

Perceived Effects of MBA Degree on Skills Development and Career Advancement: The Case of Pakistan

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Abstract

This study was conducted to assess the effects of MBA degree on enhancement of skills and career advancement in Pakistan. Business education is getting importance and growing day by day globally and for the sake of assessing worthiness of this degree of business education (MBA) in developing economy of Pakistan 100 professionals (75 MBA's and 25 others) were studied. Likewise study also focuses on some intervening variables for instance stress management, effective communication, time management, interpersonal skills, self confidence, and analytical skills. Study was conducted in banking industry by selecting people randomly from different managerial ranks. Data were collected through a well designed and structured questionnaire and pre-testing was carried out to examine the efficiency of the instrument. Descriptive and inferential statistical tools were applied and analyses demonstrated that MBA degree has positive effect on career advancement because it sharpens different skills of MBA's and it provides basis for better opportunities and MBA's have diversified skills so they can act as worthy managers.

Keywords: Employment, MBA, Skills, Business education, Decision making, Career advancement, Professionals, Time management, Analytical skills

1. Introduction

The aim of this study was to access how the business management education at graduate level in Pakistan is helpful in making better managers. A variety of studies are available depicting the career choices for MBAs (Ng, 2008) exploration of MBA's Career success (Hay & Hodgkinson, 1996) and a need of management education (Kelli, 2004). This study exclusively highlights the perceived effects of MBA degree on employability and career advancement in Pakistan. Education is the essential part of today's changing world. Due to ever shifting requirements of organizations and institutions, it is considered as a key to success and survival in all knowledgeable societies.

It also helps countries to economically grow, reduce poverty and inequalities. According to Mahmood & Shafique, 2010, "World Bank has stressed that education plays a significant role in building human capabilities and accelerates economic growth through knowledge, skills and creative strength of a society". Also, businesses were dominated by distinction between "gentleman" (owners) and "players" (salaried managers), but even players recruited had rarely received much more than a basic education – the aim was to be trained "on the job" (Caceres, 2008). Furthermore, Governments around the world are more interested to introduce cultures that would promote enterprises, create new ventures and as a result, education systems would be changed, in varying degrees (Kirby, 2004). Pakistan is an underdeveloped country and like many other crises, it is also a victim of poor quality of education which leads it toward economic stagnancy and even downturn rather than growth. Ranis et al. (2000) have empirically shown that over the last decades Pakistan had fallen in categories either of lopsided development, under emphasizing human development, or the downward spiral, where human development is not leading to strong economic growth. Therefore, to bring knowledge-driven growth requires education systems to impart higher-level skills to a rising share of the workforce, foster lifelong learning for citizens and promote international accreditation of a country's educational institutions (Mahmood & Shafique, 2010) and introduction of professional courses in engineering, law and business is a shift toward it. There is evidence of serious changes in terms of careers offered by organizations (Littler et al., 2003), especially in the case of managers (Cappelli, 1992) and the popular conception surrounding the MBA degree is that it leads to fast

track career success, typically construed in terms of improved salary and hierarchical position (Hay & Hodgkinson, 1996). MBA programs were originated in the USA, where the first degrees were awarded at around the turn of the twentieth century and since this time, it is still the most important for the modern manager, has gone through a number of changes (Caceres, 2008). Due to its multipurpose benefits to individuals, organizations and economies it is diffusing very swiftly i.e. Paton, (2001) narrated that the proliferation of business schools and associated management and business development products across the UK has almost reached epidemic proportions. MBA programs provide graduates with the knowledge, competencies, skills and capabilities to perform certain tasks at key positions in the organizations. The literature shows that MBA education is different from country to country based on various demographic factors like culture, geographical locations, differences in behaviors and attitudes of people etc. Some key objectives of the study are as follows:

Assess the value addition of MBA degree of Pakistani institutions in

- 1) Skills development
- 2) In employability
- 3) Career advancement

The following section of this paper presents a review of relevant literature and research questions; in the next section the methodology is narrated; the following section prescribes the main findings and at last conclusions are discussed.

2. Literature Review

Master in Business administration (MBA) degree holders are considered as personnel who have ample knowledge about various dimensions of business field. A business school has an organizational culture of its own and plays a central role in shaping the careers of those who take degrees of MBA (Kelan & Jones, 2009). The Universities, colleges and other institutions are playing an active role in fulfillment of the demands of markets regarding MBAs by adding required skills in their curriculum for degree of MBA.

MBA facilitates the transition from junior role to a much more senior one, the graduates of the top business schools are expected to progress swiftly to the executive suite and successful progression through MBA program thus marks a change of status (Kelan & Jones, 2009; Hill, 2003, 2007). Usually, a question arises on the value of MBA when a person fails to achieve his career objectives. Pimpa, N. (2008); Hay and Hodgkinson, (2006) explored that a popular purpose of the MBA degree is that it leads to fast track career success, typically construed in terms of improved salary and hierarchical position. Graduates from big institutes are more likely to get career advancement at early stages but there is difficulty to define whether MBA is being done to get higher salaries, to attain position in hierarchy or for learning and development. MBA students are generally thought to have realistic self-concepts and some career directions. Consequently, there may be certain objectives or ambitions which pursuits the person to do MBA i.e. many students are looking to an MBA degree to enhance their employability and to fast track their careers (Hay and Hodgkinson, 2006). Literature identifies several aspects of owner personality that impact the health and profitability of a firm. Some of the characteristics cited in literature are; education, owners experience in business and family history/characteristics (Ahmed, 1997), motivation, skills, knowledge level (Hankinson, 2000) education, personal attributes, managerial and technical competences (Martin and Stains, 1994). Litterateur review above provides the basis for research question stated below and this question would be evaluated further for checking the results of this question in boundaries of Pakistan.

2.1 Research question

Is degree of MBA really helpful in skills development and career advancement of managers in Pakistan?

3. Material and Methods

A cross sectional survey was conducted in banking industry of Faisalabad .Respondents from top, middle and lower management according to their relevant qualifications were randomly selected during the study. Due to requirements of study 75 MBA's were selected from different banks for the sake of checking their enhanced capabilities and 1/4 (25) respondents were selected with other qualifications for the purpose of checking differences in skills of non MBA's and their perceptions about MBA's. For checking validity of the instrument pre-testing was conducted and 25 respondents were selected from UBL (united Bank Limited) and Interest free bank UBL Ameen. In light of pre-testing necessary amendments were made and for ease of respondents and for validation of the study Likert scale was developed. Questionnaire was developed and statements were selected for getting response about dependent and independent variables and also intervening variables were considered , for instance time management, effective communication, and interpersonal relationships, decision making ,financial skills, career management, research skills etc. Descriptive statistics tools (mean, frequency distribution, standard deviation) were used for making a comprehensive summary of data and for brief description of data collected, and inferential statistics were used for exploration of the research question and for the analysis of relationship between variables.

4. Results and discussion

MBA's should have diversified competencies and students should be capable to tackle different aspects. MBA's should have multiple skills in management of business affairs and this study emphasizes on these capabilities which are prominent aspects of MBA degree holders. Different questions were asked for acquiring data about these enhanced skills of MBA degree holders in boundaries of Faisalabad. Different tests were applied for getting the true understanding about relationship between different variables and detail discussion about these tests and their results is stated below.

4.1 **Table 1** show the descriptive statistics (Mean, Std. Deviation, St. error) results for responses of MBA's and other business professionals about required skills produced by degree of MBA. These skills provide basis for good managerial jobs. Mean values of statement 1-2, show that respondents are strongly agreed with these statements and MBA's degree can produce good managerial skills & time management skills. St 3 mean values and Std.deviation value show that this statement is not showing high response of agreement. While statement 4 shows that MBA's are competent like others because its mean value is 2.24 from MBA's response and 2.81 is from other professionals. St. 5-7 shows high mean values and varied St. Deviation and error. So respondents are agreed with these statements, it means MBA degree can enhance capability of stress management, good communication and also good writing skills. St.8 has mean values of less than 3 it shows that respondents are not strongly agreed with this statement but the response is in middle of the scale. St. 9 shows that business graduates including MBA's have strong oral communication skill. St. 10 have contradictory response from MBA'S and non MBA'S because mean value of MBA'S (4.08) shows that respondents are strongly agreed while mean value of other professionals (2.92) shows that response is not as much in the favor of the statement. Majority of respondents are agreed with St. 11 and 12 while with St.13 other professionals are not strongly agreed but MBA's showed positive response. St.14 has not as much strong response of agreement while its mean value and Std. Deviation show that respondents do not strongly agree with the statement which shows that MBA degree produce skill of stress management in holders of it. St 15 has response of agreement from respondents which shows that MBA degree produce financial insight in its holders. St 16 has contradictory response between MBA's and non MBA's. MBA's showed the response of agreement while others showed non agreement response with the statement.

4.2 MBA's are diversified skill holders this is shown by **Table 2**; this table describes Chi-square, p-values, gamma testing and degree of freedom of each skill with association of MBA. The Chi-Square of 29.13 shows highly significant association ($P=.00$) between MBA degree and Time management skill. It shows that degree of MBA can produce better time management skills. Likewise Chi-square of St 2, 4, 5,6,7,8,9,10, 11,13, 15,16 show highly significant association with MBA degree as result these statements show MBA degree can enhance self confidence, communication skill, effective writing, oral presentation, research skills, career advancement, conflict management, stress management, and also decision making skills. While Chi-square of St. 3 and 14 show the value of no significance and this result support previous statements results and explores the facts that MBA degree has great influence on stress management and MBA's are competent from other business graduates. The findings match with the Dimitrios & Kristina (2005) who concluded that there is highly significant relationship between degree of MBA and skills enhancement of personals values shows significance relationship among MBA's and these skills mentioned in these statements. **St 3 and St 14** showed non significant values because these negative statements were used for checking the reliability of data but results proved that data is reliable.

4.3 Table 3 represents the validation construct and high value of alpha shows that all skills mentioned in above 16 statements are having great link with degree of MBA. MBA's are sharp and competent than others and MBA's are competent enough. Value of Alpha supports results of above analysis done by literature review and statistical applications.

4.4 A t test was applied for checking the significance of these statements with degree of MBA and results shown that all statements are highly significant except St no 3 and ST no 14. these two statements showed low level of significance so research question is proved through this analysis because these two statements were negative in nature. These results show that MBA are more skillful than other business graduates. MBA's are strong enough in all characteristics mentioned in above statements.

4.5 Table 5 shows the responses about the contribution of MBA degree in employment and career advancement. This table shows the data about MBA degree contribution in employment and career advancement, 45% people responded that MBA degree helps in fast employment while 35% responded about its moderate effects, while on the other hand 35% people responded degree of MBA helps in fast career advancement while 25% responses were that MBA degree proves better at moderate level for getting promotion. Overall percentages show that degree of MBA is helpful in getting jobs and career advancement.

5. Conclusion

The main purpose of this paper was to study the effects of MBA degree on skills development of professionals in Pakistan. It is concluded that MBA's have diversified skills and they get better chances of being promoted and

being employed. Chi-square analyses show that MBA degrees develop multi skill personalities. All statements tests of significances show that most of the statements are true and MBA's can have career development through this degree. Conclusion drawn from this research is that in Pakistan like other countries MBA's are proving their selves as better managers for business organizations because these personals are strong enough than other professionals.

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Table 1. Comparison of mean between MBA degree holder and others

Statements about variables	Degree	N	Mean	Std. Deviation	Std. Error Mean
St 1 MBA is a degree for enhancement of managerial skills	Other	25	3.56	1.04	.21
	MBA	75	4.56	.58	.07
St 2 MBA's can manage time in a better way	Other	25	3.16	1.21	.24
	MBA	75	4.23	.71	.08
St 3 MBA's are not competent as other business graduates.	Other	25	2.12	1.36	.27
	MBA	75	2.12	1.25	.14
St 4 Stress management is prominent quality of MBA's	Other	25	2.24	1.20	.24
	MBA	75	2.81	1.00	.11
St 5 MBA's are good communicators	Other	25	3.00	1.19	.24
	MBA	75	4.05	.87	.10
St 6 MBA degree can develop skill of writing good presentations	Other	25	3.12	1.45	.29
	MBA	75	4.12	.80	.09
St 7 MBA's don't feel hesitation	Other	25	3.24	1.42	.28
	MBA	75	4.20	.89	.10
St 8 My oral presentation is very good due to business graduation	Other	25	2.04	1.14	.23
	MBA	75	2.13	.99	.11
St 9 MBA's are good researchers	Other	25	3.60	.65	.13
	MBA	75	4.12	.77	.09
St 10 MBA's have gotten many promotion chances than other graduates	Other	25	2.92	.95	.19
	MBA	75	4.08	.83	.10
St 11 MBA's can manage conflicts raised by fellows.	Other	25	3.40	1.12	.22
	MBA	75	3.92	1.00	.12
St 12 MBA'S are good team players.	Other	25	3.56	.96	.19
	MBA	75	3.88	1.08	.12
St 13 MBA's can not become victim of great stress during hours of heavy work load	Other	25	2.72	1.28	.26
	MBA	75	3.91	.89	.10
St 14 MBA's become victim of great stress during hours of heavy work load though	Other	25	2.48	1.08	.22
	MBA	75	2.99	1.07	.12
St 15 MBA's can handle any financial matter	Other	25	3.44	1.19	.24
	MBA	75	3.88	.96	.11
St 16 MBA'S are good decision makers than other business graduates.	Other	25	2.28	1.10	.22
	MBA	75	3.27	1.13	.13

Scale: 1 = strongly disagree, 2 = Disagree, 3 = neither agree nor disagree, 4 = Agree, 5 = strongly agree

* St=statement

Table 2. Distribution of the respondents according to their opinion about diversified skills

Statements about variables	Chi-square	D.F.	P-value	Gamma
<i>St 1</i> MBA is a degree for enhancement of managerial skills	29.13	3	.00**	.874
<i>St 2</i> MBA's can manage time in a better way	24.83	4	.00**	.724
<i>St 3</i> MBA's are not competent as other business graduates.	4.75	4	.313 ^{NS}	.032
<i>St 4</i> Stress management is prominent quality of MBA's	8.8	4	.05*	.363
<i>St 5</i> MBA's are good communicators	22.41	4	.00**	.658
<i>St 6</i> MBA degree can develop skill of writing good presentations	22.79	4	.00**	.526
<i>St 7</i> MBA's don't feel hesitation	18.34	4	.00**	.510
<i>St 8</i> My oral presentation is very good due to business graduation	17.45	4	.00**	.086
<i>St 9</i> MBA's are good researchers	26.36	3	.00**	.595
<i>St 10</i> MBA's have gotten many promotion chances than other graduates	25.93	3	.00**	.779
<i>St 11</i> MBA's can manage conflicts raised by fellows.	16.46	4	.00**	.343
<i>St 12</i> MBA'S are good team players	11.44	4	.02*	.271
<i>St 13</i> MBA's can not become victim of great stress during hours of heavy work load	38.60	4	.00**	.634
<i>St 14</i> MBA's become victim of great stress during hours of heavy work load though	5.94	4	.20 ^{NS}	.351
<i>St 15</i> MBA's can handle any financial matter	14.63	4	.00**	.295
<i>St 16</i> MBA'S are good decision makers than other business graduates	18.37	4	.00**	.559

Table 3. Variable construct

No. of items = 16

Dependent variable	Alpha	Minimum	Maximum	Mean	Std. Deviation
<i>Skills development and career advancement</i>	.797	53.00	46.00	69.4200	8.93318

Table 4.

<i>Statements about variables</i>	<i>t</i>	<i>Sig. (2-tailed)</i>
St 1 MBA is a degree for enhancement of managerial skills	21.770	.000
St 2 MBA's can manage time in a better way	23.290	.000
St 3 MBA's are not competent as other business graduates..	11.798	.055
St 4 Stress management is prominent quality of MBA's	30.426	.000
St 5 MBA's are good communicators	26.741	.000
St 6 MBA degree can develop skill of writing good presentations	35.561	.000
St 7 MBA's don't feel hesitation	26.865	.000
St 8 My oral presentation is very good due to business graduation	42.209	.000
St 9 MBA's are good researchers	29.867	.000
St 10 MBA's have gotten many promotion chances than other graduates	26.458	.000
St 11 MBA's can manage conflicts raised by fellows.	24.982	.000
St 12 MBA'S are good team players	30.694	.000
St 13 MBA's can not become victim of great stress during hours of heavy work load	25.155	.000
St 14 MBA's become victim of great stress during hours of heavy work load though	9.984	.075
St 15 MBA's can handle any financial matter	28.306	.000
St 16 MBA'S are good decision makers than other business graduates	31.735	.000

Table 5.

<i>MBA degree's contribution in Employment</i>		<i>MBA degree's contribution in career advancement</i>	
None	0.00	None	9.00
Slow	12.0	Slow	18.0
Moderate	35.0	Moderate	25.0
Fast	45.0	Fast	35.0
Very fast	8.00	Very fast	13.0
Mean = 2.49, SD. = .810		Mean = 2.25 SD = 1.16	

Q no 16 I can talk and present any topic in an efficient manner			-	
St No 9 MBA's are good researchers				
Q no 17 MBAs try to find the root causes of any problem and then try to solve it			-	
Q no 18 Often I feel burden for doing research about any problem			-	
Q no 19 I like to find solutions of the problems of my department			-	
ST No 10 MBA's have gotten many promotion chances than other graduates				
Q no 20 According my analysis MBAs have more opportunities in market			-	
Q no 21 MBAs can develop their career easily as compare to others			-	
Q no 22 At the same rank an MBA can be promoted quickly than any other professional			-	
St No 11 MBA's can manage conflicts raised by fellows.				
Q no23 I can understand reasons of conflicts among fellows			-	
Q no24 Often my colleges ask me to tell us the solution of any dispute raised.			-	
Q no25 I don't think so I can handle or solve problems and conflicts of others			-	
ST No 12 MBA'S are good team players				
Q no26 MBAs are sharp enough in development of teams			-	
St No 13 MBA's can not become victim of great stress during hours of heavy work load				
Q no27 I often do work in great pressure but I manage it effectively			-	
St No 14 MBA's become victim of great stress during hours of heavy work load though				
Q no28 <i>I can not handle problems under great stress</i>			-	
St No 15 MBA's can handle any financial matter				
Q no29 MBA are skillful in tackling financial matters			-	
St No 16 MBA'S are good decision makers than other business graduates				
Q no30 MBAs can perform as good decision makers			-	