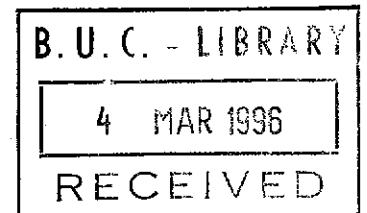


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Lebanese American University

**Performance Assessment of Students Holding MS in
Business in the Lebanese Job Market**



By

Walid Fayez Kassar

February, 1996

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**PERFORMANCE ASSESSMENT OF STUDENTS
HOLDING MS IN BUSINESS
IN THE LEBANESE JOB MARKET**

**A RESEARCH TOPIC
PRESENTED TO BUSINESS SCHOOL
LEBANESE AMERICAN UNIVERSITY**

**IN PARTIAL FULLFILMENT
OF THE REQUIREMENTS FOR THE DEGREE
MASTER OF SCIENCE IN BUSINESS
MANAGEMENT**

**BY
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FEBRUARY 1996**

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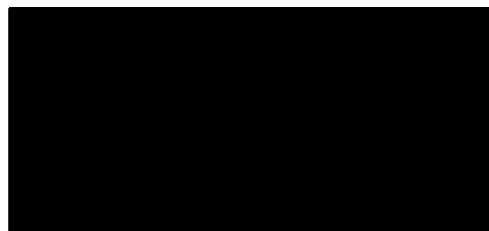
TITLE OF RESEARCH TOPIC: PERFORMANCE ASSESSMENT
OF STUDENTS HOLDING MS IN
BUSINESS IN THE LEBANESE JOB
MARKET

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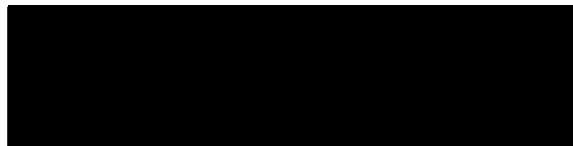
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Dedications

To the one who cared about me and raised me to be what I am;
my mother.

To the one who encouraged me and supported me through my life;
my father.

To the ones who I love and care about; my brother and sisters.

To the ones who fill my life with joy, my friends.

Aknowledgments

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Finally, I wish to express my gratitude to my father and mother for their care and understanding.

Abstract

After a period of prosperity that the MBA degree has realized, the 90s seem to be a decade that threatens the essence of such degree. The notion that an MBA is crucial for the operation of any company is beginning to fade away.

This research gives clear information, from both the academic and business sectors, about the MBA degree and its usefulness to the Lebanese market.

The universities are producing a fine quality of MBAs who proved to be knowledgeable and efficient at work. Moreover, they proved to be at the same standard, and in some cases better than, those graduating from abroad. However, some companies are not encouraging these students. They offer them the same salary and position as any other employee who does not have an MBA degree.

A link must be made between the academic sector and the business sector through which the universities can provide the companies with employees who can operate according to their needs.

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Chapter I

Introduction

The business environment in Lebanon is becoming very complex. The war has placed us behind other countries in term of progress and technology.

Now as the war has ended the companies are facing major challenges to meet. There are long-term plans to be followed, objectives to be met and changes to be made. To accomplish all these things a high caliber and well informed personnel is needed. This kind of personnel must have a wide scope of knowledge, a great deal of business information, and analytical skill that can help him in solving any problem that he faces.

From here the need for the MBA students arise, MBA students can help the companies because they have the ability to tackle problems facing them and to solve these problems depending on the knowledge and analytical skills that they are provided with during their studies.

1.1 The MBA Program in Lebanon

The MBA program is not new in Lebanon. It has been introduced before the war, in year 1929, through the American University of Beirut.

Now the program is offered in five Universities: American University of Beirut, Lebanese American University (Beirut), Lebanese American University (Jbeil), Notre Dame University, and Balamand University. All these universities have similar guidelines by which they abide in teaching their curriculum.

The MBA program applied in Lebanese universities is highly influenced by the MBA program applied in the US. The same accreditation lines are followed and the same selection of courses is offered.

1.2 Purpose of the Study

MBA students are becoming a must for every organization. So a high standard of MBA students must be maintained.

If the university can not offer the companies with MBA students with the qualities stated earlier then there will be inefficiency in the operation of MBA students, and the MBA degree will lose its validity and credibility.

1.3 Need for the Study

To assess the standard of MBA students needed for the proper operation of the hiring company, a study must be made to see what the companies need from MBA graduates and what are the universities offering

to meet these needs. In this way if there is a gap between what is demanded by the companies and what is offered by the universities then it will be spotted and dealt with accordingly.

1.4 Methodology

The approach used to collect data in this research is highly structured. Personal interviews are conducted. These interviews are based on predetermined questionnaires in order to make people's responses comparable. Thus, this research is a descriptive one based on presenting information from two resources, primary and secondary.

1.4.1 Secondary Data

Several business journals and books were used to accomplish this research. First, to provide the proper guidelines for conducting this research. Second, to collect relevant information for this study, and to have a base for data analysis.

1.4.2 Primary Data

The main sources of information for this research were the interviews conducted with both the firms' managers and business schools' directors.

Questions addressed were standardized, so that the differences in respondents' responses can be attributed to genuine variations and not to divergence in the manner or order of asking questions.

Chapter II

The Evolution of the MBA

Program

2.1 Introduction

Lebanon is considered to be a service economy . This belief was prevalent before the war and it continues in the post-war period. Whatever the state of Lebanon's economy there are many challenges facing the country . In response to these challenges there is the need of an efficient manpower to conduct and manage effectively, this manpower should be educated and trained in the right manner.

The training must be made by both the universities and the companies; however the education is the responsibility of the universities alone.

Graduate education is becoming popular in the post-war period. Among the graduate programs that are offered, the MBA is of great importance. Attaining an MBA program is becoming a must for professional and efficient labor force.

In order to cope with such demand for the MBA degree, many schools are offering the MBA as a part of their program. Many of these schools started their MBA program during the war and they continue till now.

The MBA program in Lebanon has been influenced majorly by the MBA programs in the US. So, it is important to have a close look on the history and development of the MBA programs in the US. and what has the MBA done for the society. Then the complaints that arises about the efficiency of the MBA students will be shown. The researcher will show the worthiness of the MBA program and the companies' demand for MBA students.

2.2 The History and Development of Graduate Education

“Graduate education received recognition in the United States in 1876 with the founding of Johns Hopkins University. The influences which culminated the founding of John Hopkins had their roots in the European system of education. Such a diffusion of educational ideas across national boundaries through the centuries has been responsible for much of the development of higher education into what it is today. In the middle ages the University of Bologna had a great influence on the University of Paris, which in turn had considerable influence on the founding of Oxford. Germany was approximately 200 years behind France and England in establishing universities.”¹

Whereas the English universities greatly affected the form of higher education in America at the undergraduate level, as seen in the founding of Harvard College and College of William and Marry, it was the German system which played the greatest part in shaping graduate education in this country.

To the German concept of graduate education, which emphasized original research initiated from within the university, the American universities added a research program of public service initiated from outside the university system.

During the period from 1900 to 1918 the growth of graduate education in the United States was not very impressive, but the universities of the period will be noted for their self evaluation concerning purpose and function which helped making permanent the place of graduate education within the American system of higher education.

The years from 1918 or immediately after World War I, to the end of World War II, were years of rapid expansion in the graduate program in United States. There were many changes during this period; the one, however, which had the main effect on graduate education was the sheer increase in the number of students who wished to pursue graduate studies.

Another development which occurred during this period was the extension of one of the unique basic functions of graduate education - research- from the university setting to governmental agencies, privately endowed foundations, and commercial agencies.

“During this period it became almost an academic axiom that any institution desiring to grow and to mature had to have a graduate program. Many starting out as undergraduate colleges took the road toward distinction and prestige by expanding the undergraduate program to a master's degree program and eventually to a doctoral program.”²

The expansion was not only in terms of the number of institutions granting graduate degrees but also in the number of subject-matter areas in which degrees were granted.

The growing practice of the public school system to use higher degrees as a basis for increased salary and rating for teachers and administrators within the system continued to advance the development of the master's degree.

During World War II there was a suspension in the rapidity of growth in graduate education, but a tremendous growth in enrollment both in undergraduate and graduate schools followed immediately after the war. This growth was reflected in several ways: the increased number of students

applying and entering graduate schools; the increased number of degrees offered by existing institutions; and the additional institutions offering graduate work.

During the post-war years the problems of organization and function, which have been unresolved since the beginning of the graduate education in the United States, in terms of the number of students, which continued to mount, resulting in concern for the quality and content of graduate programs.

“The problem, in the period , is whether the graduate schools are preparing their students in appropriate ways to suit them for the job opportunities awaiting them after graduation. The question of employment after graduation is complex; and varies by subject-matter area. One of the crucial factors is the question of how many of the graduates of graduate education go into college teaching after receiving their degree.”³

2.3 What Has the Graduate School Done for the Society?

On the whole, over the years, the graduate school has done a great deal for society:

- It has grown from a few fields training a few students in institutions to a large and impressive national system of advanced training.
- It has trained a large body of professional people for American higher

education and trained them in subject matter.

- It has increasingly trained personnel for administrative as well as research posts in government and industry.
- In addition to providing personnel for enriched graduate work on its own campus, it has had a number of educational experiments at the college level and it produced a number of leading texts used throughout the system of higher education.
- In all these ways it has served as the source in which a large part of educational and non-educational spheres the graduate school's stamp is accepted as a qualifying mark of competence, often the qualifying mark is that the graduate school has become the chief screen of the scientific and scholarly talent in society.
- Its leading personnel have increasingly served as advisors and consultants on the largest issues of such as foreign relations, economic affairs, scientific policy, civil rights and liberties, and health and welfare.

2.4 When a School is Considered Able to Have a Graduate Program

Two major differences exist between graduate and undergraduate education which make graduate education even more difficult to evaluate than undergraduate education. Whereas most undergraduate programs utilize courses and teachers from several departments, most graduate programs call for specialization in a single department with only a few, and often no, courses from other departments. Furthermore, prestigious professors in a department, because of the autonomy accorded them, can operate their own private graduate programs with minimal attention to departmental or institutional policies. Expansion, toward a graduate program, in particular requires evaluation. Faculty members believe their own status is enhanced by the presence of a graduate program. Administrators, partly to mollify the faculty and partly to enhance their own status, often support the introduction or the continuance of graduate programs which are costly, marginal, and unneeded. Moreover, administrators seldom attempt to eliminate a program because of the internal strife and the external recriminations which are aroused by the mere suggestion of such a possibility. Degrees also differ markedly in quality among and within departments in an institution, depending upon the capability of the students and the particular faculty

members directing their study. Because of these circumstances, continuing evaluation of graduate programs is essential both to maintain quality and to support decisions regarding expansion, contraction, or termination.

In state-supported institutions, because of the increasing power of state coordinating agencies, the range of graduate programs is often prescribed. Some institutions are being forced to phase out existing graduate programs, and others have been barred from starting them. Despite the damage done to faculty morale these are generally wise decisions dictated by costs, lack of need, and concern for quality.

The significance of the masters degree has been clouded by the ease (credit accumulation alone) with which the degree is required in many institutions. Some colleges and universities which offer the masters as their highest degree, however, maintain standards well above those of more prestigious institutions, which routinely award the masters for credit accumulation, with no pretense that it is either a research degree or a step toward the doctorate. An occasional small institution with a few highly capable faculty members may produce a limited number of exceptional master's degree under a pattern almost collegial or tutorial in nature and at no great cost.

No institution should launch or maintain any graduate program until detailed analysis by unbiased external consultants has determined the presence of adequate resources in capable faculty members which demonstrated research productivity, in facilities for research, and in satisfactory library holdings for support of the program. A recurrent problem within institutions is that some departments or disciplines meet such reasonable standards which others do not. Yet, none are happy by being bypassed when graduate programs are initiated. The alternative of interdisciplinary degrees involving several departments is attractive in some respects, but generally undesirable as an initial graduate program since the successful launching and conduct of these innovative degrees require highly capable and prior experience in graduate education.

2.5 Complaints About Business Schools and MBA Students

Many complaints has arisen about business schools and MBA students. Some has criticized MBA students of being unrealistic about their job expectations. Others have criticized them of lacking important skills such as leadership and communication abilities which are essential for managerial work.

A detachment exists between what business schools offer and what business firms require from MBAs.

“What passes for sophisticated business curriculum is based on false, shallow concept of the manager and, in fact, encourages a preference for (1) analytic detachment rather than the insight that comes from hands-on experience and (2) short-term cost reduction rather than long-term development of technological competitiveness.”⁴

“From a review of more than 200 articles from journals, newspapers, and other sources, thirteen complaints about business schools were identified. These complaints were grouped under four headings”:⁵

1) Business schools emphasize the wrong model:

- * The schools produce technical staff specialists rather than leaders.
- * The schools are too quantitative, too theoretical, too removed from real problems.

2) They ignore important work :

- * The education overlooks important human, organizational, and communication skills.
- * Inadequate attention is given to entrepreneurship, technology and productivity.
- * The education neglects important international concerns.

- * The schools fail to deal with managerial obsolescence they are not providing sufficient continuing education.

3) They fail to meet society's needs:

- * The schools lag in affirmative action and thus management remains unrepresentative.

- * Business schools are unnecessary. Germany and Japan do well without them.

- * Too many business schools are producing too many MBAs.

- * The MBA degree is not worth the cost.

- * MBAs salaries are too high.

4) They foster undesirable attitudes:

- * The schools foster a short-run, risk averse attitude in their students.

- * The schools offer a variety of undesirable personal characteristics in students, including unrealistic expectations, job hopping, and disloyalty.

The last two categories pose no special problem for business education. Some of these criticisms are contradictory- there are too many MBAs and their starting salaries are too high. Some seem a bit silly- MBAs are job hoppers. Some do not bear analysis- the MBA degree is not worth the

effort and cost. MBAs may not be getting rich by age 40, but in economic terms done- that is not considering the "consumption benefits" of graduate school- the rate of return to the MBA would appear to be high enough to warrant the cost and effort.

These complaints arise partly from the emphasis that the business schools place on the wrong skills.

Business schools tend to make the big mistake of choosing applicants with high math skills with no consideration given to verbal skills.

"Students with high math skills proved to be intolerant to uncertainty, surprisingly analytical, and uncomfortable with complex data. They were not social or artistic."⁶

On the other hand, the highly verbal students thrive on complexity and uncertainty. They tended to be open-minded, analytic, nonjudgemental, and better at integrative thinking-using scattered bits of information to develop a big picture.

So, in attempt to make positive changes, business schools are infusing their master's degree in business administration with all sorts of innovative courses and practical experiences. They are paying more attention to teaching, especially team teaching, as well as helping students improve in such areas as leadership, teambuilding, and communication.

“One must realize that what was hard about management was not the quantitative stuff, such as accounting, statistics, and operation research, but the people stuff. One must pay attention not only to what the people who worked for him did but how they felt about it, too. He must learn to give a lot of thought to how he deals with other human beings. He must learn to listen a lot and to respect and rely on the people working for him.”⁷

Traditional hard skills like marketing, accounting, and finance are still essential, but the companies are requiring from students to communicate effectively.

2.6 The Qualities that the MBA Should Have

So, what do MBAs need to know, be, or appreciate to succeed. None of the qualities listed below were irrelevant before, but all have become vastly more important.

* Cross-functional: Traditional B-school functional skills such as accounting and finance, each taught separately would not adequately prepare students.

Business people must look outside their disciplines to identify the nature of the problem and to figure out what information they need

and where they get it. It is not just skills that is required. It is the relationship of skills.

- * A visionary: Leaders convert a deep understanding of business into a vision and work hard to persuade others to work too. Leadership is in these days, and management is out, or at least relegated to people lower and lower in the organization.

Also this leader must motivate people around him to work as a team. He can break problems into manageable, status-neutral tasks that the group is willing to take on.

- * Ethical: Most MBA students have to be dragged into ethics courses.

Experienced managers are sometimes desperate for guidance through ethical minefield.

Technology and internationalization have compounded the ethical issues of business.

- * Global: It is important to understand how things are in different parts of the world.

- * Computer fluent: Computers are so reliable and easy to use that there can be no excuse for ignorance of them.

- * Smart and conscientious: A person has to be smart to succeed as a manager, but brains are not everything. If someone can get into a

good business school then he has all the intelligence he needs to do well.

“In addition, it was found that there is no positive correlation between the GMAT scores and how well students do on the job in terms of income and responsibility.”⁸ Students who had high scores on the GMAT and who scored high on an area labeled conscientiousness, fared far better than those weak in either area, as measured by salary and promotions. Conscientiousness involved more than ambition. It is a composite of how hard-working, thorough, efficient, reliable, and ambitious you are.

2.7 Is It Worthwhile to Join an MBA Program?

Two questions arise about the MBA program. First, is it worth it to join an MBA program? i.e. does an MBA program offer the student the kind of knowledge and financial compensation that distinguishes him from a BA student?

The second question is whether the companies need MBA students and do they prefer them to BA students?

To answer the first question one must first have an idea about the higher education's expectations of business and industry.

2.7.1 What Does Higher Education Expect of Business and Industry?

On one level, what higher education expects of business and industry is a question that can be answered with those obvious points:

1. Money
2. Jobs
3. Moral and political support.
4. Technical and management services and advice.

However, there are two other points-perhaps less obvious. First, education ought to expect the business community to provide a direct educational input into the college and university experience.

For the partnership of business and education to become really significant, we need to find more and better ways to involve businessmen and businesswomen with educators. We need to bring educators from the outer world on to campuses to share experiences and insights. More academics should be encouraged to spend sabbaticals and leave periods and research time in factory and shop and board room. Both education and business need all the help they can get. Much of that help they can get from each other.

The second concern as to what business can do to help education has to do with the urgent need to make more rational adjustments, more sensible long-term plans for coordinating the public and private sectors in higher education, and to rid oneself of the scandal of a duplication and waste in using scarce resources.

In the long-run, only if value-oriented people are turned out by the schools, can a free, open, responsible economy be maintained.

2.7.2 In- House Courses Offered by Different Universities

To practically make the partnership between business and education work, many in-house programs are developed by different universities which allow the student to get the knowledge he needs from the university and from the workplace at the same time.

Each university has its own way in applying the in-house program.

A quite interesting program is that developed by the Lancaster University.

“In the program, 100 British Airways managers went through a two-year, part-time program in which they got knowledge partly through workplace experience and partly through academic workshops, with reading and written work done in the students' own time.”⁹

The program has played an important part in giving the managers the skills, knowledge, and enhanced self-confidence to contribute directly to the implementation of the company's business strategy. It has been extremely helpful in understanding how to apply concepts of branding and marketing strategy. Also it helped adding new skills, particularly in understanding research, getting through complex data quickly, and uncovering the valuable ideas. Moreover, it helped in terms of developing a logical and structured approach to determine a methodology in approaching business problems.

The benefits to the Lancaster University of the British Airways program have been significant. First, there have been the opportunity to work closely with managers from a large and international blue-chip company, which has a commitment to training and development. This has enabled staff of Lancaster to develop a greater understanding of the pressures and issues facing managers in business and has provided fruitful topics for research.

The learning gained from working with British Airways has enabled Lancaster University to get closer to managerial and business concerns. This has helped to make the management school more proactive and responsive to the evolving needs of managers.

The British Airways partnership has enabled Lancaster staff to innovate in teaching and to develop an appropriate closeness with corporate clients.

“The University of Michigan has launched another unusual program. The school has lent its 420 first-year MBAs to corporation to get hands-on experience for an entire academic quarter.”¹⁰

In teams of seven, the students tackle projects in accounting, information systems, and manufacturing at participating companies- including General Motors, Philips, Intel and Xerox- and are graded on their work. Professors act as advisors helping students apply management techniques aimed at improving company operations. In return, the companies get a lot of cheap help.

Infact, these in-house programs can be applied to undergraduate students and it can produce a highly capable students, a thing that may seriously threaten the essence of the MBA.

With budgets tight, companies must decide whether it is worth the cost of putting a small elite through expensive MBA programs when the equivalent investment could provide increased management training and development for larger numbers of employees. The latter option will surely produce greater performance improvements.

“Evidence that MBA really is a prerequisite to managerial excellence is, after all, missing. France, Germany, and Japan have systems in place which, without MBAs, guarantee a supply of competent and trained managers. Most senior executives in the UK function without benefit of the MBA.”¹¹

The ideal way of developing people of all levels is through a mix of controlled on-the-job experience which may or may not include a qualification. David Stevens, management development co-ordinator for BAT Industries plc, endorses that view, “We do not actively say we must have MBAs. We must have high quality people with or without an MBA.”¹²

Some companies, like General Electric, are training their managers inside the companies instead of shipping them off to campus.

GE's in-house corporate training is more relevant to current business practices than a typical MBA program. So, why pay a premium to hire MBAs when one can snatch the brightest students with bachelor's degree in engineering or liberal-arts, then teach them what they really need to know about business.

“If the companies look just at those who go to business schools they have lost a large percentage of the truly outstanding renaissance people who could be great at anything.”¹³

Now that industrial companies and professional firms, like Mckinsey, are doing so much of their own training, what is the purpose of the MBA degree?

In addition to such in-house courses, other MBA courses have grown up which vary enormously along the spectrum of two-year, full-time to distance learning. The later, while increasingly popular, is viewed as the poor relation. Traditionalists argue that any course which provides for such scant interaction with other students is but a very weak version of the true MBA experience.

“The classic US two-year, full-time, academic and research-based MBA typified by Harvard Business School is no longer viewed as the only worthwhile model. There are five main possibilities to the MBA program:”¹⁴

- * Full-time(two years, generally non-sponsored), the classic US program, the first year usually covers compulsory core courses; optional or elective courses follow in the second year.
- * Full-time (10-15 months, sponsored and non-sponsored) focuses on general management, although some offer specialization; a few schools offer completely specialized programs.
- * Part-time (including executive or modular, 18-36 months); follows much the same curriculum as the full-time MBA but is held over

one or two evenings a week, or at weekends and with some residential blocks; executive programs aim at managers with some experience who are sponsored by their companies.

Modular programs, usually company-sponsored, project-based, alternate classroom and workplace learning, each module lasting a couple of months.

- * Distance learning; can take at least 3 years; multimedia teaching methods, eg.; videos and computers plus tutoring summer schools; seminars, sponsored and non-sponsored.

Hence, a variety of MBA programs are offered from which a student can choose.

If someone has the time and money, a full-time program offers the following:

- * A shortened time period before graduation, and so a lower opportunity cost;
- * A well-rounded school life, with increased opportunities to make friendships and build faculty relationships.
- * Total immersion in studies, with more time for study and peer discussions

A part-time program offers distinctive advantages:

- * An opportunity to broaden somebody's career options without interrupting present earning capabilities;
- * Benefits to one's current job performance from a real-time application of one's studies;
- * A learning experience many believe is more realistic and meaningful, since both faculty and students are frequently active participants in the world of work;
- * A chance of having the tuition fully or partially paid as part of management development program by present employer;
- * A signal to one's employer that he is motivated and ambitious.

Moreover, the source of an MBA has become of paramount importance. Employers are very concerned about where an MBA is studied.

Employees views on the best MBA programs may be out of date. A classic MBA program which emphasizes academic or analytical rigor, survives often by virtue of old reputation.

“ There are reports by employers that MBA employees were a disappointing experience. They failed to fit in the organization, lacked

interpersonal skills, proved arrogant, over analytical, brought little benefit to the company or moved on after a short time.”¹⁵

Traditional MBA courses have done an excellent job in imparting business knowledge, management theory and analytical tools. But a major mismatch remains between employer wants, student expectations, and the traditional business school. An employer often finds himself with an inexperienced, frustrated, and expensive employee.

2.7.3 Course Proliferation and Program Flexibility

Not only MBA programs but also MBA courses, are of great variety. This can be observed by the MBA course proliferation and program flexibility.

The sheer magnitude and variety of courses available to graduate students can be tested by simply leafing through graduate catalogues of some of the majors, or even quite a few of the minor, graduate institutions. “So specialized are large number of courses listed in the various fields that it is difficult to reach any conclusion other than that courses are included in graduate programs chiefly as means by which professors express their current research interests. The variety is so great that it is impossible to conceive of any two graduate students in the same department coming out with a

common set of experiences and a common point of view toward the subject.”¹⁶ . Now it may be that such intense variety and high degree of specialization is the essence and glory of graduate education. On the other hand, simply by applying some curricular principles evolved in connection with undergraduate education, one might reach the conclusion that proliferation of courses is responsible for escalating costs of education, but without any demonstrable educational validity. There is no positive correlation between undergraduate curricular extent and departmental success or reputation. If the same could be demonstrated with respect to graduate curricula, and a serious effort made to limit the number of courses, then time and resources for some of the other suggested reforms might be made available.

“ Most of the psychological stress and educational disillusionment resulting from too little independence seems to occur during the first year of graduate study when many students are locked into a rigid succession of courses and examinations.”¹⁷

However, the issue is complicated by a number of factors. First of all, changes in undergraduate curricula now enable students to select quite widely from existing courses and even in some institutions to make their own courses. Hence, a student could very well present himself to a graduate

school with a curriculum vitae made primarily by himself. Graduate departments might then find such heterogeneity in the background of first-year graduate students that they would need to provide some greater uniformity of first-year courses.

2.7.4 The Benefits That an MBA Student Can Get by Joining One of the Top Business Schools

To get into one of the top business schools in the US, which are quite few, a high premium should be paid by students. However, students of such schools are adequately compensated for these premiums.

The top business schools can do a lot for a student. They set themselves apart by offering well-funded, well-staffed placement-offices(careers services) for the exclusive use of MBA students. These are completely separate from those provided for undergraduate students. This separation results in higher salary ranges for the MBAs, who are typically more experienced and career-focused than undergraduates. The top school placement schemes offer a broad range of career development and placement programs. The students who attend top schools have developed an expectation that 'what they get is what they paid for'. Since they are paying a

premium for attending the best schools, they expect more than simple placement in 'a job', they want placement in a good job, the right job.

These placement programs are highly competitive. While the size of the program varies with the size of the school, same 300 US companies are considered major MBA employers and most visit some combinations of the top-tier business schools."¹⁸ Each spring, these schools coordinate tens of thousands of half-hour interviews between MBA students and companies, resulting in 20-25 companies visiting each school per day in the height of the recruiting season. The students are rewarded for their efforts with an average of 15-20 interviews and two to five job offers each.

"At the top schools it is indeed a seller's market, and the students, not the companies, are the sellers. The companies are aggressive and start their pursuit of the MBAs from these top schools early. Every evening in the autumn, banks, consulting firms, consumer goods companies and manufacturing firms visit the schools and conduct one-hour presentations by senior people from the firms who explain career paths opportunities for MBAs within their firms."¹⁹

Another service offered to top business schools is summer internships. Each year leading companies all over the US, and in cities such as London, Paris, Hong Kong, Tokyo and Sydney, recruit MBA students to work for

them in the summer. Companies have found the top US business schools an excellent source of highly qualified, intelligent, experienced, and motivated summer interns.

In less than two years, the students at top schools can be exposed to over 600 firms, meet over 200 senior-level executives who visit the school, and have interviews with over 200 companies. It is this exposure that makes the difference between the top schools and the others.

2.7.5 The Cost of an MBA Program

Financing an MBA has become a problem for many students. With rising academic costs and diminishing rewards, taking an MBA has become a risky decision. One does not need a good first degree, three year's work experience, a high graduate management admission test score and a BA to evaluate that investment.

In the late 80s MBA course fees were low and rewards on graduation were high. These days risks, both personal and financial, are rising.

“Financially, an MBA course is a strain. Fees in the UK for self-financing students, for example, range from 2,800 pounds to 20,000 pounds and there are few grants. Rates at leading schools have risen steeply over the

last few years. Warwick Business School's full-time course fees have jumped by 89% from 1989 to 1992; at Manchester, by 50%.”²⁰

Add to these fees living expenses and lost salary and the true size of investment becomes clear. The opportunity cost of an MBA is 3640 hours one could have spent doing something else and 20,000 pounds of salary which he opted to forego.

What makes the problem more intense is that such rewards as 40 or 50% salary increases and the opportunity to change career at will, which were given in the days of the 80s are not given any more in the 90s.

A growing number of the MBAs are facing financial difficulties and more loans are not being paid satisfactorily. Moreover, the length of time it takes to find a job has increased from one month to six months and many more loans are being rescheduled.

Total loan application fell from a high of 1666 in 1991 to 1123 in 1992; loans fell from 21 million to 15 million over the same period.

Increased salary is not the prime motivation for taking an MBA. Just as well since the boost to pay attributed to gaining an MBA has dropped by more than half over the last 10 years and the drop looks set to continue. “After adjustments for salary inflation, MBAs graduating in 1991 increased their salary by 16.5% compared to 40% received by those leaving courses

between 1980 and 1985. The more worrying statistic for MBA providers is that 95% of respondents in that survey cited the wish to change career direction as the reason for taking an MBA. Over 85% thought it would improve their job opportunities."²¹

A new book by Roland Yeaple, a professor at the University of Rochester Business School(*The MBA Advantage: Why It Pays to Get an MBA*), states that it is unclear whether investing in an MBA will satisfy the craving for money by MBA students especially since the cost of two years' tuition and foregone salary often exceeds \$100,000.

The book might be of great help to students and deans alike. For the students, he uses the market-based approach to determine which schools offer the highest financial rewards. For the deans he uses these figures to explore how business schools make value.

Mr. Yeaple estimates the trade-off that a typical MBA student should make. First, he asks what the average student from each school could have earned without an MBA. He then adds the school's tuition costs in each of the first two years to capture the total costs borne by that program's students. The net effect is negative in the first two years as the student invests; and is positive from then on as he reaps the rewards.

For applicants who fail to win places at the top 20 or 25 business schools, it probably makes more sense to attend part-time instead. Mr. Yeaple points out that part-timers often have access to the same courses as their full-time counterparts. They keep their day jobs, and often receive tuition benefits from their employers. They can also apply what they learn immediately.

2.7.6 The Role of Faculty in an MBA Program

Although MBA students expressed much satisfaction with their graduate work, they also agree considerably on a number of weaknesses. Taken in the aggregate, these serve as additional indicators of needed change.

Too frequently courses were organized and scheduled apparently with professors' interests in mind and without reference to experience needed by students to master a field. All too often seminars are poorly organized, seemingly shedding no light on either the professor's work or the student's emerging research interests. Many of the courses seemed repetitive of work taken in undergraduate college and taught by a similar lecture method, even when groups were small enough that another mode would be possible. While graduate professors generally received high marks for knowledge of a subject, their teaching left much to be desired.

A second group of criticism involved guidance. While some graduate students felt that their relationships with their professors were good, a large number complained that professors were unavailable when needed, provided poor guidance, or were themselves ignorant of the pitfalls of which students should be warned.

“Because of bureaucratic systems and the idiosyncratic desires of professors much graduate training seemed to reward conformity and ability to comply with the demands of others rather than productivity and independence of spirit. For example, theses must follow established models or encounter difficulty, examinations answers must reflect professors' attitudes, and students must conform to prevalent departmental beliefs.”²²

A large proportion of graduate students indicated that there was not adequate training for college teaching, and they expressed a desire that graduate programs should give explicit attention to preparation for the role of teacher.

Moreover, much attention should be given to the organization of the time of a graduate school teacher. The individual attention which should be given to graduate students in program planning and in their study and research require that graduate faculty members have a less teaching load than do strictly undergraduate faculty members. The graduate faculty member

should engage in extensive reading and some scholarly productivity to keep abreast of the field and maintain the capability of directing research seminars. Advising graduate students on programs and directing several theses or dissertations can readily build a load equivalent to teaching one or two courses. These circumstances require the graduate faculty load be carefully evaluated and some criteria developed for load assignments.

Evaluation of students is a must in a sound graduate program. This evaluation begins with the admission process, in which such criteria as degrees, credits and grades, course patterns, recommendations, examinations, and interviews are used to select those admitted. Probationary, conditioned, or special admissions are appropriate when used with care and when not permitted to become an easy route to bypass admissions standards.

2.8 The Companies' Expectations and Demands of MBA Students

An essential point in analyzing the efficiency of MBA students is to find out about what do companies expect of and demand from MBA students.

2.8.1 What Business Expects of MBA Students

Education reports stemmed from a growing recognition by many in the business community that education is not only a prime source of manpower

but an equally critical resource for the economic and social well-being of the nation. Education had increasingly become the prime interest of corporate social responsibility.

A corporate grant to a college is as appropriate as a company's payment to a supplier of raw material. Both man-power and materials are necessary ingredients for the functioning of business.

College educators are expected to recognize that the entire undergraduate institutions, not only its business school, serves as a prime training ground for the growing ranks of management and white-collar employees. As such universities and colleges are expected to provide undergraduate education which strikes a balance in the curriculum between vocational specialization and broad generalization.

Although some students are expected to enter the professional stream with basic job skills directly from college, others are expected to continue in graduate and professional schools and to be prepared to manage corporations, to staff research and development operations, and to carry on the negotiations of business with community and government leaders.

Equally important, all college students are expected to be educated as well-rounded individuals, capable of analyzing, adapting to change, communicating effectively and working with others. Colleges are expected to

instill in all students a fundamental desire to continue learning and improving themselves by providing the kind of liberal education that will be with them throughout their lives. It is this education that improves society generally.

In sum, business expectations of higher education can be distilled into these key components:

Education is expected to be balanced between the enriching qualities of liberal education and the pragmatic qualities of vocationalism;

Postsecondary educational opportunities are expected to be equally accessible regardless of economic means;

Institutions are expected to adapt their programs to the changing needs and conditions of the society.

2.8.2 Academic and Executives View of MBA Students

The complaints that academics and business executives have about MBA students are sometimes identical and sometimes not. For example, neither executives nor academics are satisfied with the way that current MBA graduates write and speak.

Business schools' deans and faculty are more critical of their graduates' communication skills than the corporate executives hiring them.

Executives, on their part, express concern that MBAs are often unable to handle day-to-day operational decision making. From their perspective, MBAs need more "start-up" skills.

The issue of breadth versus depth in graduate business education has been debated for years, and the end seems nowhere in sight. In part the corporate career path causes the controversy, because managers on the way up typically move from specialized, entry-level jobs to positions with more diverse responsibilities. To develop general competence in management rather than expertise in specialized areas, business educators design their MBA programs with this career path in mind.

AACSB(American Assembly of Collegiate Schools of Business) accreditation guidelines state that the curriculum should furnish a broad education.

While both academic and business executives support this objective, business schools deans believe most strongly that the ideal MBA is a generalist. It is important to note that many feel that an MBA graduate should have a functional stability as well.

Most schools divide the MBA curriculum so that students can choose an area of specialization to complement their training as generalists.

Both academics and executives reject the suggestions that short-term, operational decision making be de-emphasized in favor of long-term strategic planning. Business community respondents, in fact, find MBAs weak in their grasp of short-term issues.

In contrast, the majority of the deans and faculty believe that they are training MBAs for day-to-day issues. What worries them are the MBAs' strategic planning skills, an ironic finding in light of executives' general satisfaction in this regard.

Many executives think that MBA curricula pay too little attention to the realities of the entry level manager's job.

Fortune "500" presidents and personnel directors favor applied approaches in teaching, use of case studies, and a teaching-oriented, as opposed to research-oriented faculty. Academics, in contrast, are more likely to prefer theory, and they are less willing to give up lectures as their primary teaching tool.

Overall, MBAs get reasonably good ratings for their personal skills.

Turning to the factors that affect the reputation of a given MBA program, we find all groups agreeing on the importance of high admission standards, strong leadership by the dean, and a large number of graduates in key industry positions within ten years of graduation.

For executives a school's reputation is closely linked to the character of its faculty. They value teaching more highly than research, and they are particularly impressed by faculties that focus on applied learning rather than theory.

Academics, on the other hand, are more inclined to measure an MBA program's reputation by the favor with which the corporate community views its graduates.

Executives value undergraduate grades more than academics do in expecting graduate school success. In contrast, academics take a more favorable view of an applicant's full-time work experience than the corporate community does.

2.8.3. Turnover

Many implications have been made by business executives that MBA students like to change job frequently.

This implication is incorrect. Job change is the result of many factors such as economic factors, job offerings, and the time that an employee spent in a specific company.

General labor market-conditions and employee intentions interact to influence turnover.

Although general labor-market conditions influence the probability of an employee's receiving an alternative job offer, the specific mix of skills and experience of the person in question are at least equally important.

Correlation between job satisfaction and voluntary turnover tend to be higher when unemployment is lower, suggesting that job satisfaction is more likely to translate into turnover when the unemployment rate is low.

“ Unemployment rate are useful indicators of the number of job opportunities, and tenure was a proxy for the amount of firm-specific training or specialization (which would have less value at other firms). Unemployment rate is considered to be a major of general labor-market conditions and tenure to indicate the individual's specific labor marketability.”²³

Skills and aptitudes also may influence individual opportunities and thus, perceived ease of movement. Both are linked to general cognitive ability, which is positively related to job performance.

Although a person may intend to quit, she or he may not do so until another job is first lined-up. Conversely, a person who does not intend to quit may do so after receiving an unexpected but attractive job offer.

2.8.4 Mentoring

A last point to be discussed about the importance of MBA students to the companies and expectations that these companies hold of MBA students is mentoring.

Mentoring is a particular interpersonal relationship that can influence career progress. There are two different conceptions of the mentoring construct. Classical, or primary, mentoring is an intense developmental relationship of relatively long duration in which protégés receive a range of career and psychological help exclusively from one senior manager.

Secondary mentoring is a shorter, less intense, less inclusive development process involving multiple relationships, each offering specialized developmental functions.

Career mentoring may interact with socioeconomic background in influencing early career progress. There are several ways in which particular socioeconomic groups may profit more than other groups from various dimensions of mentoring activity.

First, it might be a way to help those from less advantaged backgrounds compete successfully. If mentoring assists the less advantaged, young managers and professionals from lower-level socioeconomic origins might be expected to benefit more from mentoring activity than others.

Alternatively, those from higher social class origins may profit more from mentoring, especially career-oriented mentoring, than members of other groups. The high-level managers who act as mentors will likely come from upper-class origins themselves, and their perceived similarity with protégés from high social classes will result in a strong bond with and commitment to these protégés.

Protégés from high social classes may also share social values, skills, and networks with senior managers, thus forging strong bonds.

Career mentoring could also produce a "coattail effect" in which upper-class protégés are pulled along as their mentors rise in an organization.

High social class origin may also affect the kinds of options, information, development experiences, and social linkages established with mentors. Upper-class protégés may receive higher quality information, advice, and exposure than others, a direct career-enhancing benefit.

Research and theory in labor economics, sociology, and management has suggested several influences on measure of compensation and rate of advancement as indicators of early career progress. These influences are categorized into four major categories.

Four human capital factors act as control variables: (1) the degree a person attained (Bachelor of Science in Business Administration (B.S.B.A)

or MBA), (2) the amount of work experience the person had before and after the degree program, (3) whether the source of the person's job was formal (e.g., through an employment agency) or informal (e.g., through a personal contact), and (4) whether or not the person's work history after attaining the terminal degree was continuous or interrupted.

Job and organizational characteristics can also influence early career progress. Income is the major characteristic here.

Motivational factors can also influence early career progress. Average hours worked per week may indicate work involvement. Expected future income is an aspirational measure that can increase the person's work motivation.

The following chapter will clarify the method used to collect the information for this research.

To gather information about the MBA program and its efficiency in Lebanon two sources must be contacted, universities offering MBA programs and the companies hiring the MBA graduates. So, two kinds of interviews are needed. One with the directors of business divisions in each of the universities offering an MBA program, and another with the managers of the companies hiring MBA students.

Chapter III

Research Design and Methodology

3.1 The Basic Approach

This research is an attempt to assess the performance of MBA students graduating from Lebanese universities and working in Lebanon. Defects in the efficiency of MBA students while at work in Lebanese organizations can be attributed to different factors. It can be attributed to the university itself, to the companies supervising the MBAs, or simply to the environmental factors.

In order to spot any possible defect and to know from where it originates, two questionnaires are constructed.

The first questionnaire is addressed to the business sector. The emphasis is to find out what the business sector requires from the MBA students and to find out if the universities are fulfilling these requirements.

The second questionnaire is addressed to the directors of the business divisions of each university offering MBA program in Lebanon. The outcomes of both questionnaires combined together must give us a clear view about where the defect is and the probable cause behind it.

The research conducted exhibits both the characteristics of quantitative research and qualitative research. The quantitative research resembles a scientific systematic approach in conducting a research, whereas, the qualitative research emphasizes on the perspectives of the individuals being studied as well as their interpretations of the environment in which they work. Quantitative organizational research makes intensive use of structured interviews and questionnaires which allow the researcher to question people about their own behavior and their perception of various aspects of their environment.

3.2 The Practice for Data Collection

“A structured interview is a highly structured approach to gathering data on fairly to very large number of respondents. In many respects, the structured interview is simply a questionnaire that is administered in a face-to-face setting”²⁴. The approach to data collection in this thesis is highly structured to make people’s responses as comparable as possible. Each respondent is given the same questions which are presented in the same order. Then he is requested to answer each question in the same order as other respondents. These practices in data collection allow the questioning to be standardized so that the differences in people’s responses can be attributed

to genuine variations and not to divergence in the manner of order of asking questions.

“The interviews were conducted by means of a structured questionnaire that had been developed for this project. Adopting such approach encounters the following reasons:”²⁵

- 1) On balance it was considered that less bias would be introduced then by getting the respondents to complete the questionnaire.
- 2) If respondents had been asked to complete the questionnaire then there would have been a major problem in ensuring that they had fully understood the framework prior to its use. Questions in a structured interview are made clear and unambiguous and the interviewer can help the respondent if a question is not understood.
- 3) In a structured interview the respondent is obliged to answer the questions in their order format; otherwise, respondents can read the whole questionnaire before starting to answer the first question, so that answers to early questions may be influenced by their knowledge of the later area, perhaps making answers more consistent then they would otherwise be.
- 4) The researcher can never be certain who has answered the self-administered questionnaire. If the questionnaire is sent to the manager

of a firm, for example, it is impossible to know whether the person to whom it was sent has answered it.

- 5) A structured interview allows for a combination and utilization of a full range of responses from all interviews, allowing for a reduction in individual bias, due to personal influences such as attitudes, perceptions, and values.
- 6) Control could be exercised in ensuring that all questions are fully answered.

3.3 Measures Used to Collect Data

The field surveys cover a number of companies, in and outside Beirut, operating in different fields such as banking and insurance. The data used in this project involves completing personal interviews with responsible managers, mostly personnel managers, who are in close relationship or supervision of MBA students from different business schools. In some companies which contain more than one department, more than one interview is conducted.

The sample of respondents selected consists of investment companies (14%), computer firms (5%), banks (38%), consumer goods companies (14%), and insurance companies (29%).

Chapter IV

Research Results and Findings

4.1 Introduction

This chapter will present how the companies' executives view the MBA employees working in their companies. Their opinion about the MBA programs in Lebanon and the schools offering them will be evaluated.

In addition, it will present what do business schools offer to their MBAs to be competitive in the Lebanese market.

4.2 The MBA Program in Lebanon

The MBA program was introduced to Lebanon through the American University of Beirut in the year 1929. It was greatly influenced by the American style and it followed the same accreditation lines.

In order to cope with the increase in the demand for the MBA students, other universities introduced the MBA program as part of their curriculum during the civil war. These programs are considered relatively new and they continue to graduate MBA students till now.

4.2.1 Factors Affecting the Reputation of the MBA Program in Lebanon

There are several factors that affect the reputation of the MBA program. The most important factors are the reputation of the school and the faculty. These two factors are recognized by both the business executives and the directors of business schools. However, the directors of business schools see that there is more than just these two factors. They believe that the courses and seminars offered, the support facilities, such as computer center and professional journals, and the performance of previous graduates in the field of work all play an important role.

4.2.2 Complaints About MBA Programs in Lebanon

In chapter 2 there was a list consisting of thirteen categories that note the complaints that business people have about MBA students. Some of these complaints were seen as contradicting, others were unrealistic.

In Lebanon 63% of the business executives complain that MBA students lack any practical experience. MBA students are not supplied with the experience that goes along with their studies and which is quite essential for their work. 13% claim that there is no difference between those who got an MBA and those who did not.

Moreover, 3% of these executives find no connection between what the MBA degree offers and managerial excellence.

4.2.3 MBAs in Lebanon Compared to Foreign MBAs

In attempt to find if the companies interviewed have the same complaints about MBAs graduating from abroad, a comparison is made between MBAs graduating from Lebanese universities and those graduating from abroad.

The researcher asked the directors of business divisions in the sampled universities to compare the students graduating from Lebanon with those graduating from abroad.

The director of the business division in AUB claims that the business environment in Lebanon is not like the US. In the US, because of the existence of companies that have multi-level managerial positions, the MBA become employed in the right-position and so he/she will become exposed to the right kind of knowledge that is essential for his/her degree.

In Lebanon, there is no existence to such kind of companies which involve the MBA student with the managerial experience. This is a defect because the MBA is considered a practical degree and MBAs in Lebanon are lacking the practical concept that the foreign MBAs have.

The director of LAU (Beirut) thinks that the MBAs graduating from Lebanese Universities are compatible with those graduating from the outside. Yet those who graduate from the outside have a better exposition to the American style of management. The director of LAU (Jbeil) has the same belief. He thinks that it depends on the student and how much he is motivated.

The director at NDU thinks that the MBA graduating from Lebanon has less research capacity. The theoretical part is good but the research and the practical aspects are very poor. The reason for that is the unavailability of sufficient library holdings in the university premises or any other place in Lebanon.

When the researcher addressed the companies with the same questions 76% stated that there is no difference between those graduated from Lebanon and those graduating from abroad. In fact, those graduated from Lebanon might be better because they are exposed better to the Lebanese market and people.

4.2.4 Cost of an MBA Program in Lebanon

If someone looks at the past years he can notice the inflation that hit the country. This surely had its impact on the cost of education including the

cost of the MBA program. Moreover, one must add to the cost of the MBA program charged by the universities, the two years of foregone salary that the MBA has lost in order to complete his studies (in case the student decided to spend all his time studying).

The figures that the business schools in Lebanon provided were different. These figures were \$6000 in NDU (Notre Dame University), and around \$12000 for each of AUB (American University of Beirut) and LAU (Lebanese American University).

4.3 The MBA Students in Lebanon

The demand for MBA students is increasing in the past few years. The companies are realizing the need for high caliber employees on whom the responsibilities must lie to reconstruct the companies in a manner to meet the challenges of the post-war period.

4.3.1 The Quality of MBA Students

The MBA students distinguished themselves by gaining more analytical skills and deeper knowledge about many fields due to the educational exposure that they have done in their MBA program. They proved to be more serious and to have more commitment to work. Moreover,

an MBA is more matured and has a better personality because he is older, a thing that gives him more advantage.

Among the companies studied in this research 87% said that MBA students are more realistic, have more analytical ability, and deeper knowledge of materials. The other 13% said that there is no difference between those who got an MBA and those who did not.

4.3.2 Communication and Leadership Skills of MBA Students

Communication and leadership are two skills that are essential for the success of any organization. These skills known as soft skills, are becoming of great importance that some business schools abroad are offering courses specialized in these two fields.

The executives interviewed in this research were divided into four groups. About half of them (57%) think that these skills are innate to the individual. The business school can do nothing to develop or build these skills. Another group (13%) think that these skills are up to the person but the university can help in developing them. The third group (12%) distinguished between communication and leadership skills. They think that MBA students have communication ability and that the university has contributed in the development of such skills. However, the MBA lack leadership skills which

are born with the individual. The fourth group consisting of only 10% of the sample studied think that skills can be developed by the university, and they think that the universities in Lebanon have done a good job in this domain.

As for the universities in Lebanon, there are no separate courses offered that teaches communication and leadership. The students get what they need through group discussions and participation in such courses as marketing.

4.3.3 The MBA Degree as a Prerequisite to Managerial Excellence

As we have seen earlier the MBA student does have qualities that distinguishes him from other students. However, upon entering the field of work a question always arises: Is the MBA degree a prerequisite to managerial excellence?

The vast majority of executives interviewed 97% see the MBA degree as an advantage, it helps the employee and places him ahead of others. However, it is not enough. The major part of the managerial work and success is attributed to the experience the employee gets on the job.

On the other hand, 3% do not find any connection between what the MBA degree offers and managerial excellence. The business schools have somehow similar views. The directors of business divisions stated that the

MBA is certain to give advantage for the same person who have not gotten an MBA, but in management a lot is left to the personality of the individual. However, the directors of business divisions at AUB and NDU think that it is necessary. The BS degree teaches the student all he needs to know. In the MBA level the student must be taught how to practice or apply what he learnt.

The business schools' directors indicated also what the MBA must have in order for the recipient to succeed in his/her work. The AUB's director claims that once the student is accepted to the MBA program then he/she has to be of good academic standard. In the MBA program the student is taught some communication. The courses given depend on class discussions and participation, on presentations, and on case studies.

At LAU (Jbeil) the director thinks that the student must have strong academic background, decent technical skills, ability to work hard, and an analytic mind. To succeed in his/her work outside the university the student must have the rich technical background and the information acquired from his/her university. Yet, this is not enough. A lot is left to the personality of the student himself.

The NDU's director think that the MBA student needs a lot of experience and a lot of technical knowledge. The MBA students in Lebanon

do not have technical knowledge as a result of their MBA program, it is the result of their other academic background.

The director of the business division at LAU (Beirut) thinks that the MBA recipient needs analytical skills, must work within a group, must have the ability to lead, must read professional magazines and articles, and he/she must have communication and leadership skills.

4.3.4 The Relation Between Academic Score and Performance on the Job

In this study, the researcher tried to find what relation exists between performance at school and performance on the job.

The school results can be quite misleading. Some students earn their grades by useless memorization. This kind of students may score very well in their exams, while their knowledge about a certain subject is very weak. In this case high score is a poor indicator of not only performance on the job but the performance in the school as well. A good student is not only the one who get good grades. He is more responsible and serious. For this reason he would do better on his job.

Those who answered are of two opposing views; 47% believe that high academic score is related to performance on the job. The other 53% do not find any relation between academic score and performance on the job.

4.4 Companies Hiring the MBAs

As we have seen earlier, the MBA student has some distinguished characteristics. In addition, the MBA degree had cost the student a great deal of money and time. So the MBA student must analyze well the job opportunities ahead of him. He must know about the companies who hire MBA students and how they treat such students.

4.4.1 Remuneration of MBA Students in Lebanon

The matter of remuneration of MBA students is very important. During the 80's the MBAs in the US earned around 40% to 50% more than the BAs; nowadays these bonuses are vanishing.

In Lebanon there is a differentiation between the MBAs and the BAs. In 80% of the companies interviewed; 50% offered MBAs higher salary. However, the position held upon entering the job is the same as BAs because of lack of experience, 30% offered the MBAs higher salary and position upon entering the job. They thought the MBAs are reliable and are capable of

holding higher positions. The remaining 20% treated the MBAs like the BAs in terms of remuneration and position held. They think it is up to the student to improve.

When the business directors were asked about their opinion about the salaries of MBA students, their responses were as follows.

The directors of business divisions in the Lebanese universities think that the MBAs in Lebanon are under priced.

The director of AUB thinks that the salaries of MBA students are somewhat low. But if the student had the opportunity to work in a good company and if he has a good experience, then higher salary will eventually come.

At LAU (Jbeil) the director thinks that the MBA degree is like any other degree in Lebanon. The MBA student in Lebanon does not get compensated immediately for the costs of his university education in the short run. But he might get many opportunities in his work that can be translated to money in the long run.

The directors of LAU (Beirut) and NDU have the same views. They think that the MBAs are underpriced, but they get promoted faster than others.

4.4.2 Financial Assistance Offered by Companies to MBA Students

The MBA students need a lot of help to cover the fees of the expensive MBA program. The company in which the MBA student works might be of great help. In fact, it might be the only source that the student can rely on to complete or enter the MBA program.

The managers are very supportive when the employee wanted to get an MBA degree. Nearly all of them, 90% encourage their employees to get an MBA degree. They think that it is beneficial both to the company and the employee.

However, the companies were less supportive when the issue dealt with the financial help. More than half of the respondents, 57% declined to give any kind of financial help to the student. The other 43% agreed to help the students financially, but their help became in different forms. Some companies offer grants. others offer no-interest loans, and some offer low interest loans.

4.5 Relation Between Companies and Business Schools

As seen in chapter 2 the responsibility of developing MBA students lies on both the university and the business world.

The connection between the companies and the business schools is very important. It is the only way through which the companies can tell the business schools what quality of employees they want, and it is the only way the business schools can know if their students are well suited for the real life. However, it is surprising to find that less than half the respondents of the business sector 47% make contacts with business schools. These contacts were in the form of seminars and career orientations. Some firms have indicated to have summer interns. The other 53% made contacts with universities only to recruit new employees.

4.6 Conclusion

The MBA degree in Lebanon is gaining the attention of the business sector. The Lebanese universities are providing the business sector with high caliber employees who are competitive and even are better than foreign MBAs. The companies hiring the MBAs think that these employees are more responsible and are more able to help in the reconstruction process. However, poor connection exists between the business sector and the business school. Only 53% of the companies are concerned about the quality of the MBA that they are getting, a thing that is evidenced through the participation of the

companies in career orientation programs and seminars held by the universities.

Chapter V

Conclusions and Recommendations

The MBA is gaining recognition in Lebanon. Many companies are showing interest in recruiting MBAs and are offering them more advantages than other employees.

The purpose of the study was to assess the performance of MBA students and to spot any deficiency in the performance of the MBA students or the business schools graduating them. Moreover, the researcher tried to find what are the companies offering these students and what are they demanding from them. Thirty companies from inside and outside Beirut are used in this study.

The purpose of the study is achieved by analyzing what the companies are requiring from MBAs and what the universities are offering or what they are able to offer.

Chapter 2 provided a clear explanation about the concept of MBA in the US by which the Lebanese MBA is greatly influenced. Chapter IV shows the results of the two questionnaires that were given to each of the business schools and the companies.

5.1 Summary of Major Findings

As a brief summary of the major findings of this research, the following paragraph will summarize the major issues resulting from the performance of MBA students in Lebanon.

As stated in chapter 4, the MBA students in Lebanon have distinguished themselves from other students. Managers think that MBAs have more analytical skills and are more responsible. However, there are some complaints about MBA students. 63% of the business executives complain that MBA students lack experience in work, they are good at the theoretical part of the study but are poor at the practical part.

The communication and leadership skills are considered important in real life. More than half the executives, 57% believe that these skills are innate to the individual with no help that the school can provide. Another 13% think that the school can help in developing those skills. The third group constituting 20% of the sample studied differentiated between communication and leadership skills holding the believe that communication can be developed by the school while the leadership cannot. The remaining 10% believe that these skills are developed by the universities.

As the business schools are concerned, no separate courses are offered to teach communication or leadership.

The MBA degree is not a prerequisite to managerial excellence, as 97% of the managers confirm, but it surely offers a great advantage for the individual. This view is supported by the business schools' executives who think that an MBA must have real working experience to go along with the degree in order to hold managerial positions.

As stated earlier, the MBA degree is desired in Lebanon and companies are offering good packages, 50% offer higher salaries and 30% offer higher salary and position upon entering the job. Moreover, 90% of the managers encouraged their employees to get an MBA degree but only 43% agreed to help their employees financially in terms of grants or loans.

Although good relation must be established between the companies and the business schools to improve the quality of the MBAs, it is noticed that less than half the respondents (47%) try to make such contacts through seminars and career guidance. The other 53% simply contact the universities to recruit employees.

5.2 Recommendations

One of the major complaints about MBA students is that they lack the real experience that must assist them in their work. In order to enable the MBAs to gain such experience he must be engaged more in the field of work.

This can be done by intensifying the summer intern programs that all the universities apply. In this way the MBA will get acquainted to the experience he needs while finishing his MBA.

In addition, more contacts must be maintained between the companies and the business schools. As indicated earlier only 47% of the companies make contacts with business schools. Therefore, the companies have to make more effort to communicate with the universities that are the suppliers of the MBA recruits. In this way the complaints about MBA employees can be eliminated or at least decreased to a great extent. These connections can be in the form of seminars and presentations made by the companies' managers to inform the students what is awaiting for them in the field of work when they graduate. They can also be in the participation in career counseling, or in meetings conducted with the directors of business divisions of the different universities.

The MBA students must have the access to an extensive library holdings and advanced computer system that can help them in their researches and data collection process. Such facilities are unavailable in the Lebanese universities and it is one of the major factors in which the foreign MBA can be ahead of the local MBA. The companies in their part, can help to finance such projects or they can give donations in the form of equipment.

Communication skills are very important to the MBA graduate. The director of the business division in AUB indicates that the role of the MBA program is to teach the students how to apply the knowledge acquired in previous years. So, the student has acquired the basic knowledge of subjects such as accounting and finance.

It is true that the MBA adds to this knowledge, but what is important is that it teaches the student how to deal with others. For this reason the communication skills must be treated with great concern on the MBA level. This can be done by placing emphasis on seminars and group discussions in the class. The help of an outside participant, such as company managers, can be used.

Therefore, the development and progress of the MBA program in Lebanon is a joint responsibility between the companies, or the business sector, and the universities, or the academic sector, and it is only through the coordinated effort of both sectors the desired results can be achieved.

5.3 Limitations of the Study

Despite the efforts made by the researcher to get most reliable and unbiased information, there were some limitations presented in the study due to the following reasons.

- 1) The Balamand University, the fifth university offering an MBA program in Lebanon, was excluded from this research.
- 2) The interviewed managers were very helpful, but they were very congested with work and pressed with time. This situation has led the researcher to conduct only one interview with each manager.

Appendices

1. Summary of major findings.
2. Interview conducted with the sample of managers of companies.
3. Interview conducted with the directors of business divisions.

Appendix I

I. The quality of MBA students:

- 13% of the sample managers claim that there is no difference between those who got an MBA and those who did not.
- 87% believe that MBAs are more realistic, have better analytical ability, and deeper knowledge of materials.

II. Comparison between MBAs graduating from abroad and those graduating in Lebanon:

Companies' view:

- 23% think that those graduating from abroad have better knowledge of the subject and they perform better on the job.
- 77% claim that there is no difference. Infact, those graduating from Lebanese universities are better exposed to the Lebanese market and people.

Universities' view:

- The director of business division at AUB thinks that in Lebanon, the

MBA student does not get the experience of multi-level organization which can provide the student with the right kind of knowledge. This offers an advantage to the MBA graduating from abroad.

- The director of business division at LAU(Beirut) believes that the local MBAs are compatible with those graduating from abroad. Yet, those who graduate from abroad have better exposition to the American style of management.
- The director of business division at NDU thinks that the theoretical part is good but the research and the practical parts are poor.
- The director of business division at LAU(Jbeil) thinks that the local MBAs are compatible and even better than those who graduate from some universities abroad.

III. MBA degree as a prerequisite to managerial excellence:

- 97% of the managers interviewed believe that the MBA degree is important. It gives the student an advantage but there are personal traits that are important.
- 3% find no connection between what the MBA degree offers and managerial excellence.

IV. Communication and leadership skills:

- 57% of the managers say that these skills are innate and the schools can do nothing to develop them.
- 13% think that it is up to the person but the business school can develop them.
- 20% believe that only communication can be developed.
- 10% believe that both skills can be developed, and the Lebanese universities have done a satisfactory job in this domain.

V. Remuneration of MBA students:

Companies' view:

- 50% of the companies offer MBAs higher salaries but same position.
- 30% offer MBAs higher salaries and positions.
- 20% treated the MBAs like the BAs in terms of remuneration and position held.

Universities' view:

- The director of business division at AUB thinks that the salaries of

MBA students are low. But if the student got the opportunity to work in a good company and if he has good experience, then higher salary will eventually come.

- The director of business division at LAU(Beirut) Thinks that MBAs are underpriced, but they get promoted faster than others.
- The director of business division at LAU(Jbeil) thinks that the MBA is underpriced, like any other degree in Lebanon. However, in the long run higher salaries will come.
- The director of business division at NDU thinks that MBAs get low salaries, but they have the opportunity to get promoted faster than others.

VI. Assistance, by companies, to help MBA students:

- 10% of the managers do not encourage their employees to get an MBA degree.
- 57% encourage their employees to get an MBA degree but they decline to give them any kind of financial help.

VII. Relation between companies and business schools:

- 53% of companies contact universities only to recruit employees.
- 47% make contacts in the form of seminars and career orientation.

Appendix II

- 1- When did your company start its operations?
- 2- How many employees do you have in your company?
- 3- How many MBA employees do you have in your company?
- 4- When was the first time you hired an MBA?
- 5- Do you think that MBA students are unrealistic about their job expectations?
- 6- What qualities do you find in MBA students that you do not find in other students?
- 7- What qualities must the MBA students have or know to succeed in work?
- 8- Do you think that MBA is a prerequisite to managerial excellence?
- 9- Are the business schools offering the qualities that enable the MBA student to become an efficient employee? If not, why?
- 10- Do you think that MBA students lack important skills such as leadership and communication?
- 11- What benefits do you give to MBA students?
- 12- Do these benefits compensate the employee for his distinguished qualities?

- 13- Is there any relation between the students' academic score and his performance on the job in terms of income and responsibility?
- 14- Do you offer MBA students higher salaries than others?
- 15- Have you given any of your employees a grant (or any kind of financial aid) to help him get an MBA degree?
- 16- Do you think that the 80s were better than our days for MBA students in terms of costs and benefits (rewards after graduation)?
- 17- Do you think that MBA students have a mastery over a certain field?
- 18- What complaints do you have about MBA students?
- 19- Do you make any attempt to tell the business schools about these complaints to help them overcome any deficiencies? If not, why?
- 20- What measures do you take to help business schools?
- 21- Does your company send managers to the business schools to conduct interviews with MBA students, or to make presentations to explain career paths opportunities for them within your company? If not, why?
- 22- Does your company send managers to involve businessmen and businesswomen with educators? If not why?
- 23- Do you think that training and development of existing employees can produce greater performance improvements than putting a small elite through expensive MBA program?

- 24- What are the factors that affect the reputation of a given MBA program?
- 25- Is it important from where an employee got his MBA?
- 26- Which university do you prefer?
- 27- Do you prefer students who got their MBA from outside Lebanon?
- 28- What qualities, do you think, that these students have which students graduating from Lebanese universities do not have?
- 29- Are you willing to give these students higher salaries to work for you?
- 30- Do you offer grants to universities?
- 31- Do you think that MBA students change jobs more frequently than others?

Appendix III

- 1- When did your institution start an MBA program?
- 2- How is an MBA program accredited in Lebanon?
- 3- Do you follow any accreditation lines set in America, or any other country?
- 4- How do you compare students graduating from Lebanon with those graduating abroad?
- 5- Do business people have the same belief?
- 6- Do you place more emphasis on verbal skills or on math skills when accepting a student to the MBA program?
- 7- Why do you think it is more important?
- 8- What are the factors that affect the reputation of a given MBA program?
- 9- What do MBA students need to know to succeed?
- 10- Is there any qualities, which are important to MBA students, that your institution can not offer?
- 11- If there is, why your institution is not able to offer these qualities?
- 12- What is more important the hard skills, such as marketing, accounting, and finance, or the soft skills, such as teambuilding, communication, and leadership?

- 13- Why do you think it is more important?
- 14- Do you think that MBA students lack important skills such as leadership and communication?
- 15- Is your institution trying to help its students in the soft skills?
- 16- Do you think that MBA is a prerequisite to managerial excellence?
- 17- Do you think that training and development of existing employees can produce greater performance improvements than putting a small elite through expensive MBA programs?
- 18- Do you have any kind of services (ex. career services) to separate the MBA students from undergraduate students?
- 19- What is the cost of an MBA program, currently, in your institution?
- 20- Do you think that MBA students are well compensated, financially speaking, for the time and money they spent to get an MBA?
- 21- Do you think that MBA students are unrealistic about their job expectations?
- 22- Do you think that MBA students coming from abroad get higher salaries?
If yes, why?
- 23- Do you think that the 80s were better than our days for MBA students, in terms of costs and benefits (rewards after graduation)?

- 24- Is there any kind of study made to find a link between what you are offering and what the businesses are requiring?
- 25- What complaints, by companies, do you receive about your MBA program or students?
- 26- Is there any attempts made to eliminate these complaints?
- 27- Do companies send managers to your institution to involve businessmen and businesswomen with educators?
- 28- Do companies send their managers to conduct interviews with MBA students, or to make presentations to explain career paths opportunities for them within the companies?
- 29- Do you receive any kind of financial help from any company?
- 30- Have you tried to apply any in-house program?
- 31- Has any company shown any interest in an in-house program?
- 32- Do you think that in-house programs can be applied to undergraduate students?
- 33- Does your institution offer summer interns as a part of the MBA program?
- 34- Do you think that your faculty have the right teaching techniques?
- 35- Do you think that the courses are scheduled to give the students the experience needed to master a field?

36- What measures do you take to insure right teaching techniques by faculty?

37- Do you think that your faculty play an important role of guidance?

38- Do you think that MBA students change jobs more frequently than others?

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