. Academic achievement criteria: individual assignment, group assignment, participation in class discussion.

4. Instruction facilities: computerized library network, research facilities, hi-tech telecommunication system and internet web-sites.
5. Faculty: broad range of teaching experiences, possess a continuing practical business experience, expert in the subject areas he/she is teaching, and computer fluency and information technology literacy.
6. Method of instructions: case studies, actual project assignment, and computer simulation programs.
7. Quality control: accredited by local agencies, market recruiter's demand, International Standard Organization (ISO-9000), and regular internal self-evaluation.

CONCLUSIONS

The future Philippine business environment will be strongly affected by the technological, economic and political issues, which in turn will adversely affect the physical business environment. Social and cultural issues are the issues that will least affect the future business environment.

In the 21st century global employment opportunities will be widely opened for the professionals. Hi-tech information and telecommunication will characterize the future employment and there would be changes from traditional employment to hi-tech employment.

International trade and business will continue to dominate the future market and economy, and the formation of global markets will be culminated by the deregulation in both local and regional economy. This will be accompanied by the formation of economic alliances, and foreign ownership on local businesses.

Future managers should be globally oriented experts, who are comfortable in cross-cultural environment and have better understanding in major foreign language (s) and be able to think strategically beyond borders with leadership skills and entrepreneurial spirits. They also should be fluent in English and computer.

Therefore, the future MBA program should have the following features:

1. Student admission. The applicant must have at least 2 years managerial working experiences, and must have a minimum 550-600 GMAT scores, or passed an equivalent entrance exams.

2. Curriculum. The MBA curriculum will be concentrated on strategic and global orientation management, geopolitical and international business as well as entrepreneurship and information technology.

3. Academic achievement. Student academic achievements should emphasize on individual assignments, group assignments, group assignments, and participation in class discussions. And final evaluations are written/oral comprehensive exam and research project.

4. Instructional facilities. Future MBA classes must have access to internet technology from personal PCs, and must have computer facilities that will enable students to upload and download assignments as well as communicate with their teams via these facilities. Research facilities and computerized library network must provide 24 – hour access capability for students in a certain campus social areas.

Finally, electronic data system with virtual inter-organization and simulation program as well as on-line case study will be used to enhance student's learning.

5. Faculty. The MBA faculty must have the integrity and commitment to teaching career. They must possess a continuing practical business experience, and must be experts in the subject areas they are teaching. Furthermore they must be fluent in computer and comfortable with technology.

6. Method of instructions. Case studies presented from personal PCS and computer simulation programs using CD ROMs – as integral components for multimedia approach to using case studies – will be the learning characteristics for the future MBA program. Finally, actual project assignments and research projects – exploring cross-functional projects, issues of trust/regulations and e-commerce, strategy/human resource/information technology management and the use of IT knowledge in organizations, and entrepreneurship/risk-taking in a dynamic global environment – will be the main subjects for future studies.

7. Student's academic achievement evaluation. Regular evaluation will emphasize the quality of students' participation in class discussion, individual and group assignments. Final evaluations will be considered written/oral comprehensive exams, and thesis or project feasibility study or research project.

8. Quality control and accreditation. The MBA program must have regular internal self-evaluation-preferably by students, subordinates and peer/colleagues, accompanied by a counter check evaluation from market recruiters demand and local accrediting agency.

AUTHOR

The author is presently the Dean of Economics Faculty at Universitas Klabat, Airmadidi Manado, Indonesia. His scholarly activities and teaching relate to the teaching of business administration and accountancy.

ACKNOWLEDGEMENTS

The writer acknowledges South-Asia Pacific Division of the Seventh-day Adventist Church for funding the research. His sincere appreciation goes to Carolina Prada, PhD, his research advisor and Rodolfo T. De Lara, PhD, Mario Perilla PhD, Cornelio de la Cruz, PhD, Bienvenida H. Abustan, PhD, and Mercedes M. Leuterio, PhD, his evaluating and examining panel members.

REFERENCES

- Alkhafaji, A. F. (1995). *Competitive global management: principles and strategies*. Delray Beach, FL: St. Lucie Press.
- Arcelo, A.A. (1994-2000). Philippine private education 2000: FAPE point of view. *FAPE Review*, 21 (2).
- Bennis, W.G. & Mische, M (1995). *The 21st century organization: Reinventing though reengineering*. San Francisco: Jossey-Bass Publisher.

- Crampton, T. (1998, October 12). Home Schooling: Getting an MBA in Asia. *Fortune*, pp. 23-45.
- Ettore, B. (1992). The MBA world revisited: What corporations are doing now? *Management Review*, pp. 15-18.
- Gibson, R. (Ed.). (1997). *Rethinking the future: Rethinking business, principles, competition, control, leadership, markets and the world*. London: Nicholas Brealy Publishing Limited.
- Higher education and human resource development in Asia-Pacific for the 21st century*. (1997). Manila: Commission on Higher Education, Republic of the Philippines, FAPE.
- Jacob, N.L. (1998, October 12). Where Asia's best and brightest get their MBA. *Fortune*, pp. 23-25.
- Kahn, J. (1998, October 12). Where Asia's best and brightest get their MBA. *Fortune*, pp. 46-50.
- Kattoulas, V. (1998, July 27). Stepping out. *Newsweek*, p. 17.
- Kierman, M. J. (1996). *The eleven commandments of 21st century management: what cutting-edge companies are doing to survive and flourish in today's chaotic business world*. Englewood Cliffs, NJ: Prentice Hall Inc.
- Keirman, M. J. (1996). *The eleven commandments of 21st century management: what cutting-edge companies are doing to survive and flourish in today's chaotic business world*. Englewood Cliffs, NJ: Prentice Hall Inc.
- Mario L., Quacquarelli, N. & Khan, A. (1998). Business school review: report from the 1997 international MBA recruiter research. *The MBA Career Guide*. Philadelphia, PA: PCG, Inc.
- Marquardt, M.K. (1996). *Building the learning organization*. New York: McGraw-Hill.
- Mathews, J. (1994). *Catching the wave: Workplace reform in Australia*. New South Wales: Allen & Unwin Pty Ltd.
- Mendoza, G. (1992). *Management: The Asian Way*. Makati, Metro-Manila: Asian Institute Management.
- Mowday, R.T. (1996). Reaffirming our scholarly value. *Academic Management Review*, 117, 40-42.
- Naisbitt, J. (1996). *Mega trends Asia: Eight Asian megatrends that are reshaping our world*. New York: Simon & Schuster Inc.
- O'Reilly, B. (1994, January 24). *Reengineering the MBA*. *Fortune*, p. 37.
- Pesulima, L.S. (1990). *Empirical investigation of the MBA program in Indonesia: Academic versus practitioner perceptions*. Unpublished doctoral dissertation, Nova University, USA.
- Pitt, L., Berthon, P. & Robson M. (1997). The Internationalization of management knowledge dissemination: A dialectic. *Journals of World Business*, 32 (4), 52-60.
- Quaquarelli, N. (1998, March) No let up in demand for MBA. *World Executive's Digest*. P. 13.
- Tan, E. (1995-1996). Efficiency and Effectiveness: Philippine higher education vision 2005. *FAPE Review*, 22(1).