

Can an individual with an MBA degree be a business leader?

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Abstract

In this research study we are diagnosing the importance of an MBA degree, and its role for an individual to become a successful business leader in the market. This research is qualitative in nature according to nature of the topic, on which we are researching. The research strategy that we have utilized in this study is Mix Method of Data collection and interpretation. Under the umbrella of mix method approach and keeping other unfortunate situation such as closure of university and Covid-19 in mind we decided to collect the data in the form of open ended qualitative questionnaire, along with few interviews from the individuals holding MBA degree. The sample size of the study is 140 out of which the active responses are 128. Throughout the journey of making of this report we faced multiple restriction and gaps such as absence of past research work and lack of directly related material regarding our topic. The opinions, views and responses that we have received are free from any sort of biasness and shows the actual facts and figures made by the respondents themselves. In the findings we have multiple responses but their overall results can be defined in such a way that the, MBA degree is not required to be a business leader if you possess any sheer talent or set of skills. But it does not mean that the degree is useless, it is of high value and importance while managing and operating the organization and firms. To be a successful leader you do need managerial skills and important know how of finance, management and marketing, and the systematic knowledge of these fields can only be obtained while doing MBA courses.

Keywords: Individual, Business, MBA degree,

Introduction

In this section, the focus is on the background information of the topic, the research objective, research question and research gap.

1.1 Background Information

In modern era of digitalization, technology and of Artificial intelligence (AI), the opportunities for both jobs and businesses have been shrined for a last decade or so. The jobs that previously used to be performed by the humans are now have been performed by the machines and robots, the businesses which humans used to operate, are now have been replaced by the machines, which in turn causes the rapid augmentation in the unemployment and loss of manpower.

With the rise in industrialization all over the world, trends and styles of basic business and accounting operations within the management of the companies, got a major shift in their

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nature and they underwent a sudden change, from manual methods to digital and computerized versions. The industrial revolution, brought about the high demand and need for the number of individuals to work in different capacities on different and new job positions. This thing, brought a complete change in the management style and approaches, because now in companies the labor was now being managed, supervised and evaluated by the digital machines rather than manually by humans. This same thing also happened accounting and book keeping operations and old ways of maintaining books of ledger and journals got changed. Due to this, labor force almost in every industry was in the red-hot need of change and alteration to develop new set of skills for managing the running business activities effectively and efficiently.

Therefore, company owners started looking for more effective management techniques by combining scientific knowledge with business theories and practices in order to hone these abilities and meet the new demands of the modern era. In order to prepare students for success in the business world, business schools had to include courses in this area. Problems that needed fixing included distinct roles for specialists and general laborers, a well-defined chain of command that allowed for harmonious interactions between upper and lower management, and detailed regulations that each business had to follow. In, order to cope with this situation, the different institutions of the world decided to provide MBA (Masters in Business Administration) degree programs and courses to their students, so that they can survive in evolving and highly competitive job markets and the world business.

Every year thousands of young students only in Pakistan to take the admission in MBA degree programs to acquire various jobs in different companies and in firms. An MBA is a professional degree, that capable the individuals to have more advanced skills and expertise related to businesses. This degree is quite helpful while applying for any job position in the market, because the individual who possess this degree has a command over the basic managerial operations and have more understanding of business world than the individual lacking this professional degree. Besides being beneficial in jobs market an MBA degree is also equally important while setting up own business venture or company. Because, an MBA degree provides a strong knowledge foundation of all the fields of businesses from Finance to Management and from Human Resource to Marketing and entrepreneurship and so on. So, after passing from students MBA degree programs possess opportunities from the both JOB and Business side, as they possess the prior knowledge, skills and experience that is needed for satisfying the demands of the both and a business entity.

In Pakistan, there are different universities offering MBA programs under different fields of specialization such as finance, management, marketing and human resources. Each field of specialization enjoys its own importance according to its demand in the job markets and in the eyes of students. If we talk about the majority of the MBA students of Pakistan they go for the job after completing their MBA degree. There are very rare examples of those sort of individuals who starts their own business, so it shows that the students often do MBA because to avail jobs. There may be various reasons behind this mindset, some of the factors are, such as, shortage of capital, weak startup policies or hurdles in the way of setting up new business entity, long procedure, lack of experience or there may be something wrong in the MBA degree programs of Pakistan, that does not allow students to start their own business. Further in the report we will learn and examine those reasons in deeper form.

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If we look upon the current situation of the world of business, you will find dozens of business leaders that rule the entire globe through their companies such as Apple, Tesla, Amazon, Facebook etc., are not from MBA background. Means those individuals such as Elon Musk, Steve Jobs, Jeff Bezos and Mark Zuckerberg are not MBA degree holders, but still operate their companies successfully from last several years and are ruling the world of Business. This thing rises to several new questions in the minds of individuals that if without having an MBA one can become world's Richest person, then what is the point of having an MBA degree and learning business theories? Now a days you will find number of motivational speakers and social media influencers who constantly urges people to not to get admission in different degree programs, they compel masses to develop and learn skills based and practical education rather sitting in classrooms and attending lectures. And this thing is also somehow true that companies most frequently prefers those individuals who possess more prior knowledge, experience and set of skills than that of those who only possess an MBA degree.

1.2 Research Objective

The objective of this study is quite clear from the title of the research that is " Can an individual with an MBA degree be a business leader". So yes, the main objective of this research is to diagnose and analyses the importance of an MBA degree for becoming a business leader in the market place, in this study we shall discuss and analyze that how much an MBA degree is helpful to be a leader and will also diagnose the importance of an MBA degree while starting your own business or availing job opportunities after the completion of MBA degree program.

1.3 Research Question

An MBA degree is considered as a professional degree that is quite helpful in the world of business while handling managerial operations and running business activities. It is also equally helpful while starting up one's business. An MBA degree is associated with different business- related techniques and tactics and the practical understanding of managing the management of any company or organization. Now a days, every other person knows about the MBA degree and its importance in the field of business and trade, but our main research questions that serve our research objectives are, Why the popular business leaders like Elon Musk, Bill Gates, Steve Jobs etc. are not from MBA background? Does an MBA degree really count on to be in the list of successful leaders? Can an individual running his/her business in market, develop leadership skills without understanding the leadership theories? Can an individual be promoted on managerial position in any organizations without having an MBA degree? and the individuals having an EMBA (Executive MBA) degree possess more Career growth opportunities and market attraction from the firm side, than the individual having MBA degree. Why? These questions will help us in diagnosing the scope of MBA degree from the perspectives of both job market and operating own business. This study, will certainly help others while doing research on the MBA degree programs in Pakistan.

1.4 Research Gap

In the world of business academics, the professional degree programs such as BBA and MBA are of high importance all over the world. There has been a prominent rise witnessed in the

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MBA courses after industrial revolution all over the world including Pakistan. Thus, for researchers' new trends always bring up new opportunities for doing researches and surveys for the better understanding of the underlying issues and topics of the society in which they all dwells. During the study of any field of research not all the areas and patches are being touched and covered, there are still some areas of study which remains untouched and are like hidden gems under the blanket soil, in the terminology of business research we know them as Research Gaps. Similarly, like other research topics this topic also possesses some gaps from the perspectives of literature history and researches that have been made in past. Followings are some research gaps that we confronted in the journey of making of this research report:

- No prior information, data and past researches available purely related to this topic
- Lack of qualitative research on this topic or related to this topic.
- General questions regarding the proper use and scope of MBA degree have not been addressed in the literature.
- There was no any sort of awareness regarding this topic among the masses before this research, the reasons behind most commonly asked questions such as, why students go for jobs after MBA rather than opening one's own business? are not answered even not asked in the past.
- The success behind the business leaders, having no professional degrees, have never been linked with the professional degrees such as MBA and BBA.

2 Literature Review

In this particular section of the study, we will tend to find the researches and studies that have been made in the past regarding the MBA scope in the fields of academics, businesses and job markets. Critical literature review will certainly build a plot, a foundation of our research work and will help readers to understand about the topic more deeply in the lights of summaries of articles, past research papers and the analysis of books written and organized by prominent authors in the field of research work. This study is based upon the qualitative and quantitative research in a mixed approach method of researching, in order to extract the role of an MBA degree in the process of becoming a business leader.

If you look upon the history you will find a serious controversy within the business communities concerning whether a business school education is aligned and congruent with the needs of businesses. Whether any sort of degree is needed to be a business tycoon or not, is the debate that have existed right from the start of business schools in the world. A majority of the people in the world including Pakistan consider business as an art or as technique-based task rather than a scientific or academic thing, that you learn in schools.

An advisory firm called DDI (Dimensions Development International) has recently published new research casting doubt on the efficacy of affirmative leadership among those with an MBA. More than fifteen thousand heads of state from eighteen different nations have taken part in the events over the last nine years. The leadership abilities of an MBA holder were contrasted with those of an undergraduate with a business degree, including strong communication skills, influence potential, and inspiration excellence, among other things. Findings suggesting MBAs aren't necessarily the best option weren't shocking. An individual's leadership spirit is best understood as an innate quality that defies explanation

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and indoctrination. These are not the kinds of things that can be taught in a classroom; instead, they call for extensive training and practice. All MBA programs fail to provide students with enough opportunities to hone their leadership abilities through practical experience working on real-world projects as part of their course of study. Building one's leadership and interpersonal abilities takes precedence over mastering the nuts and bolts of company marketing. In June 2019, Shweta Bedekar was quoted in GD Ideas.

An MBA degree is quite helpful in learning and understanding the entrepreneurial skills and assist in the personality development of an individual. If we look from the perspectives of promotion, job security, rise in salary, an MBA do play its part. But on the other hand, in real life business the theories or the lectures that someone learn during MBA classes are not that much applicable within the organizations or those sorts of scenarios do not come in front in practical form, so in this fashion the degree is not useful.

An MBA is commonly believed to pave the way to a more rapid ascent through the corporate ladder, with better pay and more prestigious titles being the usual indicators of success (Baruch and Peiperl, 2000; Carnall, 1992). In fact, when such professional advantages are lacking, many begin to doubt the MBA's worth (Pfeffer and Fong, 2002).

Since this analysis is limited to quantitative metrics, it could be argued that it presents an overly simplistic picture of the correlation between an MBA and professional achievement. Therefore, this view fails to account for the wide variety of criteria that people use to evaluate their professional achievements. Put simply, the importance of considering one's own career success is disregarded. Given the changes to the career climate, this neglect is perhaps surprising. According to Littler et al. (2003), organizations are offering careers that are significantly different from the traditional model, particularly for managers. However, it is worth noting that the literature may exaggerate the demise of the traditional career (Guest and Mackenzie Davey, 1996). For instance, according to Arnold (1997), fewer managers are believed to be able to achieve success in terms of climbing the corporate ladder than in the past. The continued reliance on salary and promotion as the primary metrics for evaluating an MBA's value in light of these shifts in organizational career structures is perplexing.

There is a Crisis in Identity at Business Schools. Teaching future business leaders and expanding existing knowledge through research have always been two of the primary goals of business schools. Business schools began to place more emphasis on the latter fifty years ago, as detailed in the 2005 HBR article How Business Schools Lost Their Way. Instead of being a vocation, management evolved into a science. Significant consequences resulted from this change. Academic journals became a lucrative source of income for business school professors, and as a result, the curriculum started to mirror the faculty's narrow focus. The gap between academics teaching business and real-world managers and leaders widened. It was obvious in the middle of the 2000s that business schools had taken a unilateral approach (Drew Hansen, Forbes, 2011).

"Traditional MBA programs offer specialized training in the functions of business, not general educating in the practice of managing," argues McGill University professor Henry Mintzberg. Master of Business Administration students learn to solve clearly defined problems in isolated functional areas. Leaders don't act like this. Once more, Mintzberg clarifies:

"Most work that can be programmed in an organization need not concern its managers directly; specialists can be delegated to do it. That leaves the managers mostly with the messy

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stuff— the intractable problems, the complicated connections. And that is what makes the practice of management so fundamentally “soft” and why labels such as experience, intuition, judgment, and wisdom are commonly used for it” - (Henry Mintzberg, Managers Not MBAs) The fact that MBA programs help graduates become more prepared for managerial positions is what drives demand for these programs among Asians, say Thompson and Gui (2000). From improved analytical power to specific functional managerial abilities, students in this sample seemed more motivated to enhance their management skills and capabilities. It is true that MBA programs have helped students learn more and gain better understanding of the complex and ever-changing business world, according to research by Louw et al. (2001). Research inquiry, oral and written presentations, and competency skills are among the factors that influence MBA students' decisions to pursue this degree (Baruch and Leeming, 2001). The present study's methodology has a number of benefits over others that attempt to investigate the connection between management education and managerial competencies. To begin, if an MBA program's major goal is to train managers of the future (or to improve the skills of present managers), then the required coursework in such programs should reflect the institution's best effort to cover the most important topics related to management. Secondly, the mandatory curriculum of an MBA program conveys the perceived or objective worth of specific subject matter. It follows that the business school must consider the required courses to be essential for the development of managers if they include them in the program. Third, comparing different schools is made easier by using these mandatory courses to make a determination of relevance in a systematic and standardized way. We were guided by the broad question: "To what extent are required MBA curricula aligned with required behavioral competencies?" to examine the linkage between required curricula and established competencies. The question is, "How current are MBA programs?" Robert S. Rubin and Ernst C. Dierdorff from DePaul University.

3 Research Methodology

Readers will be able to assess the study's overall credibility and validity in this section of the report. In the methodology section, we find the answers to two principal questions: Can you tell me how you got your hands on this data? Its analysis was what? To get a better and more thorough grasp of the subject, read this section.

As our topic belongs to qualitative research, in which we have to collect, analyze, evaluate and interpret the data and responses in a qualitative manner through interviews and open discussions from the individuals, rather than quantifying the data in traditional method. Qualitative research and data collection and evaluation methods helps in understanding the research problem and objectives more effectively and efficiently, and it allows researchers to have more flexibility in terms of opinion building and asking questions.

In this particular study we have followed and undertaken the Mixed Method Approach as our research strategy, in which both quantitative and qualitative data collection techniques are used. The main reasons behind this decision are given below:

- Conduction of physical interviews from the MBA students of Sindh University and other universities affiliated with it, was not possible as Universities were closed, as per the orders of Federal and Provincial Governments, because COVID-19 situation.
- Respondents were bit of scared and hesitant in having a physical interview

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because of corona. But despite of this factor we had few interviews online and physical from some MBA individuals

➤ By keeping the above situation in mind, we decided to generate a qualitative open-ended survey online questionnaire that included round about one dozen descriptive questions, that could easily satisfy the need of having interviews.

3.1. Survey Distribution

So now it is cleared that our research will not only be confined to only quantitative analysis nor qualitative analysis, but it will be a mash of both quantitative and analysis. our targeted respondents to fill up our questionnaire are mainly MBA students including the MBA pass out students of Sindh university and its other affiliated universities such as Institute of Management Science and Arts (IMSA) Hyderabad, SISTECH university Sukkur. Other important factors that and elements that are considered are as follows:

- Sample size was confined up to 140 respondents.
- Study assumed that there is no respondent's biasness.
- Respondents provided data as per their beliefs, opinions, views and set of minds, as the questionnaire contained open ended questions.
- During the completion of this research report, all the section and phases were free from any sort of biased activities or stuff from the side of team members.
- The Survey questionnaire was only sent to the targeted individuals via emails and WhatsApp and by other social media platforms.

3.2. Response Rate

The Response Rate Was:

Reponses Rate = $130 \div 140 \times 100 = 92.8\%$

Active Response Rate = $128 \div 140 \times 100 = 91.4\%$

3.3. Techniques used for data analysis

Data was collected using a structured qualitative questionnaire, via online google form, and few online interviews and through discussions with MBA graduates to know the opinions and views of respondents on all relevant factors taken from the literature.

5. Conclusion

In this chapter we will draw a conclusion and findings of our study, and will also discuss about the possible future research directions in the light of results trends we have received from respondents.

5.1. Concluding the Study and Findings

The purpose behind this research was to examine that what kind of role does an MBA degree plays for becoming a business leader in the market. Throughout the journey of this study, we examined the importance of an MBA degree from multiple dimensions with the help of qualitative questionnaire and interviews that were conducted from the individuals possessing the MBA degree. We came across different responses and opinions made by the

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sample of about 140 individuals, mostly current students of MBA degree programs. The data collection and research strategy that we have used is of mixed method approach, that means we have used qualitative and quantitative data at the same time. The research questionnaire that we have made consisted of more than one dozen open ended descriptive questions related to our research topic. In the reply of each question, we received a mixed response from the sample of said respondents.

The results have shown that the majority of the respondents believe that the degree is not necessary while stating up business because the skills that are needed to operate the business ventures and organizations cannot be learned in a classroom, in traditional manner.

When it comes to launch your own business the skills, talent and tricks you acquire during the time span of four or five years enjoys great value rather than the marks sheets and pieces of papers. Entrepreneurs mainly do not need individuals with MBA degrees, because they are more focused and are interested in meeting the needs and desires of customers. They need someone with polished talent levels. But this doesn't mean that MBA degrees are useless in entrepreneurship, on some occasions MBA degree may save an entrepreneur from falling in any sort of legal issue. An MBA-holding employee is more likely to learn the ropes and get the job done quickly and accurately. Business managers with an MBA degree have both the theoretical and practical understanding to run a successful company. Successful businesspeople have gone through this program, and it teaches them how to avoid losing money. Managerial tasks, including staff management, interviewing, and budgeting, are streamlined by individuals with MBA degrees. Professionals with an MBA have a leg up because they can make decisions more quickly.

5.2. Future Research Directions

After diagnosing the data and results obtained through out the journey of this study provides certain important trends that depicts the mind set of individuals regarding the MBA degree programs and its scope in the jobs market and in in businesses. Some of the important points, factors and trends that we have examined and will be helpful in future for other researchers are given below:

- The set of skills and talent someone possess are more preferred by the business owners and companies in interviews and job rather than degrees.
- An MBA degree holder posse some important managerial skills regarding the operations of business entities are of high importance because they have the more information regarding the leadership theories and economic situations.
- For the promotion on higher posts in companies the performance of an employee plays major than the degree, and according to the majority of responses we have received have answered that the promotion depends upon performance not on the degree or set of skills.
- The importance of an MBA degree varies according to the ranking of the institution.
- 39.06% of respondent have an opinion that the MBA students do not start business right after getting their degree because they have inadequate resources to start a business in Pakistan.
- 42.9% of the respondents believe that individual lacking an MBA degree cannot manage the product and people in the organizations, because they lack the skills and

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knowledge about basic managerial functions that an MBA students know very well.

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