

# TOMORROW'S MBA

## The Expectations of America's Top Employers

By Sally Duros

**B**usinesses today are looking for a few good leaders. And they are hoping to find them in the ranks of Tomorrow's MBAs. What an MBA proves to a prospective employer is a willingness for continuous learning and an eagerness to transform that learning into winning impact on the organization. What Tomorrow's MBA learns from his or her MBA studies is how to handle challenges with the tools and confidence to take calculated

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risks, characteristics coveted by consulting firms and businesses alike when looking for employable candidates.

"Plenty of people on MBA campuses can be an entry-level consultant, which is a wonderful thing," says Peter Sullivan, Director of Recruiting for Booz Allen Hamilton, a global strategy and technology consulting firm that provides services to major international corporations and government clients.

"What we are looking for is people who have the potential to be with Booz Allen over the long term, and over the long term at Booz Allen you will become a senior counselor to senior management."

To fulfill that role, Sullivan says, requires a whole host of skills that build upon analytical horsepower and basic thought-leadership. "You've got to be able to build relationships personally, professionally, with the client and throughout Booz Allen," Sullivan says. "You've got to be that leader. You've got to be able to hold a room. You've got to have presence. You've got to have polish. And so I think these days there is more emphasis—happily—in business school on creating these well-rounded business leaders."

### Defining Tomorrow's MBAs

Tomorrow's MBA will be male or female, of any color, race or ethnicity, of any age, with widely varied work experience. She will be an entrepreneur, teacher or a physician. He will be a police officer, computer scientist or a not-for-profit leader. Tomorrow's business leader will bring a wealth of experience from all of life's roles into work.

While they may come from very diverse professional and personal backgrounds, Tomorrow's MBAs will have one important trait in common: agility. In particular, they will need the mental agility to entertain radically new ideas and take quick advantage of them. The past five years have seen a convergence of maturing technologies that have spurred an at-times bewildering global marketplace of goods and services. Tomorrow's MBA must master a core competency, must cultivate a passion for new ideas, and must develop a global perspective of his business to thrive within the crowded working space that is the 21st century.

If there is one thing that is valued by today's employers, it is the capacity to provide insightful leadership when the world around you is changing. Without that leadership our businesses will founder.

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#### About the Author:

Chicago freelance journalist Sally Duros began her career at The Wall Street Journal and continued at Crain Communications, where she served in various positions including managing editor of Crain's City & State. She writes for the Chicago Sun-Times, The Wall Street Journal Online and TIME Magazine, among others.

## From “Good to Great” Leadership

The workplace in the United States has undergone a spiritual revolution of sorts, at pace with the mood of the times. Tomorrow’s MBA will face a workplace that will demand that he or she bring his or her whole self to work and this includes personal values and convictions. From the dotcom bust and newsworthy corporate scandals, business has realized that the two best tools for navigating the gray areas of business are strong personal values and a keen sense of what is right and what is wrong.

In his book, “Good to Great,” business guru Jim Collins defines the traits of “Level 5” leaders—those exceptional chief executives who managed to take their companies from mediocre to phenomenal in financial performance.

“Level 5 leaders are a study in duality: modest and willful, humble and fearless,” Collins says. His research crew struggled to find the right language to describe these executives because in our culture, words like humility and modesty are often confused with weakness. But Collins found that it was exactly these traits



combined with what he termed “ferocious resolve” that led to their remarkable achievements.

Collins found that these chief executives demonstrated ambition first and foremost for the company and concern for its success rather than their own riches and personal renown. “Level 5 leaders want to leave a legacy,” Collins says. “They want to see the company even more successful in the next generation, and are comfortable with the idea that most people won’t even know that the roots of that success trace back to their own efforts.”

Tomorrow’s MBA will emulate the Level 5 leader’s commitment to building a responsible, global business organization that thrives well into the future, whatever that future might hold. It is a commitment to living a life that contributes to the common good.

## Grasping the Big Picture

Employers today are increasingly looking for managers who understand the big picture as well as specialties. Although companies love to find candidates who excel in a specialty, such as finance, marketing, project management, information technology or public administration, Tomorrow’s MBA must have a top-level, system-wide and global approach to business.

Research has found that senior executive success frequently depends upon the ability to cross functional lines. Tomorrow’s MBA will demonstrate a cross-functional adaptability and top-drawer communication skills that will benefit not only the organization’s productivity but also his or her own career goals.

They will also exhibit a winning mix of technical skills with the all-important people skills. What works inside an organization is a microcosm of what works in the world at large.

Cultural fluidity is the third leg of this big picture skill set. A broad point of view and a willingness to cross cultures will lengthen the reach of business to marketplaces and partners in Europe, Asia, Africa and China.

Future MBAs will be trained in combined disciplines. Businesses are increasingly seeking a computer scientist who understands marketing, for example. These merged MBAs are marked by a critical skill set: the ability to communicate across disciplines, cultures and time zones to enhance collaboration.

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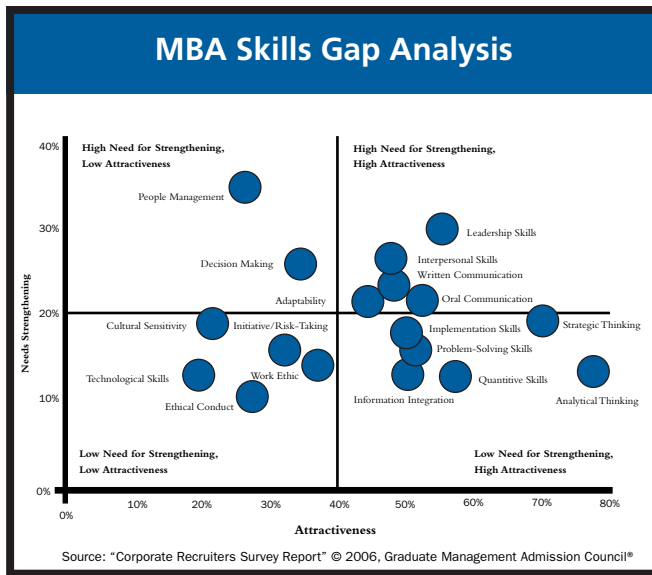
## An Extreme Makeover for the MBA

The Graduate Management Admission Council’s 2006 Global MBA Graduate Survey found that 63 percent of MBA alumni described the value of their degree as “outstanding” or “excellent.” This may be due in part to a new trend in the way MBA programs are taught.

Executive training is being “reinvented” at more than 50 business schools nationwide, according to G. Jeffrey MacDonald, who first wrote about the changes in *USA Today* in 2005. The new idea finds little room for mastering management theory or honing generic specialties. Instead, Tomorrow’s MBA will carry a passion and commitment to apply specialized skills to one industry.

The Association to Advance Collegiate Schools of Business International predicts that over the next three years, 300 business schools will add academic programs or substantially revise their curricula in order to provide employers with a more broadly developed and better business manager.

Online training is another trend that has proved to be not only



valuable and convenient, but accepted and respected. Enrollments in online MBA programs have risen from zero a decade ago to 125,000 students today. This change occurred even as applications to traditional business schools dropped. And in the meantime, respect for online degrees has increased dramatically.

“Our perception is that an online education from a reputable college or university is as valuable as the degree offered on ground,” said Alan Fisher, manager of corporate extended education at Intel, in the *Business 2.0* article. The company pays for employees to earn MBAs through various Web-based programs. “We don’t differentiate between the two,” online or onground MBAs, he indicated.

## Strong Communication Will Set You Apart

Tomorrow’s MBA is a great communicator in both formal and informal settings. Managers must arrive on the job ready to give persuasive presentations, tactful performance reviews and negotiations, sometimes in settings overseas.

This is more complex than it sounds.

Communication is a human process that pervades all social, interpersonal and intrapersonal contexts. That said, communication becomes complicated when the number of people involved in a shared task increases, and each adds their expertise (and emotions) thereby transforming the information. The fact that each of us defines certain basic concepts differently—words like “correct,” “timely,” “accurate”—complicates an executive’s attempt to assimilate information.

Tomorrow’s MBA must be an adept analyst of communications who can view problems as part of an organizational landscape that they can understand from the top down as well as from the bottom up.

For the MBA working in the tech field, this might mean

understanding and synthesizing the work of both marketers and engineers. The essential skills are those of translation, relationship shepherding and execution.

Booz Allen’s Sullivan says that working at his organization requires significant leadership in communication. “The job just requires it,” Sullivan says. “For instance, you might be in a meeting with a client that for whatever reason isn’t going well, and someone needs to step up, take control and change the course of that meeting.”

“It takes a leader to do that,” Sullivan says. “You’ve got to assert your influence when you might not have the formal title. That takes someone who is comfortable and has the presence to stand up, listen very actively and very carefully and propose a way forward that will build consensus and sometimes say things that are not very popular.”

While communication skills are used by a majority of MBAs on the job, *leadership skills* are used more often by MBA holders who have been out of school for some period of time, according to a survey of recruiters conducted by the GMAC. “Students may indeed get by on their technical and quantitative skills in the first few years on the job, but leadership skills quickly distinguish the stars,” the study notes.



## Values and Corporate Citizenship

Until the dotcom bubble burst and a slew of corporate scandals deflated shareholder value and the public’s trust, corporate citizenship reflected an ideal that business would aim to increase profits within a realm of rules and standards without deception or fraud.

So what does corporate citizenship mean today?

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To help define corporate citizenship it's best to look at the definitions of stakeholders vs. shareholders. For much of the '90s, shareholder value—profits paid to holders of shares in the company—was the dominant driver of actions taken by business.

**Tomorrow's MBA should have a solid sense of personal responsibility, a strong value system and impeccable integrity. These character traits are not so much taught as they are an inherent part of the individual's life experience.**

This approach at times largely ignored the interests of stakeholders, who comprise the various non-shareholders, including employees, customers, suppliers, people who live in a company's hometown, and anyone affected by a company-created environmental problem.

It is obvious now that how well a corporation treats all of its stakeholders is central to its reputation. It is also obvious that reputation drives the market value of the brand, an intangible asset

that expresses the culture of the business and one that can be just as valuable—or in Enron's case, perhaps even *more* valuable—than the actual products and services delivered.

Booz Allen Hamilton and The Aspen Institute, a nonprofit and nonpartisan firm focused on values-based leadership and public policy, partnered in 2004 to do a worldwide study of corporate values, which surveyed 9,500 senior executives around the world.

Their study, "Deriving Value from Corporate Values," defines values simply as a corporation's institutional standards of behavior. They found that:

- 90 percent of companies now list ethical behavior as a value.
- 65 percent list social responsibility as a value.
- 85 percent said they rely on explicit CEO support to reinforce values.
- 77 percent said CEO support is the most effective reinforcer.
- Reputation, loyalty and recruitment are by far more driven by a company's values.

The study found the benefits of corporate values go far beyond mere compliance with laws and regulations. Values are most critical in two strategic areas: reputation and relationships. This points to an opportunity for Tomorrow's MBA to go beyond the traditional skill of calculating return on investment and to begin to better comprehend the bottom line *return on values*. It also suggests that reading up on a company's corporate values is now part of any smart preparation for a job interview.

## Applying Ethics

An MBA with a strong ethical sense will be able to identify and prevent decision-making that takes the business down a slippery slope of compromise that could lead to a slew of problems later. But because a business's top priority is the greater good of the organization and its sustainability, leaders will be pressured to succeed at all costs. How can tomorrow's executives keep their footing? That question has spurred renewed efforts at teaching ethics throughout graduate schools of business, corporations and even in the U.S. military. Tomorrow's MBAs must be prepared to face ethical dilemmas likely to confront them in the corporate world, where issues are often ambiguous, the pressure to act fast is often high, and lines of authority may not be clear cut, according to an article titled "Leadership Run Amok: The Destructive Potential of Overachievers" by Scott W. Spreir, Mary H. Fontaine and Ruth Malloy, in the June 2006 *Harvard Business Review*.

Through discussions of case histories, MBA students learn how to think through complex business problems and identify their ethical and legal responsibilities to the organization.

Ethics training won't define wrong from right for any individual. But for tomorrow's leader, it raises much-needed awareness, the first step in heading off serious difficulties. Also it provides valuable practice in how to responsibly handle a number of questionable corporate situations, and it will empower Tomorrow's MBA to stand up for what is right even in the face of what might appear to be a consensus otherwise.

## The Dollars and Sense of an MBA

MBA candidates who master the "hard skills" (quantitative analysis, problem-solving, analytical thinking, information integration, implementation skills and strategic thinking) and "soft skills" (employee relations, negotiation, relationship-building and strong written communication skills) will command top dollar in the market.

The majority of respondents in the GMAC survey plan to provide a benefits package, moving allowance and performance-based bonuses on top of a base salary. Additionally, 45 percent plan to provide a signing bonus. MBA graduates this year can expect to earn an average starting base salary of more than \$80,000, according to GMAC, with total compensation reaching nearly \$100,000 when the other factors are taken into account.

With that kind of forecast, it's no wonder that people who have been in the workforce and wish to round out their business experience are headed back to school. ■

**You are going to be facing a workplace that requires you bring your whole self to the job; your personal values and convictions.**



## Be More in Demand and Prepared to Succeed

Many factors have led to the increased demand for MBAs—from new legislation that’s created tighter corporate governance, to the growth of exciting new companies, business sectors and global markets, to the growing need for greater leadership in the workforce. And right now there are several hot sectors for MBAs as well as an overall hiring trend where demand for MBAs across many fields far outweighs the supply.

### A Positive Outlook for Hiring

The 2006 Corporate Recruiters Survey conducted by the Graduate Management Admission Council® indicates that employers are feeling increasingly optimistic about the economy. From its interviews of 1,270 employers representing 737 companies that hire MBAs, GMAC found that:

- In 2006, there will be more job openings for MBA graduates compared to 2005, and the majority of these will be in mid-level management.
- 34 percent of respondents report that their company plans to hire MBAs for consulting positions—which is statistically a greater percentage compared to all previous years.
- Starting annual salary for MBA graduates continues to rise, and the expected starting annual salary is 4 percent higher in 2006.
- Employers wish to see continued improvement in MBA graduate “soft” skills (e.g., leadership, communication, and interpersonal skills), which remain a highly attractive skill set among employers.
- “Hard” skills (e.g., quantitative skills) remain highly attractive and employers assess that graduates generally have the requisite proficiency level for those skills.

Respondents in the GMAC survey indicate that for 2006, 23 percent of hires will be new MBA graduates, 17 percent will be direct-from-industry hires who hold MBAs, and 13 percent will have other graduate degrees. This data suggests the MBA degree is a valuable asset, as two out of five (40 percent) of all new hires in 2005 had one.

According to the GMAC survey, more respondents plan to hire for accounting and consulting positions. And a greater percentage of respondents indicated that they will hire MBAs to fill general management, human resources and operations/logistics positions.

### Hot Sector for MBAs: Accounting

As corporate names like Enron, Arthur Andersen and WorldCom graced headlines with revelations of widespread accounting fraud, they spawned not only a public relations nightmare, but also a slew of new regulatory mandates from Congress. Some jokingly refer to the regulatory flurry and laws that ensued as the “Accountants Full Employment Act,” but what it is actually called is the Sarbanes-Oxley Act, or “Sox” for short.

Under Sox, executives who defraud investors will pay harsh penalties. Sox also requires publicly held companies to strengthen internal financial controls so that they are yielding accurate data for financial statements. A company’s CEO is required to personally sign off on those statements.

The end result is that accounting sectors large and small are hungry for accounting talent that is holistically business savvy.

A National Association of Colleges & Employers survey results show that for the second straight year, accounting majors topped the list of most desired job candidates in the United States. Plus accountants can expect to make record high salaries. The average starting salary for those with bachelor’s degrees is about \$43,000. The starting salary for an accounting MBA can be more than \$55,000, not including health insurance and retirement benefits.

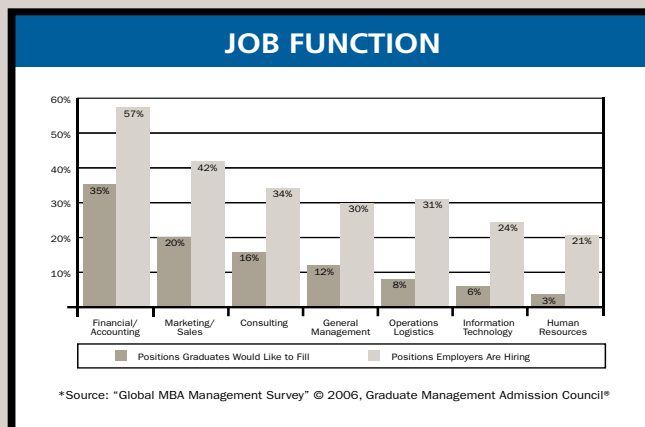
Accounting is a specialty that comes with job security rather than the spotlight. Companies and auditing firms can’t get enough of accountants, whose skills are a necessity to meet the requirements of new tough laws aimed at preventing corporate fraud. Auditors of stockholder-owned companies are enticing accountant MBAs with a suite of perquisites that can include raises, bonuses and the fast track to partnerships. Some employers are even offering internal fast tracks in specialties like pharmaceuticals to sweeten the pot for their accounting MBAs.

### Other Promising Prospects: Hospitality

Increased sophistication, a cleaned-up image and lots of dollars are creating a new job market for MBAs in the tourism and hospitality industry. Also included in this arena is the world of gaming—from Las Vegas to Wisconsin Indian Reservations.

### Information Technology

Information technology is also experiencing an uptick, fueling demand for MBAs with a specialty in that area.



# My Professional Edge

***“After much research, I found that Keller was the only institution that offered such flexibility without sacrificing academic standards and industry relevance.”***

**Tamy Sinkler**  
Associate Director of Technology  
AT&T

## **Why I Chose Keller**

*“Keller Graduate School of Management best fit my personal and professional life needs. The 24x7 demands of my career with AT&T made scheduling flexibility an absolute necessity in terms of an institutional requirement. After much research, I found that Keller was the only institution that offered such flexibility without sacrificing academic standards and industry relevance.”*

## **My Experience**

*“Keller taught me how to push forward amidst total uncertainty, to research the unfamiliar, to self-educate and to keep pace with an ever-changing world. We all were able to attack provocative and controversial economic, business and personal issues with a scary level of honesty. I had professors that should be DNA sampled and cloned... their contribution to my education was significant and lasting.”*

## **My Career**

*“I saw results from my Keller education in less than 2 weeks after graduation. Upon completing my MBA degree, I was promoted from a first-line manager to the Associate Director of Technology in AT&T Network Planning and Engineering Division. My new position involves working with national builders and developers in 3 states. I now have options that I have never had before that are only possible through education.”*

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