ARE GRADUATES OF INTERNATIONAL MBA PROGRAMS IN BANGKOK MEETING THE MANAGEMENT NEEDS OF EMPLOYERS?

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Abstract
There are many criticisms of the generic MBA degree, one being that administration can be taught in schools and universities, whilst management must be learnt through practice in the work place. Many critical studies have been performed in the United States and the United Kingdom, but as far as can be determined, none has been undertaken and published in Thailand. This research contributes to the debate by means of twenty confidential qualitative interviews with employers: in general their comments match those identified in overseas studies, apart from the criticism that ‘graduate mobility is seen by employers as a sign of disloyalty’, a proposition they discounted. Six new issues were identified, suggesting that although many criticisms apply to the generic MBA per se, others apply to specific locations.

Key words: International MBA graduates, MBA graduate employment, qualitative research interviews, QSR NVivo Software.

Introduction
This paper is the seventh by this author in a series on the subject of Bangkok-based international MBA programs and on graduates of those programs. It records a survey of employers in the public and private sectors in Bangkok and explores its findings. The survey was designed to determine whether MBA graduates are meeting the management needs of their organizations. ‘International MBA program’ are to be understood as ‘MBA program conducted in English’

This paper is the first known published study to record employers’ evaluation of international MBA graduates’ management skills in the Bangkok context. Indeed, to date, literature critical of MBA graduates and their programs has generally focused on British and American programs.

The survey consisted of twenty semi-structured, face-to-face qualitative interviews, performed in English at a variety of service, manufacturing, trading, and consultative organizations in Bangkok. The numerous and extensive comments which overseas studies have yielded were used to construct a guide for these interviews.

This paper uses thematic analysis developed by employing NVivo 6 to identify linkages between issues identified by employers as key to graduate’s success in the work place. Employers’ comments and criticisms were analysed, evaluated and compared with those identified in the American and British literature. It was then determined which of them apply to generic MBA programs and graduates specific to Bangkok.

This paper will first briefly review overseas literature regarding employer criticisms of MBA graduates’ management skills and competencies and address both the methodology employed and

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the fieldwork undertaken in this research field. It will then consider employers’ critical comments within the framework of the eight themes and twenty-nine sub-themes under which they have been categorized. It will conclude with suggestions for further research in this topic.

**The methodology**

The population for this study was selected from employers listed in the English-language Bangkok Yellow Pages Telephone Directory. A total of one hundred and six organizations were selected based on the author’s recognition of the firm’s products or services in the marketplace, and on their having an overseas connection most likely requiring the use of English in the business (Thailand Yellow Pages 2003–2004). Telephone calls yielded the contact details of the Human Relations Manager (or equivalent) at each employer organization: each was sent a formal first-contact.

Twenty-three recipients replied to the effect that they employed international MBA graduates of local international MBA programs and would grant an interview; eighty-three did not employ such graduates. Two of the twenty-three employers who initially agreed to participate eventually pulled out; contact with a third broke down.

The original interview mandate sought between twenty and twenty-five respondents. There is no consensus, however, among scholars on this issue. Kvale (1996), for example, suggests conducting between five and 25 interviews in qualitative studies. On the other hand, Miles and Huberman believe that the number of ‘cases’ (in this context ‘employer interviews’) likely to provide sufficient detail could not be arrived at statistically, but rather conceptually, by seeking an answer to the question ‘How many cases in what kind of sampling frame, would give us confidence in our analytic generalizations? According to the latter, it also depends on how rich and complex the sampling is: “with high complexity, a study with more than fifteen cases… can become unwieldy” (Miles and Huberman 1994, p. 30). In the end, a total of twenty interviews were conducted.

Much of the literature evaluating MBA graduates and their programs in respect of fulfilling employers’ business needs originates in the United States and the United Kingdom, where MBA programs have long been established (Daniel 1998; Forrester 1986; Mintzberg 2004). Sixteen American and British studies of a variety of organizations during the twenty-five years considered (1979–2004) were identified (1). Some of those studies, however, covered both undergraduate and graduate programs; whereas this study refers only to international MBA programs in Bangkok. No comparable local published studies were found.

The numerous and extensive comments which these overseas studies yielded have been condensed to twenty-nine (see Appendix 1, Table 1). This stock of comments and criticisms was then used to construct a guide for twenty loosely structured interviews with employers of international MBA graduates to tap into their experiences of the graduates’ management capabilities. Employers’ comments from overseas literature were converted into a series of questions about graduates of international MBA programs in their Bangkok-based organizations to conduct the semi-structured interviews. The final interview guide consisted of thirty-eight questions.

An interview, ‘literally an interchange of views between two persons conversing about a theme of mutual interest’ (Kvale 1996, 1–2) is a particularly suitable and effective tool to elicit frank information. This is especially true of semi-structured interviews whose advantages in eliciting respondents’ inner feelings and beliefs have been demonstrated by Arksey and Knight 1999; Gillham 2000; Mason, J. 2002; May 2001; Metzler 1989; Seidman 1991 and Thompson 2002. Interview questions were clarified whenever employers experienced difficulty and additional questions were added to the interview guide as the need for them became clear. In addition, on several occasions the interviewee’s
answer to one topic question led seamlessly to a second, suggesting at least the possibility that (s)he saw a relationship between them. Such diversions were followed through to explore the details of the putative relationship, rather than checked by returning straight away to the questions on the interview guide (Metzler 1989; Seidman 1991).

The next step was to examine interview transcripts line by line looking for employers’ comments which matched those of criticisms identified in overseas studies and also comments which differed markedly from them. These were then entered into NVivo and coded in a multi-layered format since NVivo includes a modelling facility which allows pictures to be drawn of tree and free nodes and for relationships within a document between nodes to be identified. Level 1 formed a tree node structure comprising the following trees: for example the businesses were identified as either public or private sector and business type. The interviewees were identified by gender, age, management position, and educational background. Graduates were identified in terms of school, gender, age, working experience. Subsequent levels comprised a hierarchy comprising in descending order free nodes, parents, children and siblings. Each of nineteen interview transcripts and the single set of field notes were examined in this way. Text corresponding to each issue from each respondent was coded using coding frameworks for the transcripts. Repetition and the overlapping nature of criticisms across the seventeen overseas studies suggested the suitability of thematic analysis to this research. In the end, interview transcripts were categorized into eight themes and twenty-nine sub-themes, which were then analysed and the results compared with similar data obtained overseas (see Appendix 2, Table 2).

These themes will refer to international MBA programs as Tier 1, Tier 2, and Tier 3 programs: Tier 1 programs are characterized by: i) having been established for 20 years or more; ii) being one of the top three universities in Bangkok (2004); iii) being seen as having small classes; iv) being delivered largely by academics from distinguished foreign universities and perceived as often partnering with top overseas business schools and employing visiting faculty members. Tier 2 are characterized by: i) having been established for 10 to 19 years; ii) being part of the next level of universities (2004); iii) perceived as having medium-sized classes; iv) being delivered by a mix of foreign academics and foreign-educated locals. And Tier 3 are characterized by: i) having been established for 2 to 9 years; ii) being part of the remaining seven universities in Bangkok (2004); iii) being perceived as having large classes; iv) being delivered by largely locally-educated academics from tier 2 and 3 universities.

**Theme 1. Salaries**

Employers were asked whether they paid a premium to MBA graduates by comparison with holders of first degrees or diplomas performing the same work. Most employers of graduates from the most prestigious (Tier 1) programs said that graduates were paid a premium. Without prompting, one employer even volunteered annual salary details to quantify his answer. Several employers said they paid a premium in the form of a ‘sign-on or retention bonus’ to star performers, especially those from Tier 1 programs (to be discussed in Theme 2). Three employers said that MBA graduates were not paid such a premium (and consequently tended to move on as soon as they could find better jobs elsewhere). Since this study found that there was a pool of surplus graduates of some of the less prestigious programs, this oversupply may account for it, a fact corroborated by one of the British studies that also found that no premium was paid when there was an oversupply of MBA
graduates in the employment market (Mason, G. 2002). Where a premium was paid, four issues were possibly at play:

i) there was no evidence of a pool of unemployed MBA graduates from Tier 1 programs; in fact, there may well be a shortage, in which case a premium might well be offered to secure such a graduate;

ii) over more than a decade Tier 1 programs have had a record of largely meeting employer’s needs, whereas more recently established and less prestigious (Tier 2 and Tier 3) programs have yet to establish reputations (Frederickson, 2002);

iii) students who go abroad to obtain MBA degrees at top business schools in Britain, the United States or Australia, and return to take up employment in Bangkok will influence the MBA ‘salary cap’, the implication being that a trickle-down effect may influence the salary received by other MBA graduates;

iv) during the 1997 Asian financial crisis many students studying abroad, funded by their family or by government scholarship, returned to Thailand to complete their studies in Bangkok, and upon graduation had some influence on the ‘salary cap.’

Some graduates of Tier 1 programs have now achieved positions of power within the business community, and can influence the choice of schools from which their organizations recruit and the level of remuneration offered to incumbents. Several employers acknowledged that there was a surplus of MBA graduates from the less prestigious Tier 2 and 3 programs and that they had no difficulty in filling vacancies that way if they wanted to. The suggestion was that because of the surplus and the lower standing of those programs, employers were inclined to pay lower salaries to employees coming from those programs than from Tier 1 programs.

American and British studies have found a degree of over-education in the workplace: some MBA graduates accept lowly-paid positions, in the hope that these will provide stepping-stones to more highly-paid ones within the firm, and that with their qualifications they will excel against less well-qualified employees (Hawkins and Winter 1995; Knight and Yorke 2003; Piachaud 2002; Teichler 1999). This is also the case in Thailand, or perhaps even more so given the lack of substantial unemployment benefit schemes comparable to those available overseas. For further consideration of over-education (in particular, its ‘cost to society’), an issue beyond the scope of this study, see Alpin et al. 1998; Battu et al. 2000; Brennan, 2000 and Brennan et al. 2001)

Theme 2. Employers’ Expectations of Graduates.

Employers expect that graduates will reach them with a variety of skills developed to an appropriate level which will enable them to function immediately in the work place. ‘Skill’ is defined as ‘ability acquired by training’, ‘Training’ can be considered as either practical ‘on the job or learned from books, and training manuals.’ (Sinclair (ed.) 2000, [no page numbers]) Specific skills underpin a range of actions needed on the job, and for the most part are readily transferable (Wolf 2002, in Knight and Yorke 2003, p. 7).

Businesses around the world increasingly require business schools to equip graduates with a greater number of skills (Barnett 1997; Cheng 2000; Hawkins and Winter 1995; Jaeger 2003, Leroux and Lafleur 1995) and employer’s comments confirm that there is an increasing requirement for skills in the graduate employment market in Bangkok. One expected skill not always being met are interpersonal and social skills

2.1 Level of interpersonal (social) skills

Indeed, many interviewees said they had found it necessary to provide up to two years of additional in-house training to raise graduates’ interpersonal skills to a satisfactory level.
Some, whose organizations had undergone downsizing, faced the dilemma that their training and other support facilities had been substantially reduced, removed or outsourced and they could no longer coach or mentor new employees. One felt his organization was adequately served by graduates’ interpersonal skills; but he identified the term with English-language communication skills.

Employers’ comments on this sub-theme are in close agreement with those listed in the overseas literature and will not be extensively reproduced here.

2.2 Duration of MBA course influences development of interpersonal skills

One employer commented: ‘I know that people skills are in the curriculum, I know they touch on it, but the contact time is insufficient for them to quickly become good managers. They need to be in regular contact with people [in the working environment] to develop those skills.’ This comment suggests that MBA students who undertake part time studies whilst working might have an advantage in this respect.

Another group of employers expressed dissatisfaction with new graduates’ lack of interpersonal skills in such applications as group work and teamwork. They perceived graduates of local international MBA programs as ambitious and task-driven people, yet with under-developed interpersonal skills, compared with graduates who had studied overseas; the implication being that the curricula of local programs needed to be expanded.

The majority of local employers said they initially placed graduates in functional administrative positions which utilize their analytic skills, rather than management positions which both require and allow them to develop their inter-personal skills on the job. It would appear that employer’s placement practices provide de facto confirmation that they see MBA graduates generally in terms of business administration rather than business management.

Improving interpersonal skills is an area where both MBA course providers and employers need to clarify the scope and share responsibilities when delivering interpersonal skills packages to graduates, whether this is within the MBA framework or through professional career development workshops, or through the adoption of programs delivered on the basis of emotional intelligence pedagogy.

2.3 Local case studies - a way to enhance MBA Graduates’ inter personal skills

The first employer interviewed in this study, stated a preference for the inclusion of some local case studies in the MBA program. The employer expressed her opinion that local case studies were more readily identified with by students than a case study of an overseas organization with which the student could identify and relate. The inclusion of case studies encourages students to work in groups and encouraged understanding of interpersonal behaviour. As a result, the topic was added to the interview guide and raised with subsequent employers, all but one of whom agreed this would be of benefit. The lone dissenter felt that the source country was irrelevant to case application and analysis.

Most employers expressed a belief that some Asian, regional and Thai case studies should be included in MBA programs, because they felt Thai students would probably be more interested in case studies of local rather than overseas organizations; and that the solution to a local case might require an approach more in keeping with the local cultural context.

Yet another employer expressed interest in arranging an in-house case competition, as a means of attracting new MBA talent to their firm. This employer saw strategic advantage to their organization in retaining MBA graduates and, in so doing, linked the issue of local case studies to Graduate Mobility (Theme 6). In making this link the employer associated the effectiveness of the learning process with the relevance of the learning experience.
2.4 Employers’ perception of MBA programs as too theoretical.

Historically, employer criticisms were directed at acceptance criteria for MBA entrance, the curriculum and academics (Chweit 1985; Pfeffer and Fong, 2002) and at inadequate practical business experience of graduates (Ettore 1992; Walle 1991). This study echoed those sentiments: a number of employers found locally-trained international MBA graduates to be ‘too theoretical in their approach to the practical problems of the work place’.

Employers saw acceptance criteria [in not requiring 3-5 years relevant business experience] at some local universities as less rigorous than at overseas universities, ‘demeaning the value of their degrees’; they believed this phenomenon was fuelled by ‘increasing competition’ for new enrolments among universities wishing to maximise their fee income. They also stated academic standards of some MBA programs were ‘too low’, and lecturers delivering them had ‘little or no business experience’.

Theme 3. Employers’ Preferences in re Business Schools

3.1 Graduates from specific schools are preferred for specific jobs

Employers naturally associate an international MBA program with the university providing it; some universities have a strong reputation within the business community for expertise in a particular functional area. A typical employer comment was: ‘we do not say that we prefer only this or that university. We find the best people to fill the position. If you ask me about which university is best for a particular professional area, I think we would normally say that for accounting the best programs are from universities A or B. These are famous universities in this field.’

3.2 Alumni prefer to hire from their old schools.

Some employers reasoned that because they had graduated from a particular program and understood how students were taught, they found it easier to work with graduates from the same program. This rationale is possibly linked to the concept that universities act as ‘a screen’ for employers in their recruitment process. (Brown and Scase 1994) The concept of ‘the university as a screen’ is in broad agreement with the concept of ‘social exclusion theory’. For further exploration of this topic see the works of Coates, Farnsworth and Zulauf 2001; Loury 2000 and Piachaud 2002.)

3.3 Businesses categorize a University as Tier 1 on the bases of preferred standards, contribution and status.

The majority of employers thought along these lines. It may be that they were referring to graduates meeting their (employers’) academic needs (which are tested at university) rather than functional needs including interpersonal skills, which many employers believed are rarely tested during the employee-screening process. Some overseas studies confirmed that untested skills may later be found wanting in the work place. (Clegg 1990).

Several employers initially replied that they tried to fill a vacancy with the most suitable or capable person, however they subsequently said that they preferred candidates from a Tier 1 program.

3.4 Preferred graduates come from Tier 1 universities

There are three elements behind this belief: university reputations in the eyes of employers; the advantages of small class sizes; and the employment of overseas academics. Few employers differentiated between the quality of a university and the quality of its individual programs, although the idea that specific programs in a generally ‘good’ university are themselves necessarily ‘good’ makes no sense. The more knowledgeable and discriminating employers were able to nominate one or more
‘top-flight’ programs within a number of universities. One employer cited small class sizes as contributing to the success of graduates in their Tier 1 MBA programs. It may be that smaller class sizes result in students learning more effectively (Nye, Hedges and Konstantopoulos 2000).

Employers generally over-simplified the matter of engaging overseas academics, believing that Tier 1 programs employed a majority of overseas academics, and Tier 2 and Tier 3 programs mostly local academics. But the facts are that local lecturers are also employed to deliver Tier 1 programs; some lecturers in Tier 1 programs are overseas expatriates, now ‘locals’ with permanent-resident status or perhaps naturalized Thais; some overseas lecturers from Tier 1 programs also lecture in Tier 2 programs; some Thai lecturers have graduated from the most prestigious of overseas programs and may be of equal standard to the overseas lecturers. Some Tier 2 and Tier 3 programs also employ a high proportion of overseas lecturers.

3.5 Thai multinationals prefer graduates from universities known and respected overseas (c.f. Sub-theme 2.5)

Employers, like most people, often prefer to associate with those with whom they are familiar. While Bangkok Tier 1 programs were founded twenty years ago, during which time they have established contacts and credibility with employers, many Tier 2 and Tier 3 programs on the other hand were established only recently and have yet to establish such credibility.

Theme 4. Graduates’ and Employers’ Attitudes

Broadly speaking, attitude is defined as: ‘approach, frame of mind, mood, opinion, outlook, perspective, point of view, position, stance view’ (Sinclair 2000 [no page number]).

4.1 Graduates’ attitudes are dependent on the nature of work available

A typical employer comment was: ‘our MBA graduates complain that they have to do the same sort of work as holders of first degrees or diplomas and that their work lacks complexity. They do not expect to have to do mundane or routine work.’ Graduates with little or no business experience may not understand the realities of the work place; many essential tasks are not ‘challenging’. Many of the employers interviewed seem to equate ‘challenging’ and ‘analytical’. But it could be argued that employers need to consider whether graduates might find challenge in developing their practical interpersonal skills (see below).

4.2 Graduates’ attitudes are shaped by workplace experiences

One employer said, ‘If you were to ask me to pinpoint a weakness in our current educational system it would be that the MBA program doesn’t push students hard enough. It is just too damned easy. People are not taught how to work under stress … We have people here from … international graduate programs in Bangkok who are shocked at the number of hours they have to put in at work.’ That there are and will probably always be differences between university and workplace environments is undeniable, but field trips and internships organized by business schools could introduce graduate students to some of the realities of the work place and thereby positively influence students’ perceptions.

It is disappointing that the majority of interviewees either did not offer internships to MBA graduates or felt that they did not manage their internship programs satisfactorily, although all interviewees thought that internships served a useful purpose. There is no doubt that improvement in the quality of internships requires active collaboration between employers and universities throughout the whole internship process (De Groot 2002, Linn, Howard and Miller 2004; Teichler 2000, 1999). A related
issue concerns the process of ‘disengagement’ on completion of the MBA program, at which point the graduate is often launched into either a new or an altered employment situation. This disengagement marks a major milestone in a graduate’s professional life and needs careful management by both graduate and employer if a successful and continued employment outcome is to be achieved. The complaint by many employers that graduates ‘move on’ shortly after graduation suggests widespread deficiencies in current practice.

4.3 Graduates’ attitudes are shaped by their perceptions

Perhaps the most telling comment on the subject of graduates’ attitudes was: ‘I believe that attitude is a key issue at play here [in success of graduates with their studies and their careers]. People who want to learn [who consider learning desirable] and apply that knowledge [who believe knowledge should be put to some use] will do well [they will develop themselves and advance their business careers]. If they do not, then even the best business school results will be of little value [accumulating knowledge without a desire to apply it will not result in personal or professional progress]. The university provides a foundation, but it lies very much within the person, to apply what they learn to bring it into the organization to develop it and themselves.’ This comment is perceptive, but one could go further: for graduates individually and collectively to become productive in a business sense requires positive contributions from the graduates, the graduates’ families, the universities, the employers and society at large.

4.4 Graduates’ attitudes are shaped by their expectations, by economic realities and by what they are taught in business schools

Interviewees believed that graduate attitudes were shaped by their expectation of a successful outcome (see also Vroom 1964). As one interviewee put it, ‘these people [graduates] have expectations of leadership; they are high achievers and highly motivated to succeed. So of course they have an expectation of rapid progression. They have drive, energy and a wish to succeed, with challenging work’. More importantly, however, what she left unsaid is that graduates who have not sufficiently honed their interpersonal skills in the work place are unlikely to become effective leaders of other people.

In addition, according to one employer, ‘until 1997 [the year of the South East Asian Economic crisis] graduates had, in general, extraordinarily unrealistic expectations [due in part to what they are taught in their business school].

4.5 Employers’ attitudes to students’ expectations are best clarified during interview process

One interviewee suggested that the proper time to clarify the organization’s position was during the interview process: ‘I don’t think so [that the graduate employee will have unrealistic job expectations] because … [by the time] they join us they understand our structure, and [understand] that they will not [be elevated through the hierarchy] that fast.’ This comment takes no account of the necessity for employers to understand the needs of their graduate applicants, so that the expectations of both parties can be realised in whole or in part. This research study found little if any attempt on the part of employers to match the graduate with the position (see Holland 1973). Overly high turnover rates may be attributable to a firm’s failure to engage in or carelessness in applying the matching process.

4.6 Employers’ attitude is that MBA graduates are specialists

Many employers in this study regarded fresh MBA graduates as generalists who would develop into specialists in the workplace. Employers’ responses were along this line: ‘the MBA is often a very general degree. We expect to employ people who already have experience
in banking and we employ them in very specific areas like finance, planning, accounting, financial reporting …’

Hiring patterns vary from one sector to another. In trading and manufacturing organizations, employers tended to employ graduates with little or no post-MBA business experience, and gave them specialized contemporary learning experiences in the market place. In banking, insurance and auditing businesses, however, employers tended to employ graduates in specific functional roles, expecting them to bring contemporary functional innovations to the workplace. A few employers hired graduates with specialized business experience, who had for preference undertaken additional personal professional development.

4.7 Employers’ attitude to gender

One typical observation was: ‘Experience tells me that women [MBAs] tend to gravitate to accountancy and human relations and men to strategy and planning … We [also] employ quite a number of women in sales and marketing’. The gender of a graduate selected for a particular position within some organization or industry appears to depend on the culture and the nature of the work, and on the industry and its output, as well as who is available. Only one multinational employer admitted that they he was aware of a gender imbalance in some departments within his organization in Thailand and had begun to do something about it. Another employer said that in consumer marketing there was a gender imbalance one way in their Thai operation and the other way in their Malaysian operation, but seemed unconcerned.

Several other employers in banking, auditing, consumer food, and health care organizations preferred female graduates in human relations, accounting, and marketing; employers in the automobile and petrochemical sectors preferred men.

4.8 Employers require graduates to be more open-minded, flexible, and international in their attitudes.

A number of employers expressed dismay that many MBA graduates had little or no interest in business outside of Thailand. A standard complaint from businesses and their clients was that ‘MBA graduates don’t understand issues if they are not Thai issues.’ Employers in the United Kingdom have traditionally commented on this issue (Carnall 1991). This may have been largely overcome in the UK during the last decade or so, but appear to require attention in MBA programs operating locally. (Bickerstaffe 2003, Harvey 2003).

Theme 5. Socialization of Graduates into the Workplace

Van Maanen (1976) defines, ‘organizational socialization’ as “the process by which individuals learn the values of expected behaviors and social knowledge necessary to assume their roles in the organization” (p. 67). Luthans and Stajkovic (1999) describe socialization as a continuous process, beginning long before one’s first day in a company and continuing throughout one’s career. They suggest that socialization proceeds in three stages: i) pre-employment socialization, as an outsider; ii) encounter, as a newcomer; iii) role management, as an insider (Feldman 1981). The process is represented in Figure 2.

Figure 2: Stages of organizational socialization

<table>
<thead>
<tr>
<th>Stage 1: Pre-employment socialization (outsider)</th>
<th>Stage 2: Encounter (newcomer)</th>
<th>Stage 3: Role management (insider)</th>
<th>Stage 4: Socialization outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn about the organization and the job; form a psychological contract.</td>
<td>Test expectations against perceived workplace realities.</td>
<td>Strengthen work relations; practice new role behavior; Resolve conflict between work and non-work issues.</td>
<td>Better motivation; greater loyalty; increased satisfaction; reduced stress; reduced staff turnover.</td>
</tr>
</tbody>
</table>
The figure was adapted to suggest a feedback loop between the last two phases in the continually developing socialization process. Luthans and Stajkovic (1999) have suggested that employee behaviour based on desirable attitudes requires employers to provide more than merely suitable salaries and other benefits. A trusting, challenging, and fair environment is also required. The differentiation of this theme into three sub-themes is in-keeping with the conclusions drawn in overseas research studies.

5.1 Many employers fail to socialize MBA graduates into their organizations

One local interviewee explained, ‘in the past, when I began work, there was more time. My manager was able to prepare me, make a career path for me and help me develop people skills. But today everything is happening so quickly that there is less time for us to do this in our work place. Our organization is lean, so we need graduates to be ready-made and ready-packed.’ This comment suggests that the Stage 2 and Stage 3 components of the socialisation model, Encounter (as a newcomer) and Role management (as an insider), can be bypassed by hiring mid-career MBA graduates who have obtained necessary specialist skills. This employer seemed satisfied with the low turnover and high morale of mid-career graduate employees.

5.2 Unsocialized Graduates regard employers as a means to an end

A comment typical of this sub-theme was: ‘They have difficulty accepting the company culture and loving the company’, suggesting a deficiency in Stage 2 of the process, Encounter (as an insider). One way to overcome such deficiency may be to implement a more effective socialization process whereby assumptions are tested against reality.

5.3 Novice graduates are more easily socialized than those with business experiences.

One interviewee unambiguously indicated his preference of hiring ‘graduates straight from business school; we employ very few graduates with business experience or mid career people because of the specialized nature of our business.’ This comment supports the notion that Stage 2, Employment, and Stage 3, Management, could be easier and perhaps work better if the graduate did not have to ‘unlearn’ an earlier employer’s implementation of Stage 1, Pre-employment socialization (as an outsider).

While the majority of participating employers expressed opinions on Stages 2 and 3 of the socialization process, only one expressed an opinion on Stage 1. These opinions were consistent with those summarised under Sub-theme 4.6. The continuity of the socialization process aside, each stage is possibly being given insufficient ongoing attention by employers. It is also believed that without feedback loops between stages the employer also loses an opportunity to learn from past practices.

It is also noteworthy that no employers mentioned continuity as part of the socialization process. Vroom (1964) argues that the process is continuous; and yet the socialization model of McShane and Von Glinow (2003) shows as a series of discrete, uni-directional stages, without the feedback suggested above (and illustrated in Figure 2.) The key to improving the socialization process may well lie in recognizing that continuity is an important factor. One employer mentioned conducting exit interviews with departing graduates, so for that organization at least, there is some potential for useful feedback from employee to employer.

2 Sub-theme 4.6: Employers expectations best clarified before the graduate is employed
Theme 6. Graduates’ Career Development

6.1 Need for ongoing professional development

Although this issue was not specifically raised with interviewees, a number of them spontaneously volunteered their opinions that additional professional qualifications were necessary beyond the MBA, in order for graduates to advance in their careers. One pointed out that, his ‘organization has a training centre (under the human relations department) which offers a wide range of both technical and soft skills. The organization operates a coaching scheme to assist graduates to improve these skills … I feel that learning needs to be ongoing.’ This comment supports overseas research showing that employers generally regard continuous learning as essential and in some cases provide this as a way of encouraging staff to remain with the organization. Super, for example, discussed the ideal of learning throughout the whole of one’s life and in the many situations in which one finds oneself (Super 1980).

6.2 Mobility necessary to gain experience

This is an issue contrary to overseas comments. Many local employers believed that mobility was inevitable, as graduates leave one organization to gain wider experiences in another, with comments like: ‘even with competitive salary and challenging assignments, the organization still finds that younger, more mobile graduates leave the organization to widen their experience.’ One firm, part of a diversified manufacturing and trading conglomerate of eighty companies, offered graduates the opportunity to transfer to different operations and yet maintain continuity of service with the organization. This was undoubtedly important to that organization, because they only recruited the best people, paid top salaries and provided high quality continuing professional development programs for their graduate employees.

6.3 Likelihood of graduates’ promotion to top positions

One employer didn’t think that MBA graduates expected ‘to rise quickly to the top’ in his organization because they understood its structure did not allow for rapid progress. Interestingly his firm, part of an oligopoly, did not pay salary premiums to graduates; they had a high turnover rate of both graduates and holders of only a first degree or diploma.

6.4 Mobility of MBA graduates a sign of disloyalty and cost to employers

This is also an issue contrary to overseas comments. This notion of disloyalty is common in the overseas literature, but no local employer expressed any concern. One employer who had graduated overseas and made a number of upward career moves within the previous three years said most jump jobs after they graduate and ‘work to the level of their job titles.’

There are several reasons for the mobility of MBA graduates. One major reason graduates move is to gain a variety of business experiences early in their careers, possibly because many employers place MBA graduates in positions with a narrow, functional, specialist focus. With each move, graduates seek greater responsibility and income, and because the stages in their progress are understood by executive recruiters and rewarded by employers, job-hopping, mobility, is inevitable. The attitude of the majority of those interviewed was that mobility is to be expected and has to be managed by employers. Except for the attitudes of employers surveyed by Donnelly (1981) this attitude was at odds with those identified in American and British studies (see Wheelan 1970 and Broesamle in Ettore 1992; Cheng 2000; Hesketh 2000; Mintzberg 2004; Wheelan Thomas D. 1970; Yorke 1992.

Yet, larger corporate employers in a variety of business sectors try to retain their best graduate employees by using job rotation through different divisions of the organization. However, even this process does not guarantee
success. When the employer leaves graduates in functional positions which they do not like they will leave as happened with one employer interviewee in this series. Smaller organizations, however, do not have this facility available to them. Some employers achieved graduate stability by managing the career development of key employees, identifying career paths and providing those employees with top quality professional development programs and paying them retention bonuses. Others recruited fresh graduates who could be assimilated more easily into the organizational culture without having to unlearn the culture of an earlier employer. One employer avoided high graduate mobility levels by recruiting only experienced, mid-career graduates who had already settled down.

Theme 7. Management or Administration?

7.1 MBA programs teach administration rather than management

The majority of local employers indicated that they initially employ MBA graduates in specific-function, administrative positions upon graduation and only introduce graduates into management positions once they had trained them for the purpose. One employer, however, took an opposite view saying that: ‘As the beneficiary of an MBA program myself I would say that I find my MBA colleagues are very strong in managerial skills and they interpret [the term] in the very broad sense of managing your own time, managing yourself, managing your supervisor and managing information, in addition to the old-fashioned type of managing.’ It should be noted that this respondent held an administrative rather than a managerial position in a highly bureaucratic organization.

7.2 MBA Programs emphasize analysis rather than leadership

A typical employer comment was: ‘Graduates are meeting our expectations in analytical and planning competencies but not in some of the soft skills areas such as interpersonal skills and English-language speaking skills, when compared with some of the MBA graduates who have studied abroad.’

7.3 Business schools are reluctant to respond to changes in the business environment


The claim in several of the overseas studies, that graduate business schools are resistant to change and do not change as quickly as required by business, is consistent with interviewees’ blaming MBA programs for failing to produce graduates with interpersonal skills sufficient to function effectively in business. Business schools are teaching business administration (sub theme 7.1) and analysis (sub theme 7.2) rather than management which employers say they require. The majority of employers interviewed said that they employed MBA graduates for their analytical skills and initially placed them in functionally specific, administrative roles, rather than management roles.

This was especially noticeable in accounting, auditing, banking and finance organizations or departments specializing in those functions within all businesses, in both the public and private sectors which participated in this study. Administrative postings were less prevalent in the operations; marketing and sales functional departments of manufacturing, trading and consumer marketing businesses, where graduates were required to interact with customers and others to satisfactorily perform their work. Unless employers train their employees in-house or send them to advanced management programs
in Thailand or abroad, the graduates are likely to leave within a few years.

The business world changed very rapidly during the last decade or so, and it is likely the pace will increase. A challenge for business schools is how to anticipate these changes and meet the challenge. One avenue would be through the development of closer links with the business community, such as through establishing corporate MBA programs (De Groot 2002, Teichler 1999, 2000). At the time of this writing the author is aware of two such International MBA programs operating in Bangkok.

**Theme 8. Societal Needs**

*8.1 Programs fail to meet society’s needs*

Some employers in this study said that MBA programs failed to take proper account of society’s needs. A typical interviewee comment was: ‘Most of the MBA programs that I see today don’t help students’ links with the reality of going home and actually seeing a slum on their way home. How do you get the MBA program to link with those social issues in our community? I also think the MBA program curriculum needs to include issues such as government transparency, cultural sensitivity and social responsibility issues. In Singapore they don’t bribe people. They used to bribe people, but the Singaporeans didn’t like it and they changed. In Thailand people don’t like it but it happens … it seems as though people here don’t want it sufficiently enough for it to be changed. You need to help people in [Thailand] understand why it is still going on’.

*8.2 Programs fail to teach social responsibility issues*

A typical comment: ‘[MBA graduates] lack a good understanding of business ethics, honesty and social responsibility. Many of them tend to be takers rather than givers.’ Several employers raised this issue, undoubtedly because of equivocal experiences in the workplace. Two perspectives may be considered. Employers approached issues of social responsibilities from either a macro or micro perspective:

- the societal (or macro-) perspective, is one in which some people in western societies see the inequalities and lack of determination by the rich to help improve the lot of the poor. Some interviewees believed improvements could best be achieved through improved education. A quandary is that improved education can quickly translate into improved earning capacity and quality of life for those who receive it, but that there is an apparent lack of obligation by the recipients of higher education to pass it on to those less fortunate in the community, except to their offspring or to their students if they are teachers (Murphy 1984, Offe 1976). One interviewee wanted fundamental changes in the Thai education system mind-set, to instil in MBA students a heightened awareness of community needs rather than individual needs. MBA students should be encouraged to think about ‘the root causes of those needs and how they might be put right.’

- the small picture (or micro-) perspective, is one in which employers viewed issues at the individual or family level. One interviewee spoke of a lack of awareness in many MBA graduates of the fundamental issues of ethics, honesty and social responsibility. A realistic approach might be to ensure that individuals behave ethically, honestly and with social responsibility within their families, organizations and community; that academics seek to influence as far as possible for good, and teach, grade and behave ethically as leaders in MBA programs and insist that their students behave ethically, honestly and with social responsibility, and are sanctioned if they do not. Professor D Quinn Mills, lecturing in the MBA program at Harvard University, has succinctly discussed this profoundly important goal (Mills, 2003).
Conclusion

1. Summary of Findings:

To date, literature critical of MBA graduates and their programs has generally focussed on British and American programs. This study has recorded for the first time employers’ evaluation of international MBA graduates’ management skills in the Bangkok context. There is a strong belief among employers interviewed that graduates from even the best local Tier 1 programs lag behind graduates from the best overseas programs in skills such as written and spoken English-language proficiency, and interpersonal skills involving team- and group-work. Interviewees also believe this is due to overseas institutions setting higher entry standards, including a requirement that candidates have a minimum of six years’ relevant business experience prior to enrolment. Local employers also believe that overseas universities operate with higher teaching standards and have a closer involvement with the communities in which they function.

All major overseas criticisms of MBA graduates and their programs were consistent with those reported in this study, except those concerning graduate mobility. The local employers interviewed said that mobility was a part of the process of a graduate’s need to gain wider business experience, and saw turnover as inevitable, and required employers to manage it rather than complain about it. [one is reminded of the aphorism that managers must manage]

This study found that:

- career success was judged and rewarded by employers, based on the number and quality of positions held by MBA graduates in the early part of their careers. As long as this is the case, it is likely to continue to influence mobility rates;
- some employers no longer offer graduates a career or a career path, offering instead an opportunity or a series of opportunities which the graduate is expected to accept in order to advance his own personal and professional development;
- because many graduates lack well-developed interpersonal skills, the recruitment interview process is often less than effective, suggesting that business schools need to fully develop those skills in graduates prior to students graduating and engaging with the interview process. Several employers participating in this study confirmed that they accepted possession of an MBA degree from a Tier 1 program as largely sufficient evidence for recruitment. In this respect the degree imparts a ‘halo effect’ on the recruitment process. This study suggests however, that on balance employers want graduates who have learned to operate businesses rather than merely accumulating knowledge. That adequate learning has been acquired, however, is often not tested during the screening process as the MBA degree is taken to be enough evidence;
- MBA programs are generally seen to be inadequate in terms of delivering interpersonal skills;
- the majority of employers were unaware of the price and availability of suitable screening test modules to assist them in the appointment process—such test modules are available locally, at moderate cost;
- the majority of employers usually placed recent MBA graduates in functional, administrative positions, rather than in management positions, suggesting that employers regard the MBA degree as primarily an administrative rather than a managerial qualification; adding, however, that if a graduate later demonstrated a satisfactory level of interpersonal skills development, management potential was assumed and (s)he would be trained and placed in a management position typically within five years. In cases where MBA graduates failed to show management potential, they were either permitted to continue in an administrative role or encouraged to gain wider business experience elsewhere. Knowledge of this general policy may be a factor in MBA
graduates’ decision to move on within the first five years;
- most employers believe that the MBA substantially influenced graduate’s perceptions of the workplace, and the content, practice and promise of the MBA must take account of the contemporary workplace;
- different sorts of businesses expect different sorts of skills in their graduate employees: some understood the MBA to be a general business qualification, others needed specialist graduates. Employers and business schools need to collaborate on this aspect of issue of their curricula, which should take careful account of employer’s specific business requirements. Only then will the perceptions and expectations of institutions and employers alike be based on a clear understanding of the realities of the workplace. In this context it is noteworthy that some business schools are now offering specialist MBA programs in finance, marketing, strategy, information technology and human resources management.

Three local issues were identified in this study (i.e., issues not raised in overseas literature):
- some interviewees preferred graduates from the top four (Tier 1) MBA programs, programs with an established record in satisfying the majority of employer’s requirements; some preferred graduates from their alma mater, being familiar with the teaching style and content of those programs, and believing this familiarity will per se bring benefits; businesses, hospitals, pharmaceutical companies and mass transit companies;
- similar studies involving employers of graduates from Thai (language) MBA programs and variants of the traditional MBA program such as the scaled-down Executive, Mini- and Micro-MBA programs;
- longitudinal interview studies involving follow-up interviews with employers of international MBA graduates from the Tier 2 and Tier 3 universities;
- several recruit on the basis of gender to fill specific product, service sector or functional positions: females predominated in accounting and auditing in most businesses, males in planning and strategy; females predominated in marketing personal health care products, males in marketing refined petroleum products. One employer confirmed that in marketing consumer goods in his organization Thai gender roles were reversed from those in Malaysia. Only one employer aware of the gender imbalance was doing anything to change it;
- all except one employer wanted business schools to include some local case studies as part of their MBA program curriculum. Secrecy and confidentiality were seen as potential problems in the case of some organizations in the banking and finance sectors, because Thai law forbids disclosure of confidential client information. However, one respondent had a solution: participation in case-study programs could help to attract and retain high-calibre graduate employees.

2. Suggestions for Further Research
This area is ripe for additional research to add to our store of knowledge and help improve MBA programs and employers’ recruitment practices:
- latitudinal interviews with employers in business segments not covered in this paper, such as other foreign banks, securities
- gender studies of graduates from different MBA programs, and in different business segments; public and private sector studies;
- development of Thai and Asian case studies, possibly in the form of a competition with local employers from a variety of organizations and industry sectors;
- mobility and career tracking studies of MBA graduates beginning after graduation and identifying career moves over several years;
- cross-cultural studies of international MBA programs and partner institutions;
- studies of ethical and social responsibility within international and Thai MBA programs (a 2003 study by Mills at Harvard suggests attitude testing of students by business schools would positively influence this process);
- studies of society’s continued need to reappraise business programs derived from studies of Human Capital Theory initiated by Becker (1964, 1975), and Social Exclusion Theory by Coates, Farnsworth and Zulauf (2001), Loury (2000), and Piachaud (2002) (two important educational-research areas;
- studies of preferences and expectation of the employer and of graduate employees as to where and how they will be employed in the organization (worthwhile ‘psychological contract’ studies researched by Morrison and Robinson (1997);
- studies of emotional intelligence might identify more effective teaching methods and assist graduates to be more effective in the work place.

Notes
1. Out of these sixteen studies, six employed interviews (Donnelly 1981; Edson 1979; Ettore 1992; Hayes and Abernathy 1980; Mason J 2002; and Wheelan 1970); three were research studies (Hawkins and Winter 1995; Yorke 1999; and Brennan 2001); three made use of a Literature Review (Chett 1985; Mintzberg 2004; Pfeffer and Fong 2002); two employed questionnaires (Cheng 2000 and Hesketh 2000); one employed eight reviews of a case study (Linder and Smith 1992); and one employed an academic opinion piece in a marketing magazine (Walle 1991).

Appendix 1

| Table 1: A Summary of employers’ needs in re MBA graduates and programs |
|-----------------------------|---------------------------------|
| 1.  | An MBA degree commands a salary premium. |
| 2.  | Business school ranking is important in re MBA programs. |
| 3.  | MBA graduates lack interpersonal (social) skills. |
| 4.  | MBA graduates have a poor attitude to work. |
| 5.  | The value of an MBA degree declines over time; to update their skills, graduates need to undertake further professional development. |
| 6.  | Mobility is necessary for MBA graduates to gain management experience. |

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<thead>
<tr>
<th>Theme #</th>
<th>Theme Title</th>
<th>Sub Theme #</th>
<th>Sub-theme Title</th>
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<tbody>
<tr>
<td>7.</td>
<td>Mobility of MBA graduates is a sign of disloyalty and an added cost to the employer.</td>
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<td>8.</td>
<td>MBA programs teach administration rather than management.</td>
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<td>9.</td>
<td>MBA programs emphasize the wrong model—analysis rather than leadership.</td>
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<td>10.</td>
<td>MBA programs ignore important topics such as interpersonal skills.</td>
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<td>11.</td>
<td>MBA programs fail to meet society’s needs.</td>
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<td>12.</td>
<td>MBA degrees foster undesirable attitudes, such as credentialism, job-hopping and elitism.</td>
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<td>13.</td>
<td>MBA programs fail to teach social responsibility.</td>
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<tr>
<td>14.</td>
<td>MBA graduates are expensive for employers in terms of first cost and job-hopping.</td>
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<td>15.</td>
<td>MBA programs should have greater skills content.</td>
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<td>16.</td>
<td>MBA graduates are specialists rather than generalists.</td>
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<td>17.</td>
<td>MBA graduates need a wider, more open-minded and more flexible viewpoint.</td>
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Source: from the literature identified in his study

Appendix 2

Table 2: Themes and sub-themes in employers’ attitudes to MBA graduates and programs as determined using NVivo

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<thead>
<tr>
<th>Theme #</th>
<th>Theme Title</th>
<th>Sub Theme #</th>
<th>Sub-theme Title</th>
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<tbody>
<tr>
<td>1.</td>
<td>Salaries</td>
<td>MBA degree and salary premium.</td>
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<tr>
<td>2.</td>
<td>Employers’ Expectations of Graduates</td>
<td>Levels of interpersonal (social) skills</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Duration of MBA course influences development of interpersonal skills</td>
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<td>2.2</td>
<td>Local case studies – a way to enhance graduates’ Interpersonal skills</td>
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<tr>
<td>2.3</td>
<td>Employers’ perception of MBA programs as too theoretical.</td>
<td></td>
<td></td>
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<tr>
<td>3.</td>
<td>Employers’ Preferences in re Business Schools</td>
<td>Graduates from specific schools preferred in specific jobs</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Alumni prefer to hire from their old schools</td>
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</table>
3.3 Businesses categorize a University as Tier 1 on the bases of preferred standards, contribution to business and status.

3.4 Preferred graduates come from Tier 1 universities.

3.5 Thai multinationals prefer graduates from universities known and respected overseas.

4. Graduates’ and Employers’ Attitudes

4.1 Graduates’ attitudes depend on the nature of work available.

4.2 Graduates’ attitudes are shaped by workplace experiences.

4.3 Graduates’ attitudes are shaped by their perceptions.

4.4 Graduates’ attitudes are shaped by their expectations economic realities and by what they are taught in business schools.

4.5 Employers’ attitudes to students’ expectations are best clarified during interview process.

4.6 Employers’ attitude is that MBA graduates are specialists.

4.7 Employers’ attitude to gender.

4.8 Employers require graduates to be open minded, flexible and international in their attitudes.

5. Socialization of Graduates into the Workplace

5.1 Many employers fail to socialize their MBA graduates into their organizations.

5.2 Un socialized Graduates regard employers as a means to an end.

5.3 Novice graduates are more easily socialized into organizations than those with previous business experiences.

6. Graduates’ Career Development

6.1 Need for ongoing professional development.

6.2 Mobility necessary to gain experience.

6.3 Likelihood of graduates’ promotion to top positions.

6.4 Mobility of MBA graduates a sign of disloyalty and additional cost to employers.

7. Management or Administration?

7.1 MBA programs teach administration rather than management.

7.2 MBA programs emphasize analysis rather than leadership.

7.3 Business schools are reluctant to respond to changes in the business environment.

8. Societal Needs

8.1 Programs fail to meet society’s needs.

8.2 Programs fail to teach social responsibility issues.

Source: Summary of themes and sub-themes of MBA graduates as identified by local employers’ comments in re MBA graduates and programs.

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