



Higher Education Monitor

The State of the Provision of the MBA in South Africa

*Accreditation and Coordination Directorate (HEQC)
Monitoring and Evaluation Directorate (CHE)*

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FOREWORD

This report on *The State of the Provision of the MBA in South Africa* brings to a close the review of MBA programmes in South Africa which was carried out by the Higher Education Quality Committee (HEQC), a permanent committee of the Council on Higher Education (CHE). The review started in November 2002 and encompassed a number of steps, culminating in this report.

In choosing the MBA as the first area in which to conduct a national review, the HEQC considered the following issues:

- The HEQC's need to have clear evaluation criteria to be able to make judgments on new applications to offer MBA programmes, especially from institutions which had not offered MBAs before.
- The HEQC's policy decision to undertake national reviews, which had to be given effect through the selection of a high profile, high impact programme area, the choice of which would allow for the development of an approach to and a methodology for conducting all future national reviews.
- Concerns expressed by the Minister of Education and other stakeholders about the proliferation of MBAs in the country and the HEQC's need to have a better sense of their quality, costs and benefits, and relevance to the country's needs.
- The request in the Department of Education's (DoE's) National Plan for Higher Education that the HEQC should prioritise the review of the quality of postgraduate programmes.

The review resulted in accreditation decisions on 37 programmes in a process that took place between November 2002 and March 2004. Setting up a national review for the purpose of re-accreditation required the development of evaluative criteria, the establishment of review panels, the training of panel members, and the conceptualisation and implementation of processes and procedures to undertake the re-accreditation and to come to judgements about the quality of the different programmes. By the end of the process, 7 MBA programmes were granted full accreditation, 15 were given conditional accreditation and a further 15 were de-accredited.

In preparation for the re-accreditation process, the HEQC first gathered base-line information on the 'shape and size' of MBA programmes and the business schools that offered them. Institutions then submitted self-evaluation portfolios with supporting evidence in relation to the 13 criteria developed for the review. Panels of experts and peers visited the 27 business schools that offered the MBA programmes and produced evaluation reports on the programmes. Finally, the HEQC MBA Re-Accreditation Committee submitted a series of recommendations on the accreditation status of the 37 MBA programmes to the HEQC Board, which took the final decision.

In the MBA review process, a wealth of information and insights into the MBA was generated by the institutions, the review panels and the HEQC. From the beginning of the exercise, it was clear that, given the HEQC's focus on quality promotion and capacity development, a

national review could not end only with decisions about the accreditation status of different programmes. A national review within a system that has improvement as a fundamental goal had to conclude with an analytical identification of trends in the programmes which could serve as the basis for ongoing improvement of MBA education in the country.

The State of the Provision of the MBA in South Africa provides an analytical view of the results of the re-accreditation exercise, but it also takes the issue of the provision of the MBA in South Africa further. The report situates the MBA programmes offered in South Africa in the context of the debates and trends that have punctuated the history of the degree internationally. It interprets information in terms of local socio-economic processes and education policies and their impact on the higher education system, and local and international market trends. It also reflects on the content of the re-accreditation criteria from the perspective of the MBA as a multidisciplinary field of study and identifies strengths to build on and weaknesses to address.

In order to develop a report of this nature, several steps were necessary. A framework for the production of the report on the state of provision of the MBA was developed and circulated for comments among all directors of business schools. A reference group was constituted of business school directors and specialists in higher education which served as a sounding board for the preparation of the final report. Further research on MBA provision was also conducted by the internal research team.

The production of this report has been a collaborative effort of the Accreditation and Coordination Directorate of the HEQC and the Monitoring and Evaluation Directorate of the CHE. The fact that the report is published in the CHE series *Monitor of Higher Education* reinforces the synergies between the quality assurance and the advisory and monitoring functions of the CHE. This issue of the *Monitor of Higher Education* focuses on the strengths and weaknesses in MBA provision in South Africa, as identified through a quality assurance lens, and signals areas for reflection and further investigation as well as areas for improvement.

I hope that the material and ideas presented in the report will generate further discussion among the staff of business schools and MBA specialists, and also that current and prospective MBA students and the non-specialist public will find it helps them understand the complexities of business management as a discipline and the challenge that teaching in this field at postgraduate level poses to higher education institutions. The report also points to numerous possibilities for further research in the field of MBA education which hopefully will be taken up in business schools and other research organisations.

Dr Mala Singh
Executive Director
Higher Education Quality Committee
October 2004

ACRONYMS

AA	Alternative Admission
AACSB	Association for the Advancement of Collegiate Schools of Business
AMA	American Management Association
AMBA	Association of MBAs
CHE	Council on Higher Education
DoE	Department of Education
efmd	European Foundation for Management Development
EQUIS	European Quality Improvement System
FIBAA	Foundation for International Business Administration Accreditation
GMAC	Graduate Management Admission Council
GMAT	General Management Admission Test
HAU	Historically Advantaged University
HDU	Historically Disadvantaged University
HEQC	Higher Education Quality Committee
HEQF	Higher Education Qualifications Framework
IMD	International Institute for Management Development
MBA	Masters in Business Administration
MBL	Masters in Business Leadership
MCom	Masters in Commerce
MTech	Masters in Technology
NACI	National Advisory Council on Innovation

NGO	Non-Governmental Organisation
NQF	National Qualifications Framework
PQM	Programme and Qualifications Mix
R&D	Research and Development
RPL	Recognition of Prior Learning
SAPSE	South African Post-Secondary
SAQA	South African Qualifications Authority
SMME	Small Medium and Micro Enterprise
UDW	University of Durban-Westville
UK	United Kingdom
UNISA	University of South Africa
US	United States of America

THE NATIONAL REVIEW OF MBA PROGRAMMES

The re-accreditation of 37 MBA programmes offered by public and private providers of higher education that was finalised in April 2004 was the first national review of a programme undertaken by the HEQC. From the early planning stages it was proposed that the re-accreditation of programmes should be followed by an analytical report that would look into the state of the provision of the MBA at the national level.

The State of the Provision of the MBA in South Africa was prepared taking the results of the re-accreditation exercise as a point of departure for identifying areas of concern and excellence in relation to the 13 criteria developed by the HEQC and for situating local trends and preoccupations in the broader context of the international debates on the MBA.

The 13 criteria developed by the HEQC are distributed into three categories, each of which focuses on a fundamental aspect of the quality of provision of the MBA.

The first category of criteria is focused on *governance* issues. These criteria were designed to assess the extent to which business schools at public and private providers of higher education were inserted into the South African higher education system; how their missions and goals related to the broader developmental and societal objectives of the country; and how they interacted with the higher education institutions in which they were located. Four of the 13 criteria fall into this category.

The second category is constituted by criteria focused on the *learning programme*. This includes the content of the programme and the way in which it is articulated, the pedagogy applied to teaching and learning, the place and manner of assessment, and the weight of research in students' training and its role in curriculum renewal. Eight of the 13 criteria fall into this category.

The third category concentrates on criteria of *context*, i.e. is focused on the relationship between the MBA programme, its stakeholders and its immediate external environment. This area is covered by one criterion.

As will be seen in the report, the 13 criteria, and by implication the HEQC accreditation exercise as such, were focused on the conditions that are necessary for training and educating good managers. The criteria did not focus directly on the quality of MBA graduates as measured by employer or alumni perceptions. This, however, does not mean that the HEQC

criteria did not focus on outcomes. Criteria 9, 10, 11 and 12, which focused on the learning programme, teaching and learning, assessment and research respectively, look closely at business schools' systems and methodologies to assess the outcomes of the learning programme. During site visits, panel members requested examples of examination questions and assignment topics, as well as external examiner reports and dissertations, to satisfy themselves that examinations and assignments were adequately measuring the desired learning outcomes and that dissertations reflected the complexity of analysis expected at a master's level. In relation to fit between graduate skills and labour market expectations, the HEQC asked business schools to provide evidence of their utilisation of the results of employer satisfaction surveys to monitor and improve their programmes and, during site visits, panels interviewed alumni about their experience both of the programme and the interface between the knowledge and skills acquired in the programme and the demands of the world of work.

The HEQC quality assurance system is not designed to assess the quality of education received by individual graduates but to assess whether institutions provide the necessary conditions for quality teaching and learning and the performance of research to take place.

There are two main reasons for the HEQC's decision to prioritise a systemic view of input, process and outputs of quality over one focused on individuals. First, in order to assess individual outcomes the HEQC would have to constitute itself as an all-encompassing examination board operating over and above professional councils and similar organisations that take care of professional standards. This arrangement would be contradictory to the principles of the HEQC, which sees the institutions as chiefly responsible for the quality of their programmes.

In relation to the utilisation of the results of surveys such as those conducted by PMR and Markinor, it is important to point out that there are substantive differences between the purposes of a re-accreditation exercise and those of surveys of employer and student satisfaction. The purpose of surveys is to test standing in the market as regards a limited number of identified skills (and to use this for marketing purposes). The rankings offered by these surveys are the result of employers' judgements of individual graduates. The purpose of re-accreditation is twofold: to assure the public and students that, judged against an agreed-upon set of standards, MBA programmes meet a minimum threshold of quality, and to help programmes to identify paths of improvement and enhancement based on the results of the re-accreditation.

The second reason for the HEQC's focus on quality at the systemic and not at the individual level has to do with the history of South Africa. The devastating effect of apartheid on higher education means that after ten years of democracy it is still possible to differentiate institutions in terms of historical advantage and disadvantage. The market, which by definition is not an allocator of equal opportunity, seems an inadequate point of departure in the construction of a quality assurance system that is trying to level the playing field in order to improve the higher education system.

The national review of the MBA focused on criteria of input, process and outcomes. As regards outcomes specifically, business schools were asked about their mechanisms for monitoring the quality of their courses and graduates in relation to both the expected learning outcomes of the programme and the expectations of external stakeholders. This report has tried to point out the relations between inputs, processes and learning outcomes with respect to each criterion throughout the analysis.

The fact that business schools had to submit a self-evaluation, accompanied by supporting evidence, against the 13 criteria created a wealth of information, to which the actual site visits added meaning and depth through the interaction with the schools' management, staff, students and alumni. *The State of the Provision of the MBA in South Africa* has used all this information to support its analysis of the trends emerging from the results of the re-accreditation process.

At a methodological level this report has quantified the results of the MBA re-accreditation process and cross-referenced them with other variables such as type of provider, mode of delivery, age of the school, etc. to analyse trends in terms of provision. The research team has analysed the data on enrolments, throughputs, research outputs, number of faculty, etc. provided in the institutions' submissions. When the submissions did not contain information on certain issues institutions were approached for pertinent data. The team sent out questionnaires to specific individuals, conducted some interviews with heads of schools and academic staff, and used all the resources available to produce a picture of the state of the provision of MBAs in South Africa that would be as complete and nuanced as possible, within a reasonable time.

The report is organised in five chapters and two appendices. Chapter 1 interprets quantitative data to describe the landscape of the provision of the MBA in South Africa in its historical context. It advances reasons for the rapid expansion of MBA programmes in the last decade-and-a-half and points to some detrimental effects of the recent expansion on the quality of the MBA.

Chapter 2 focuses on the quality of MBA programmes with regard to the 13 re-accreditation criteria. It analyses how different types of providers fared on each criterion and draws conclusions about the role that institutional history and identity play in shaping various aspects of programme quality. The chapter argues that the 13 evaluation criteria are interrelated and that the quality of a programme can only be assessed in relation to the combined criteria.

Chapter 3 focuses on the international history of the definition of the MBA as a professional degree at the master's level, from the establishment of the first schools of business in the US at the end of the 19th century to the most recent discussions of the role of business education in a globalised economy. It explores how the changing definitions of the MBA have affected South African programmes. The chapter argues that, internationally, the tension between a

‘professional MBA’ and an ‘academic MBA’ has been made more acute with the development of global markets in the late 1990s and the current centrality of business and entrepreneurship in society, and that this is eroding the place for and value of research at business schools. In the case of South Africa, this is compounded both by the legacy of a higher education system designed to reproduce disadvantage and by the comparative newness of many programmes.

Chapter 4 focuses on the MBA learning programme and constitutes the heart of this report. The chapter analyses the structure, content and pedagogy of the MBA programmes that entered the re-accreditation process against the backdrop of the most important international debates on the purpose, content and pedagogy of MBAs. It argues that the realisation of learning outcomes depends on both student selection and the programme’s academic governance; that the trend in some programmes to dilute research training and diminish the importance of the MBA dissertation undermines the standing of the MBA as a postgraduate degree; and that weak or non-existent faculty research production compromises the relevance of the MBA for the South African business world.

Chapter 5 looks at the MBA from the point of view of its role in redefining the relationship between business and society through the training of managers and the production of research. It analyses emerging trends in corporate social responsibility and their impact on curriculum content. It suggests that South African business schools can potentially play a fundamental role in re-shaping business practices in the country and in redefining what business in society means.

Appendix 1 provides the complete list of the 13 re-accreditation criteria with their respective minimum standards. Appendix 2 presents the results of the participation of some MBA programmes in the preparation of this report. All MBA programmes that were commended in terms of one or more criteria were asked to prepare mini-case studies of their activities in these specific areas, to be included in this report as examples of good practice. Not all schools managed to meet a very tough deadline. The cases which are not available in this report will be available, like the report itself, on the CHE website www.che.ac.za as soon as the business schools are ready.

We have tried to convey a balanced view of the state of the provision of the MBA in South Africa, pointing out the undermining effects of some trends and practices on the quality of the programmes and the good practices that support constant quality improvement. Understanding the ‘good’ and the ‘bad’ practices, the conditions from which they stem, their internal implications and their external effects is part of the decision to move from good to better and from better to excellent.

We hope that this report will generate both debate and action and thus contribute to a better understanding of the MBA in South Africa and an overall improvement in the quality of the programmes.

THE MBA LANDSCAPE: PROVIDERS AND PROGRAMMES

In 2002, when the HEQC started the process of re-accreditation of MBAs, there were 37 programmes offered by 27 providers. This constitutes the formally accredited MBA programmes in South Africa and the focus of this report.

This chapter describes the MBA landscape in South Africa: the types of providers and their history, their geographical location, and the programmes they offer, including their mode of delivery; the profile of students' enrolments and graduation; and staff numbers and profiles. The analysis offered in this chapter is based on the information provided in the institutions' submissions to the HEQC during the re-accreditation process, and on further information requested by the Monitoring and Evaluation Directorate of the CHE for the preparation of this report. This information is not always complete or accurate and the text provides footnotes about the quality of the data where necessary.

The purpose of this chapter is to provide the reader with the facts and figures necessary to understand the history and current situation of MBA provision in South Africa and to make better sense of the results of the re-accreditation process and its consequences for the MBA landscape.

The chapter is organised in two sections. The first deals with facts and figures about providers and programmes. The second is focused on the profile of students and staff in the different programmes.

PROVIDERS AND PROGRAMMES: WHEN, WHERE AND WHAT

A brief chronology of MBA provision in South Africa

The history of the MBA in South Africa cannot be separated from the history of higher education in the country. It has to take into account the influence that apartheid legislation had in determining the range of degrees and subjects that institutions could offer, as well as the students they could cater for. But it also has to look at the changes brought about by the post-1994 policymaking process and the influence these have had on the one hand on higher education institutions and on society's perception of the benefits and value of education, and on the other on the MBA landscape.

The 1940s in South Africa were characterised by rapid industrialisation and the strengthening of Afrikaner nationalism under the aegis of the National Party. The victory of the National Party in the 1948 election marked the institutionalisation of apartheid and the beginning of the construction of an education system designed to reproduce racially-based disadvantage and underdevelopment.

The buoyant economic mood was certainly propitious for the introduction of the idea of management education in the country. Perhaps it was not a coincidence that the first MBA (strictly speaking an MCom) was introduced at the University of Pretoria in 1949, with the support of the chairman of Iscor, who was at the time also chair of the Council of the University of Pretoria.

Ten years later the 1959 Extension of University Education Act No 45 created four ethnic university colleges in addition to Fort Hare, at Bellville, Ngoye, Durban and Turfloop, for coloured, Zulu, Indian, and Sotho-Tswana students respectively. Despite student protest, the legislation also guaranteed that no black students could study at white institutions, with the exception of the University of South Africa (UNISA). Government intervention in programme offerings at the new black university colleges guaranteed that any development in business administration as a discipline would not benefit black students or, much less, black universities.

Despite the mounting political tension, the 1960s were a time of economic progress and stability for white South Africans. During this period the University of Cape Town, the University of Stellenbosch, UNISA, and the University of the Witwatersrand started offering MBAs at their newly-opened business schools. It was only in the 1970s, when the resistance to apartheid was gaining momentum, that the University of Durban-Westville started offering the first MBA for black students. This decade also saw the opening of the MBA programme at the business school of the University of Potchefstroom.

The 1980s were rife with economic crisis, partly owing to international disinvestment, and political unrest: hardly a time to think of opening business schools. The productivity crisis, however, was fertile terrain for the revaluation of technical education and workforce training. On the education front the focus was on the expansion of technical education; thus the 1980s saw the creation of most of South Africa's technikons, designed to cater separately for the vocational education of white and black students.

The limited development of business education at historically black institutions under apartheid was consistent with the role allocated to black people in the employment structure of apartheid South Africa. The Industrial Conciliation Act No. 55 of 1956 and the Mines and Works Act No. 78 of 1973, together with supplementary legislation on training, created a legal framework that excluded Africans from the definition of employee as well as preventing them from having access to managerial, professional and skilled work outside the designated independent and non-independent homelands.¹

1 For a study of the evolution of the labour market for managers in historical perspective, see F. Horwitz and A. Bowmaker-Falconer, Managers, in A. Kraak (ed.) et al. (2004). *Human Resources Development. Education, Employment and Skills in South Africa. Review 2003*, Pretoria: HSRC, pp.610-33.

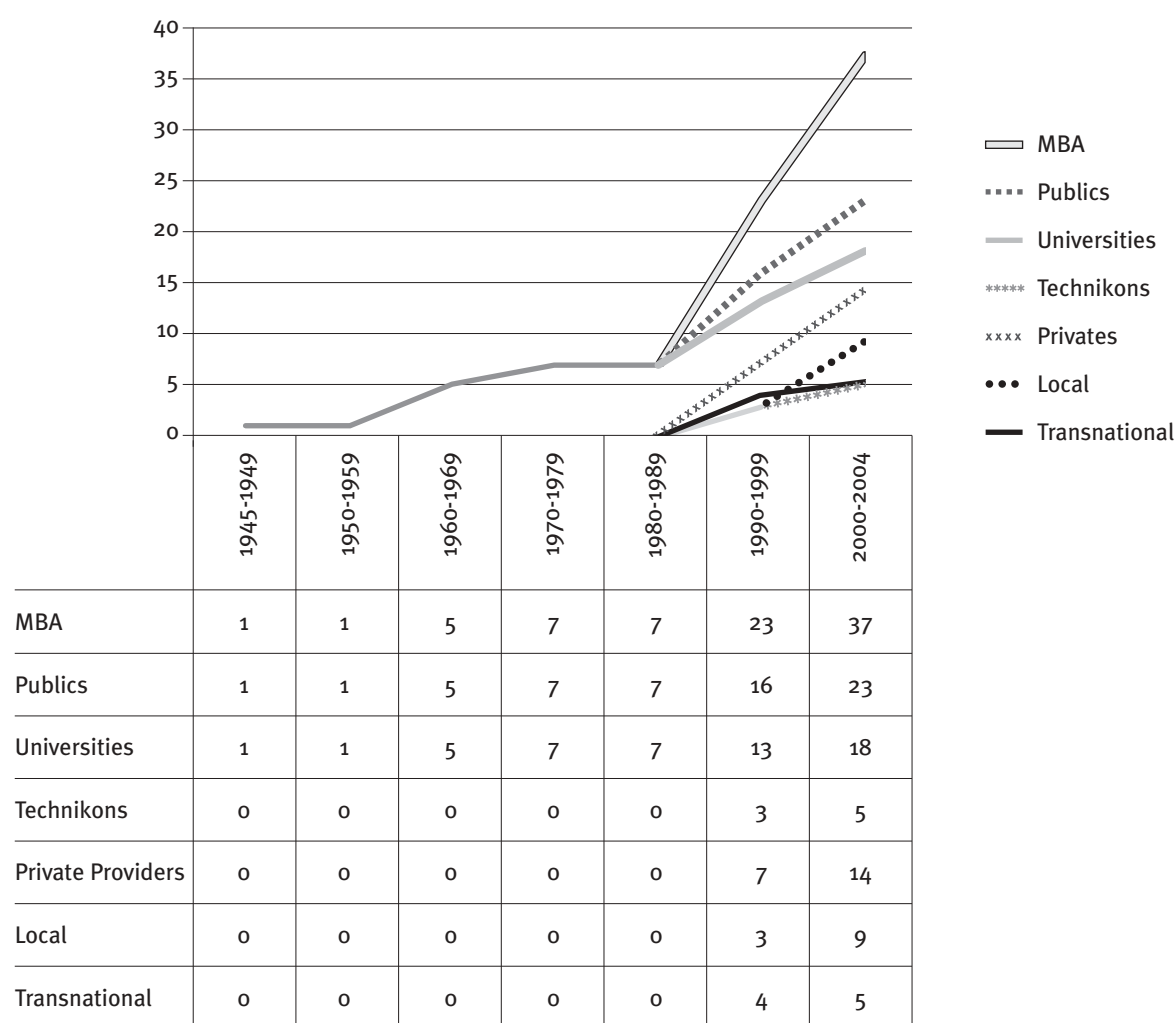
Up to the 1990s there were only seven business schools in the country offering MBA programmes. All of them were located at universities and, with the exception of the business school at the University of Durban-Westville (UDW), all were located at historically white institutions: four Afrikaans-medium, the other three English.

The rapid expansion of the MBA in the 1990s has two main features: the inclusion of technikons, allowed since the passing of the 1997 Higher Education Act to offer higher education degrees, and the massive expansion of private provision of higher education by both local and transnational providers. It is important to note that both technikons and local private providers started offering MBAs in partnership with transnational providers that had an interest in entering the South African higher education market. While technikons entered into partnerships with UK and Australian universities, private providers entered into partnerships with the then British polytechnics. The implications of these arrangements in terms of the national legislation will be examined in detail in the next chapter.

The rapid expansion of the MBA in the 1990s, especially after the inauguration of the new democratic government, can be partly explained as the combined effect of international trends and new national legislation. On the one hand, as we will see in more detail in Chapter 3, the 1990s marked the international expansion of the MBA and the growing centrality of business in both the global economy and local societies. South Africa's aperture to the world exposed local entrepreneurs as well as higher education leaders to this trend. Several transnational providers also saw a commercial opportunity in the provision of higher education degrees in the country in the context of newly-signed bilateral agreements with the South African government. Locally, on the other hand, the country witnessed a fast process of policymaking that yielded a host of well-integrated and radical higher education policies. New policy not only revalued the role of higher education in the construction of a democratic society and in the economic development of the country; it also introduced debates about scarce skills and entrepreneurialism together with a will to change patterns of enrolment that reflected the apartheid racially-based allocation of opportunities to citizens. Public and private enterprises as well as the public service were obliged to develop work skills plans as part of a raft of labour legislation aimed at deracialised and skilled middle and top management, and this also had an influence in the market for higher education. Not only was the government, through the Department of Education, asking for an increase in undergraduate students' enrolments in the field of business; the Minister of Public Service's directive about the need for public service employees at the medium and high management levels to take MBAs had an enormous impact on the proliferation of MBAs and also resulted in an increased interest in the degree. As far as the MBA programme is concerned, all of this took place on fertile ground since the MBA in South Africa, given its connections with business and industry, had had a high reputation from its very beginnings. It must be mentioned here that the comparatively low investment costs, especially compared with degrees and postgraduate degrees in the natural sciences, of establishing an MBA programme might have acted as an incentive particularly for private providers who could not count upon the functioning infrastructure that public institutions had. The issue of the cost of the MBA and its modes of organisation will be examined in Chapter 4.

The net effect of the expansion of the MBA since the 1990s was that the large majority of the programmes that participated in the HEQC re-accreditation exercise had been enrolling students only since the early 1990s and some only for a couple of years. Figure 1 provides a breakdown of the expansion of MBA programmes in the country per type of provider and overall, and illustrates the staggering growth in programme offerings.

Figure 1: Dates of establishment of MBA programmes by type of provider



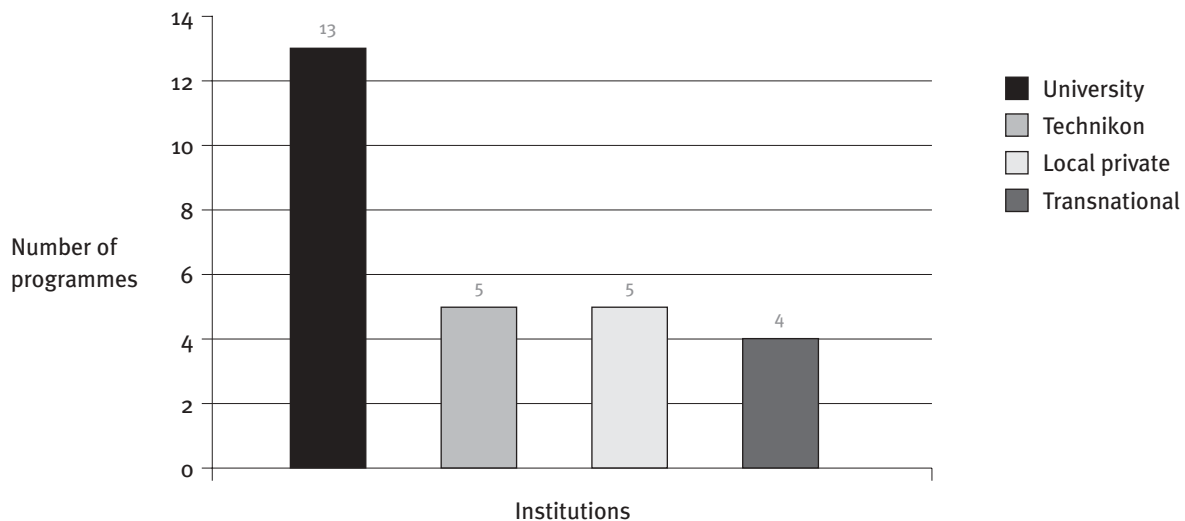
By the time applications for re-accreditation were submitted to the HEQC the MBA landscape in South Africa was constituted as follows:

- 18 public higher education institutions (13 universities and 5 technikons).
- 9 private providers (5 local and 4 transnational).

These institutions offered 37 programmes which were distributed as indicated in Figure 2: 23 (62 percent) were offered by public institutions and 14 (38 percent) by private institutions;

18 (48.64 percent) were offered by public universities, 5 (13.51 percent) by technikons, 10 (27.03 percent) by local private providers and 4 (10.81 percent) by transnational providers.

Figure 2: Number and type of providers offering MBA degrees



An analysis of the geographic distribution of business schools taking into account the site of their administrative headquarters shows that business schools, especially newly established ones, tend to be localised in the economic hubs of the country. The impact of the democratic dispensation on the economic outlook of the provinces can be gauged by the rapid growth of MBA offerings in Gauteng and KwaZulu-Natal. Before 1994 the former Transvaal Province had the largest concentration of business schools in the country (5 at the time); after 1994, the number of business schools in Gauteng doubled, with this province now having 11 MBA providers including public universities, technikons, local private and transnational providers. Similarly, while before 1994 the UDW Business School was the single provider of the MBA in Natal, after 1994 the number of business schools in the reconfigured province increased to 5, of which 2 are private providers.

Tables 2 and 3 show the distribution of providers and programmes per province after 1994. The tables take into account the localisation of the administrative site of the institutions to analyse their geographical distribution and are mindful of the fact that distance education by definition is not geographically located. As can be seen from the tables, at the time of the re-accreditation exercise 40 percent of South Africa's business schools were located in Gauteng, 19 percent in KwaZulu-Natal and 15 percent in the Western Cape. The remaining 26 percent was distributed between the North West province, Limpopo and the Free State. Taking the programme as the unit of analysis, the highest concentration of MBA programmes was in KwaZulu-Natal (12 programmes), where two local private providers offered 7 of the 12 MBA programmes available in the province. 11 MBA programmes were offered in Gauteng, 5 in the Western Cape, 3 in the Free State, 2 in the North West and 1 in Limpopo.

Table 1: Distribution of type of provider per province after 1994

<i>Province</i>	<i>Universities</i>	<i>Technikons</i>	<i>Local private providers</i>	<i>Transnational private providers</i>
Western Cape	2	1	0	1
Northern Cape	0	0	0	0
North West Province	2	0	0	0
Eastern Cape	1	1	1	0
KwaZulu-Natal	2	1	2	0
Mpumalanga	0	0	0	0
Gauteng	4	2	2	3
Free State	1	0	0	0
Limpopo	1	0	0	0
Total	13	5	5	4

What emerges clearly from the analysis of the geographic distribution of the MBA is that all business schools, but especially the new providers, are localised in the wealthiest and economically dynamic South African provinces and that all schools are metropolitan-based.

Table 2: Distribution of programmes according to province

<i>Province</i>	<i>Universities</i>	<i>Technikons</i>	<i>Local private providers</i>	<i>Transnational private providers</i>
Western Cape	3	1	0	1
Northern Cape	0	0	0	0
North West Province	2	0	0	0
Eastern Cape	1	1	1	0
KwaZulu-Natal	4	1	7	0
Mpumalanga	0	0	0	0
Gauteng	4	2	2	3
Free State	3	0	0	0
Limpopo	1	0	0	0
Total	18	5	10	4

Type of MBA programmes

Before the 1990s all MBA programmes were offered at contact institutions and were general MBAs from the point of view of the content of the learning programme. After 1994, there was not only an explosion in the offering of MBA programmes in the country but also a substantial change in both the mode of delivery and the learning programme itself. As can be seen in Table 3, the new providers introduced distance learning into the MBA. (They also introduced a number of specialisations.) As we will see in Chapter 3, this has been an

international trend that responds to market segmentation and the changing age of the students enrolling in the programmes. Table 3 shows the modes of delivery at South African business schools, divided into contact only and distance only institutions.

Table 3: Mode of delivery at business schools

<i>Mode of delivery</i>	<i>Number of business schools</i>	<i>Percentages</i>
Contact	20	74%
Distance only	7	26%
Total	27	100%

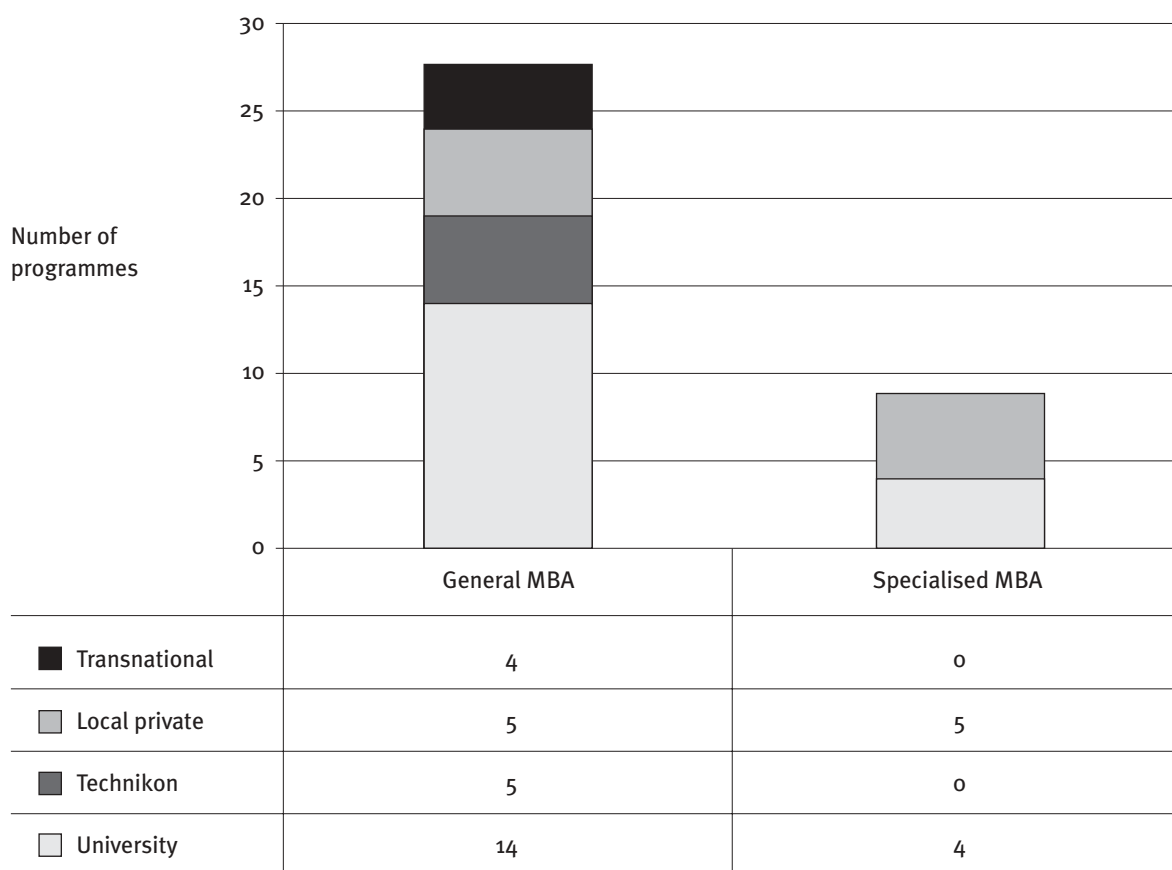
An analysis of the mode of delivery of programmes in relation to different institutional types indicates that private providers offered the majority of distance mode MBAs. The proliferation of the distance MBA speaks of a growing demand for MBA programmes from individuals who cannot attend classes and, in some cases, cannot afford the prices of residential MBAs. Given the comparatively lower overheads of MBAs offered in a distance mode it is also possible that private providers saw a cost opportunity in entering into the higher education market with a relatively cheap degree that would attract a large number of students, and therefore give the private providers a comparative advantage over older and more established public providers. The relationship between programme fees and student choice will be explored later in this chapter.

As regards the expansion in the demand for the MBA, it is noteworthy that, with the exception of UNISA, all distance MBA programmes are offered by institutions that have opened since 1990.

The variation in the offerings among contact MBAs also indicates that greater student demand requires wider choice between contact full-time and part-time, as well as combinations of contact and distance modes of delivery. Out of 20 institutions offering contact MBAs 15 (75 percent) offered part-time programmes too, 5 offered programmes in both full-time and part-time modalities, and 2 that offered contact MBAs also offered the programmes in distance mode. This seems to indicate that even if there is a shift from offering the MBA as a full-time two-year degree, based on the classic American model, to a more flexible part-time programme, the trend is not yet fully developed in terms of correspondence and electronic MBAs. As we will see in Chapter 4, there is some debate about the ability of distance MBA (correspondence or electronic) to facilitate the development of some of the skills required by MBA graduates. In this regard, it is particularly interesting that in South Africa UNISA, the dedicated distance education institution, requires contact sessions in its programme. The relation between the pedagogy of the MBA and the costs of the programme will be analysed in Chapter 4.

As for the opposition between general and specialist MBAs in South Africa, although comparatively speaking there is an overwhelming majority of general MBAs on offer, the growth of specialist programmes from zero to 24 percent marks a substantive trend in the MBA market in the country. In most cases the need for these specialist MBAs was argued in terms of schools' responsiveness to local demand and they range from executive MBAs to industry-specific programmes. As we will see in Chapter 4, in almost all cases the specialist MBAs were neither clear responses to local needs nor well-structured learning programmes with the required weight of general courses. As can be seen from Figure 3, the distribution of specialist MBAs among providers indicates that newer business schools at public universities and recently established private providers share equally in the provision of specialist programmes, with two local private providers offering five specialist programmes and three public universities offering four.

Figure 3: Specialist and general MBAs since the 1990s



MBA STUDENTS AND STAFF: WHO AND HOW

The MBA in the context of postgraduate education

This section deals with the demographic profile of students and staff in the different MBA programmes. It relies on the data submitted by business schools as part of their re-accreditation documentation and on further data provided by the schools at the request of the CHE.²

Any analysis of enrolments in MBA programmes has to be situated in the broader landscape of postgraduate education in South Africa if we are to make sense of the MBA in terms of the two fundamental issues about postgraduate enrolments: equity and access to master's and doctoral degrees, and a more equitable production of postgraduates across fields of study. A discussion document on postgraduate education in South Africa published by the National Advisory Council on Innovation (NACI) provides valuable information in this regard.³

Between 1995 and 2001 the postgraduate sub-sector of the public higher education system taken as a whole (universities and technikons together) grew from approximately 70 000 enrolments to just above 92 000: an increase of 154 percent in six years. In terms of enrolments at the master's level, which is the focus of this analysis, enrolments at university-based programmes grew from 31 percent in 1995 to 35 percent in 2001. In the technikon sector the increase was much more dramatic, from 16 percent in 1995 to 92 percent in 2001.⁴

Given the importance of the distribution of postgraduate enrolments by field of study in terms of access and equity (changing the apartheid racially-determined enrolment patterns) as well as in terms of the education of a science and technology workforce that can respond to the developmental objectives of the country, it is important to disaggregate the above figures.

In 1995 the majority of postgraduate enrolments at universities were concentrated in humanities and social sciences, and education (39 percent and 23 percent respectively), with business and commerce representing only 16 percent of the enrolments. In 2001 postgraduate enrolments in humanities and social sciences dropped to 28 percent, education increased to 28 percent, and business and commerce reached 19 percent of total enrolments. This growth in the field of business and commerce was especially obvious in the expansion of enrolments at the master's level, from 3 781 headcounts in 1995 to 5 521 in 2001 (public institutions only). In the technikon sector enrolments at the master's level in business and commerce grew from 18 MTech enrolments in 1995 (19 percent) to 448 enrolments in 2001

² No data was resubmitted by the University of Natal in relation to the business schools at Durban and Pietermaritzburg campuses, or from Bond SA, Regent Business School and Business School Netherlands. In relation to these providers the report relies on the information submitted for the re-accreditation exercise.

³ National Advisory Council on Innovation, *A Profile of Postgraduate Higher Education and the Academic Research Community in South Africa*, 2004. Hereafter NACI (2004).

⁴ NACI (2004) pp.3-4.

(19 percent): a spectacular 471 percent increase, largely due to the introduction of MBA programmes.⁵

In terms of the distribution of university postgraduate enrolments by field in 2001, business and commerce constituted 15 percent of the historically advantaged universities (HAU) enrolments, 9 percent of historically disadvantaged universities (HDU) and 43 percent of the dedicated distance education institutions.⁶

The racial profile of postgraduate enrolments at universities indicates that between 1995 and 2001 there was a considerable increase in the participation of black students, especially African students, in postgraduate education. In 1995, 34 percent of postgraduate enrolments' headcounts were African, 5 percent coloured, 6 percent Indian, and 54 percent white. By 2001 these figures had changed to 49 percent African, 5 percent coloured, 7 percent Indian, and 38 percent white.⁷ The change in the racial profile of postgraduate enrolment at technikons is even more remarkable. In 1995, 8 percent of the postgraduate students enrolled at technikons were African, 2 percent were coloured, 3 percent were Indian, and 87 percent were white. By 2001 the figures had changed to 42 percent African, 5 percent coloured, 8 percent Indian and 45 percent white. Unfortunately, the NACI discussion document does not provide a disaggregated analysis of enrolments by race per level, and field of study, which constitutes the crux of the access question.

The NACI document indicates that by 2001 there had been a marked shift in the profile of postgraduate education in South Africa's public higher education system, characterised by a growth in the number of black postgraduate students in general and a slight movement of these students from humanities and social sciences to business and commerce.

In the case of private higher education, the largest number (77 percent) of enrolments at institutions offering their own certification in the field of business and commerce is at NQF level 7 (master's, honours, PG diplomas and certificates), of which the MBA forms the largest number.

Overall, the changing patterns in postgraduate enrolments between 1995 and 2001 coincide with the expansion of the offering of MBA programmes by both public and private providers, and the greater popularity of this degree among South African young professionals. Given the uneven research content found in the 37 MBA programmes submitted for re-accreditation, and the weight of the expansion of enrolments in the MBA in the overall expansion of postgraduate education in South Africa, it seems important to caution about the actual meaning of the increased enrolments in postgraduate education for the growth of young researchers in the country. The next subsection focuses on enrolments in the MBA programmes.

⁵ NACI (2004), pp.7-8.

⁶ NACI (2004), p.11.

⁷ NACI (2004), p.17.

MBA student demographics: Race and Gender

The analysis of the students' demographic data for 2000 to 2002 is based on the information supplied by the business schools.⁸ Tables 4 and 5 help in analysing the distribution of enrolments in MBA programmes by race per provider type. As can be seen from Table 4, enrolments at all provider types grew fairly steadily during the period. However, the most remarkable trend in enrolments between 2000 and 2002 is the growth of local private providers' share of the total enrolments, followed by the growth in enrolments at transnational providers.

Table 4: MBA headcount enrolments 2000-2002

<i>Race groups</i>	<i>2000</i>				<i>2001</i>				<i>2002</i>			
	<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>	
	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>
African	1633	146	55	226	1784	147	190	258	1924	219	376	306
Coloured	241	44	5	31	239	40	6	42	224	79	16	47
Indian	541	104	17	58	560	93	41	50	656	90	117	86
White	2432	305	87	191	2344	243	82	201	2261	256	197	374
Other	21	3	4	0	19	0	13	13	16	21	11	27
Total	4868	602	168	506	4946	523	332	564	5081	665	717	840

The distribution of race groups within and across provider types is seen better in Table 4. The proportion of overall black enrolments across providers has increased consistently between 2000 and 2002. Among public providers the most remarkable increases in enrolments are in the technikon-based programmes where African students grew from 24 percent in 2000 to 33 percent in 2002, coloured students from 5 percent to 12 percent, and Indian students from 11 percent to 14 percent. The most remarkable growth, however, is again among private providers. African students enrolled at local private providers grew from 33 percent of the total enrolments in 2000 to 53 percent in 2002. This increase in the share of African students in local private providers' enrolments implied a marked decrease in white students' enrolments from 52 percent in 2000 to 27 percent in 2002. Interestingly, African students' share in transnational providers' enrolments decreased from 45 percent in 2000 to 36 percent in 2002. Unfortunately, we do not have enough data to explain these variations satisfactorily. A tentative explanation of the rapid increase of African students' enrolments in local private providers needs to take into account three characteristics of private provision. First, some private provider MBAs required comparatively lower fees. Second, most MBA programmes at private providers were offered in a distance mode which facilitates the 'attendance' of full-time employed students. Last but not least, private providers

⁸ In the data sent by Tech PTA and Cape Tech the column values did not add up to the total in 2000 and 2002.

often had lower entrance requirements and accommodated alternative admissions, all of which might have played a role in attracting students with lower marks in their undergraduate degrees. In Chapter 4 we will look into the impact that entrance requirements have on the quality of the learning programme and the actual learning experience of students, and how, in some cases, low entrance requirements compromised the quality of programmes.

Table 5: MBA enrolments percentages 2000-2002

<i>Race</i>	<i>2000</i>				<i>2001</i>				<i>2002</i>			
	<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>	
	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>
African	33.55	24.25	32.74	44.66	36.07	28.11	57.23	45.74	37.87	32.93	52.44	36.43
Coloured	4.95	7.31	2.98	6.13	4.83	7.65	1.81	7.45	4.41	11.88	2.23	5.60
Indian	11.11	17.28	10.12	11.46	11.32	17.78	12.35	8.87	12.91	13.53	16.32	10.24
White	49.96	50.66	51.79	37.75	47.39	46.46	24.70	35.64	44.50	38.50	27.48	44.52
Other	0.43	0.50	2.38	0.00	0.38	0.00	3.92	2.30	0.31	3.16	1.53	3.21
Total	100	100	100	100	100	100	100	100	100	100	100	100

MBA student demographics: Gender and age

The demographic profile of MBA enrolments seems to be dominated by white males in their 30s. And although there are, as we have seen, indications of a steady increase in the numbers of black student enrolments, from a gender point of view there is little doubt that so far the MBA is a male-dominated degree. This section focuses on the gender and age spread of MBA enrolments in order to draw some conclusions about incipient changing patterns.

Tables 6 and 7 represent the distribution of male and female students enrolled in MBA programmes at different provider types between 2000 and 2002. These tables, like the previous ones, are based on information provided by the business schools themselves which is not always accurate or complete.⁹ However, the information is sufficient to establish a trend that helps us understand the configuration of MBA enrolments.¹⁰

⁹ No data was resubmitted by the University of Natal in relation to the business schools at Durban and Pietermaritzburg campuses, or by Bond SA, Regent Business School and Business School Netherlands. In relation to these providers the report relies on the information submitted for the re-accreditation exercise.

¹⁰ Inconsistencies emerged in the figures from Potchefstroom University and PE Tech for 2002 and UNISA for 2000 to 2002; the column values did not add up to the totals.

Table 6: Headcount enrolments by gender per provider type

<i>Gender groups</i>	<i>2000</i>				<i>2001</i>				<i>2002</i>			
	<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>	
	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>
Male	3660	466	136	331	3653	409	228	390	3701	491	526	628
Female	1208	136	32	175	1293	114	104	174	1380	174	191	212
Total	4868	602	168	506	4946	523	332	564	5081	665	717	840

Table 6 shows a progressive increase in the numbers of women enrolled in the MBA between 2000 and 2002. Among public providers the increase was minimal while among private providers female enrolments grew much more markedly. Particularly interesting to note is that the number of female enrolments at local private providers grew almost sixfold between 2000 and 2002.

Table 7: Enrolments by gender per provider type percentages

<i>Gender groups</i>	<i>2000</i>				<i>2001</i>				<i>2002</i>			
	<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>		<i>Public providers</i>		<i>Private providers</i>	
	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>	<i>Univ</i>	<i>Tech</i>	<i>Local</i>	<i>Transnat</i>
Male	75%	77%	81%	65%	74%	78%	69%	69%	73%	74%	73%	75%
Female	25%	23%	19%	35%	26%	22%	31%	31%	27%	26%	27%	25%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 7 shows that, even with the dramatic increase in female enrolments at local private providers, the proportion of male and female students in the MBA seems to have stabilised itself between 73 to 75 percent male and 25 to 27 percent female. Although these figures show an improvement in women's participation in MBA enrolments since the beginnings of the degree, it seems that female enrolments in the MBA are comparable to those in science, engineering and technology, where female students' participation in enrolments is at its lowest.

Unlike other professional master's degrees, the MBA is to a large extent predicated on the students' first-hand experience of the world of business. This fact defines the age of the students enrolled in the different programmes. As can be seen in Tables 8 and 9,¹¹ the largest age group enrolled in MBAs is the 31 to 40 year old group, followed by the 21 to 30 and the 41 to 50 groups. An analysis of enrolments by age group at different provider types indicates that universities have the largest proportion of enrolments by the 41 and older age groups, presumably people engaged in executive education.

¹¹ The figures presented on tables 8 and 9 do not add up to the totals already given, because the category 'other' provided by some institutions has been taken out. Figures should be read as indicative and not as accurate reflection of the age distribution at MBA programmes.

Table 8: Headcount enrolments by age per provider type 2000-2002

Age groups	2000				2001				2002			
	Public providers		Private providers		Public providers		Private providers		Public providers		Private providers	
	Univ	Tech	Local	Transnat	Univ	Tech	Local	Transnat	Univ	Tech	Local	Transnat
21-30	1016	133	20	34	939	121	14	25	894	170	68	18
31-40	2298	301	74	272	2179	260	87	210	2188	380	302	147
41-50	742	157	72	50	738	125	46	36	781	101	108	44
51-60	44	11	1	0	59	7	3	1	60	14	15	2

Table 9 indicates that the 21 to 30 age group constitutes a quarter of the enrolments at public providers, while the 31 to 40 group constitutes just above half, with the rest taken up by the over-40 students. Among private providers, on the other hand, there is a much larger proportion of enrolments in the 31 to 40 age group, which in some cases reaches more than 70 percent, while enrolments in the 21 to 30 age group do not reach 20 percent. The explanation for this trend is not clear, except for the importance of executive MBAs at business schools based at public universities. A trend for which we only have anecdotal information through conversations with heads of schools is that, taking the full lifespan of the MBA as a degree in the country, student enrolments are changing with slightly younger and less experienced students entering the programmes, which in itself raises challenging pedagogical issues for the programme directors. We will come back to this issue in Chapter 4.

Table 9: Enrolments by age per provider type percentages

Age groups	2000				2001				2002			
	Public providers		Private providers		Public providers		Private providers		Public providers		Private providers	
	Univ	Tech	Local	Transnat	Univ	Tech	Local	Transnat	Univ	Tech	Local	Transnat
21-30	24%	22%	12%	9%	24%	24%	9%	9%	22%	26%	14%	8%
31-40	55%	50%	43%	74%	55%	51%	58%	72%	55%	57%	61%	69%
41-50	18%	26%	43%	14%	18%	24%	30%	13%	19%	15%	22%	20%
51-60	1%	2%	1%	0%	1%	1%	2%	0%	1%	2%	3%	1%

MBA outputs: Graduations since 1998¹²

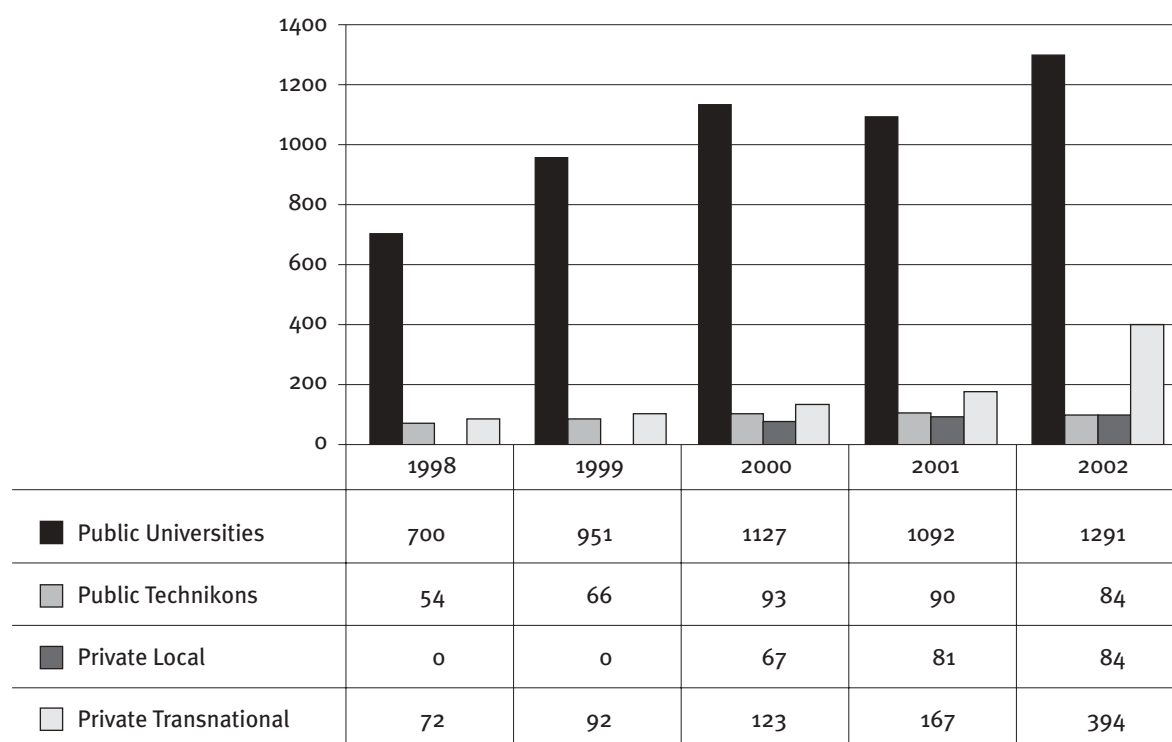
As mentioned in the introduction to this report, the HEQC re-accreditation exercise put more emphasis on criteria of input and process than on criteria of output. This, however, did not mean that output analysis was altogether absent from the evaluation of programmes. Educational outputs can be of two kinds in this case. One is the fit or appropriateness of the

¹² No data for Regent Business School, and University of Natal (Pietermaritzburg).

graduates produced in relation to specific skills required by the labour market. The other can be measured in terms of the efficiency of the learning programme. While employment and employer satisfaction are the obvious indicators of the former, graduation and throughput rates as well as assessment are the indicators for the latter. Learning outcomes will be analysed in greater detail in Chapter 4 of this report. This section will briefly situate MBA graduations in the context of labour market supply and demand and will concentrate on the outputs of the learning programme, which constitute the crux of the re-accreditation exercise.

Management skills have been identified as scarce skills in post-apartheid South Africa in the context of the deracialisation of public and private enterprises across all economic sectors. Despite a legislative framework that forces business to submit equity plans, most reports on the state of the labour market from an equity perspective point to the slow pace at which black people and women are filling high and top management positions, especially in the private sector. The study by Horowitz and Bowmaker-Falconer suggests that the unsatisfactory racial and gender profile of private companies and, to a lesser extent, public management, has less to do with the supply than with the demand side of the labour market equation.¹³

Figure 5: Graduations by provider type 1998-2002



Since 1998, business schools seem to be producing a growing number of MBA graduates. Figures show an increase in MBA graduations since 1998 as well as the growing participation of private higher education in the production of MBA graduates.

¹³ F. Horwitz and A. Bowmaker-Falconer, Managers, in A. Kraak (ed.) et al. (2004). *Human Resources Development. Education, Employment and Skills in South Africa. Review 2003*, Pretoria: HSRC, pp.610-33.

Unfortunately, the data at our disposal does not disaggregate graduation figures by race and gender. A crude calculation could be done by extrapolating the proportion of black enrolments in the MBA to the graduation figures. This, however, assumes that all students who enrolled in the MBA finished it and, moreover, finished it at the same time.

Graduation rates are calculated as a ratio between enrolments and graduations in each year. Given the quality of the data submitted by the business schools, the data presented in the table below must be taken only as an indication and not as a statistically accurate calculation of graduation rates.

Table 10: Graduation rates 2000-2002 by provider type

2000				2001				2002			
Public providers		Private providers		Public providers		Private providers		Public providers		Private providers	
Univ	Tech	Local	Transnat	Univ	Tech	Local	Transnat	Univ	Tech	Local	Transnat
23%	15%	40%	24%	22%	17%	24%	29%	25%	12%	12%	46%

Table 10 shows not very high graduation rates across all provider types and two exceptionally high figures in the case of local private providers in 2000 and transnational providers in 2002, both of which seem atypical compared with other years. It is noteworthy that most of these graduation rates are well above the average for master's degrees in other disciplines and need to be interrogated in relation to programme content. Who graduates when is a function of two aspects of the learning programme: the admission criteria used to recruit students and the nature of the teaching and learning process and its integration with assessment. As we will see in the analysis, presented in Chapter 2, of Criterion 7 (admissions), Criterion 10 (teaching and learning) and Criterion 11 (assessment), many programmes were found wanting on these criteria. The analysis of the MBA learning programme presented in Chapter 4 will show how, in some cases, high graduation rates are evidence of MBA programmes not being taught at the master's level.

MBA academic staff profile¹⁴

The lecturing and academic staff at the 27 business schools that participated in the re-accreditation process was overwhelmingly white and male, no doubt a reflection of the history of the degree in the country as well as of women's participation in both business and academia. Given these figures, it is hardly surprising that, as we will see in Chapter 2, most business schools did not perform well in relation to the HEQC accreditation criteria focused on staff equity and redress. As can be seen from Table 11, university-based MBA programmes and transnational MBAs were the provider types with the highest proportion of white academic staff, while local private providers had the largest number of black academic

¹⁴ The total number of academic staff for 2003 could not be reconciled, owing to the lack of complete information in the data submitted by Wits Business School, Technikon Witwatersrand and the School of Business of the University of Pretoria.

staff. Table 12 indicates that female representation among academic staff at business schools did not reach 20 percent except for one provider. Local private providers were the only exception to this trend, with 26 percent of their academic staff being women.

Table 11: Academic staff by race group according to institutional types in 2003

<i>Race</i>	<i>Public providers</i>				<i>Private providers</i>			
	<i>Universities</i>		<i>Technikons</i>		<i>Local</i>		<i>Transnational</i>	
African	32	8.42%	4	5.71%	21	16.28%	6	7.41%
Coloured	6	1.58%	7	10%	0	0%	0	0%
Indian	18	4.74%	5	7.14%	39	30.23%	3	3.70%
White	313	82.37%	54	77.14%	69	53.49%	71	87.65%
Other	11	2.89%	0	0%	0	0%	1	1.23%
Total	380¹⁵	100%	70¹⁶	100%	129	100%	81	100%

Table 12: Academic staff by gender according to institutional types in 2003

<i>Gender</i>	<i>Public providers</i>				<i>Private providers</i>			
	<i>Universities</i>		<i>Technikons</i>		<i>Local</i>		<i>Transnational</i>	
Male	319	80.15%	57	81.43%	95	73.64%	65	83.33%
Female	79	19.85%	13	18.57%	34	26.36%	13	16.67%
Total	398	100%	70	100%	129	100%	78	100%

Ascertaining the nature of the contractual relations between academic staff and business schools is a relatively difficult task especially because different schools use a variety of definitions of full-time and part-time staff. As can be seen from the table below, besides the traditional descriptions of type of employment there are a variety of contractual arrangements that link non-academic staff to business schools; these are reflected in the table below under 'other'. The predominance of part-time over full-time academic staff combined with the existence of 'other' contractual arrangements is the fundamental element of what we describe in this report as the matrix model of the MBA. As will be seen in Chapter 2 and, especially, in Chapter 4, the matrix model has pervasive implications for the academic governance of the programmes.

Table 13: Academic staff per type of employment in 2003

<i>Type of employment</i>	<i>Number of staff</i>	<i>Percentage</i>
Full-time	228	32.20
Part-time	379	53.53
Other	101	14.27
Total	708¹⁷	100

¹⁵ The total is 37 less than overall since the University of Witwatersrand had not indicated race for 38 staff members and the University of Pretoria indicated one extra for race group.

¹⁶ The total should be 71 but one staff member at Technikon Witwatersrand not accounted for in the race group.

¹⁷ Total number of academic staff indicated per type of employment was 711 but there are three staff members not accounted for at GIBS.

Table 14 shows the distribution of full- and part-time staff at different provider types. Public providers had considerably higher proportions of full-time academic staff than private providers. While the newness of the schools might help to explain some aspects of this trend, the fact that well-established business schools are resorting to the employment of part-time staff requires a deeper analysis of this issue.

Table 14: Academic staff per type of employment according to provider type in 2003

Type of employment	Public providers				Private providers			
	Universities		Technikons		Local		Transnational	
Full-time	150	34.80%	26	37.14%	29	22.48%	23	29.49%
Part-time	207	48.03%	43	61.43%	95	73.64%	34	43.59%
Other	74	17.17%	1	1.43%	5	3.88%	21	26.92%
Total	431¹⁸	100%	70	100%	129	100%	78	100%

The business schools' submissions did not provide much detail about staff qualifications. Site visits indicated that in general there is a shortage of doctoral faculty at business schools where some staff seems to have an MBA as the highest qualification and often not very long business experience. The characteristics and implications of this trend, which is common to business schools elsewhere, will be discussed in detail in Chapter 3.

STUDENT MARKET AND THE MBA: ACCESS FOR WHOM TO WHAT?

The landscape of the MBA in South Africa is also constituted by the share of the market that each business school has. Market share is the result of the interaction between a number of elements among which marketing, price and perception are extremely important. This section focuses on the various elements that define the relationship between business schools and the market in South Africa in the context of international trends in recruitment. It looks into market segmentation and programme purpose and introduces the issue of MBA fees as an important element for market differentiation.

There is no South African equivalent of the Graduate Management Admission Council (GMAC),¹⁹ the American-based organisation that produces surveys on MBA student satisfaction and administers the General Management Admission Test (GMAT), the most popular measurement of aptitude for the MBA in the US, and in other countries.²⁰ Every year GMAC produces a survey of graduating MBA students from approximately a hundred, mostly American, business schools. The survey asks several thousand MBA graduates, who include US citizens and non-US citizens, their reasons for choosing a particular business school. We used

¹⁸ Total number indicated should add up to 434 but there are three staff members not accounted for at GIBS.

¹⁹ Admittedly the latest *Financial Mail* MBA survey seems to be shifting from the analysis of employers' perceptions to a more sophisticated analysis of MBA stakeholders, including students, in a range of areas that go from intellectual capital issues to practical results.

²⁰ Some business schools in South Africa use the GMAT as part of their admission requirements. Admission criteria will be discussed in Chapter 4 of this report.

some of the trends identified in the GMAC surveys to put into perspective the data and the anecdotal evidence obtained during the re-accreditation of the MBA market in South Africa.

Students surveyed for GMAC explain their choices of business school according to four categories: *quality and reputation of the school*, which includes things such as prestige of the school, career options for graduates, reputation of faculty and students, and ranking; *locality*; *personal fit*, which includes a particular curriculum, and the kind of faculty and students the school gathers; and *financial costs*.²¹

The first focus of this section is the analysis of South African MBAs' stated purposes in the context of the trends in student choice of MBAs indicated in the GMAC surveys and the local and international discourse about the value of the MBA.

The creation of a global market based on the IT revolution has taken the internationalisation of capital and business to an unprecedented level, and this has had as an effect the elevation of the importance of business activities and entrepreneurship in society. From the point of view of skills development for the 'new economy', this has stressed the need to train managers to operate in global as well as in local markets, increasing the demand for MBA programmes all over the world.

Locally, the MBA has been, as we have seen, a prestigious degree since its inception in the late 1940s, but until recently, with the exception of the Business School at the University of Durban-Westville in the 1970s, it was mostly reserved for white middle and top managers. The opening up not just of higher education but of state enterprises and private business to black people has accentuated the need to prepare new management cadres and has therefore inspired renewed interest in the MBA, creating an opportunity to shape (or reshape) the purposes of business schools. The following table provides a selection of programme purposes classified (as rigorously as possible) by target student population.

Table 15: Purpose of a selection of South African MBA programmes

<i>Top management leadership</i>	<i>Middle management</i>	<i>Public service/ non-business sector</i>	<i>Undetermined</i>
Provide graduates with extensive managerial, leadership, entrepreneurial and business knowledge integrated with real-world application in order to help them to become leaders, managers and entrepreneurs in the business community.	Provide advanced theoretical knowledge and applied skills in all facets of management as applied in the leisure and tourism sector.	Raise levels of managerial and administrative capacity. Interdisciplinary, integrates business, government and NGO issues.	Develop managers in a holistic manner through the integration of theory and practice ... by focusing on real-time problems and challenges which bring a direct return on investment when solved and implemented.

²¹ GMAC, Global MBA Graduate Survey 2003, Summary Report. Hereafter GMAC 2003 Survey.

Table 15 continued

<i>Top management leadership</i>	<i>Middle management</i>	<i>Public service/ non-business sector</i>	<i>Undetermined</i>
<p>Provide learners with advanced managerial skills and competencies so as to empower them to function as innovative, adaptable and effective managers and leaders in an organisation.</p> <p>Graduates will have competence to manage an organisation at executive level.</p>	<p>Provide advanced, specialised, professional training for already practising professionals.</p>		
<p>Focuses on the competencies and skills required by middle- and top-level managers, to enable them to make a significant contribution to their working environment.</p>	<p>Equip middle managers with effective tools relevant to the workplace.</p>		
<p>Equip learners with the advanced managerial competencies required by an effective and dynamic leader of an organisation, within a changing business environment.</p>	<p>Develop integrative management and leadership skills of management practitioners in order to improve their understanding of business processes.</p>		
<p>Prepare students for general, managerial, and leadership roles in the enterprise sector.</p> <p>Deliver learners with managerial capabilities befitting business leaders in order to increase the productivity of organisations; and therefore contribute towards addressing the immense economic development needs of South Africa.</p>			

As can be seen from Table 15, despite the existence of a few clearly defined purposes, most MBA programmes, on paper, address themselves rather generally to prospective business leaders, and to executives, top management and middle management of business enterprises, with some of them focused on a particular industry, and only one programme focusing on the NGO sector and public administration within the context of a business school and not from a public administration school context. In Chapter 4 we will see to what extent the definition of purpose has had an influence on the learning programme offered in different MBAs.

There is little or no reference in the purposes of most MBAs to the programme's usefulness to those wanting to set up their own business. Interestingly, in the GMAC 2003 Survey's analysis of the ways in which students see the MBA increasing their career options, 'starting own business' is only in sixth place, with 24 percent of respondents citing this. The most frequently cited ways in which students see the MBA increasing career options are: to increase long-term potential (62 percent); to remain competitive (46 percent); to change current occupational area (43 percent); and to switch industries (40 percent).²²

Since 1985, 'an increase in career options' has been the most important declared reason why students take up MBAs, according to the GMAC surveys. In 1985, 94 percent of the respondents wanted to take the MBA to increase their career options; similarly high percentages were found in the 2000 class, and this continued to be the principal reason for the 2003 class.

Despite the fact that we do not have a comparative survey to analyse South African student opinions, the site visits to business schools during the re-accreditation process provided opportunities to interact with students and alumni, some of whom were asked questions about their reasons for choosing a particular school and for doing an MBA. Among the answers given to the latter question are the following (in no particular order):

- Students were sent by their employers to do the MBA as part of skills development programmes.
- Development of entrepreneurial skills (students planning to go into business).
- Planning a career change.
- Students have been promoted to management positions within their own career paths/jobs.
- The MBA can guarantee success at work.
- Completing an MBA guarantees a salary increase.
- Students planning to leave South Africa saw the MBA as providing a useful qualification abroad.

²² GMAC Survey 2003, pp.16, and 22-23.

This list of answers has no status other than as an impressionistic view of students' opinions. However, it suggests that South African students' perceptions and expectations of the MBA are not far removed from those of the American, Latin-American, Asian and European students who responded to the GMAC survey. The issue of salary increases after completing the MBA is also remarked on in the survey, as are changes in occupational area and the search for international employment.

Students and alumni interviewed during the re-accreditation process gave the following reasons for their choice of a particular MBA programme:

- A preference for a certain medium of instruction.
- The flexibility offered by the mode of delivery (distance, block release, telematic, part-time, modular).
- The name and reputation of the school (branding).
- International dimension of certain schools and programmes.
- Students had done their undergraduate degree at the same institution.
- Practitioner and practical focus of the programme.
- Easy administrative procedures and instant access to lecturers.
- Flexible entrance requirements (students who mentioned this manifested their dislike of taking entrance examinations).

Although this list has no methodological value it is interesting that none of the reasons included under quality and reputation in the GMAC survey (except for brand) were mentioned by South African students. It is also noteworthy that low entrance requirements were mentioned as a reason for enrolling in particular programmes. (The implications of this issue will be explored in more detail in Chapter 4.)

As we have seen from the results of the GMAC surveys, the cost of the MBA is among the elements students take into account at the time of selecting an MBA, particularly when they are paying the fees themselves. Employers, whether in the public or private sector, might also have other considerations related to previous experience of graduates from a particular business school, branding, or specific arrangements made with a particular business school to train managers for a company or state department, etc.

Cost has a role in differentiating between programmes in terms of who can afford what, and what students will pay for. The following table presents a summary of the cost of the 37 programmes that were assessed by the HEQC. The cost of the MBA programme is based on figures for academic years as stipulated in 2003. The data requested from business schools included cost for academic years, textbooks and other additional fees, e.g. registration fees.

Table 16: Fees of MBA programmes per institutional type according to three categories

	<i>University programmes</i>		<i>Technikon programmes</i>		<i>Local private provider programmes</i>		<i>Transnational provider programmes</i>	
<i>Category</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Very expensive (R90 400- R126 000)	1	5.56	0	0	0	0	1	25
Expensive R54 800- R90 399)	4	22.22	1	20	2	20	3	75
Least expensive (R19 200- R54 799)	13	72.22	4	80	8	80	0	0
Total	18	100	5	100	10	100	4	100

As can be seen from Table 16, public universities offer more expensive programmes than technikons and local private providers, while the majority of transnational provider programmes are classified as expensive. Overall, the majority of MBA programmes offered in South Africa (72 percent) cost between R20 000 and R59 000 per year, with almost exactly half of them in the R20 000 to R39 000 category and half in the R40 000 to R59 000 category.

As we saw earlier in this chapter, most MBA programmes are offered in a contact mode. These MBAs are generally more expensive than their counterparts delivered in a distance mode. The majority of the contact MBAs on offer in South Africa fall in the R40 000 to R59 000 price bracket, while the distance programmes fall in the R20 000 to R39 000 bracket. Only one transnational provider offers a distance mode MBA programme, which costs between R80 000 and R99 000. Despite the fact that the cheapest MBA programme is offered by a public university in a contact mode, it seems clear that distance mode MBAs are cheaper than contact mode MBAs and that, among the former, the cheapest programmes are offered by local private providers. It is interesting that in the cost category R20 000 to R39 000 are concentrated four contact MBA programmes offered by universities and seven local private provider MBAs offered in a distance mode. This suggests that students who can afford an MBA in this price bracket have several choices of programme. Table 17 shows the distribution of programmes according to their mode of delivery across three price brackets.

A composite analysis of Table 5 on enrolments by race per provider type and of Table 16 on programme by provider type across fee brackets indicates that the largest concentration of black students is in local private provider programmes. Fees are, together with admission requirements, the two most important elements in determining access to a programme. The history of South Africa explains the concentration of black student enrolments in programmes with both low fees and low admission criteria. Unfortunately, as we will see in Chapter 4, lower admission requirements are usually the introduction to poor quality

programmes. Given that the the National Research Foundation, the most important agency providing scholarships for postgraduate studies, does not provide scholarships for MBAs, students enrolling in these programmes have to be sponsored by their employers or must pay the fees from their own funds. It is very common for MBA students to be sponsored by their employers, including national, provincial and local government. But it is also true that the very high expectations placed on the MBA as a distributor of opportunity play a part in individual students' decisions to pay for themselves to do an MBA.

Table 17: Cost of MBA programmes per mode of delivery according to three categories

	<i>Contact programmes</i>										<i>Distance programmes</i>									
	<i>Public providers</i>					<i>Private providers</i>					<i>Public providers</i>					<i>Private providers</i>				
	<i>Univ</i>		<i>Tech</i>		<i>Local</i>		<i>Transnat</i>		<i>Total Contact</i>		<i>Univ</i>		<i>Tech</i>		<i>Local</i>		<i>Transnat</i>		<i>Total Distance</i>	
Cost Category	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Very Expensive (R90 400 - R126 000)	1	5.88	0	0	0	0	1	50	2	8	0	0	0	0	0	0	0	0	0	0
Expensive (R54 800 - R90 399)	4	23.53	1	20	1	100	1	50	7	28	0	0	0	0	2	20	2	100	4	28.57
Least Expensive (R19 200 - R54 799)	12	70.59	4	80	0	0	0	0	16	64	2	100	0	0	8	80	0	0	10	71.43
Total ²³	17	100	5	100	1	100	2	100	25	100	2	100	0	0	10	100	2	100	14	100

Chapter 4 will analyse the implications that lower admission criteria have for the overall quality of the MBA programme, and will look at how the marketing of programmes as 'practitioner'-oriented is often a device to advertise programmes where low admission criteria undermine the learning programme as a whole. We will come back to these issues in the rest of this report.

CONCLUSION

This chapter has presented an analysis of the MBA landscape, its student and staff profile in the context of the history of higher education in South Africa and the changing configuration of postgraduate education, by focusing on the emergence of different types of providers, their geographical distribution and student and staff demographic profiles.

²³ The total number of programmes reflected in Table 17 is 39 instead of the actual 37. This is due to the fact that 2 programmes are offered as contact and distance and have different fees in each case.

It has highlighted the following features of MBA provision in South Africa:

- The majority of MBAs that entered the re-accreditation process were less than ten years old. Newer providers came into a diversified and segmented market offering a variety of specialist MBA programmes through different modes of delivery. These features, as we will see in the next chapter, have had a powerful influence on the structuring of the learning programme and the academic governance of each MBA.
- Most business schools, especially following the 1990s expansion, were located in the financial and economic hubs of the country where the market for students was more dynamic.
- Student enrolments increased steadily between 2000 and 2002, with the lion's share of the increase being taken by local private providers.
- Despite the growing participation of black and female students in MBA enrolments, the student profile at most provider types was still predominantly white and male.
- Academic staff at all provider types was both male and female, while their contractual relations to various businesses indicated the predominance of part-time over full-time staff. These part-time arrangements, which were common to all provider types, seem more characteristic of newer providers that count upon very few permanent full-time staff to teach the different MBA courses.
- The MBA is an expensive postgraduate degree. MBAs delivered in a contact mode are usually more expensive than those delivered in a distance mode. Local private providers offering distance MBAs are the most accessible programmes for those students who pay fees out of their own pockets.

Some of these features, such as the relationships between the mode of delivery of a programme and the structure of the learning programme, between student profile, the teaching programme and graduation rates, and between admission criteria and the student profile at different programmes, and the impact that employing predominantly part-time staff has on the delivery of the programme, are issues that will be taken up in successive chapters. In the next chapter we will be taking a closer look at the results of the accreditation process.

QUALITY OF PROVISION SEEN THROUGH THE RE-ACCREDITATION CRITERIA

As seen in the previous chapter, the 37 programmes submitted for re-accreditation are offered by 27 institutions of which 18 are public higher education institutions and 9 are private providers. Public providers offered 23 programmes distributed between universities (18 programmes) and technikons (5 programmes). Private providers offered 14 programmes of which 10 were offered by local providers and 4 by transnational providers. Each programme was assessed against 13 criteria which, for the purpose of this analysis, can be grouped into the following three categories:

Governance criteria (Criteria 1-4) focused on:

- The nature and level of the insertion of providers into the national higher education system in terms of its legislative framework and regulations as well as its broad social and developmental objectives.
- The relationship between the unit offering the MBA and the higher education institution within which it is located, whether this is local or transnational.

Learning programme criteria (Criteria 5-12) focused on:

- The processes that guarantee the integrity and intellectual coherence of a programme and the mechanisms to monitor and review it.
- The actual intellectual coherence and appropriateness of the programme content in relation to its purposes.
- The structure and articulation of the teaching and learning processes, including assessment, and research education.
- The availability of adequate human resources (academic, support and administrative) to fulfil the objectives of a programme according to its specific mode of delivery. This includes the translation of the national goals of equity and redress to institutional and programme level policies for appointments.
- The manner in which programmes guarantee students access to sufficient and adequate physical and educational infrastructure according to their specific mode of delivery.

Contextual criteria (Criterion 13) focused on:

- The programmes' relationships with employers and the world of business.
- The ways in which programmes articulate with broader societal needs and goals that fall within their sphere.
- The programmes' contribution to the world of business and management in general.

The degree to which each programme met these criteria was assessed in terms of four categories. *Commend* indicates that a programme has achieved a criterion to a degree above the minimum standards and therefore deserves to be commended; *meets minimum standards* indicates that a programme has achieved the minimum necessary requirements in relation to one criterion; *needs improvement* indicates that a programme has not yet achieved the necessary minimum requirements in relation to a criterion but that it might be able to improve on this; and *does not comply* means that a programme has failed to meet the necessary minimum requirements in relation to a criterion.

From the point of view of the re-accreditation process, different combinations of ‘commend’, ‘meets minimum standards’, ‘needs improvement’ and ‘does not comply’ resulted in the full accreditation, conditional accreditation or the de-accreditation of each MBA programme. Taking this into account, out of the 37 programmes submitted for evaluation 7 programmes (19 percent) were given full accreditation, 15 programmes (40.5 percent) were given conditional accreditation, and a further 15 programmes (40.5 percent) were de-accredited.

As much as an analysis of the aggregated profiles of each group gives an indication of the differences between programmes in the four groups, it actually hides both the areas of excellence and the problems that characterise the provision of MBAs in South Africa. Thus, the focus of this chapter is not on the accreditation status achieved by the different programmes at the end of the re-accreditation process but on the areas of strengths and weakness shown by the programmes in relation to the 13 criteria developed by the HEQC.

This chapter takes the actual results of the evaluation of MBAs as the point of departure for a more detailed analysis of the nature of the programmes and the overall quality of the MBA in South Africa. We argue three points. First, that the 13 evaluation criteria are interrelated and that the quality of a programme can only be assessed in relation to the combined criteria. Second, we argue that there are correlations¹ among criteria within one category which show the importance of the different constitutive elements of, for example, the learning programme. Finally, we identify correlations across different categories of criteria. The analysis of these correlations and the trends that can be discerned in relation to each of them taking into account institutional history and how long the programme has been offered, together with a range of other contextual variables, allows for a better understanding of the nature of the South African MBA.

RE-ACCREDITATION RESULTS BY CRITERION

The analysis presented in this section takes into account the information provided by institutions in their submissions to the HEQC and the evaluation reports of each programme,

¹ The word ‘correlation’ is used often in this chapter. Its meaning is strictly non-statistical. It is used as in *The New Oxford Dictionary*, 2001: ‘a mutual relationship or connection between two or more things’.

as well as specific information and data requested for the purpose of this report. The section is organised into three parts that focus on the three categories of criteria identified in the introduction to this chapter.

Governance criteria

Criterion 1: Organisation setting (external)

This criterion refers to the integration of a programme into the South African higher education system and into the higher education institution that offers it. In other words, this criterion evaluates the degree of providers' compliance with national higher education legislation and regulations and the extent to which their structure, organisation and funding are in practice a constitutive part of the university, technikon, or private provider which houses them. In the case of transnational providers whose headquarters and central administrative and academic structures operate abroad, the questions of integration and sustainability (both academic and financial) are of great importance. In order to meet this criterion all programmes were expected to show:

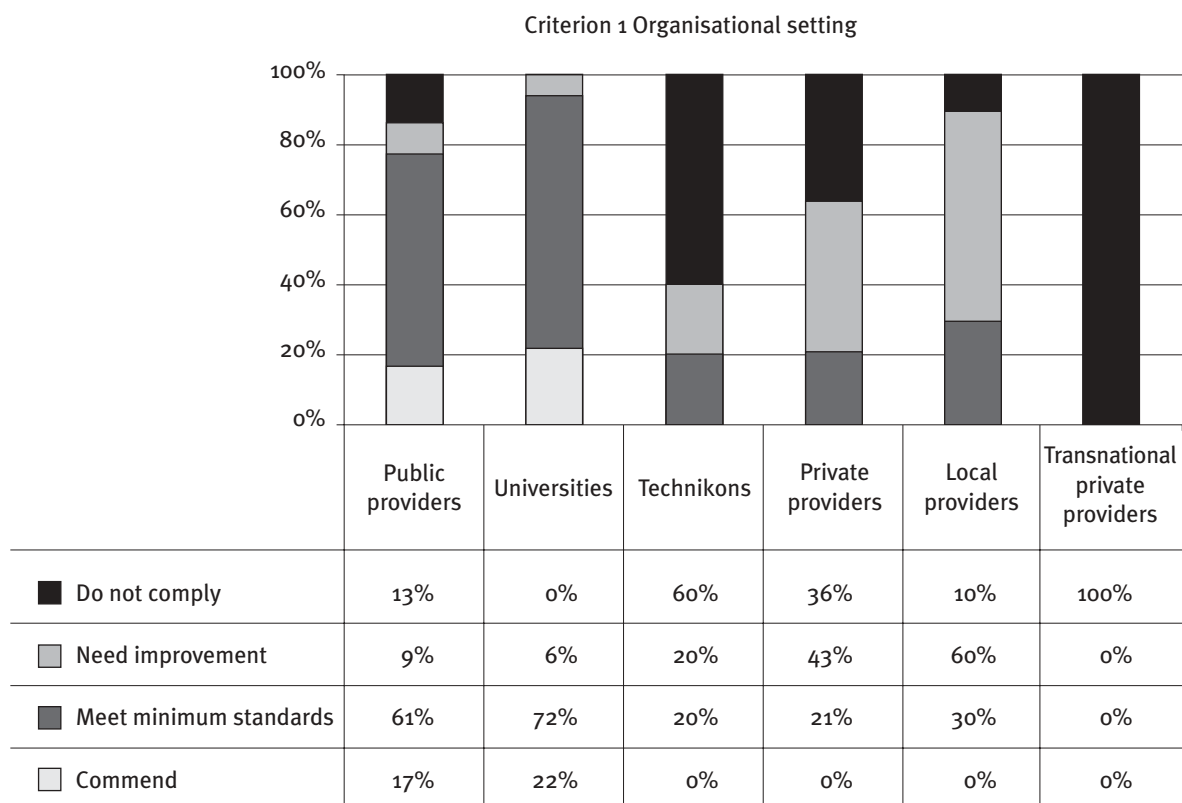
- A linkage between the MBA programme and the institution.
- The registration of the institution by the Department of Education (DoE) in the case of private providers both local and transnational.
- That the MBA programme is part of the Programme and Qualifications Mix (PQM) issued by the DoE (public providers).
- That all MBA programmes were registered by the South African Qualifications Authority (SAQA) on the National Qualifications Framework (NQF).
- That the programme has adequate financial resources to be sustainable.
- The link between the institution's overall planning process and the MBA programme.²

The minimum standards of this criterion have a double focus: the compliance with national policies and regulations, and the relationship between the academic unit offering the MBA and the broader institution in which it is located. Both aspects are equally important and both have a bearing on the quality of the programme offering. The first aspect of the criterion looks at the modes of insertion of institutions into the South African higher education system, and analyses the degree of compliance with fundamental aspects of the local system, such as the existence of a national qualifications framework. The second aspect takes care of the consistency of the operation of the business school with the institution's mission, budget and overall planning structures, all of which are seen as preconditions for the quality of the programmes offered.

² For a complete version of the minimum standards see Appendix 1. For the complete version of criteria, minimum standards and specific reporting requirements, with an outline of the submission and assessment process see: Higher Education Quality Committee, 2003. Manual for the Re-Accreditation of MBAs.

Figure 1 shows that, overall, public providers did better than private providers in relation to Criterion 1. Among public providers universities did better than technikons while among private providers local institutions fared better than transnational ones.

Figure 1: Criterion 1 by type of provider



Source: Re-accreditation reports.

The close relationship between the type of provider and the result of the assessment of the external organisational setting suggests that the insertion of business schools into the national higher education system is related to the history of the institutions in the country as well as to their institutional mission or profile. With some exceptions, the MBA programmes offered by public universities were older than those offered at both ex-technikons³ and private providers. The ex-technikons only started offering higher education degrees with the passing of the Higher Education Act No. 101 of 1997. For the MBA, technikons entered into partnership agreements with either Curtin University, Wales University, or Hull University, which allowed them to offer these foreign institutions' degrees in a partnership model. However, the Higher Education Act provided a definition of a higher education institution, which soon obliged technikons to renegotiate their relationships with transnational providers and to start offering their own degrees. This, given the configuration and history of the

³ With the approval of the Minister of Education, most technikons have been renamed as from November 2003 as 'universities of technology'. Committee of Technikon Principals (CTP) 2003. Reflections on the Restructuring of Higher Education and the Renaming of Technikons. Pretoria: CTP. Available at www.technikons.co.za (19 August 2004).

restructuring of higher education in South Africa, implied compliance with a range of policies and regulations affecting the provision of higher education after 1995. Technikons had to register their MBA programmes on the NQF, had to be accredited by the HEQC, and since 2002 MBAs have also had to be part of the PQM of each institution approved by the DoE.

Private providers of higher education have a different history. In the case of the MBA, private providers are to a large extent (six out of nine) specialist institutions⁴, the majority of which have only recently been established. Those which have been operating for a number of years have done so in a largely unregulated situation. As seen in Chapter 1, private providers of MBAs have flourished in the last two decades in South Africa, and especially since the mid-1990s. In general, the mushrooming of private providers in the country during that period can be explained according to two complementary socio-political trends. On the one hand, South Africa's new democratic policies created new expectations of individual progress and unprecedented opportunities for the majority of the population. On the other, there was a strong international sanctioning of higher education as a creator of life opportunities, which generated a greater demand for degrees. Those who for various reasons could not or did not want to enter the public higher education system turned to private providers. That the reform of South African higher education under way since 1994 aimed not only to break the stronghold of apartheid on education but also to redefine the relationships between the state, higher education institutions and civil society had pervasive consequences for the insertion of private higher education providers into the national system of higher education.

Similarly to technikons, local private providers initially offered their MBA programmes in partnership with a transnational provider. The Higher Education Act of 1997 and Regulation No. 1564 forced private providers to revise the nature of their relationship with their transnational partners.⁵ Thus the historical trajectory made compliance with national legislation more of a problem for private providers and technikons than for public universities. This said, it is noteworthy that, as the results of the re-accreditation exercise showed, not all private providers and technikons experienced the same difficulties in complying with the regulatory and legislative aspects of Criterion 1.

Typical examples of the problems found among providers are the following:

- The DoE had registered most transnational private providers on condition that they complied with a range of national regulations. Yet none of these providers had met the stipulated conditions by the time of the re-accreditation of the MBA by the HEQC.
- Problems with public providers included cases where contact institutions had disregarded the cap the DoE had put on the number of students they could enrol for distance education programmes, and cases where certain institutions did not have the MBA included in their PQM and had not yet resolved this situation with the DoE.

⁴ Specialist institutions are providers that offer education in a single programme or in a particular niche area.

⁵ Ministry of Education, 1997. Higher Education Act No. 101 of 1997 (as amended), and Ministry of Education, 2002. Regulation No. 1564. Government Gazette 24143, 13 December 2002.

- In the case of local private providers, at least one provider was not registered with the DoE for the programmes it was actually offering.
- Programmes were not registered on the NQF, or if registered, the level, credits and exit points were not registered appropriately.

The importance of those aspects of Criterion 1 that focus on the articulation between the unit offering the MBA and the broader institution should not be underestimated in comparison to issues of compliance with the national legislative framework. The academic governance of a programme is vital in assuring quality of provision. At the institutional level, whether or not the MBA programme received Senate approval or whether or not the academic unit offering the MBA applied the same quality assurance norms and procedures as the rest of the higher education institution are important considerations, given that these are fundamental safeguards of the quality of the programme.

The participation of the unit in academic governance structures (which prevents the unit from becoming wholly independent) carries a number of crucial functions. For example, such participation facilitates the benchmarking of the MBA against other master's degrees offered at that particular institution, including how resources are allocated to the MBA programme and to the business school in general, in such a way that it guarantees the unity and consistency of the learning programme and the teaching experience. This is particularly true, as we will soon see, when it comes to the appointment of faculty to the programme and the application of broad institutional frameworks and policies and research procedures, because this participation imposes the same output and reporting demands on the business schools as it does on other academic and research units at the institution.

This participation, which clearly applies to public higher education institutions, is equally important in the case of local and transnational private providers. The fact that local private providers have different governance structures does not mean that academic governance, with its focus on quality and the relation between resource allocation and the programme integrity, should not be a concern. Similarly, in the case of transnational private providers, their structures of academic governance at home should be just as concerned with the quality and resource allocation of their offshore programmes.

Criterion 2: Mission, goals and objectives

This criterion refers to the motivation for the existence of the unit and the MBA programme, and to the goals and objectives that give direction to both. With regard to this criterion the business schools were expected to, as minimum standards:

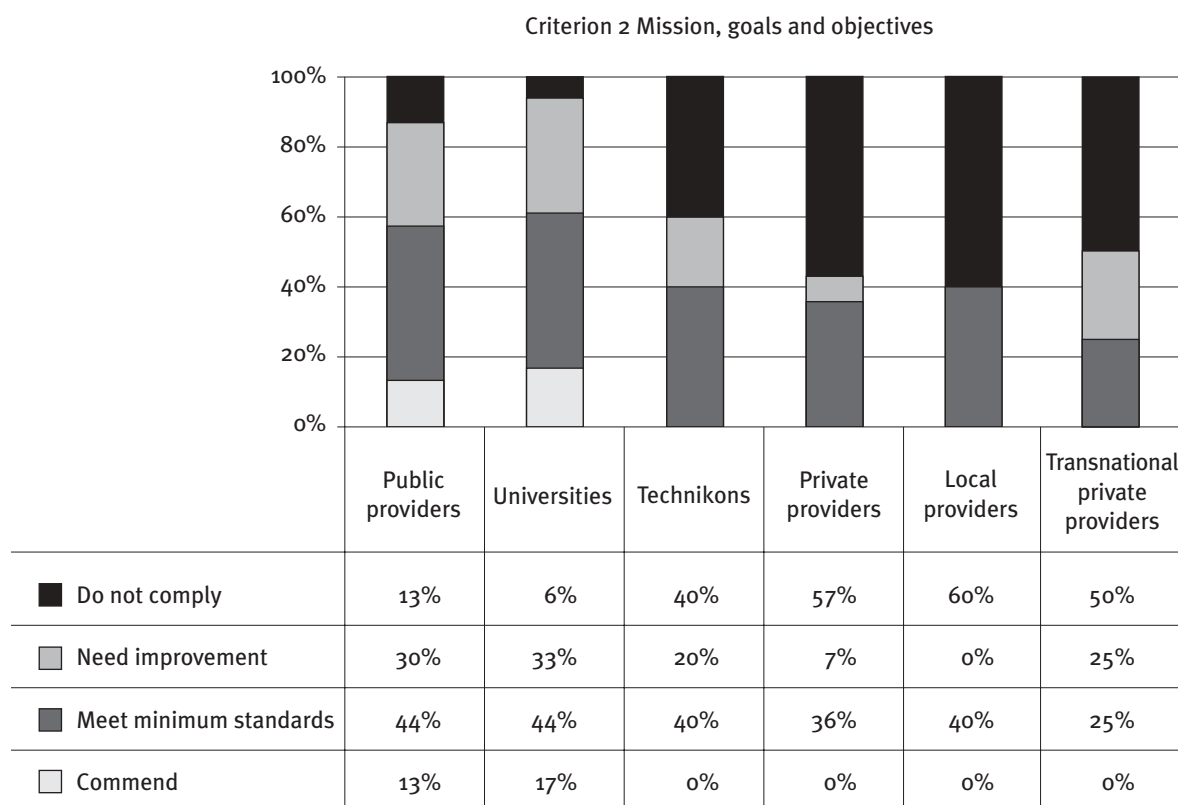
- Have a clear mission, goals and objectives that support the MBA programme.
- Undertake systematic, broad-based and integrated evaluation of the programme's activities, to determine its effectiveness in achieving its stated mission, goals and objectives.
- Link the outcomes of the unit evaluation with the programme planning process.

- Have regular means of data collection, benchmarks and user surveys to provide information needed for evaluation, planning and management.

As the minimum standards indicate, the focus of this criterion is the correlation between intent and practice. In other words, the criterion probed the extent to which business schools had objectives consistent with the purposes of the MBA and the means to ascertain their success in achieving them. At a more general, conceptual level, compliance with Criterion 2 indicates the schools' clarity about the purpose of the degree they offer. It indicates, in other words, the ability of the unit to translate its mission into realisable objectives, revised from time to time in relation to the actual performance of the programme and the significant changes that might have taken place in the world of business.

In this criterion, as in the previous one, the age of the programme and its institutional history play a central role in differentiating between various types of providers. Newer programmes, in general, fared less well with respect to this criterion than older and more established ones. Yet, despite these differences, the analysis of the information indicates that public and private providers' respective performances in relation to the mission, goal and objectives of the unit offering the MBA were not as far apart as in the previous criterion.

Figure 2: Criterion 2 by type of providers



Source: Re-accreditation reports.

Figure 2 shows that among public providers there was a higher degree of compliance with the minimum standards of Criterion 2 than among private providers. While universities did better than technikons, local private providers fared relatively better than their transnational counterparts in identifying and implementing their mission, goals and objectives.

Units commended in relation to this criterion not only had clearly stated aims and objectives supported by adequate financial resources but also had monitoring mechanisms that allowed them to ascertain the extent to which their aims were being attained and to make decisions for the improvement of the units. In contrast, the units that were found wanting in relation to Criterion 2:

- Had goals and objectives that bore no relation to an implementation plan.
- Had no structured monitoring systems or any form of data collection which could help units to ascertain the degree of their success in achieving their goals and objectives.
- Were restricted to student satisfaction surveys if they applied surveys or benchmarking at all, and in cases where the surveys were done their recommendations were not implemented.
- None had been externally evaluated.

As suggested in the Introduction, accreditation criteria do not exist in isolation but in relation to each other in the context of a comprehensive notion of quality. Criterion 2, with its emphasis on the clarity of the programme's objectives, monitoring and evaluation, has strong links with another criterion from the group focused on governance, and with a criterion from the group focused on the learning programme. Thus, in relation to the governance criteria, Criterion 2 has a strong link to the minimum standard of Criterion 1 that examines the integration of the unit offering the MBA with the broader higher education institution. As mentioned in the analysis above, business schools' participation in and adherence to institutional governance structures and processes seems to have an important role in guaranteeing the quality of the programme in two fundamental aspects: first, the comparability of master's degrees across disciplines, and, second, the relationship between the allocation of resources and the structure of the learning programme.

The focus on the existence of systematic forms of monitoring and evaluation of the programme, which have a bearing on management and planning, introduces a new dimension of accountability into institution-wide governance: the management of quality. This, important in any academic programme, has particular relevance for the MBA. Often business school directors suggest that the need to be responsive to business requirements necessitates faster decision-making than that characteristic of public higher education institutions. This has, in some cases, been translated into claims for independence, direct reporting lines to deans and deputy vice-chancellors, etc. However, such arrangements run the risk of weakening accountability for a programme's achievements and lessening the need to change or revise its objectives, methodologies, etc. In this sense, the fruit of the deliberation intrinsic to wide governance networks is not only accountability but also the improvement of the quality of decisions and thus of the quality of provision and the programme itself.

While financial governance was not a focus of the HEQC re-accreditation exercise, the re-accreditation process has indicated quite clearly that there is a trend at business schools to, for example, offer salaries above those within the same higher education institution. This practice, which schools explain through the demands of a multidisciplinary degree that requires specialised input directly provided by business people, can have two undesirable consequences. On the one hand, it can cause distortion among academic salaries at the institution. On the other, it can make possible the employment of part-time lecturers who, with a few exceptions, have little or no input into the learning programme as a whole.⁶ This then introduces the relationship between Criterion 2 and Criterion 4: programme governance. Strong accountability in institutional governance, including the management of quality at the programme level, is more likely to guarantee the introduction of systems for the management, monitoring and evaluation of programmes based on the active involvement of the academic staff which teaches the programme.

With regard to the group of criteria that focuses on the learning programme, the clarity of mission, goals and objectives (Criterion 2) has a close relation with the transparency and consistency with which entrance requirements are applied to new student intakes (Criterion 7), and this, in turn, has a bearing on the quality of the students' learning experience.

Criterion 3: Organisational setting (internal)

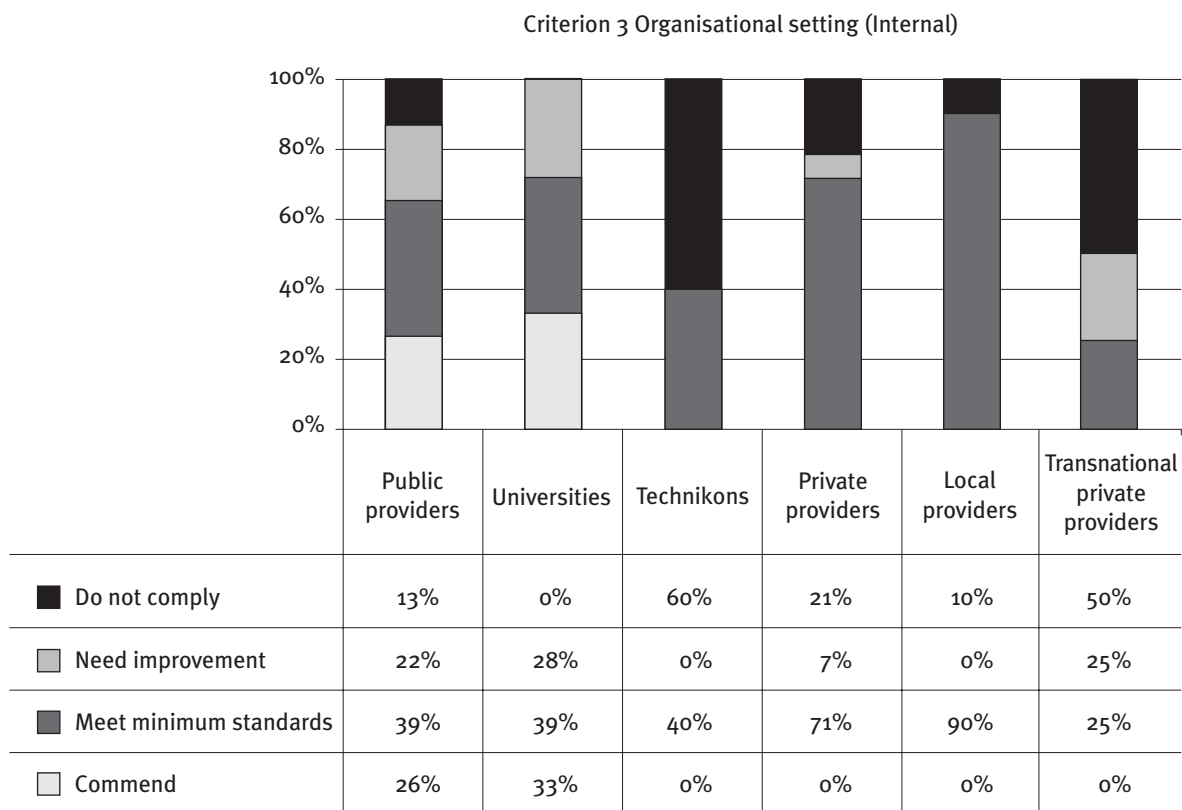
This criterion refers to the ways in which the internal organisation of the unit offering the MBA programme is conducive to the teaching, learning and research required by the programme. Compliance with this criterion implies that units could demonstrate that:

- Their organisational structures enhance the potential for the fulfilment of the stated mission, goals and objectives and provide for the effective participation of faculty and learners.
- The environment (in each unit) is characterised by commitment to the integrity of the institution, high ethical standards in the management of its affairs, fairness in dealing with relevant constituencies, and support for the pursuit and dissemination of knowledge and accountability.
- There are effective communication channels, accountability frameworks and cohesive committee structures to support the work of the unit.

Conceptually speaking, this criterion refers to the manner in which the academic unit delivering the MBA applies the general rules governing quality and administrative procedures in the rest of the institution, the structures and procedures on which the administration of the programme as a whole rests, the modes in which academic staff is attached to the unit, and the way communication takes place within the unit and how effective this communication is. As can be seen, this criterion directly addresses specific aspects of the articulation between the unit offering the MBA and the higher education institution where it is located that are implicit in the previous two criteria.

⁶ This issue will be analysed in detail in Chapter 4.

Figure 3: Criterion 3 by type of provider



Source: Re-accreditation reports

Figure 3 shows that public and private providers' performance in relation to this criterion was not as far apart as in Criterion 1. It is interesting to note that, looking at the disaggregated data, technikons and transnational private providers showed similar performances. Given that the minimum standards for this criterion focused on the organisation and structures that support the organisation of the academic unit (including the availability of academic staff), it is not surprising that older and more established units did better than newer ones. This can explain the similar performance of technikons and transnational private providers. But what lies behind the statistics?

The detailed analysis of the evaluation reports of different programmes points to a trend among business schools to organise their work with very limited permanent full-time staff, and shows that there are cases in which the responsibility for maintaining the coherence of a unit and, by implication, of the programme(s) it offers, depends on administrative staff. This situation is both cause and consequence of the fact that many units had almost no full-time academic/lecturing staff attached to them. It is interesting that in almost all cases where programmes were commended in relation to this criterion, they had comparatively large numbers of full-time academic staff and the units were overseen by experienced senior academics.

Units argued that given the many disciplines involved in teaching an MBA programme it was not feasible to have full-time staff covering all areas. Some had chosen to keep full-time staff for core and fundamental courses and to rely on part-time staff for electives.

The impact that the reliance on part-time specialists to staff this kind of unit, which we have called a matrix system, has on the academic governance of a programme, its integrity and the research outputs produced by the unit will be discussed in detail in Chapters 3 and 4. Suffice it to say for now that although not all programmes structured on a matrix system show poor quality, this form of internal organisation more often than not has a negative impact on the structure of the learning programme and the teaching experience. Units staffed with part-time specialists were more common in newer business schools, and this practice seemed to define most particularly programmes offered by private providers, although here there were also exceptions.

Programmes commended in relation to their internal organisational settings showed some or all of the following features:

- Functioning and cohesive committee structures which support programme delivery.
- Committees dedicated to governance, planning, budget and resources, and admissions.
- Frequent and regular meetings of finance committees.
- All academic staff (full- and part-time) meeting biannually with management.
- Large number of full-time permanent staff.
- Existence of an advisory board.
- Existence of an academic planning committee.
- Adequate structures for the allocation of workloads.
- Good communication between management and staff and between staff and students. Use of an electronic delivery system to provide information.
- Organisation of pre-term meetings with academic staff.
- Existence of a curriculum design committee.
- Dependable administrative structures.
- Effective feedback loops.

Programmes found wanting in relation to this criterion were characterised by:

- Poor administrative systems.
- Lack of an advisory board.
- Lack of committees responsible for fundamental aspects of the programme, e.g. curriculum, planning, etc.
- Lack of communication procedures between management and academic staff.

- Complete reliance on part-time staff to deliver the programme without participation in governance structures.
- Committee and governance structures located in the home country in the case of transnational providers.

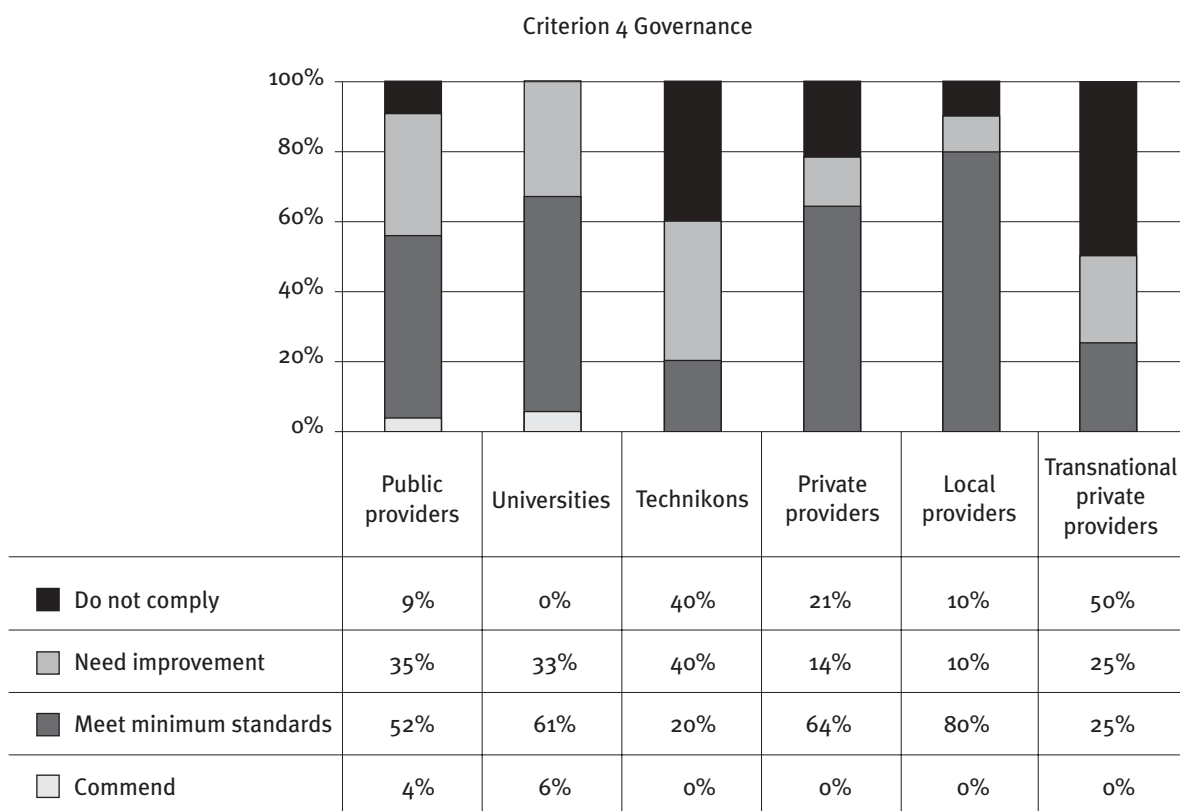
Criterion 4: Governance

This criterion focuses on the existence of clearly defined policies and processes for the governance of the programme and academic policies. Programmes were expected to be able to demonstrate the existence of the following policies and processes to meet minimum standards:

- Rules and regulations enabling the programme administration and faculty to assure the integrity of the programme and the achievement of its mission, goals and objectives.
- Faculty members given formal opportunities to provide input in decisions affecting admissions, progress, resource allocation, faculty policies, curriculum design and evaluation, research and consultancies, and degree requirements.
- A quality management system that is revised periodically.
- Learners' participation in governance structures.
- Mechanisms that permit learner involvement in programme formulation and review.

As can be seen from Figure 4, differences in the performance of public and private providers in Criterion 4 are in relation to programmes that needed improvement or that did not meet minimum standards. Overall, academic governance seemed to be a particularly weak point in the case of programmes offered by transnational private providers. The submissions of these providers suggest that the ways in which parent institutions relate to their local branches does not leave space for any engagement on issues of the academic governance of the programme. What does this mean? Why is it important and what trends can be discerned behind these figures?

Figure 4: Criterion 4 by type of provider



Source: Re-accreditation reports

The analysis of the re-accreditation reports and the institutions' submissions suggests that to a large extent the actual quality of a programme is predicated on its ability to meet some of the minimum standards attached to academic governance, which are distributed between Criteria 1, 2, 3 and, especially, 4. In the case of Criterion 4, the only commended programme had the following characteristics in terms of academic governance:

- Regular meetings of its advisory board.
- A structured system to avoid conflict of interest between part-time staff consultancy work and the interest of the business school.
- Specific quality assurance policies focused on course content and materials.
- Formal student participation and input on academic matters.
- An academic council that meets regularly with the executive management.
- An internal quality assurance system, and structured opportunities for faculty meetings and students to provide input on the programme.

On the other hand, the submissions suggest that programmes that did not comply with minimum standards were characterised by:

- A lack of clarity in the rules of combination of the programme, bedevilled by the fact that some programmes have several modes of admission and exit points.

- A lack of internal quality assurance systems, or the existence of a policy on quality assurance without visible signs of implementation, or the existence of informal policies only.
- The predominance of administrative staff over full-time academic staff, often focused predominantly on marketing and finances.
- Informal or non-existent opportunities for staff to give feedback on the programme at the academic level.

As pointed out in the analysis of Criterion 3, there seems to be a strong relation between the internal organisational setting of a unit and the academic governance of the programme it offers. The analysis of the re-accreditation reports shows that all programmes that did not meet minimum standards in relation to organisational setting (Criterion 3) did not meet minimum standards in relation to academic governance (Criterion 4) either. Meanwhile, with one exception, all those programmes that were commended in terms of their internal organisational settings only met minimum standards in relation to governance. Similarly, in a descending curve, some programmes that met minimum standards in relation to organisational setting were found to need improvement in relation to academic governance. What this analysis highlights are the relations between the soundness of the structure of a unit in terms of modes of integration of academic staff, the availability and applicability of quality assurance procedures and the quality of the academic governance of a programme.

The re-accreditation criteria focused on governance (Criteria 1, 2 and 3) examined:

- The nature and level of the insertion of providers into the national higher education system in terms of its broad social and developmental objectives as well as its legislative framework.
- The relationship between the unit offering the MBA and the higher education institution within which it is located.

Criterion 4, which focuses on the academic governance of a programme by examining the processes that guarantee the integrity and intellectual coherence of a programme and the mechanisms to monitor and review it, acts as a conceptual transition that allows entry into the criteria specifically focused on the learning programme.

Learning programme criteria

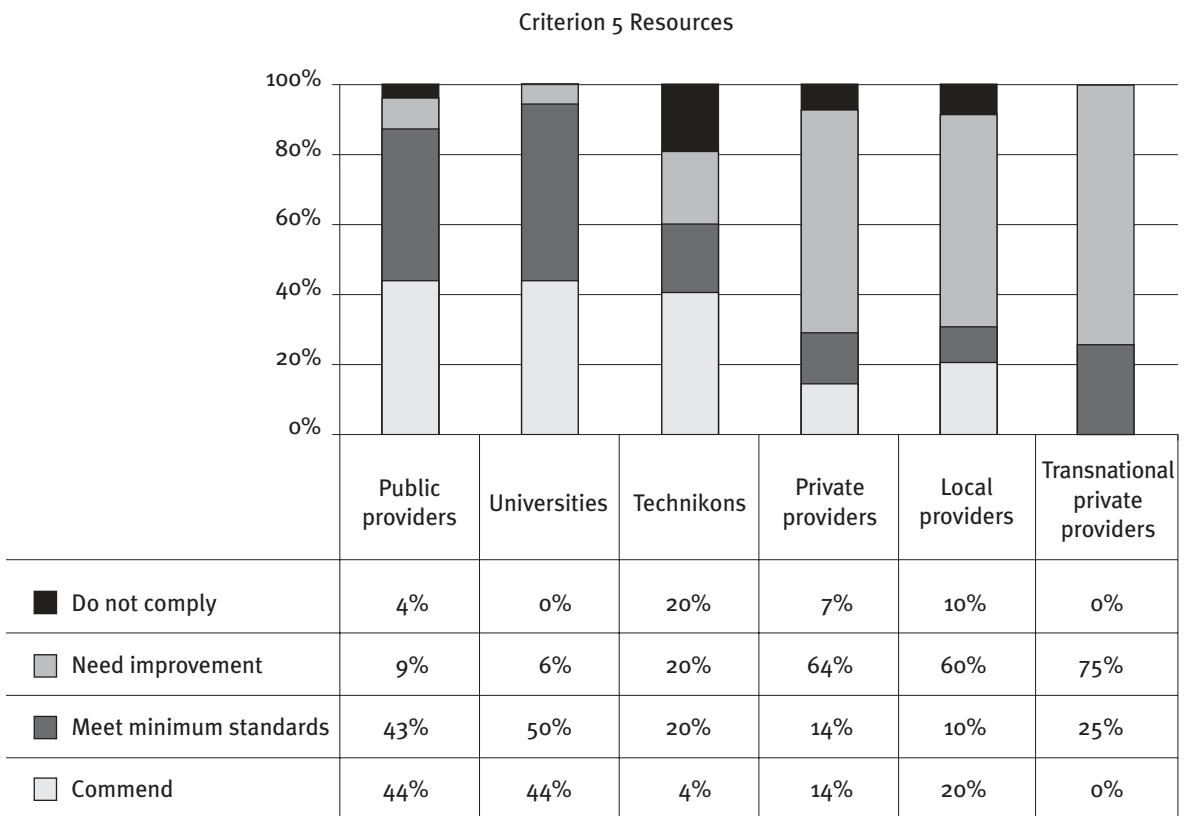
Of the total 13 criteria, 8 are focused on the learning programme. The learning programme criteria have a double focus. On the one hand, they look into the elements that support the quality of a programme, such as resources, staff and students. On the other, they look at the learning programme (curriculum), the actual learning experiences and their components, such as assessment and research. This section examines each of these criteria individually to unpack how they relate to each other and what their relationship is to the issues of institutional and programme governance discussed above.

Criterion 5: Resources

This criterion deals with the availability of appropriate physical and educational resources to support the programme's mission and goals. The minimum standards indicated for this criterion expect that a programme would comply with the following:

- There are suitable premises for long-term use. There are favourable conditions for successful learning. This applies to the school's main campus as well as its other sites of delivery.
- Learners have access to comprehensive and up-to-date library facilities with access to the latest relevant databases.
- There is a sufficient number of teaching venues and computer laboratories. Full-time faculty have suitable office space and access to computers.

Figure 5: Criterion 5 by type of provider



Source: Re-accreditation reports

The importance of the availability of teaching and infrastructural resources for the MBA can be related to two sets of issues. On the one hand, in marketing their MBA programmes, units often profile themselves as ‘up-to-date with business practices’, using ‘state-of-the-art facilities’, etc. as the selling points of the degree. On the other hand, there is also a critical relation between resources and mode of delivery. This is especially important in the case of distance, block release and open learning MBA programmes where access to IT facilities, library holdings and adequate physical space are constitutive elements of the quality of the learning experience. As can be seen from Figure 5, except for the programmes offered by transnational private providers, all other providers had at least one programme commended for its teaching and infrastructural resources. However, in the allocation of resources, as the same figure indicates, there was a marked difference between public and private providers taken as broad categories.

Institutions whose programmes were commended for the resources available to staff and students were characterised by the following:

- Information centres or equivalent structures available to students for extended hours.
- Multimedia resources that support teaching (in the case of distance programmes).
- Journals and databases accessible online.
- Contractual agreements to allow students to make use of other institutions’ libraries.
- Appropriate venues for syndicate work.
- Office space for part-time academic staff.
- Adequate teaching venues.
- Competent support staff to help students.
- Enough computers available for students.

Programmes that did not meet minimum standards had some combination of the following characteristics:

- Libraries or resource centres with restricted business hours unsuitable for working students.
- Access to resources conditioned by geographical location in distance programmes.
- Insufficient and incomplete access to journals and databases.
- Lack of agreements with appropriate libraries to provide students with access to books, journals and databases.
- Lack of appropriate venues for syndicate work.
- Lack of office space for part-time academic staff.
- Inappropriate teaching venues.

What emerged from the analysis of the re-accreditation reports and the programmes' submissions is that access to specialised resources is fundamental to a quality MBA programme and that in distance mode programmes this becomes even more the case. While there were programmes that had state-of-the-art resources and others that guaranteed adequate access to sufficient resources, there were yet others where lack of access to appropriate venues, library facilities, software, etc. compromised the overall quality of the learning experience.

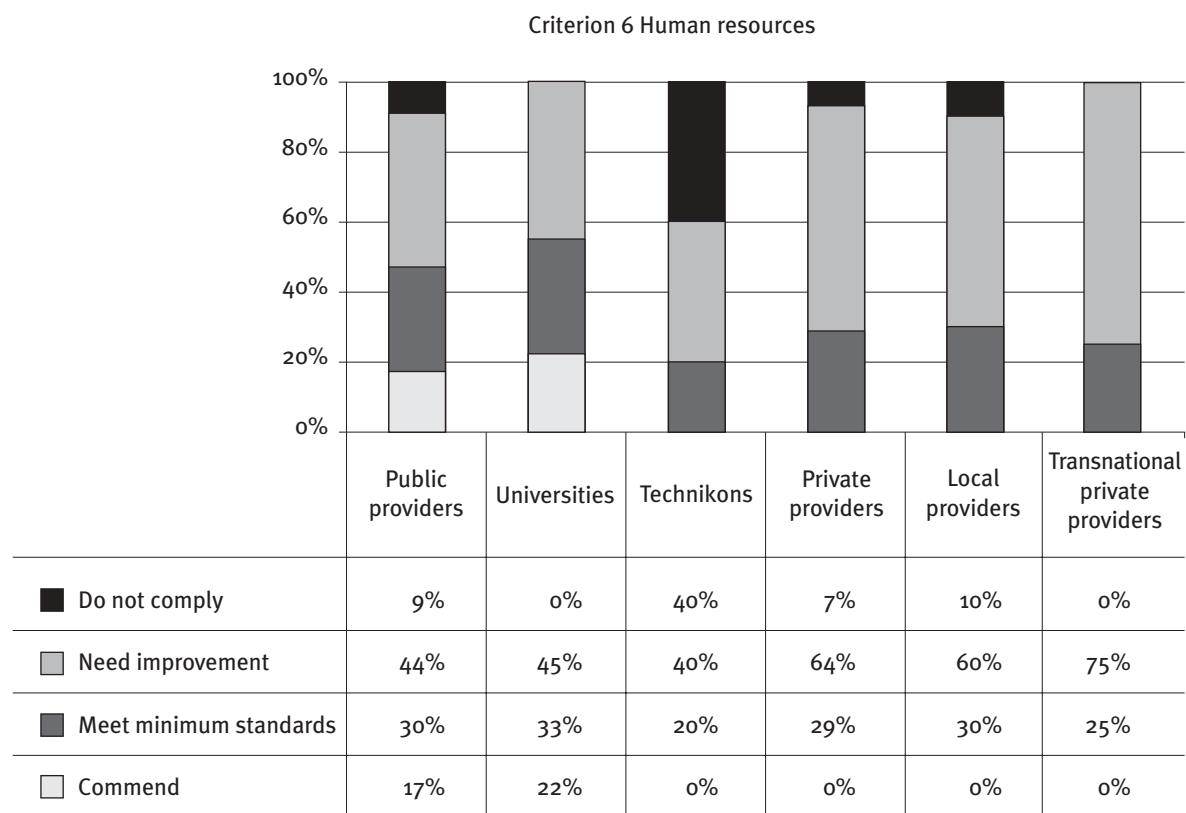
Criterion 6: Human resources

This criterion focuses on the availability of adequate and dedicated faculty to support the goals and objectives of a programme. Programmes were expected to comply with a number of human resources regulations, such as clear communication of conditions of service and responsibilities, explicit criteria used for appointment, advancement and promotion, etc. On a more specific level programmes were expected to:

- Have a number of permanent staff and contractual arrangements that ensure that all the teaching, research, learning support and counselling activities can be done.
- Offer subjects taught by specialists with adequate qualifications.
- Undertake formal performance evaluations of staff.
- Ensure that 75 percent of staff have a master's degree or higher, and business experience.

As indicated in relation to Criteria 3 (organisational setting) and 4 (governance), MBA programmes in South Africa seem to be built to an extent on specialist part-time faculty in a matrix system that relies on few full-time staff and which depends to a high degree on the ability of the head of the unit to uphold the integrity of the learning programme. This trend, which as we will see has a number of detrimental consequences for the overall quality of the programme, is reflected quite clearly in the contractual nature of the human resources on which MBA programmes rely.

Figure 6: Criterion 6 by type of provider



Source: Re-accreditation reports

Figure 6 shows that, overall, public providers offered programmes that had a better resourced faculty than private providers. Private providers of MBAs showed a similar proportion of programmes that met minimum standards in relation to human resources, while they had a greater proportion of programmes in need of improvement. Programmes commended in relation to Criterion 6 showed the following characteristics:

- All necessary human resource policies in place and utilised.
- Initiatives for staff development and training through both internal structures and exchanges with other units.
- Strong full-time complement to teach courses.
- Systems for the allocation of workloads.
- All staff fully qualified to teach the programme.

In contrast, programmes found wanting in relation to their human resources were characterised by:

- Inconsistent application of some human resource policies.
- Employment of part-time staff with no obligation to participate in staff development.
- Overemphasis on the employment of non-academic staff to teach courses.
- Employment of non-specialist staff to teach specialist courses.
- Lack of sufficient full-time staff to support a majority of part-time lecturing staff.
- Staff contracts specifying payment on an hourly basis for actual contact time with students.

The weak compliance with Criterion 6 becomes particularly worrying when it takes place in distance education programmes where the quality of the materials is a fundamental aspect of the quality of the teaching experience, and where this quality is in turn dependent on the availability of staff sufficiently experienced and trained not only in a particular subject area but also in materials development.

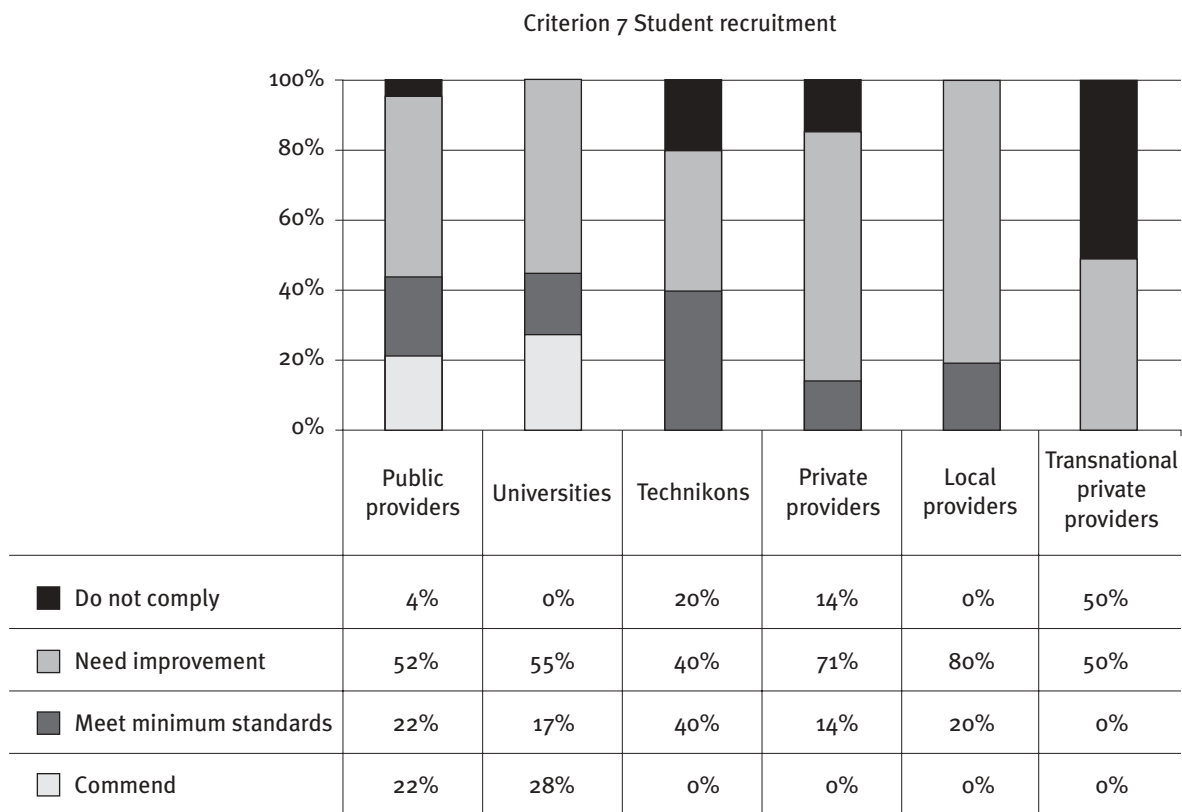
Criterion 7: Student recruitment

This criterion deals with the programme's admission policies and their relation with the business management competencies which students in the programme are expected to develop. According to the minimum standards defined for this criterion, a programme is expected:

- To have criteria and processes for the acceptance of prospective students that include a variety of formats.
- To require that 90 percent of the entrants of any enrolled cohort have at least NQF level 7 on entry and that no more than 10 percent of a cohort enter into the programme via Recognition of Prior Learning (RPL) or other alternative admission mechanisms.
- To have clearly documented admission criteria and procedures, policies, requirements and academic standards.
- To have publicity material that describes the programme accurately.

Student recruitment is a fundamental element in the shaping of the teaching and learning processes in any programme. Clarity in the entry requirements and explicitness in the assumptions about the prior knowledge that students are expected to have at the time of registration have the double function of guaranteeing the achievement of learning outcomes and maintaining the quality of the individual and collective learning experience. As we will see in Chapter 4, MBA programmes apply a range of standards and procedures for the selection of students and have a variety of ways to help students who are admitted without meeting all the academic or experience requirements needed to cope with the degree.

Figure 7: Criterion 7 by type of provider



Source: Re-accreditation reports

The information gathered during the HEQC re-accreditation exercise indicates that student recruitment is an area where many programmes need improvement. Taking all 37 programmes together, only 5 were commended for their approach to recruitment, 7 met minimum standards, 22 needed improvement, and 3 did not comply with minimum standards. Figure 7 shows a disaggregation of these results by type of provider. Although, as can be seen, both private and public providers had difficulties with the recruitment of students, there were a variety of approaches to recruitment among the different types of providers. Issues of recruitment in turn speak of changes in enrolments in the MBA itself, of targeted marketing and of the broader social changes that have occurred in South Africa during the last decade, which have brought younger students with minimal experience and very different levels of management experience to the programmes.

The cases of best practice in recruitment, all among public providers, included a combination of the following:

- Weighing of academic achievement.
- Focus on experience (at least four years) assessed through an application form and referee reports.
- Use of admission tests e.g. GMAT or in-house tests.

- Interviews with the head of the school or an admission committee.
- Psychometric tests specially prepared and applied by psychologists in residence.
- No more than 5 percent of a cohort admitted through RPL or alternative admissions.
- Students who show potential but do not qualify for admission to the MBA given the opportunity to enter other courses, where their performance is monitored to see whether they can be selected into the MBA.
- Monitoring of the relation between admission and selection criteria and the results of each cohort.
- Provision of accurate information on admission and selection criteria in prospectuses and brochures.

At the other extreme, the majority of programmes needed improvement or failed to meet minimum standards. The most common problems were a combination of some or all of the following:

- 90 percent of students are admitted with NQF Level 6 which does not necessarily include whole qualifications.⁷
- A first-come-first-served approach to admissions.
- No limit placed on the number of students per cohort, which strains a school's capacity to offer quality teaching and resources.
- Students admitted into postgraduate diplomas or other qualifications which are seen as the first year of the MBA.
- Erratic utilisation of any of the following: letters of recommendation; written essay; personal statement; interview; resumé or CV; evidence of computer literacy; admission tests such as the General Management Admission Test or equivalent.
- Misrepresentation of admission criteria and entrance requirement in brochures.

Problems with admissions among private providers were similar to those encountered in programmes offered by public providers. The consequences of non-adherence to entry requirements for all provider types seem to be low throughput rates, high drop-out rates, and exits from the programme with a qualification awarded other than the MBA.

The consequences of the utilisation of inappropriate student recruitment practices, such as high drop-out rates, and the relationship between admission criteria and the structure of the learning programme, are further analysed in Chapter 4.

⁷ The National Qualification Framework was created by the South African Qualifications Authority (SAQA) Act of 1995. The main purposes of the NQF are to facilitate access to and mobility and progression within education, training and career paths, and to accelerate the redress of past and unfair discrimination in education, training and employment opportunities. The NQF covers eight levels which correspond to three training and education bands. The higher education training and education band includes levels 6, 7 and 8 of the NQF, with level 8 being divided into sub-levels to account for different types of postgraduate education.

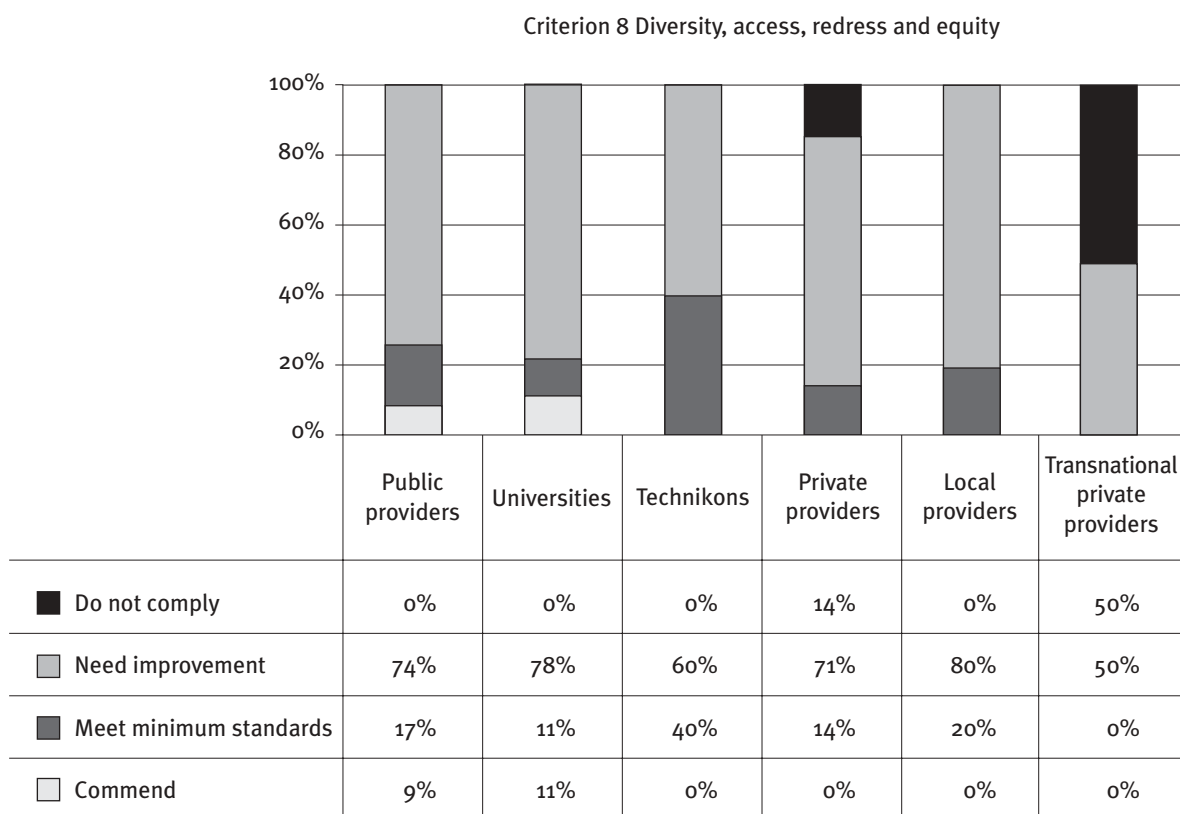
Criterion 8: Diversity, access, redress and equity

This criterion focuses on some of the broader issues in the higher education transformation agenda such as access, redress and equity in relation to both staff and students. Minimum standards in relation to this criterion expect a programme:

- To set target rates for disadvantaged groups and accordingly to ensure adequate throughputs.
- To encourage diversity in its admissions.
- To provide support so that students can succeed in numerical and language skills.
- To set and actively pursue equity targets in relation to staff.

The results of the evaluation of MBA programmes in relation to equity and redress confirm the effect of apartheid education on most institutions and how much work still needs to be done in order to arrive at a higher education system which is not de facto arranged along racial lines. Out of 37 programmes, 27 needed improvement to meet minimum standards, 6 met minimum standards, 2 did not comply, and 2 were commended.

Figure 8: Criterion 8 by type of provider



Source: Re-accreditation reports

As can be seen from Figure 8, private providers overall did not perform very differently from public providers in relation to equity and diversity. The analysis by sub-types, however, indicates that transnational providers did worse in this criterion than their local counterparts. The most common problems found among programmes that needed improvement were:

- Very low diversity among staff in terms of race and gender.
- Absence of an equity plan in relation to staff.
- Although there is intake of students from previously disadvantaged groups there are no mechanisms of support to help these students through the programme. In particular the programme lacks mechanisms to support the development of numerical and language skills.
- Inadequate recruitment drive.
- Lack of equity targets.
- Lack of a diversity policy in the constitution of syndicate groups.

Besides the issues mentioned above, programmes that did not comply with minimum standards also had a very small number of students from previously disadvantaged groups enrolled in their programmes, had no equity targets or equity plans, and made no visible and tangible efforts to address these issues. Their staff profiles did not reflect diversity and, fundamentally, in terms of both student and staff recruitment, they operated outside national policy goals, in the sense that these issues were not considered intrinsic to the higher education enterprise.

The complexity of diversity, access and equity can only be understood if this criterion is analysed together with the admission and recruitment policies practised at each programme. Admission policies that cater for previously disadvantaged students without providing the necessary support for students to succeed in the programme in practice undermine the diversity profile of a programme. High drop-out rates undo the equity profile achieved through large intakes of previously disadvantaged students. Hence the importance attached to special programmes to develop numerical and writing skills for students admitted via alternative admissions (AA) and Recognition of Prior Learning (RPL).

Superficial, and sometimes opportunistic, approaches to recruitment have serious implications for the actual quality of the learning programme in two senses: the level at which the actual content of the programme is taught to all students, and the effect that underprepared students have on the general quality of the teaching and learning that takes place in the programme. These issues will be examined in greater depth later in this report.

Finally, there is an issue that has a bearing on access although it does not strictly belong to the admissions and equity profiles of the MBA programmes: the cost of the MBA. As we will see, cost is one of the criteria used by students in selecting a programme. The cost of a programme can act as a mechanism of exclusion for students who come from disadvantaged backgrounds and who lack support from their employers to pursue further studies. The costs of MBA programmes in South Africa and the effects that these costs have on access and equity will be analysed later in this report.

Criteria 5, 6, 7 and 8 focused on:

- The availability of adequate human resources (academic, support and administrative) to fulfil the objectives of a programme according to its specific mode of delivery.
- The manner in which programmes guarantee students access to sufficient and adequate physical and educational infrastructure, taking into account different modes of delivery.
- How programmes translate the national goals of equity and redress into recruitment and appointment policies and procedures.

From the point of view of the criteria that focused on the learning programme, if one of the purposes of the MBA is to educate managers to operate within their contextual reality, diversity in the classroom both in terms of students and lecturers is as important a feature as the accessibility of up-to-date library collections in the making of a good MBA.

Criterion 9: Learning programme

This criterion deals with the content of the MBA programme from the point of view of its NQF level, its coherence, its structure, and its completeness, as well as with the mechanisms that different schools have in place to review the programme. The following are the minimum standards which programmes were expected to meet in relation to this criterion:

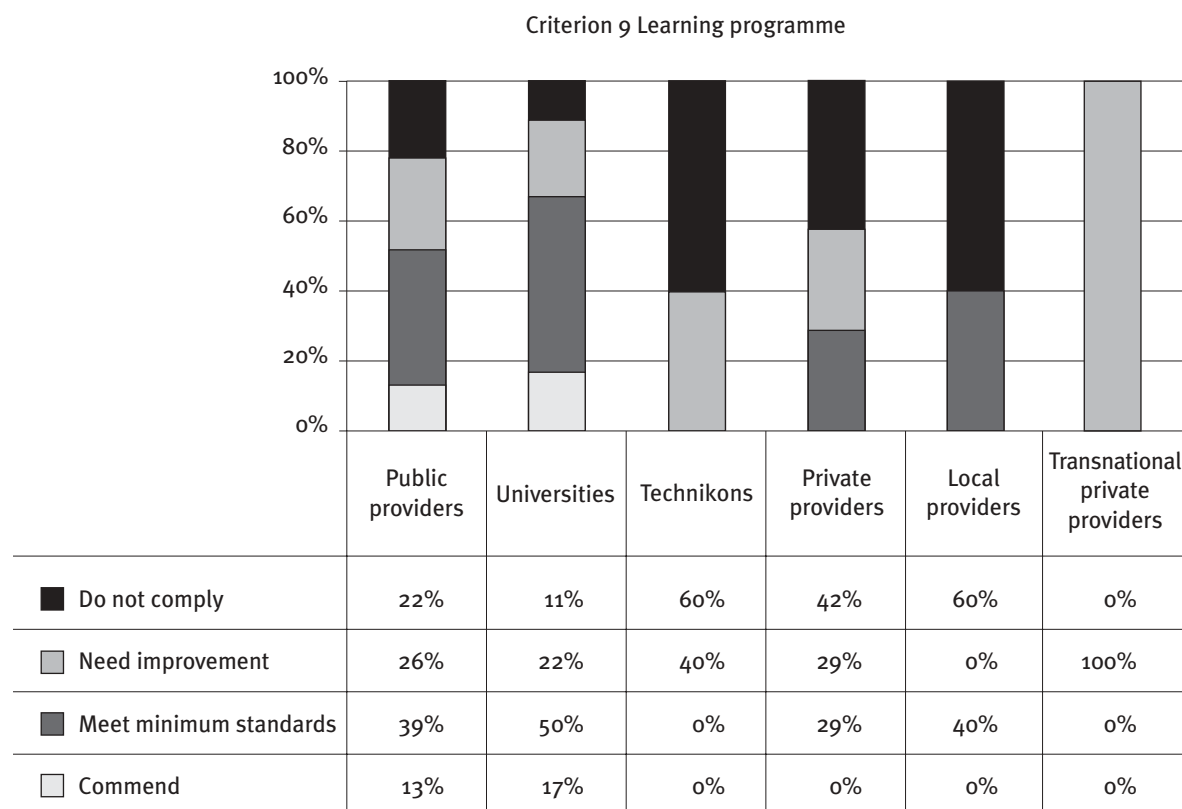
- The MBA must display clear practical relevance and be well grounded in current theory.
- The MBA is a postgraduate degree at the master's level and must conform to minimum standards for those degrees.
- The minimum credit value of the MBA is 240 credits at Level 7/8.
- The MBA has a minimum duration of one year full-time study or two years part-time.
- The MBA programme provides coverage of the main functional areas of management: accounting, finance, marketing, operations management, information systems management, human resource management, economics and quantitative analysis. (European standard)
- The core content should include the areas of knowledge underpinning management: concepts, processes and institutions in the production and marketing of goods and services and the financing of business; the impact of environmental forces on organisations; change management; concepts and applications of accounting; quantitative methods; management of information systems, including IT; organisational theory and behaviour; and human resource management. (Association of MBAs (AMBA) standard)
- Not more than 33 percent of the content should be directed to a specialisation.

The rest of the minimum standards refer to the quality assurance of the programme including its periodic review and evaluation.

The learning programme (Criterion 9), teaching and learning (Criterion 10) and assessment (Criterion 11) constitute three fundamental criteria that focus on the quality of an MBA programme. It is in relation to these criteria that some of the problems encountered when

analysing the organisational setting of a business school and the academic governance of a programme manifest themselves more clearly. At a conceptual level it is important to distinguish between Criteria 9 and 10 to understand why some units might offer a commendable learning programme and yet meet only minimum standards in relation to teaching and learning or vice-versa. The *learning programme* refers to the ways in which the content of a programme is structured: the relationship between course content and course weight; the level at which content is pitched; the demands made of students; and the specific knowledge, competencies and skills to be developed through the programme. *Teaching and learning*, on the other hand, is focused on the manner in which programmes structure the pedagogical experience. What do students learn? How do they learn? What pedagogical devices are utilised to ensure that the unity of a programme is actually transmitted to students in the classroom situation or through the materials they use?

Figure 9: Criterion 9 by type of provider



Source: Re-accreditation reports

As can be seen from Figure 9, differences in the quality of the learning programme can be related to the different constraints and possibilities operating in each type of provider. The most pronounced differences operate between programmes offered by public and private providers. Comparatively speaking, programmes offered by technikons fared worst, followed by programmes offered by local and transnational private providers.

Programmes commended in relation to this criterion presented a combination of the following characteristics:

- The programme is structured to immerse students in the core functional areas during the first two terms.
- All core functional areas are covered in the programme.
- The course content is well grounded in current theory and knowledge.
- Company analysis, group assignments and research projects afford students the opportunity to apply managerial, leadership and entrepreneurship skills in actual companies and organisations.
- There is evidence of systematic work on programme design and review.
- The process of programme design is clearly defined and uses a team approach.
- Programmes are evaluated on a regular basis and changes are translated into content and course materials.

Programmes that need improvement had a combination of the following characteristics:

- The units offer postgraduate qualifications whose articulation with the MBA is not clear. In practice this means that the actual MBA qualification is splintered and has multiple exit levels with little or no coherence between them.
- There is no external evaluation or benchmarking of the programme. This, as we will see in the analysis of Criterion 11, often implies an erratic use of external examination that also acts as a benchmarking system.
- There is no integrated assessment strategy to test the overall outcomes of the qualification.
- The content of the specialisations is too thin to actually count as a specialisation.
- There is no correlation between programme reviews and the implementation of changes in the content of the programme.

The newness of the programme, the need to capture a market and the entry requirements used in each programme (Criterion 7), the composition of the faculty in terms of their contracts i.e. full-time or part-time, and staff qualification level and experience (Criteria 3 and 6), combined with the mode of academic governance (Criterion 4), all have a bearing on the manner in which programmes are structured. A cursory look at best and worst practices in Criterion 9 confirms this. As will be examined in Chapter 4, the learning programme, teaching and learning and assessment constitute core issues in the differentiation of MBA programmes, and it is in relation to these issues that the impact of the different programmes' modes of organisation can be seen.

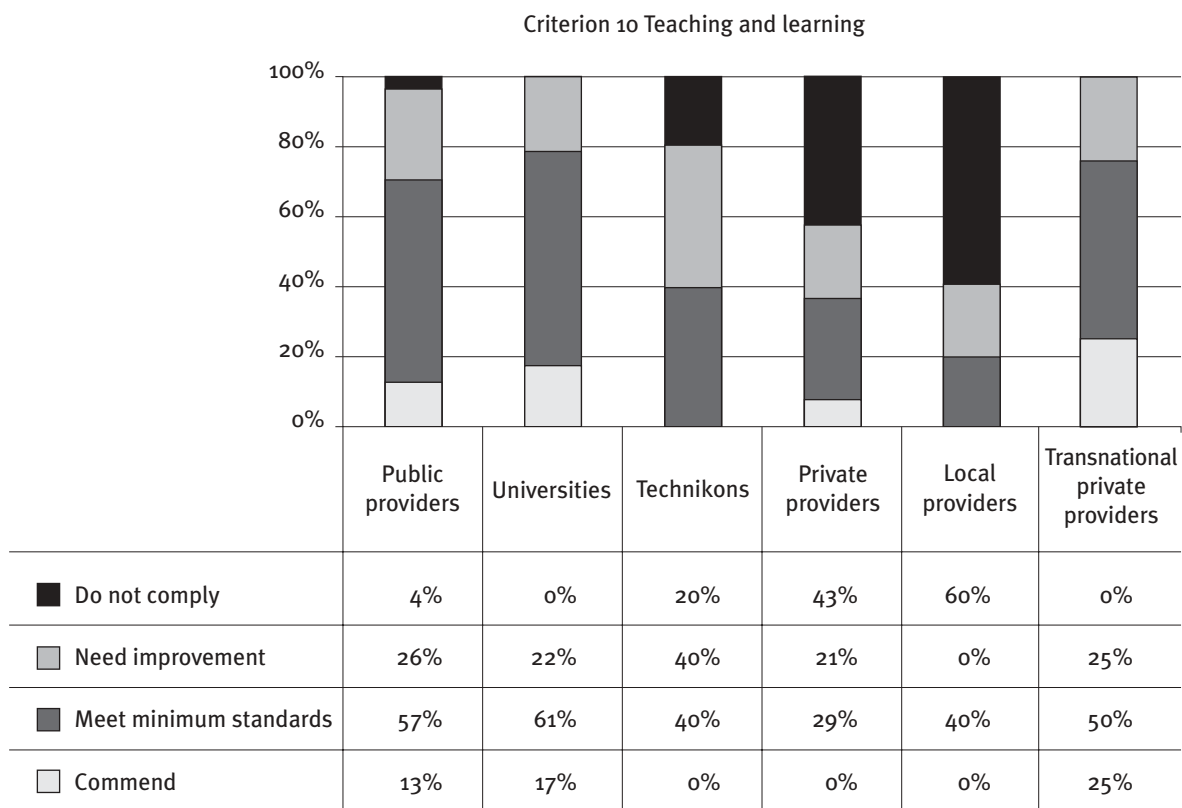
Criterion 10: Teaching and learning

This criterion focuses on the students' actual pedagogical experience of the programme and therefore on how much and what they learn, and on how the learning experience is structured. It examines students' understanding of the various areas of knowledge of the MBA, their application of skills and experience, and the extent to which the programme creates pedagogical situations for students to demonstrate the integration of the knowledge acquired. The minimum standards for this criterion take into account different modes of delivery and indicate that programmes would be expected to:

- Provide guidance to students about course integration.
- Put theory into practice by focusing on the development of specific competencies in the students.
- Involve the students actively in the teaching process following the most recent teaching and learning approaches.
- Provide proactive learning reflected in case studies, group work, etc.
- Apply teaching and learning to real-life working situations.
- Have a minimum of 476 teaching/contact hours and 1 000 hours of preparatory study.

An analysis of the relation between Criteria 9 and 10 indicates that while there is no direct correspondence between a programme being commended in terms of its overall structure and it obtaining the same grade in relation to teaching and learning, no programme that received 'needs improvement' or 'does not comply' in the former was actually commended on its teaching and learning. Given the elusive relation between the two, it is necessary to make more explicit how and when the learning programme and teaching and learning influence each other and when they do not. This will be done in Chapter 4. In this section we will concentrate on how different providers did in relation to Criterion 10 and on what are recognised as best practices and major weaknesses in this area.

Figure 10: Criterion 10 by type of provider



Source: Re-accreditation reports

As can be observed from Figure 10, the majority of programmes offered by public providers met minimum standards in relation to this criterion; 6 programmes needed improvement, 5 did not comply with minimum standards and only 3 were commended. Universities did better than technikons. The majority of the programmes offered by private providers did not comply with minimum standards in relation to teaching and learning (6 programmes). The main difference in the performance of local and transnational private providers was that among the latter there was a programme that was commended for its teaching and learning approach. Programmes whose teaching and learning practices were commended had some of the following characteristics:

- The programme ensures that students display an understanding of the core areas of management, and acquire skills and experiences in an application context.
- Appropriate documentation explaining course integration is provided to students.
- Theories are put into practice through case studies and assessment tasks.
- The methodology used in lectures reflects the importance of case studies in teaching and learning.
- In at least one case the unit has a case study development centre.
- Case studies incorporate South African context experiences.
- Teaching methodology helps to develop real-world competencies.

- Non-accredited personal development sessions are fully integrated into the MBA programme.
- Lecturers and courses are regularly evaluated by students.
- Visiting speakers create scenario-based discussion and learning.
- Multimedia resources are used.
- Contact time exceeds minimum standards.
- There is online communication for members of syndicate groups.

Programmes that did not meet minimum standards presented some combination of the following features:

- There is no separate development of study guides and course materials taking into account modes of delivery. This implies that course materials and study guides are not aligned to modes of delivery.
- There is no training for staff in how to develop distance learning materials.
- Study guides tend to spoon-feed students.
- The way in which teaching takes place allows neither for the achievement of the outcomes of the qualification within a reasonable time frame nor for the facilitation of learning nor for the incorporation of critical cross-field outcomes.
- The actual contact time in the programme is below standard.
- Cross-field outcomes such as oral communication, negotiation skills and verbal presentation skills are not pursued in distance learning programmes.
- There is either no overall coherence in the programme or it is not overtly explained to students.
- The programme can be stretched out for a maximum of six years between the year one and the year two courses.
- Distance programmes do not take into account the complexity of learning in the different modules. Interactive learning is minimal.

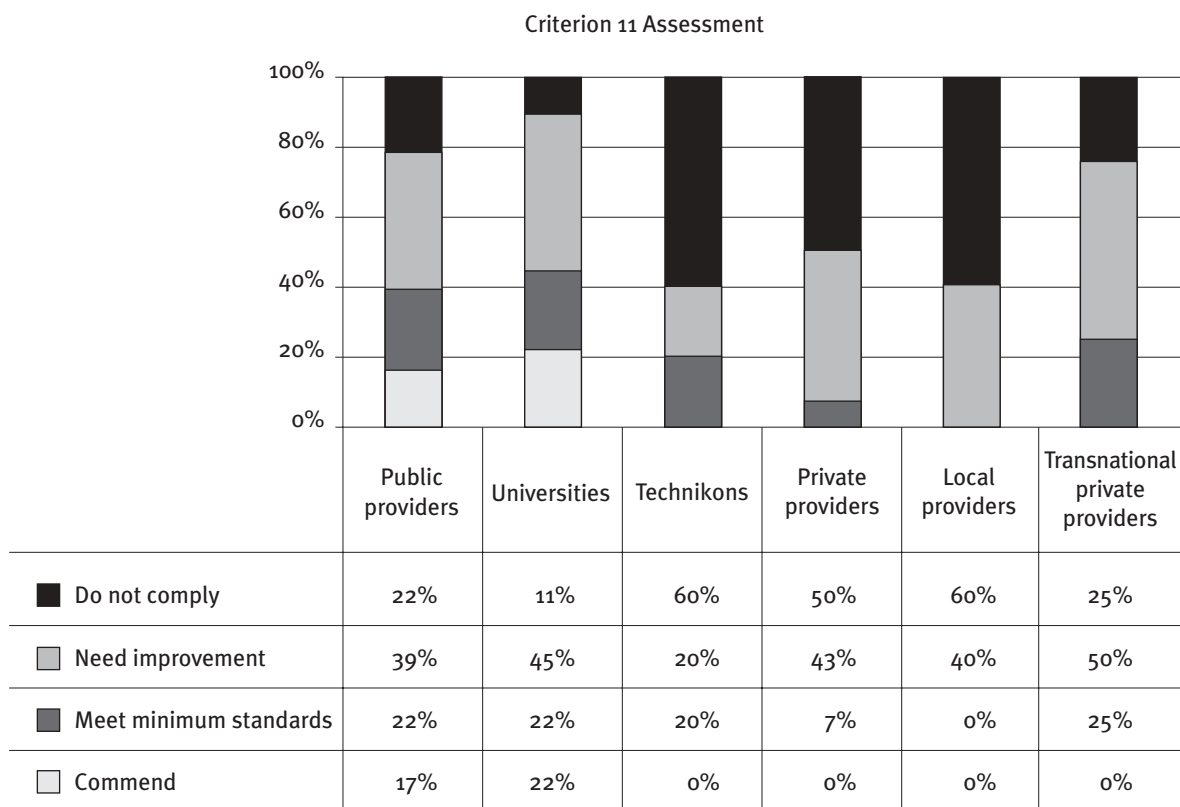
As can be seen from best practice, teaching and learning involve far more than merely transmitting the contents of core areas of knowledge at a level appropriate to the students' exit degree; they involve the integration of various areas of knowledge, the development of various competencies and skills, and the ability to translate content into the materials and instruments specific to various modes of delivery. As we have already indicated, the overall quality of the learning programme, teaching and learning and assessment, and the ways in which they relate to each other, seem to be connected to organisational aspects of the programme and its academic governance.

Criterion 11: Assessment

Criterion 11 focuses on how, taking into account teaching methods and different modes of delivery, the various types of assessment used in the MBA require students to demonstrate that they have been able to integrate the programme content at a theoretical and practical level. The minimum standards attached to this criterion indicate whether:

- Assessment is done in a rigorous, fair and explicit manner.
- Assessment is purposefully used to generate data for summative and formative purposes.
- Assessment is supported by policies that moderate and validate procedures.
- Assessment is conducted within a framework of rules and regulations.
- There is a system for RPL.
- Staff is competent in assessment practices and has the opportunity to be trained in them.

Figure 11: Criterion 11 by type of provider



Source: Re-accreditation reports

For a number of reasons which will be discussed in detail later, assessment appears to be one of the weaker areas in all MBA programmes submitted for re-accreditation. Figure 11 shows that the majority of the programmes needed improvement in this area. The few commended programmes were concentrated at universities. Among private providers, only a minority of programmes offered by transnational providers met the minimum standards for assessment practices, while half of the programmes did not comply and the rest needed improvement. The analysis of the institutions' submissions and the re-accreditation reports indicate the following best practices in assessment:

- Systematic use of external examiners' reports for adjusting the assessment process.
- Clearly stipulated rules and regulations about assessment.
- Use of assessment data for planning and feedback into programme development and design.
- Staff experienced in teaching and assessment.
- Academic staff trained in assessment.
- Continuous assessment practised by the unit.
- Core and full electives examined by means of an individual mid-term assessment, a group project, and a final examination or individual assessment.
- Faculty having comprehensive grading guidelines which detail the responsibilities of different examiners, procedures for oral examinations, etc.
- The unit having clear policies and guidelines for RPL.

Areas of concern about assessment practices include the following:

- The level of the assessment is too low for a master's degree.
- Modules are assessed through multiple-choice questions which are not at master's level or are not assessed summatively at all.
- The external examiner system is inefficient.
- Lecturers who teach on the programme also act as external examiners.
- The unit does not use external examiners at all.
- Academic staff responsible for assessment are not appropriately experienced.
- There are no formal guidelines to regulate assessment so it is determined by the faculty who teach the course.
- There is no emphasis on summative assessment.
- Students are allowed to fail modules three times.
- There is no formal use of assessment in the programme review.

The problematic issues to do with assessment seem to be concentrated in three areas:

- The level of the assessment and the form it takes.
- The lack of implementation of a rigorous assessment system that uses external examiners and internal moderation procedures and feeds back into student performance.
- The lack of utilisation of assessment for purposes other than grading, e.g. summative assessments, review of the programme, and monitoring of students' progress.

The problems underlined by the generally poor performance of MBA programmes in assessment will be examined in Chapter 4. Suffice it to say for now that weak assessment practices question the integrity of the actual qualification awarded and jeopardise the actual teaching and learning process.

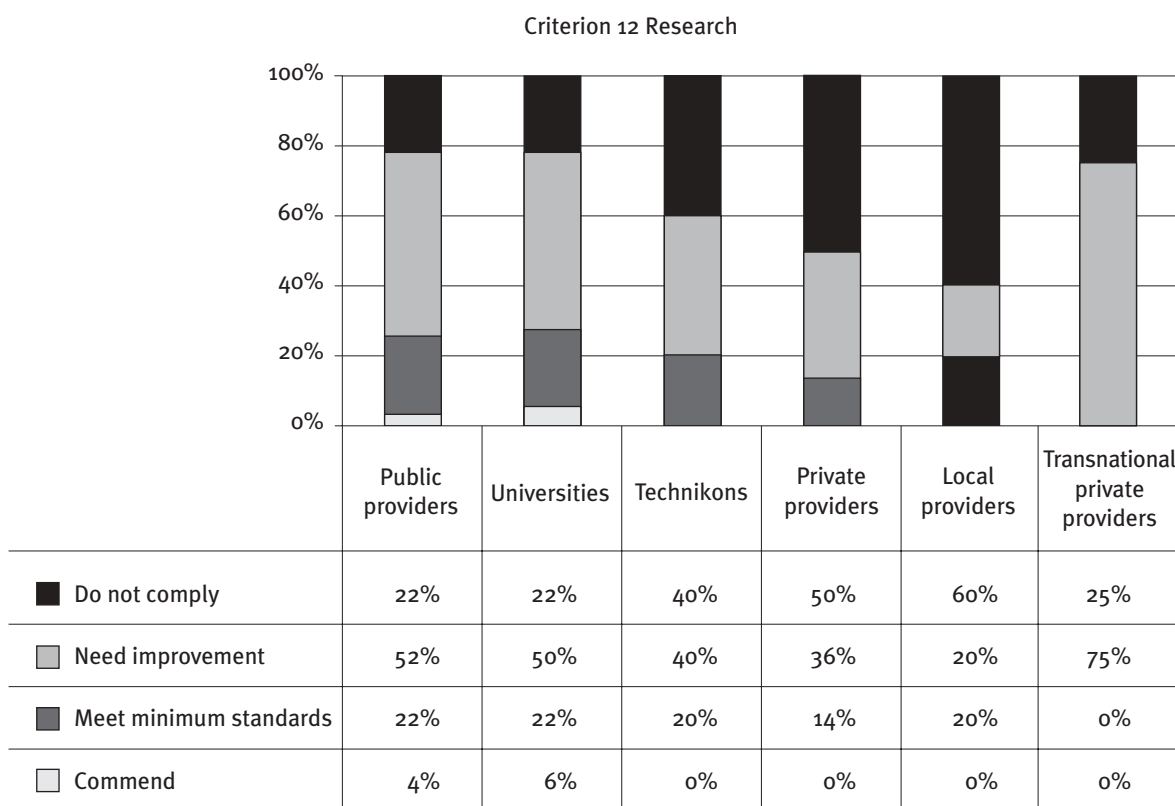
Criterion 12: Research

This criterion refers to both research education and staff knowledge production. The criterion focuses on the programme's contribution to the field of management. Accordingly, the minimum standards indicate the various elements of the management and production of research and research education which need to be present in a unit. These include:

- There should be adequate arrangements for the management of research which achieve the objectives of enhanced quality, increased participation, productivity and research funds.
- There should be strategies for research development.
- Faculty members should be active in research.
- The students' research projects should constitute at least one fifth of the overall pass mark and provide evidence of the students' ability to integrate the core subjects.
- The students' research projects should have a theoretical foundation and a practical application at the master's level
- There should be cooperation agreements with business for students to take up their research.
- There should be policies and regulations that support postgraduate education, especially the regulation of various aspect of supervision.

Research, both as research production by the unit's faculty and research education for students, is the second academic area where most MBA programmes seemed to be experiencing difficulties. The role, nature and extent of research in the MBA are the subject of an ongoing international debate which will be examined in the next chapter. This section focuses only on the different ways in which South African MBAs deal with the research components of the programme and to what extent faculty is active in research.

Figure 12: Criterion 12 by type of provider



Source: Re-accreditation reports

As can be seen in Figure 12, private providers' programmes did considerably worse than those of the public institutions. The latter, however, did not do very well in relation to this criterion either, both in terms of actual faculty research and in terms of students' research education. The majority of programmes offered by public providers needed improvement on this criterion and among the rest only one programme was commended. In the case of private providers an even larger proportion did not comply with minimum standards, with programmes offered by transnational providers performing the worst in this regard. That universities performed better than technikons and that public providers overall performed better than transnational providers in relation to this criterion is hardly surprising. Once again the history of the provision of higher education in South Africa, the specific history of the technikon sector and of historically disadvantaged universities, not to mention how long a programme has been offered, combine to explain why historically advantaged universities with 30 years of offering the MBA did better than technikons that started offering degrees in 1997 and MBAs in 2002.

The main problems found in the institutions' submissions in relation to knowledge production and research education were as follows:

- Students are given up to five years to finish the research project after the completion of the course work.
- The research component of the programme does not constitute 20 percent of the mark.
- Dissertations are not at master's level.
- There is no adequate tuition on research methods as a preparation for undertaking the research project.
- Units are staffed with predominantly part-time lecturers who do not have time for supervision.
- A business plan, which is a group project, replaces the completion of an individual research project or dissertation.
- The programme does not have a research component.

The matrix system of organisation of programmes, with its reliance on large numbers of part-time faculty and non-academic teaching staff, conspires not only against faculty's research productivity but also against good supervision. Dissertations, even in their minimal expression, are academic pieces that can hardly be supervised by non-academic staff. The concept of defence of a thesis proposal is underplayed or absent in most MBA programmes. The minor role that research methodology plays in the curriculum of most MBAs indicates that research education does not have a very large part in many programmes. What this means for the MBA as a master's degree will be discussed in the next chapter.

Staff research output, the second and related consideration, is one of the areas where part-time faculty has negative consequences for the units offering MBAs. At public higher education institutions research outputs are counted as activities of the academic unit where staff is employed full-time. Something similar can be observed at private providers of MBA programmes: if part-time staff is actually active in research, their research typically takes place at the institution where they are employed full-time. However, the question is not so much where members of staff do their research as the extent to which their research is cutting edge and informs their teaching and supervision at the master's level. A final issue to be discussed in Chapter 5 is whether or not research conducted in MBA programmes generates innovation in the practice and conceptualisation of various aspects of business management in South Africa.

Contextual criteria

Criterion 13: External environment

This criterion looks at the relations between the unit and the broader world of business management and society as a whole and stipulates that units offering MBAs should have the following:

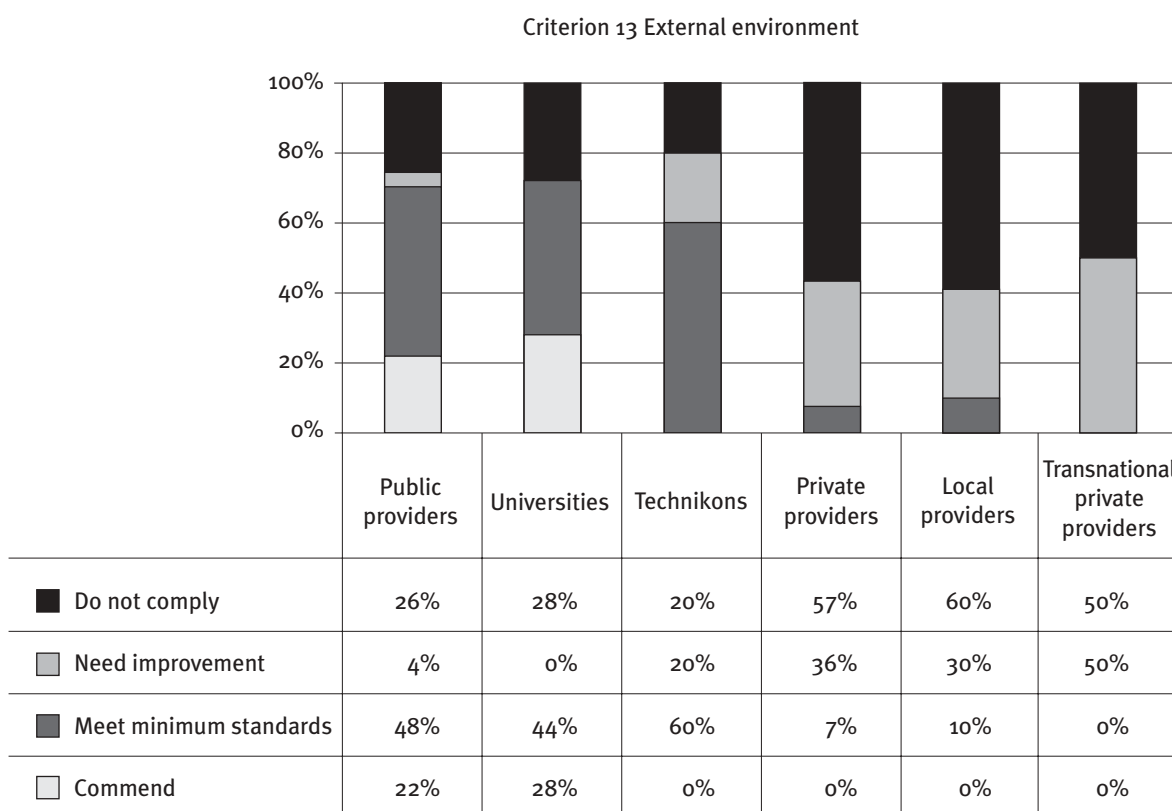
- Linkages with business to support and augment their work.
- A clear articulation and/or credit transfer with other higher education institutions.

- Partnership agreements focused on ensuring quality teaching and learning.
- A system to monitor their relationships with external stakeholders.

The relations between business schools and the external environment are largely conditioned by the history of each school. Taking this into account it is hardly surprising that longer-established public providers did better in this criterion than newer private providers.

As can be seen from Figure 13, public providers did much better than private providers in relation to this criterion, with five of the programmes offered by universities being commended in this regard. Technikon programmes met minimum standards in more than half of the cases. Private providers, on the contrary, performed rather poorly, with only a few programmes offered by local providers meeting minimum standards. The group with the weakest connection to the external environment was that of the transnational private providers, which are not only relatively new to the country but also lack a strong connection to the South African business environment.

Figure 13: Criterion 13 by type of provider



Source: Re-accreditation reports

As suggested earlier, the history of a business school, how long it has been in operation, who its alumni are and where they work, all define decisively the kind of networks to which a school belongs and upon whom they can call.

Schools that did not meet minimum standards seemed to be characterised by:

- A lack of advisory boards that bring stakeholder views together with their connections to the school.
- A lack of agreements for credit transfer with other higher education institutions.
- No visibly established partnerships with business or other stakeholders.
- No monitoring of the relations with stakeholders in the form of, for example, employer satisfaction surveys.
- No links with stakeholders in fields of specialisation.

Programmes that fulfilled the criteria to a commendable degree were characterised by:

- Links with private business and state-owned enterprises that help in the exploration of the needs of executive education.
- Provision of employment opportunities for graduates.
- Regular holding of seminars or special lectures with guest speakers from the corporate world.
- Visits from international academics who come to the school to teach specific courses or to take part in the school's activities.
- Regular debates on topical issues.
- Formal relations with international higher education institutions.
- Monitoring of relations with stakeholders through alumni.
- Well-established advisory boards.
- Participation in forums such as GMAT, the American Management Association (AMA), etc.
- Other measures to ensure that the business school straddles the worlds of both academia and business.

A closer look at both good practice and issues of concern suggests that, as with the previous criteria, Criterion 13 is also related to aspects of the governance of the programmes and of the business schools, and to aspects of the learning programme criteria. Lack of clarity in terms of goals and objectives (Criterion 2) and lack of advisory boards (Criterion 3) both have an impact on the extent and nature of the external relations of a business school. In turn a limited or non-existent relation with the outside environment, especially in the form of structured relations with the world of business, militates against the quality of teaching and learning, the quality and quantity of the research performed by faculty and, eventually, the content of the learning programme.

Schools' relationships with their external environment are crucial with regard to a number of issues: the content of the curriculum and its adaptation to changing practices and needs

in the world of business; the recruitment of students, especially in the form of agreements with companies which send their employees to do MBAs at particular schools; the possibility of introducing innovative practices in management in real-life work situations; and, finally, the development of a curriculum or a series of activities which are more directly responsive to specific national developmental objectives in relation to business. This last is an area in which most MBAs were found wanting. Few included these kinds of issues in their curricula, and an even smaller number had any activities that showed a locally-grounded, innovative and proactive understanding of the social responsibility of higher education or prepared graduates for real-life business problems and corporate responsibility in South Africa.

Criterion 13 is focused on programmes' relationships with employers and the world of business; the ways in which programmes articulate with broader societal needs and goals that fall within their sphere; and programmes' contributions to the world of business and management in general. Over and above these issues, when the teaching of the master's of business administration is thought of in the context of the transformation of South African society it seems legitimate to ask whether it is perpetuating the legacy of skewed demographic representation or whether the MBAs are preparing a replacement for corporate boards and, if the latter is the case, whether such replacement will simply reflect the demography of the country, or whether they are ushering into corporate boards new models of thinking about business that fit a democratic society striving for social justice. This and other issues of business education and social responsibility will be discussed in the last chapter of this report.

CONCLUSION

This chapter has provided an overview of the results of the HEQC re-accreditation exercise from the perspective of the problems and best practices that can be found in relation to each of the 13 re-accreditation criteria. In order to produce this initial analysis of the state of provision of the MBA in South Africa, this chapter re-categorised the HEQC criteria into three groups: governance criteria, learning programme criteria, and criteria of context. In all cases the way in which a programme fared in relation to each criterion depended to a large extent on how long the programme had been offered and on the institutional context within which it operated. These two factors account partially for the differences between the performance of new and older programmes, and between the programmes offered by public and private providers, by universities and technikons, and by local private providers and transnational providers.

This chapter has shown that in relation to the governance criteria the areas of greatest concern are:

- The external environment (the manner in which business schools relate to the national higher education system from a legislative and regulatory perspective, and to the institutions within which they are located). (Criterion 1)

- The mission, goals and objectives of academic units offering MBAs and by implication of the programmes themselves. (Criterion 2)
- The manner in which business schools implement the principles and processes of quality management and how they relate to the quality management system in place at the institutions where business schools are located. (Criteria 3 and 4)
- The academic governance of the programme and the possible effects that a fairly generalised matrix system for organising faculty can have on the learning programme.

In relation to the learning programme criteria the areas of concern are:

- Predominance of part-time non-academic staff teaching most programmes, which often undermines the quality of the learning programme through a lack of integration of core, fundamental and elective courses. (Criterion 6)
- Student recruitment, especially in programmes where the lack of entrance requirements consistent with a master's level degree undermines the integrity of the teaching and learning experience for all students. (Criterion 7)
- Diversity, access, redress and equity: this, as we have seen, is a general problem which affects public and private providers in equal measure and which needs urgent attention, in relation to both student recruitment and faculty appointments. It implies, as discussed above, not only a change in the demographic profile of staff and students but also the setting up of appropriate mechanisms to support students through the teaching and learning process. (Criterion 8)
- Learning programme: The integrity of the learning programme is often undermined by a form of academic governance that acts as an obstacle to achieving the conceptual integration of core, fundamental and elective courses. It must be noted here that none of the de-accredited programmes met minimum standards in relation to this criterion. (Criterion 9)
- Assessment: This constitutes a fairly general problem in most programmes, where assessment below the master's level, lack of systematic assessment and poor or no utilisation of assessment as programme feedback combine to undermine the integrity of the degree. (Criterion 11)
- Research: The analysis indicated that few MBA programmes attach sufficient importance to students' research education or to faculty's knowledge production. As argued previously, the lack of research training jeopardises the master's level of the MBA, while poor or non-existent faculty research output acts as an obstacle to the renewal of the curriculum in relation to the learning programme. (Criterion 12)

Finally, in relation to the context criteria:

- External environment constitutes a particularly weak area in most MBA programmes, although this is especially marked in the case of private providers whose participation in the local socio-economic networks is very weak. (Criterion 13)

The examination of the re-accreditation reports and the institutions' submissions indicates that there is a strong correspondence between groups of criteria, and that in that sense the quality of a programme is the result not of meeting a discrete number of minimum standards but of the interaction between criteria that reinforce each other in positive ways when they are present, i.e. when programmes meet minimum standards, and in negative ways when programmes need improvement or simply do not meet minimum standards.

All correlations are important in establishing what a good MBA is in the South African context; however, there are three that need to be underlined.

First, the correlation between governance (Criteria 1, 2, 3 and 4) and the quality of the academic programme (Criteria 9, 10, 11 and 12). Governance of the academic unit, its insertion into the South African higher education system, and the articulation of its fitness for purpose and of purpose in relation to those of the higher education institution where the business school is located create a framework of accountability and transparency that supports the quality of the MBA programme. The academic governance of the MBA programme, in particular, has a decisive effect on the ability of a school to hold a complex multidisciplinary programme together as a whole, and it therefore affects the structure of the learning experience of the students, and the integrity of the degree.

Second, correlations among the learning programme criteria. The availability of adequate and sufficient staff and infrastructure, taking into account the demands of different teaching methodologies and different modes of delivery, directly supports the quality of the programme and the teaching and learning experience. Modalities and strategies for students' recruitment have a decisive impact on the kind of teaching experience offered to each cohort, the nature of the assessment practised, and the role that research may or may not have in the MBA.

Third, there is the correlation between criteria of context and the nature of teaching and learning, assessment and research and, to close the circle, the governance arrangement of the programme and the school.

The rest of this report will explore specific aspects of these relationships, keeping the focus on the most important finding of the re-accreditation exercise: namely, that the quality of a programme is independent neither of the governance of the academic unit that offers it nor of the broader socio-political context within which it operates.

DEFINING THE MBA: A CENTURY OF DEBATES

The status of the MBA as a postgraduate degree, its multidisciplinary nature, its practical orientation, its purpose in relation to the world of business and to society's broader needs, and the differences between business expectations of the MBA and the actual outcomes of the qualifications offered by the business schools have been more or less constantly contested since the opening of the first business school in the US in the late 19th century. The nature, scope and consequences of this contestation have at least three dimensions. The first has to do with the standing of the MBA in academe as a postgraduate degree at the master's level. The second focuses on the influence that changes in the world of business have had on the orientation of the MBA and its actual content. The third takes into account the influence of local and international political and economic changes on the public perception of the importance of the MBA. This chapter analyses a hundred years of debates about the MBA from two perspectives. On the one hand, it looks into the changing definition of the MBA and its purposes in the US and Europe and how this affected its mode of insertion into academe and its standing vis-à-vis business. On the other, it analyses the relationship between the contemporary debates and the issues raised about the South African MBA by the HEQC's re-accreditation exercise. The chapter divides the history of the MBA into three periods: the beginnings, between the creation of the first business schools in the 19th century and the outbreak of World War II; the second phase, between World War II and the 1980s, marked by business schools' search for academic legitimacy, and business's reactions to an 'over-academic' outlook in the MBA content which was not compatible with business needs; and the third phase, which sees MBA programmes facing a new identity crisis as they enter the new millennium. Looking at the debates characteristic of each of these phases, this chapter argues that internationally the tension between a 'professional MBA' and an 'academic MBA' has been made more acute with the development of global markets and the centrality given to business and entrepreneurship in the late 1990s, and that this is having potentially dangerous consequences for the field of management sciences. Among these consequences is the erosion of the place for and value of research at business schools, which has a domino effect on the MBA programme. In the case of South Africa, this is compounded both by the legacy of a higher education system designed to reproduce disadvantage and by the comparative newness of many programmes.

FROM BUSINESS ADMINISTRATION TO MANAGEMENT

The beginnings

The emergence of management as a discipline, beginning with the establishment of the first business schools in the US during the late 19th century, is one indicator of the enormous changes the world economy has experienced since the beginning of the 20th century. Between the 1880s and 1914 the world capitalist economy changed quite dramatically.¹ It expanded geographically to include countries like the United States, and its trade volume grew. The influence of technology in the production of goods changed the organisation of capital, with the emergence of 'big business' as a distinct type of enterprise. This was the start of a systematic attempt to rationalise production and the conduct of the business enterprise. Finally, there was a change in the market of consumer goods both in quantity and quality. People were not simply consuming foodstuffs but were acquiring consumer goods. Mass production had appeared and with it the associated issues of distribution and credit buying, all of which came hand in hand with the mass media and the advertising industry. This was no doubt a propitious environment for the development of management sciences as a new field of study. It should not come as a surprise that the cradle of management sciences was the United States. The US capitalist economy had grown spectacularly between the end of the 19th century and World War I – by 1913 the country had a population of 92 million people, of which 41 percent was urban. The rapid industrialisation of the US economy explains not only the appearance of Taylorism and Fordism in that country but also the fact that the first business school was founded in the US.

Business schools originated during this period because there was a need to educate business people in how to manage businesses, especially industrial production, distribution and marketing. The first business school offering an undergraduate degree in business was established at Wharton at the University of Pennsylvania in the early 1880s.² This was followed by the University of Chicago School of Business, and the opening of the Amos Tuck School of Business Administration at Dartmouth in 1910.³

Harvard School of Business opened in 1908. It had a faculty of 15, and 80 students. Twelve years later, in 1922, Harvard established its doctoral programme and in 1924 it selected the case study as the primary method of study at the school.⁴

The majority of the oldest American business schools were established in this period. Stanford and several state-supported schools including Ohio and Virginia emerged by 1925. They were mostly located within established universities and one of their first challenges was to dispel the doubts cast by university faculty on the academic status of their programmes, usually criticised for their 'trade school orientation'. The founders were sincerely convinced of the validity of the relationship between the MBA and academic research, and the creation

1 E. Hobsbawm, E., *The Age of Empire 1875-1914*, London, Abacus, 1999 (9th edition) pp.50-5.

2 <http://www.wharton.upenn.edu/huntsmanhall/timeline/1881.html>

3 <http://www.dartmouth.edu/tuck/about/history.html>

4 <http://www.hbs.edu/about/history-print.html>

of doctoral programmes was part of the attempt to give business schools an academic status compatible with their existence within universities.

It is interesting that the American Assembly of Collegiate Schools of Business (AACSB),⁵ which played a fundamental role in the development of business education in the US, was established in 1916 and undertook its first accreditation of business schools in 1919 as a way of legitimising the schools' academic status.

From the Interwar Period to the 1980s

The Great Slump of 1929 and the ensuing economic crisis introduced a new dimension into governments' preoccupations about the local and the international economy during the first part of the 20th century. The impact of the crisis on production, prices and, fundamentally, on employment was felt on an unprecedented global scale. Unemployment was made all the worse by the lack of social security in most countries. The Great Slump with its disastrous social effects destroyed economic liberalism for half a century, and this had important consequences for the relations between capital and labour, and capital and the state and, of course, for the ways in which businesses were to be conducted. The economic lessons learnt from this period were related to the need to keep demand growing, even if it meant smaller profit margins for businesses. The political lessons were just as important: the Great Slump made Western governments give priority to social considerations over economic ones.⁶

The slow recovery of the US economy under Roosevelt's New Deal was enough to sustain America's war effort during World War II and the rapid economic expansion which followed the defeat of the Axis in 1945. This was the period of the American Management Association's (AMA) expansion of its activities focused on management education.⁷ Most business schools in America seem to have suspended classes for the duration of World War II. But quite soon after they reopened – now in the context of the Cold War and in an upswing of the US national economy – they had to face the results of two reports funded by the Ford (Gordon and Howell) and Carnegie (Pierce) Foundations, published in 1959.⁸ The reports questioned the desirability of offering an undergraduate education in business and the legitimacy of business schools because, it was argued, they did not conform to academic norms.⁹ The schools had been struggling with forces pushing for academic content versus those advocating the inclusion of vocational subjects, such as secretarial science, personnel administration and insurance marketing. The Ford Report, authored by Gordon and Howell, recommended that business schools reduce the number of courses they offered (especially the vocational ones) and reposition the business curriculum as the study of the art and science of management

⁵ This organisation later changed its name to the Association for the Advancement of Collegiate Schools of Business, which better reflected its progressively more international outlook.

⁶ E. Hobsbawm, *Age of Extremes. The Short Twentieth Century, 1914-1991*, London, Abacus, 1999 (9th edition), p.95.

⁷ AMA was founded in 1923 as an organisation through which managers could discuss mutual problems and exchange relevant information.

⁸ Gordon and Howell, *Higher Education for Business*, 1959 and Pierson, *The Education of American Businessmen*, 1959.

⁹ See J. Neelankavil, Corporate America's Quest for the Ideal MBA, *Journal of Management Development*, Vol. 13, No.5, 1994, pp.38-52. K. Lewis, Quality Assurance for the MBA Degree in South Africa, report commissioned by the HEQC, September 2001.

decision-making with a new emphasis on quantitative and statistical methods.¹⁰ In the wake of these reports the AACSB developed a new accreditation process geared to separate the academic from the non-academic business schools. Schools had to demonstrate commitment to scholarship in their research production as well as in their recruitment policies. The first round of accreditation in the US left many business schools outside the AACSB.

On the other shore of the Atlantic things were moving more slowly. Business education only reached Europe in the late 1940s and 1950s in Belgium (IMD) and France (INSEAD). In Britain the first business schools with government support, Manchester and London, opened in 1965.

In South Africa in 1949, ten years before the release of the Gordon and Howell and the Pierce reports, as the first National Party government took office in a context of a drive for industrialisation and economic development, the University of Pretoria established its business school. The school was actually the idea of Prof. Piet Hoek who, interested in the economic development of the US, and the importance of business education there, decided to visit the country in 1946. In the US he attended an AMA conference hosted by Lillian Gilbreth who, together with her husband Frank, was a close associate of Frederick Taylor. Hoek visited Harvard and Columbia in search of a management education programme approach to bring to the University of Pretoria. Not unlike universities in the US, the University of Pretoria did not warm immediately to the idea of offering a business degree. It was only after having secured the support of the chair of Council, F. Meyer from Iscor, that Hoek sent a memorandum proposing to Council, for the third time, the creation of the school – which this time was successful. As a matter of fact the first degree offered by the school was not the MBA but the MCom, which changed to MBA in 1957.

This business school began in a fashion similar to many other business schools abroad: its first faculty was based at other departments of the university; it had no budget allocated to it; and it had to run on students' fees and the goodwill of seconded faculty and other subject specialists who gave their services free of charge. The only concession was that the University of Pretoria waived the infrastructure costs of the programme. Connections with state enterprises and the mining sector helped to create both a market and an alumni in a position to introduce in South Africa the contemporary lessons of scientific management in its 1940s and 1950s versions.¹¹ Whether and how much the prevailing political system and the influence of apartheid social engineering in the South African economy influenced the course content is the subject of another piece of research.

In any case, the trip to the US in 1946 not only fuelled the commitment to introducing management education in South Africa but also granted the incipient business school the use of the complete set of Harvard's case studies and teaching materials, which were adapted to suit the South African context. The first degree was offered on a part-time basis over two years, with lectures/sessions held at night at a cost of a hundred pounds.

10 P. Gaddis, Business Schools: Fighting the Enemy Within, *Strategy + Business*, Issue 21, Fourth Quarter 2000, pp.1-8, p.3.

11 Interview with Prof. Hoek, 21 June 2004 by Lis Lange and Kirti Menon.

In the next decade, probably following on the prosperity of white South Africa during the 1960s, four more business schools were created in South Africa: the Graduate Business School at the University of Cape Town, the Graduate School of Business at the University of the Witwatersrand, the School of Business at the University of Stellenbosch, and the School of Business Leadership at UNISA.

The following decade did not see any particular developments in terms of business schools, except that in both the US and Europe numbers were slowly growing. In South Africa, on the other hand, the 1970s – characterised by labour unrest and the beginning of a new wave of social resistance to apartheid – saw the introduction of only two new business schools: Potchefstroom and Durban-Westville, the first black business school in the country. The political and economic crisis of the 1980s was far from being a propitious environment for the opening of more business schools at public higher education institutions. It was only under the new democratic dispensation that business schools started mushrooming in South Africa. As we have seen in Chapter 1, the search for black managers, as a response to new policies directed at the deracialisation of the work force and skills development in both the public and private sector, played an important part in increasing the demand for MBA programmes.

The end of the 1980s marked the third important stage in the international history of the MBA. Two different, if interrelated, phenomena combined to generate another review of the purpose and content of the MBA in the US. On the one hand, a new report on MBAs, commissioned by the AACSB itself, was published in 1988. The report, *Management Education and Development: Drift or Thrust into the 21st Century*, questioned the direction of the MBA. This time the critique came from business: the MBA had become an academic degree that bore no relation to actual business practices. The report pointed out that the research done at business schools had not solved actual businesses' problems. This was the beginning of a clear opposition between a 'professional MBA' and an 'academic MBA', the one with a focus on the business community and the other with a greater preoccupation with scholarship. The attempt to strike a balance between the two would occupy the next decade.

Business concerns, however, were not the only ones shaping MBA programmes in the US and elsewhere during this period. The other forces at play at the end of the 1980s were the global economy itself, the changed business practices influenced by the IT revolution, and the ever more prominent role of business in society.¹² According to James Schmotter, through most of the 1980s MBA education was primarily an American phenomenon. Foreign students took their MBAs in the US whether they were sponsored by national companies or were part of the local capitalist elites; but neither group was representative of national business cultures. Schools did not recruit abroad. Globalisation brought about the realisation of the opportunities for sales, manufacturing, research and development and management support on a different scale. In the 1990s the MBA became a credential that would give you a career

¹² For example, the accession of China to the WTO and the growth-oriented reforms under way in the country motivated the Chinese Minister of Education to accredit more than 60 new MBA programmes in this decade. Similarly, business education has also expanded to support emerging democracies in central and Eastern Europe. See *Sustaining Scholarship in Business Schools. Report of the Doctoral Faculty Commission to AACSB's International's Board of Directors*, 2003, p.18.

anywhere. International students started flooding the American business schools and local competitors emerged in Europe, Asia, and Latin America.¹³

Schools started paying attention to the marketing of their 'products' in ways never done before, and the position of professional director of marketing became a common one at all schools. Branding of both the business school, through the scope of its operations, and of the MBA degree, through its outcomes, became more and more common in the publicity material prepared by schools. Hand in hand with this, rankings started having an important impact on schools' recruitment campaigns and actual student intake. The first ranking of American schools was done in 1988 by *Business Week*. From then on business schools started applying vast amounts of money to the improvement of their rankings.

Until the end of the 1980s American MBAs were quite homogeneous from a pedagogical and content point of view. The homogeneity was encouraged by the accreditation requirements of the AACSB which maintained a one-size-fits-all approach to the MBA. *Management Education and Development: Drift or Thrust into the 21st Century* did much to change this. As a consequence of the report, the AACSB modified its accreditation model to one of fitness for purpose in which schools were evaluated against their missions. This not only opened the doors of the organisation to schools until then excluded but also helped diversify the MBA market, with schools creating market niches for themselves. Some schools developed MBA programmes focused on specific industries, others, aided by the IT revolution, experimented with new modes of delivery which introduced a new bipolar tension into the MBA debate: specialist versus generalist MBAs.

The MBA market at the beginning of the 21st century is vast, global and fragmented.¹⁴ In South Africa the 1990s, and especially the years since the inauguration of the new democratic dispensation, saw the largest increase of providers since the 1960s: 20 new, mostly private, providers of MBAs appeared in the South African higher education landscape between 1990 and 2001. The global economy played a role in this expansion. After 1994, with the South African market gaining an aperture to the global economy, the government signed a series of bilateral agreements which facilitated the arrival of transnational providers in the country, especially from the UK and Australia, and the introduction of the technikon-transnational providers' partnership model. As in the US, expansion of the programme came together with fragmentation of the market in terms of both programme foci and mode of delivery. As we saw in Chapter 1, the expansion of the MBA in South Africa was characterised by the introduction of a number of specialist MBAs focused on specific industries (e.g. tourism and health), and the multiplying of providers offering different forms of distance education and e-learning.

¹³ J. Schmotter, Reflections on Two-plus Decades: A World of Difference, *Selections. The Magazine of the Graduate Management Admission Council*, Vol. 4, Issue 1, 2004, p.3-7.

¹⁴ Schmotter, *op.cit.*, p.7.

The MBA in the 21st century: New identity crisis?

At the beginning of the new millennium business education has once again come under the microscope. The swing towards responsiveness to business needs was judged to have thrown the baby out with the bathwater, putting management education at risk. *Management at Risk* was actually the title of the report of the Management Education Task Force, appointed in November 2001 by the AACSB International Board of Directors.¹⁵ The task force's assignment was to identify the challenges faced by business schools worldwide and to suggest institutional responses. This report, which has particular relevance in relation to some of the issues emerging out of the HEQC's re-accreditation of MBAs, sees the context of management education as characterised by the following features:

- The decrease during the second half of the 1990s in the business education share of undergraduate enrolments and degrees granted. (In South Africa, on the contrary, the 1990s marked a considerable increase in the number of student enrolments for undergraduate degrees in business and commerce.)
- Increased numbers of MBA students and programmes worldwide, especially in Eastern Europe and Asia.
- Increased differentiation among providers, from which emerged three main types: traditionally university-based business schools; for-profit institutions; and a large group of providers that includes executive development centres, consulting firms, independent consultants, company-based training centres, and corporate universities.
- 'Consumers' of business degrees with increasingly heterogeneous needs. Recently there has been an increase in the number of enrolments amongst the traditional college-age population (18- to 24-year-olds). Simultaneously, programmes have to respond to the demands of the 25 years and older students who, because they work, need to study part-time. Only 24 percent of the students registered at AACSB member schools attend traditional two-year full-time programmes. (As we will see in Chapter 4, MBA programmes in South Africa are also experiencing a change in their student profile. Younger and less experienced students are enrolling in the MBA.)
- Proliferation of specialised master's which take up slightly more than 17 percent of the total enrolments. (As we saw in Chapter 1, specialised MBAs are the hallmark of many of the new programmes offered in South Africa by public and private providers. Chapter 4 will analyse the weight of the specialisation in the MBA programme.)
- Many business schools adapting their curricula to train students for markets and operations that span the globe.
- Global competition among providers of business education.
- Employers demanding graduates who are prepared to leverage technology in a scalable fashion to advance firms' strategies and operations. Technological advances have also opened the door for new sources of differentiation and product lines among business schools.

¹⁵ Management Education Task Force, *Management at Risk*, AACSB International, 2002. Hereafter *Management at Risk*.

- Fundamental market imbalances, leading to a continuing cycle of escalating faculty salaries. In the US, shortages of doctoral faculty, and salary escalation, are a particular challenge for schools.¹⁶ (The issue of escalating faculty salaries in South Africa is not so much related to the 'stardom' of doctoral faculty as to the employment of part-time non-academic lecturers in the programme, and the competition between comparatively low academic salaries and high consultancy fees. This issue will be explored more fully in Chapter 4.)

In this context the actual nature and definition of the MBA is at the forefront of the contestation. According to Carnall¹⁷ there are three generations of MBAs, differentiated by their programme content and pedagogies, all of which have in common a general definition that sees the MBA as a professional master's degree characterised by its multidisciplinary nature.¹⁸

The first generation MBA is made up of a core number of cognate disciplines that are pulled together at the end of the degree by integrative subjects which constitute the capstone of the generalist MBA: strategic management, change management, entrepreneurship and leadership. To this, schools add a number of skills such as communication, teamwork and problem solving. These MBAs have traditional modes of delivery and attract younger students without very much work experience. Learning is seen as happening in class as well as in experiential learning based on case studies and in-company projects; assessment is cognitive and often examination-based.

The second generation of MBAs emerged in Europe in the 1980s. It includes theory and practice in the curriculum and is still essentially academic in orientation. The bulk of the learning takes place in the classroom. Second generation MBAs attract older and more experienced students.

The third generation, which emerged in the second half of the 1990s, sees the MBA graduate as someone who will have to make judgements, use his or her intuition and, fundamentally, experiment. These programmes are international in character and operate by integrating learning methods, principles and modes of delivery. Learning takes place at multiple business schools and in organisations. Students study management issues on a thematic basis, using project-based assessments and concrete experiences.

Carnall's classification does not include the features of a number of programmes which introduce several permutations into all three MBA generations. For example, programmes are often not designed for a single mode of delivery – instead they offer several options in terms of schedules: full-time or part-time, during the week or at weekends. Programmes can

¹⁶ *Management at Risk*, pp.6-12.

¹⁷ Carnall, C., The third generation MBA global reach and 'local' service, *The Learning Organization*, Vol 2, Issue 2, 1995.

¹⁸ The issue of the nature of the MBA as a postgraduate degree and the existing differentiation between MBA programmes is discussed in the next section of this chapter.

vary in length from 12 months to multi-year (not to mention the one-week mini MBAs advertised on the internet), or be offered in different locations – single campus, distributed, international, on-site at companies, or virtual. They can be done flexibly – lock-step on campus, or by credit accumulation from various sources, etc. In short, business schools are responding to a fragmented market.¹⁹ But market fragmentation is far from being a mere marketing issue. When considered in relation to programme offerings it has implications which go beyond market strategies: it has fundamental consequences for the definition of the MBA's purposes and its pedagogical underpinnings, its relationship with undergraduate studies and with doctoral research, and, finally, with its standing as a postgraduate degree at the master's level.

THE CHALLENGE OF MULTIDISCIPLINARITY

The MBA is fundamentally a multidisciplinary programme. This, probably much more than other characteristics, raises the issue of the strengths and weaknesses of the programme. Programme structures built around 'functional silos' that provided the organisational framework for schools were an early feature of the MBA, which permitted the constitution of business schools with a very small core of permanent academic staff and large numbers of part-time staff who came from other departments and faculties within the university or from business. This was certainly the case with the early history of the MBA in South Africa.

The recognition of business schools as legitimate academic units within universities was achieved partly through the recruitment of full-time faculty, the development of doctoral programmes, and compliance with the norms of academic scholarship. The 'functional silos' approach, however, has not disappeared from the MBA's academic horizon with the achievement of academic legitimacy. On the contrary, *Management at Risk* suggests that this approach, which provides the organisational framework for departments, core curricula and elective courses, is still a source of concern, because business problems or solutions rarely present themselves neatly within disciplinary boundaries.²⁰ But the problem is not so much the existence of separate disciplines as how to bring them together. In other words, as mentioned in Chapter 2 in relation to the analysis of the HEQC's re-accreditation results, programme governance defines a fundamental aspect of the learning experience of MBA students. For example, whether or not lecturers have regular meetings dedicated to integrating the various core and elective components of the programme, to discussing the techniques that will be used to introduce concepts and develop specific skills, and to establishing the outcomes of each course and the type of assessment it requires, are elements which very largely determine what students will get out of the MBA programme as a whole.

¹⁹ *Management at Risk*, p.21.

²⁰ *Management at Risk*, p.20.

This dilemma of business schools is not a new one. Multidisciplinary programmes, especially when focused on teaching and learning, are difficult to hold together. Multidisciplinarity does not just happen because many disciplines are taught as part of one programme; it happens because there is an epistemological convergence which sees the object of study with a different lens from each individual discipline. In this sense multidisciplinary, like relevance, is not spontaneous. It has to be constructed, and it is the organisation of the learning programme that allows students to have a learning experience outside 'functional silos'.

The organisation of the MBA programme and its actual content is not independent from the ways in which the tension between the academic and professional orientations of the degree is solved. The AACSB is quite clear in this respect: there cannot be a trade-off between relevance and rigour. This has two consequences. On the one hand it implies looking at teaching and learning and the nature of students' pedagogical experience as a fundamental aspect of relevance. On the other, it requires an examination of the position of doctoral programmes and faculty within business schools and the role of research in the MBA. As we will see in Chapter 4, this debate is also current in South Africa where schools with a 'professional' orientation argue that producing research, and training students to do research, need not have an important role in the MBA programme. However, one of the most interesting manifestations of this debate in South Africa is not so much the place of research within the MBA programme as the segmentation of the MBA depending on the school's orientation (and presumably 'catchment area').

Relevance in this context involves preparing students for the rapid pace of business change, which cannot be done simply from textbooks and cases. Active pedagogies have to be geared to the use of technology for managerial and strategic purposes. In 1999 a study conducted by Mark Kretoivics focused on the learning outcomes of an MBA programme, measuring 12 learning skills important in business management education. The study showed that MBA graduates were significantly better than the control group of non-MBA graduates in seven categories: action, goal setting, information analysis, information gathering, quantitative skills, theory and technology. But the non-MBA graduates outdid their colleagues in the other five skills: helping others, initiative, leadership, relationship, and sense making.²¹ In 2002 a poll by Canada's Financial Post based on 141 CEOs and senior executives rated non-business-school graduates as better than MBAs in commitment to hard work, oral communication, written communication, understanding the details of an industry, interpersonal skills and even in skills in marketing and sales.²² Interestingly, most studies on predictors of business success and on outcomes, and actual alumni surveys, indicate that the skills most valued by students are those the least taught in MBA programmes: interpersonal, leadership and communication skills.

21 M. A. Kretoivics, Assessing the MBA. What do our students learn?, *Journal of Management Development*, Vol. 18, No.2, 199, pp. 125-136.

22 COMPAS Inc, Public Opinion and Customer Research, *MBAs and General Master's Tied for Performance: General Master's Outperform MBAs in Hard Work, Sectoral Knowledge and Communication Ability*, CIBC/Chamber Weekly CEO/Business Leader Poll, in the Financial Post, 23 September 2002.

The tension between relevance and rigour has become more serious in the last decade. The call for relevance in relation to business and the need to respond to financial cuts through the provision of non-degree education (especially executive education courses) has steered the attention and the energy of many business schools away from what was originally regarded as their fundamental purpose. According to the AACSB's 2002 report the goal business schools should strive for is

[...] to adjust dynamically to the shifting agendas of the global marketplace with strong scholarship that both informs what is taught and connects with current and emerging business issues and practices.²³

Relevance then is strongly connected with the broad content of the curriculum, the emphasis on analytical skills and the introduction of innovations in the curriculum. This, the report argues, cannot be separated from pedagogical issues – the teaching and learning issues referred to in the previous chapter. Education is not only about the content of a subject; it is about the manner in which the subject and the skills required in it are taught: textbooks and case studies are rapidly dated and action research and the use of technology for managerial and strategic purposes become important elements in business education. Doria et al. suggest six areas of change at graduate schools of business which fit with the general recommendations of the AACSB report – and confirm some of the concerns raised by the re-accreditation of the South African MBAs. They suggest the schools should:

- Offer more courses in communication, leadership, human resources, psychology and other fields that provide graduates with skills vital to effectively managing people.
- Introduce and emphasise courses that offer the basic skills and tools needed in problem solving.
- Give more and better grounding in theory to help students go beyond case studies to analyse problems and craft solutions in situations which they have not encountered before.
- Make changes in the curriculum so that students can integrate their learning and apply multiple disciplines on the job.
- Encourage students to take full advantage of courses outside the traditional core curriculum.
- Commit themselves to differentiation in their curriculum.²⁴

As we have seen in this section, the multidisciplinary character of the MBA can be both a source of strength and the Achilles' heel of the programme. It all seems to depend on the different programmes' ability to get out of the 'functional silos' approach and to work in an integrative manner, which tends to happen in the confluence between grounding theory and analytical and problem-solving skills across core functional and other areas. The capacity to integrate a multidisciplinary programme depends to a large extent on the way in which faculty work together and schools resource a programme. This is an issue which will be explored in more detail in relation to the South African MBA in the next chapter.

²³ *Management at Risk*, p.19.

²⁴ J. Doria, H. Rozanski, E. Cohen, What Business Needs from Business Schools, *Strategy + Business* 32, pp.2-8.

A large number of the skills expected from an MBA graduate, according to the literature we have examined, are eminently research skills. This need for research-based skills as part of a master's in business administration brings us to the last focus of this chapter: the relationship between business education at the master's level and research.

RESEARCH AND THE MBA: TO BE OR NOT TO BE

The opening lines of the introduction of *Management at Risk* put the issue of research at business schools squarely into the list of prominent concerns about management education:

The unique position of business schools in the management education marketplace centers on their role as research institutions. New knowledge developed through the intellectual creativity and research efforts of business schools faculty both shapes the content of business curricula in degree and non-degree education and enhances business practices. This unique role is threatened, however, by the turbulent marketplace in which schools operate.²⁵

To a large extent the AACSB sees research as defining on the one hand the relationship between the world of business and the business schools and on the other the actual content of management education. The European Quality Improvement System (EQUIS) is no different. Schools seeking international accreditation must have 'a clearly defined research and publication policy through which faculty is encouraged to develop distinctive areas of expertise', and business school rankings also reinforce the need to support quality research. *Business Week* and *Financial Times* include 'intellectual capital' elements in their ranking formulas.²⁶

Full-time research-active doctoral faculty, as we have seen in the previous sections, is also seen as a necessary condition for the academic standing of business schools within the broader university culture. According to *Sustaining Scholarship*, a recent report commissioned by the AACSB on the shortage of doctoral faculty at business schools, there are five drivers that fuel the demand for doctoral faculty at American business schools:

- The mission of academic business schools.
- Global growth and fragmentation of the industry.
- Accreditation requirements specifying ratios of doctorally-qualified faculty relative to teaching staff.
- Demographic trends in student enrolments and faculty requirements.
- The culture of the broader university context with which business schools interact.²⁷

The mission of 'academic business schools' is regarded as the most important driver in the search for doctoral faculty. Before we explore a possible difference between 'academic' and

²⁵ *Management at Risk*, p.5.

²⁶ AACSB International, *Sustaining Scholarship in Business School. Report of the Doctoral Faculty Commission to AACSB International's Board of Directors*, 2003, p.16. Hereafter *Sustaining Scholarship*.

²⁷ *Sustaining Scholarship*, p.16.

‘professional’ business schools, it is important to clarify the extent to which research is consubstantial with business schools.

Research performed at business schools is seen as providing a theoretical and empirical foundation for translation into business models and practices. Zimmerman, for example, argues that breakthrough business thinking has often emanated from academia. Among the examples he cites are agency problems, corporate governance, capital asset pricing and risk management.²⁸ Other authors make a distinction between the theoretical grounding of business scholars and the ‘casual empiricism’ and hype of the new fads. Together with this, the AACSB’s report on doctoral faculty points to business schools’ freedom to pursue ideas as a particularly desirable feature that research into business should have:

Universities and business schools afford faculty the freedom to pursue original ideas, including those that might lead to unpopular, unintuitive, or contrarian conclusions. Other environments may be encumbered with considerations that do not allow the unfettered scholarly pursuits, limiting the independence and range of research subjects and results.²⁹

In other words, according to the AACSB, it is theoretically grounded research - done outside business – that can actually modify business practices. Innovation in management is predicated on research and this in turn entails renovation and innovation of the content of the learning programme and the teaching and learning.³⁰

The fundamental issue about the importance of research at business schools is the impact that business school graduates have in the world of business and enterprises and to what extent research education has a role to play in preparing the managers of the future.

Studies of MBA graduates’ learning skills emphasised the importance of analytical skills, research skills, writing skills and presentation skills, which are part and parcel of the education of a researcher in any discipline. The teaching of research methodology and the actual undertaking of a piece of individual research have a fundamental role in developing these skills. Even if as managers or CEOs MBA graduates will not have an opportunity to perform research, the experience of writing a piece of research and the skills associated with that effort will help them in their work.

Taking all of this into account, *Sustaining Scholarship* points out that ‘rigorous research cannot occur without research training hence the demand for doctorally-trained faculty is strongly correlated with the research mission of business schools’.³¹ Yet schools seem to be experiencing a shortage of doctoral faculty.

²⁸ Zimmerman, J.L., Can American Business Schools Survive *Financial Research and Policy Working Paper* No.FR 01-16, September 2001, The Bradley Research Policy Centre, University of Rochester, quoted in *Sustaining Scholarship*, p.17.

²⁹ *Sustaining Scholarship*, p.17.

³⁰ *Sustaining Scholarship*, p.16.

³¹ *Sustaining Scholarship*, p.17.

A number of factors explain this shortage at business schools in the US and elsewhere:³²

- The quality of applications to doctoral programmes is poor.
- Funding for business doctoral students is poor.
- Candidates have a mistaken view of the benefits of academic careers. (In the US they believe that doctoral faculty are paid substantially less than they actually are.)
- Postgraduate employment in industry is increasing while postgraduate employment in four-year educational institutions is declining.

One overwhelming factor in the shortage of doctoral faculty internationally is the ability of MBA graduates to have comparatively high entry salaries in business, a situation which freezes any interest they might have had in proceeding to a research career in academia. To make matters worse, because of the shortage of doctoral faculty salaries at business schools have escalated and created the ‘super star model’ in the market, which allows certain individuals to fetch extraordinarily high salaries at the most prestigious schools.

In the US, Canada and Europe shortages of doctoral faculty have affected business schools differently depending on whether or not they are elite private schools with a strong brand name. In relation to brand name and prestige, the AACSB report indicates that despite the fact that research has become part of the rankings of business schools, the weight of the MBA in school rankings is incomparably higher. The report points to the disjuncture between schools’ lack of funds to support doctoral faculty and programmes and the way they operate in relation to their faculty:

The disconnect is that the generally recognized top tier reward faculty for their breakthrough thinking and results. They grant tenure for significant research publications but rarely for MBA contributions. [...] Reputation within the field is significantly affected by the faculty members’ research output and less so by student output. Desirability to students and employers is affected by rankings that are almost entirely dependent on MBA programmes.³³

This situation suggests a number of reflections. First, it seems that accreditation agencies, both national and international, are not necessarily in agreement with ‘the market’ in terms of the value attached to various aspects of business schools’ activities. While ‘the market’ seems to value most immediate outputs, i.e. MBA graduates, agencies see schools’ ability to contribute to innovative theory and practices as a very valuable contribution to society and as a necessary aspect of their function. Second, the potential lack of new generations of doctoral faculty and the accompanying decrease in knowledge production suggest that, at least in practice, the link between postgraduate education and research in the field of management is being jeopardised. Third, the weakening of the link between postgraduate

³² Based on a survey of 220 AACSB member schools from the US and other countries, and focused discussion with doctoral programme directors from 20 US business schools. *Sustaining Scholarship*, p.20.

³³ *Sustaining Scholarship*, p.23.

education and research could have the consequence of setting the MBA apart from (and below) other master's degrees, professional or not.

As this is taking place at a time of growing demand for research on business and global markets, it seems all the more important to focus the attention of the public, business and potential students on the need for research in order to develop a discipline. The AACSB report is unequivocal in this regard: scholarship is consubstantial with postgraduate education; if there is no scholarship, the teaching and learning in the MBA programme will be undermined.³⁴ However, the AACSB report's proposal to legitimate dual research and non-research tracks for faculty goes some way towards promoting the coexistence of teaching and learning and research in the same academic unit.³⁵

The analysis of the results of the HEQC re-accreditation in relation to Criterion 12 (research) indicates that many South African business schools had hardly entered the debate about scholarship at the time of the re-accreditation of the MBA. This can be only partially explained through the newness of many programmes. In this sense, it seems that market segmentation, a false opposition between entrepreneurship and research, and perceptions about the market worth of an MBA graduate also play a part in deciding which MBA programme students choose (and therefore what market business schools court/cultivate and vice versa), and how much emphasis research has in a particular programme.

Research (research education and research production) constitutes one of the areas for improvement across most MBA programmes according to the re-accreditation results. However, for this improvement to take place, it seems important to take into account the debate about research and business schools in its entirety. The next chapter will explore how the structure of the learning programme and its academic governance may both enable and hinder the development of scholarship in the MBA programme.

CONCLUSION

This chapter has brought together the most important debates about management education since its beginnings in 19th century America. In doing so, it has underlined the way changes in the world of business and the international economy have shaped the purpose and content of the MBA and the business schools. It has shown that the tension between professional and academic postgraduate education is the axis along which one can plot a 40-year search for an MBA identity, both in the US and elsewhere.

³⁴ *Sustaining Scholarship*, p.27.

³⁵ In this regard, the South African experience might have something to offer to the debate. In South Africa the HEQC acknowledges that institutions should be judged in relation to their mission (fitness for purpose). This, however, is done on the understanding that all institutions have to perform teaching and learning, research and community engagement. The difference arises from the emphasis on the research aspect of the mission, which distinguishes research institutions from the rest. The implication is that research institutions are assessed against more detailed and specific criteria in relation to this aspect of their mission. See HEQC, *Framework for Institutional Audits*, Pretoria 2004; and HEQC, *Criteria for Institutional Audits*, Pretoria, 2004.

The themes of this search are far from alien to the South African business schools. The modes of recruitment and organisation of faculty; the manner in which programmes are constructed and delivered; the role of research education at the business schools and the weight of research education in the MBA programme; and the manner in which schools relate to the world of business and to the broader university culture are vital issues in the local debates.

The exposition of these debates highlights the role that organisations like AACSB³⁶ and the European Foundation for Management Development (efmd)³⁷ play not just in relation to the MBA and business schools but also in relation to management as a (multi) discipline. It is interesting that AACSB and efmd have profiles that situate them halfway between specialised quality assurance agencies and discipline academies and/or professional associations. This double role as custodians of quality through accreditation processes and developers of the discipline through research and support defines to a large extent the relationship of these institutions to ‘the market’. Both AACSB and efmd are outside ‘the market’. They do not rank institutions; they do not base their operations on market dictum. On the contrary, as we have seen, they look at the stakeholders of the discipline – business, government and society – in order to maintain a balance in the purposes of business schools between training managers and producing research for and about business. The way the AACSB’s report calls attention to the shortage of doctoral faculty to educate the public (including business) about the direct relationship between research production and discipline development is a good example of taking a view independent from ‘the market’.

The following chapter will explore some of the tensions identified in the international debate in relation to the learning programmes offered by the South African MBAs.

³⁶ www.aacsb.edu

³⁷ www.efmd.be

THE MBA LEARNING PROGRAMME: ISSUES OF CONTENT AND STRUCTURE

Even a cursory reading of Gordon and Howell's *Higher Education for Business*, the report on the state of business education in the US funded by the Ford Foundation and published in 1959,¹ shows the striking similarities between the MBA then and the MBA today but it also shows the differences that separate the three generations of MBAs, as referred to in Chapter 3. When Gordon and Howell's report appeared business education was, as we saw in the previous chapter, at a crossroads. It had to decide in which direction to move. In the authors' own words:

But it [business education] is an uncertain giant, gnawed by doubt and harassed by the barbs of unfriendly critics. It seeks to serve several masters and is assured by its critics that it serves none well. The business world takes its students but deprecates the value of their training [...] It finds itself at the foot of the academic table [...] It is no wonder then, that 'Schools of Business Administration across the nation are trying, sometimes almost desperately, to find their souls'. They are 'bedevilled by the problem of whom to teach and what to teach'. They seek to clarify their purpose and to find their proper place in the educational world. They search for academic respectability, while most of them continue to engage in unrespectable vocational training. They seek to be professional schools, while expressing doubt themselves that the occupations for which they prepare students can rightfully be called a profession.²

The fact that more than half of the 1959 report (10 out of 18 chapters) focused on issues of programme and teaching and learning shows that then, as now, the content of business education and the ways in which it was transmitted constituted the crux of the existence of business schools. More recently, the international debates on MBA learning outcomes have been focusing on a number of hard and soft skills expected from MBA graduates. The issue of the selection of optimal methods and pedagogical situations to facilitate the development of these skills constitutes a central aspect of the MBA debate which is particularly relevant for South Africa.

The weight attached to the accreditation criteria focused on the learning programme in the HEQC re-accreditation of the MBA – 8 out of 13 accreditation criteria were centred on this – is both consistent with these international trends and sensitive to local challenges. Of particular relevance among these latter is the development of adequate support mechanisms for students who, owing to historic disadvantage, do not comply with the stipulated assumptions of learning.

1 R. Gordon and J. Howell, *Higher Education for Business*, New York, Columbia University Press, 1959. Hereafter Gordon and Howell, *Higher Education for Business*.

2 Gordon and Howell, *Higher Education for Business*, p.4.

The analysis of the results of the re-accreditation process showed that the quality of the learning programme depends to a large extent on the academic governance of the programme itself, i.e. the mechanisms used by programme directors to guarantee the intellectual integrity of the programme and the consistency of the students' teaching and learning experience. In turn, the relationship between content, pedagogy and academic governance varies from programme to programme depending on how long the business school has been in operation, its mode of delivery, and the market niche within which it operates.

Taking all of this into account, this chapter is focused on the learning programme criteria, which, as seen in Chapter 2, include the following elements:

- The processes that guarantee the integrity and intellectual coherence of a programme and the mechanisms to monitor and review it.
- The actual intellectual coherence and appropriateness of the programme content in relation to its purposes.
- The structure and articulation of the teaching and learning processes, including the assumptions of learning that guide the admission of students, assessment, and research education.
- The availability of adequate human resources (academic, support and administrative) to fulfil the objectives of a programme according to its specific mode of delivery. This includes the translation of the national goals of equity and redress into institutional- and programme-level policies for appointments.
- The manner in which programmes guarantee students access to sufficient and adequate physical and educational infrastructure according to their specific mode of delivery.

This chapter examines the MBA learning programme specifically from the point of view of the articulation between admissions, content level, teaching methods, assessment (including the MBA dissertation) and learning outcomes. It looks into how the quality of faculty – their qualifications, teaching abilities, actual business experience and research acumen – is essential for the overall quality of a programme. It is based on an analysis of responses to the baseline questionnaire sent out by the HEQC before the beginning of the re-accreditation exercise, the 37 programme submissions, and all the expert panels' reports. It argues, first, that the realisation of learning outcomes depends very largely on both student selection and the programme's academic governance; second, that the trend in some programmes to dilute research training and diminish the importance of the MBA dissertation undermines the standing of the MBA as a postgraduate degree at the master's level; and, third, that most specialist MBAs offered in South Africa have too thin a sector-specific content to be interpreted as more than exercises in search of comparative market advantage. Finally, the chapter argues that weak or non-existent faculty research production compromises the relevance of the MBA for the South African business world.

With this in mind, Chapter 4 is organised into three sections. The first section deals with the relation between admission requirements, assumptions of learning and programme outcomes, and offers an analysis of typical curricula. The second concentrates on teaching and learning from the students' perspective and discusses the importance of the MBA 'total

experience' pedagogy and the role that the composition of faculty has in sustaining a programme. The third analyses the matrix mode of programme organisation.

THE CONTENT OF THE MBA: TEACHING WHAT TO WHOM?

In the previous chapter we mentioned the struggle of business schools for acceptance in the academic world. We saw that the process of branding the MBA, together with the actual contributions of the programmes to business, and the growing importance of business in the globalised society, have made the MBA into one of the (if not the) most reputable and popular postgraduate degrees in the world. The manifestation of this popularity and reputation in South Africa has been the mushrooming of MBA programmes in the country during the last decade. The expansion of the MBA in the country sharpened competition between business schools and heightened their need to find acceptable and profitable market niches. One plausible market niche is constituted of individuals who do not have the necessary academic background and/or work experience required for a professional master's but who are eager nevertheless to obtain a degree which is seen as an open door to success. Another consists of individuals who work in a particular economic sector or industry and who are interested in applying a management approach to their industry. Although this makes sense from a marketing point of view, it seems to have been translated, in some cases, into a relaxation of admission requirements, the thinning of the curriculum content, and the devaluation of the research work in relation to the MBA. Evidence of these processes was found during the HEQC re-accreditation.

An analysis of business schools' submissions to SAQA, on which part of this chapter is based, indicated that there was general confusion about the forms in which fundamental and core modules related to each other in the structure of a programme. Schools' submissions were also characterised by the allocation of credits which often did not reflect the actual notional hours that students invested in the programme. Taking this into account, and in order to avoid confusion, for the purpose of this report we have conflated fundamental and core modules into 'obligatory modules' and distinguished them from modules that are elective. We do not analyse the number of credits attached to each module but rather the relation between the content of a module, the way in which it articulates with other modules, and the level at which these modules are taught.

The point of departure of this analysis, as in the re-accreditation process, is that a higher education programme is a purposeful and structured set of learning experiences that lead to a qualification. A programme, then, implies the existence of a structured progression between contents and learning experiences that is designed to facilitate the attainment of learning outcomes.³

The attainment of learning outcomes is predicated on a student having a range of prior skills, competencies and knowledge which constitute the necessary antecedent of the learning experiences he/she is about to embark upon. For example, master's programmes require students to have an honours degree or equivalent to enrol. However, some programmes are

³ See *HEQC Accreditation Framework*, September 2004.

structured in such a way that students who lack the necessary assumptions of learning may acquire them through the programme.

Quality in any programme is the result of the interaction of a range of elements: the content of the programme, the academic/professional standing of lecturers within their field as well as their ability to teach, and students' readiness to engage with the content and pedagogical experiences offered to them. This section looks into the interactions between admissions, programme content and learning outcomes of the MBA programmes evaluated during the HEQC re-accreditation.

Admission requirements

The MBA is a professional degree taught at the master's level. All accreditation bodies take this statement as a point of departure from which to state the requirements students must meet to obtain the degree.⁴

In South Africa the MBA as a professional master's degree is situated at Level 8 PG 2 of the NQF. The table below shows the applied competencies and autonomy of learning that graduates from a professional master's should have acquired during their studies.

Table 1: NQF Level descriptor 8 PG2

<i>Applied competency</i>	<i>Autonomy of learning</i>
A comprehensive and systematic knowledge of a field/discipline and a depth of knowledge in some areas of specialisation.	Capacity to operate effectively in complex ill-defined contexts.
A coherent and critical understanding of the theories of the field/discipline; and ability to critique current research and advanced scholarship and ability to make epistemological judgements based on evidence.	Capacity to self-evaluate, exercising personal responsibility and initiative.

⁴ The MBA is a postgraduate degree at the Master's level and must correspond to minimum intellectual and academic standards for such degrees. Admission to an MBA programme will normally require a first degree or equivalent. This requirement can only be lowered exceptionally in the case of candidates with substantial and proven professional experience. The MBA is a post-experience degree seen as a career accelerator or a means to make a career shift after a minimum of two or three years' professional experience. Programmes designed to help young graduates prepare for their entry into professional life should normally carry an alternative title. The MBA has a minimum length of one academic year of full-time study or the equivalent when the programme is offered on a part-time basis. The MBA will require a minimum of 400 hours of classroom study or structured contact. In all, the programme should require a minimum of 1 200 hours of personal work. An MBA programme should be intellectually demanding and require a substantial personal investment in terms of commitment and effort. Admission to an MBA programme should be through a rigorous process of selection to ensure that only qualified participants are given access to the degree. Participants in an MBA programme should be rigorously assessed through a regime of examinations and graded work in order to ensure that learning objectives are being met up to Master's degree standards. European Quality Link, European MBA Guidelines. www.efmd.be

Table 1 continued

<i>Applied competency</i>	<i>Autonomy of learning</i>
An understanding of a range of research methods, technologies and techniques. The ability to select them appropriately for a particular research purpose.	Capacity to manage learning tasks autonomously, professionally and ethically.
Ability to identify, analyse and deal with complex real-world problem issues using evidence-based solutions and theory-driven arguments.	Capacity to continue to learn independently, for continuing academic or professional development.
Efficient and effective information retrieval skills; the identification, critical analysis and evaluation of quantitative and qualitative data; an ability to engage with research and current scholarly or professional literature.	
An ability to present/communicate academic professional work effectively, catering for a range of audiences.	

The acquisition and development of these capacities is predicated on students having the prior knowledge, skills and competencies that will support and facilitate their learning process at the master's level. Thus the main purpose of entrance requirements to programmes is to ensure that all prospective students have the necessary assumptions of learning to succeed in a programme. The standard admission requirements for entrance into an MBA programme are an honours degree or equivalent in a relevant discipline and a minimum of three years' relevant working experience.

In South Africa the NQF has introduced the possibility of using admission criteria other than those usually stated. Recognition of prior learning (RPL) is a way of opening higher education to individuals who, for a variety of reasons, have acquired professional experience without having a higher education degree. Similarly, the concept of alternative admission (AA) through the discretionary power conferred upon higher education institutions' Senates acknowledges the circumstances of individuals who, despite not meeting all of the necessary academic requirements for entry into a particular degree, show the potential to succeed in it.

Taking this into account the following table sets out the different admission routes into the MBA as a professional master's at Level 8 PG 2 of the NQF.

Table 2: Admission routes into the MBA

<i>Standard admission</i>	<i>RPL</i>	<i>AA</i>
Honours or equivalent in relevant discipline.	No higher education degree.	A higher education degree.
Minimum of three years of relevant working experience.	Substantive working experience.	Some work experience.

In reality, however, the MBA programmes' admission procedures are quite different from those which Table 2 suggests. As we saw in the analysis of the re-accreditation results (Chapter 2), 52 percent of the programmes offered by public providers and 71 percent of those offered by private providers needed to improve their admission practices. Two of the most typical reasons for not meeting minimum standards in relation to the admission criterion were admitting more students than the accepted 10 percent of a cohort via RPL or AA and using poor methods of testing whether students had the necessary assumptions of learning. These admission practices, as we will see, have important consequences for the way in which programmes are structured and the progression students make through them.

Programmes that met minimum standards or were commended in relation to admissions required students to have an appropriate higher education degree and relevant work experience, as in any other professional master's. Over and above this, for these programmes students had to fulfil a number of other requirements, including psychological tests to ascertain their potential in the field, interviews, letters of reference, essays, etc.

Some of these programmes required students to complete the GMAT, administered by the US-based GMAC,⁵ which assesses numeric and communication skills, reasoning abilities, and other competencies and knowledge regarded as necessary for doing an MBA.⁶ Most of these programmes admitted students via RPL and AA within the stipulated 10 percent proportion. Some of these programmes put together bridging courses, which are not credit-bearing for the MBA, in order to help students acquire the assumptions of learning underpinning the MBA programme. In another variation, some programmes invited candidates thought unready for the MBA to an alternative programme which included some MBA courses, where the candidates' performance was closely monitored to ascertain whether they could actually be admitted into the MBA programme. Fundamentally, what distinguished these programmes' admission practices is that admitting students via RPL or AA did not affect the structure and rules of progression of the MBA that they offered and therefore the standing of the degree at the master's level.

⁵ www.mba.com/mba.default.htm

⁶ Some South African programmes, although they recognise the standing of GMAT as the standard international admission test for entrance to the MBA, see it as culturally biased and prefer to apply their own in-house tests.

Conversely, some of the MBA programmes assessed by the HEQC were structured in different ways to allow for the admission of students via RPL or AA. Unfortunately, as can be seen in the table below, the manner in which this was done often had serious consequences for the location of these MBAs at Level 8 of the NQF.

The programmes represented in Table 3 are structured in building blocks. This means that the MBA is splintered into intermediate degrees which act both as feeders to the MBA and as part of the MBA programme itself. Thus, instead of providing the necessary bridging courses for RPL and AA students to enter the MBA, these programmes made bridging courses part of the MBA. By following this approach these schools were conferring MBA degrees that had not been taught at the required level.

In the case of programme A in Table 3, students were admitted via AA with a three-year undergraduate degree but they were not subject to any form of skills test to ascertain whether they possessed the required assumptions of learning. Instead, students were admitted into a programme at which eight MBA modules were taught (in all probability not at NQF Level 8). A minimum 65 percent mark for all these modules gave students entrance into the MBA as well as credits towards it.

Programme E is a good example of a programme planned around RPL needs. The building blocks towards the MBA were designed with multiple exits and entries (including obtaining three qualifications after completing three years of study). The MBA programme admitted three different types of students without any entrance requirements. The first admission route was via RPL for students who did not have prior degrees but had five years of working experience. These students were admitted into a programme the successful completion of which allowed them to proceed into the first year of the MBA already having 50 percent of the credits (which could not have been taught at Level 8 of the NQF). The second admission route encompassed students who had higher education degrees but no professional experience (a particular form of AA). This programme allowed students in these circumstances to obtain a postgraduate diploma in one year, to exit the programme in order to get experience, and then come back to complete the MBA. Finally, the third route was for those candidates who were closer to possessing the necessary assumptions of learning and could be admitted directly into the MBA. However, if these students did not possess or acquire during the programme the necessary research skills, the programme allowed for an intermediate exit.

Table 3: Entrance requirements in South African MBA programmes structured as building blocks

<i>Programme</i>	<i>Degree required</i>	<i>Experience required</i>	<i>Standard tests</i>	<i>Additional requirements</i>	<i>Building block programme structure</i>
A	Three-year tertiary degree.	Three years' management.	None.	Letters of recommendation, CV and two essays.	Executive development programme includes eight MBA modules. If 65% is attained in each module student is admitted into the MBA.
B	B degree.	Three years minimum.	Numeracy, speed, comprehension.		Management development diploma acts as a feeder to the MBA.
C	B degree.	Two years' experience.	None.	Graduate record, two references, interview, CV.	If student has less than five years' experience must take a pre-MBA course.
D	B degree or Higher National Diploma from provider.	Three years minimum, one year supervisory experience.	None.	Recommendations, transcripts, CV.	National diploma students must complete middle management programme and then apply to Senate to obtain bachelor status for admission into MBA.
E	Varies.	Varies.	None.	None.	<p><i>No prior degree, 25 years old and five years' experience.</i></p> <p>Entrance to management advanced programme. The completion of this takes the student into the first year of the MBA with 50% credits. Student proceeds to MBA second year.</p> <p><i>Student has a degree but no experience.</i></p> <p>MBA level 1 gives a post-graduate diploma. Student exits to get work experience and comes back to MBA level 2.</p>

Table 3 continued

<i>Programme</i>	<i>Degree required</i>	<i>Experience required</i>	<i>Standard tests</i>	<i>Additional requirements</i>	<i>Building block programme structure</i>
					<i>Degree plus three years' experience.</i>
					Can enter MBA first year and exit with a postgraduate diploma, or continue to MBA2 and obtain MBA.
F	B degree.	Three years.	Psychometric test.	Recommendation, interview, CV, computer literacy.	Advanced business programme functions as the MBA first year. Students progress to MBA second year. BTech management accepted as MBA first year and progresses to MBA second year.

Table 3 brings to the fore two worrying issues about the provision of the MBA in South Africa. On the one hand some programmes advertised as MBAs failed to provide content and learning experiences at a master's level. On the other, some of these programmes, apparently more concerned with enrolment numbers than with the soundness of the learning programme they offered, introduced intermediate qualifications that have no real currency in the market, with obvious consequences for their graduates. Despite claims by providers about the contribution programmes such as these make to broadening access to postgraduate education, there can be little doubt that access to poor quality renders the democratisation of higher education empty.

The re-accreditation exercise has shown that several MBAs had admission practices which, contrary to accepted practice, allowed more than 10 percent of students per cohort to access the programme via either RPL or AA. The fact that students were admitted into modules which were both feeders to and part of the MBA implies either that the programme was taught at a level that students could not reach and therefore they dropped out/failed and left the degree, or that they were carried by the programme, which was taught below the appropriate NQF level with the result that, if students actually graduated, whatever their certificates say, they did not obtain an MBA.

When students are admitted into a programme for which they are not prepared they undermine the syndicate work and the discussions that take place at lectures and which

constitute the centre of the MBA pedagogy as ‘total experience’. One variation of this problem was voiced by students during the site visits that formed part of the re-accreditation process. They remarked on the difficulty of dealing during discussion time with students who had no work experience because these students did not have the context necessary to participate in these discussions productively.

The next subsection will explore the relationship between admissions, content and rules of progression within the MBA programme.

Programme content and articulation

The nature of the relationship between admissions, the content of the learning programme and the achievement of learning outcomes is a major differentiator of good MBA programmes. The following table presents the required content of an MBA programme according to the European Quality Improvement System (EQUIS), which was the standard incorporated in the re-accreditation Criterion 9 used by the HEQC.⁷ The table presents both the core functional areas that must be taught and the knowledge that must be included in the courses/modules.

Table 5: Content of the MBA European standard

<i>Main functional areas</i>	<i>Areas of knowledge underpinning management</i>
Accounting	Concepts and applications of accounting
Finance	Financing of business
Marketing	Concepts, processes and institutions in the production and marketing of goods and services
Operations management	Change management
Information systems management	Management information systems, including information technology
Human resources management	Organisational theory and behaviour
Economics	Impact of environmental forces on organisations
Quantitative analysis	Quantitative methods

As mentioned earlier, a higher education programme is based on the purposeful articulation and progression between modules. Not only is the MBA no exception to this but, as we saw in Chapter 3, the multidisciplinary character of the MBA requires ‘summative’ courses that

⁷ The MBA is a generalist degree in business administration. In line with the previous guideline it is a broadening programme. As a result a specialised Master's degree should not be called an MBA. It is important that the MBA be clearly identified with a certain type of content. The MBA curriculum provides broad coverage of the main functional areas in management, namely accounting, finance, marketing and sales, operations management, information systems management, law, and human resource management. It is also expected to provide basic instruction in economics and quantitative analysis. The curriculum will normally be highly integrative and will include courses in business policy and strategy. Beyond the mere acquisition of knowledge and technical skills the curriculum is expected to put theory into practice by focusing on the personal development of participants through such competencies as decision-making, team work, leadership skills, entrepreneurial potential, negotiation skills, communication and presentation skills. The later part of the programme should make provision for electives and may include the possibility for participants to choose a major area of study. www.efmd.be

Table 6: Examples of poorly articulated general MBA programmes

Programme	Admission criteria	Obligatory	Electives	Learning outcomes	Dissertation
MBA General 1	<p><i>No prior degree, 25 years old and five years' experience.</i></p> <p>Entrance to management advanced programme. The completion of this takes the student into the first year of the MBA with 50% credits. Student proceeds to MBA second year.</p> <p><i>Student has a degree but no experience.</i></p> <p>MBA level 1 gives a postgraduate diploma. Student exits to get work experience and comes back to MBA level 2.</p> <p><i>Degree plus three years' experience</i></p> <p>Can enter MBA first year and exit with a postgraduate diploma, or continue to MBA second year and obtain MBA.</p>	Strategic management, two courses.	<p>Information management.</p> <p>Strategic marketing.</p> <p>Advanced marketing.</p> <p>Advanced human resources management.</p> <p>Project management.</p> <p>E-commerce.</p> <p>Advanced financial management.</p> <p>Supply chain management.</p>	<p>Understand and be able to evaluate the concepts and theories of the academic disciplines underpinning management practice.</p> <p>Analyse and diagnose complex and uncertain situations.</p> <p>Effective decision making; ability to implement decisions; effective communication skills.</p> <p>Formulate coherent strategic policies in collaboration with stakeholders.</p> <p>Develop action learning skills; integrate theory and practice.</p>	25 000 words.
MBA General 2	<p>NQF Level 6.</p> <p>Five years of relevant experience.</p> <p>Psychometric test.</p> <p>Interview.</p>	<p>Human resource strategy.</p> <p>Quantitative techniques.</p> <p>Strategic information management.</p> <p>Management economics.</p> <p>Financial management.</p> <p>Strategic management.</p> <p>Organisational dynamics.</p> <p>Research methodology.</p>	<p>Project management.</p> <p>Entrepreneurship.</p> <p>Management of technology.</p> <p>E-business management.</p> <p>Sector 1 management.</p> <p>Sector 2 management.</p> <p>Sector 3 management.</p> <p>Overview sector 2.</p> <p>Business ethics and corporate governance.</p>	<p>Identify and solve complex business problems.</p> <p>Acquire grounding in generic management.</p> <p>Manipulate information to meet goals using appropriate technology.</p> <p>Develop and analyse business strategies.</p> <p>Manage organisations within international context.</p> <p>Demonstrate and apply business research ability.</p>	Research project.

make sense of previous learning in an integrated manner. These courses, the capstones of the MBA programme, are usually some form of strategic management. Table 6 shows two examples of poor articulation and lack of coherent rules of progression in two archetypical general MBA programmes.

Programme 1's main feature was a learning programme structured around only two levels of strategic management with no introductory modules to give the student the tools with which to make sense of management, and with a number of elective courses which by definition do not have a logical progression between them. As can be seen in this case, students were neither forced nor given the option to take a module on research methodology to help them tackle the preparation of the dissertation, which in this particular model of programme still has considerable weight in the overall structure. In this case, the poor content of the programme in terms of obligatory courses corresponded with the very low admission requirements and the splintering of the MBA qualification into two others.

Programme 2 is also a general MBA. Its fundamental characteristic was the lack of logical progression between modules. No module was a pre-requisite for entry into more advanced modules. This programme was not based on the principle that knowledge needs to be built systematically: no logical sequence can be discerned in this structure. A set of admission requirements that met minimum standards was completely undermined by the fact that students enrolled in the programme could start and finish the MBA at any point. Thus, the fact that, unlike Programme 1, this programme offered more or less all the necessary obligatory subjects made little difference. What sense is strategic management as the capstone module going to make for students who have as yet taken no other subject?

Both programmes used multiple-choice questions and essays or a case study in their assessment of students' performance. A further characteristic of both programmes was that they had very few permanent faculty to count on for teaching obligatory courses. Thus they depended on contracted lecturers, usually professionals, to teach different modules. One implication of this arrangement, which we will examine in detail in the last section of this chapter, is that modules were offered when lecturers were available. Hence progression could not be enforced.

Table 7 shows the structure of an archetypical specialist MBA. This programme had three main distinctive features. Firstly, it only offered three of the modules considered the basis of any MBA (financial management, human resource management, statistics, research methodology, management accounting, operations management, strategic management and marketing management). Secondly, there was no evidence of any module acting as a capstone either in the first or the second year. Thirdly, the second year was concentrated on the specialisation, and the dissertation which was on the area of specialisation. A specialisation in the management of a sectoral industry can hardly be taught in four modules, one of which is on policy.

Table 7: Example of poorly articulated specialist MBA programme

<i>Programme</i>	<i>Admission criteria</i>	<i>Obligatory</i>	<i>Electives</i>	<i>Learning outcomes</i>	<i>Dissertation</i>
MBA Specialist 1, distance.	Degree or diploma. CV, letters of reference. Interview. Computer literacy. 30% of students admitted through alternative admissions.	<i>Level 1:</i> Management and organisational behaviour. Financial decision making. Marketing and the environment of economics. Quantitative methods. <i>Level 2:</i> Specialisation. Services marketing. Sectoral policy. Sectoral economics and finance.	Not stated.	Not correctly stated.	<i>Level 3:</i> Three-hour workshop on research methodology, and dissertation.

The curriculum of MBA Specialist 1 gives no indication of how practical issues related to the specific sector were addressed in the modules. The fact that this MBA was offered as a distance programme raises the issue of how to deal with applying the modules. A three-hour module on research methodology prior to undertaking the dissertation casts some doubts on the importance attributed in the programme to both research methodology and dissertation. Once again, it seems that the low admission requirements were matched by a thin MBA that offered a limited introduction to the fundamentals of business management and a minimalist approach to the area of specialisation. However, understandably, a programme like this, aimed at middle management in a particular industry or economic sector, is quite sought-after by individuals looking for promotion and companies implementing staff skills development for newly appointed managers.

The structure of the MBA Specialist 1 brings to the fore the purpose of specialisations in the context of the MBA, and the ways in which they should be integrated into the foundation programme. This programme seemed to lack a capstone for the foundation and to offer neither structure nor progression in the second year focused on the specialisation. Should there be an integrative module to make sense of the specialisation in the context of the MBA? The ways in which these programmes were presented and marketed seem to confirm that specialisations are mixed with the search for comparative advantage in a rather well-supplied market. It is interesting that, as seen in Chapter 1, specialist MBAs were offered by the newer providers amongst both private and public higher education institutions, who had

to compete with the well-established, older schools, whose reputation in the MBA market had been fairly secure for several years.

Table 8 presents the final archetype: a well-articulated general programme. The programme had three clear components. The first part situated organisations in the socio-political environment in which they operated, and introduced the idea of interaction with the environment in a managerial fashion. The second part was concentrated on the principles and operations of management and provided the students with the necessary tools and techniques to develop management skills. The last part focused on practically oriented training and on a coordinating course centred on the functions of top level management. As can be seen from the table, all elements of management were part of the programme as obligatory modules. There was no obligatory research methodology module and the dissertation was replaced by a management report, which was designed to demonstrate that the student had achieved all the learning outcomes.

The number and variety of elective courses was not too broad and fitted the generalist character of the programme. The MBA General 3 seemed to offer a balance between theory and practice that would enable students to attain the learning outcomes. This programme had quite sophisticated assumptions of learning and specific skills which were tested in-house. It articulated upwards with a PhD in business management. It had a large number of full-time academic faculty to teach the obligatory modules and to supervise the preparation of the management report. This type of programme structure is characteristic of older and well-established programmes. However, we will see in the last section of this chapter that it is not only the older model with a large full-time faculty that runs a good MBA programme and that there are in fact comparatively new programmes that have an excellent curriculum structure.

Looking at the results of the re-accreditation process and at the schools' submissions it seems clear that the schools with the best structured programmes have the highest admission requirements. Programmes structured according to coherent rules of progression and whose overall intellectual integrity is maintained throughout the teaching and learning process are predicated on students possessing the necessary assumptions of learning to succeed in a master's degree, and therefore on the careful selection of their candidates.

From the analysis of the learning programmes of the 37 South African MBAs that entered the HEQC's re-accreditation process, it emerges that besides the subjects corresponding to the AMBA and EQUIS standards, business schools also offer a number of courses considered locally relevant, such as leadership, entrepreneurship, change management, corporate governance, business ethics and project management. It is noteworthy that business schools are increasingly focusing on core management skills, critical thinking, leadership, implementation and environmental awareness as part of the hard skills required from MBA graduates.

Table 8: Example of a well-articulated general MBA programme

Programme	Admission criteria	Obligatory	Electives	Learning outcomes	Dissertation
MBA General 3.	B degree. Three years' experience. Tests management competency profile, numerical reasoning. Communication skills. Bridging programme (without credits) to address gaps.	<p><i>Year 1</i></p> <p>Foundations of business. Logics of management. Management accounting. Organisational behaviour. Operations management. Management of finance. Introduction to entrepreneurship. Human resource management.</p> <p><i>Year 2</i></p> <p>Financial management. Marketing management. Management dynamics. Information management. Enterprise resource management. Business strategy. Management report.</p>	Investment management. Technological management. Advanced marketing. Labour relations. Etc.	Understanding of comparative business frameworks and applicability. Knowledge of conceptual and analytical fields of business management. Ability to apply analytical frameworks. Ability to work alone and in teams. Problem solving skills. Leadership skills.	Management report. Vertical articulation to a PhD.

A comparison between current requirements and Gordon and Howell's 45-year-old suggestions of core content for the MBA indicates that the core areas of knowledge for management have not changed substantially.⁸ What seem to have changed radically are the spread of the elective courses and the possibility of specialising in certain areas or industries. Internationally, most of the new industry-focused and process- (or technology-) oriented

⁸ Gordon and Howell suggested the following core contents for the MBA: organisational theory and management principles; market environment and functional management (finance, marketing, industrial relations, human relations, production or operations management); information and control systems (managerial accounting and statistical analysis and related topics); advanced economics (aggregative economics and managerial economics); legal environment of business; and integrating the management viewpoint (business policy). Gordon and Howell, *Higher Education for Business*, p.209.

specialisations available today are a response to the influence of globalisation and the IT revolution on business in the last two decades.

In the South African case, the range of elective courses offered by each programme differentiates business schools in terms of focus and resources as well as in terms of access to networks. The more established schools offer a variety of electives that provide the opportunity for some form of specialisation in fields such as investment finance, property and human resource management. Other electives are tourism management, e-commerce, health management, small business management, global marketing, knowledge management, and managing HIV/Aids. Yet it is interesting that older and more established schools have a narrower variety of electives while at the same time they offer opportunities for students to undertake electives at other business schools abroad. Chapter 5 explores the issue of course content and the local social relevance of the MBA.

Technikon-based programmes, on the other hand, have drawn on their historic experiences with the manufacturing and production industries in the organisation of elective courses for the MBA. Thus, examples of elective choices at the technikon-based MBAs are world class manufacturing, quality management, management of technology, the economics of the motor industry and supply chain management.

Private institutions tend to offer a smaller selection of electives, relying largely on sufficient student interest to offer them. Yet, interestingly, the largest concentration of specialist MBA programmes was found at local private providers. Possible reasons for this are advanced in the section below that focuses on the matrix model of programme organisation.

The minimum standards of the learning programme criterion state that no more than a third of the qualification should be in the area of specialisation. Yet one of the most common reasons why South African specialist MBAs failed to meet minimum standards in this criterion during the HEQC re-accreditation was not that they taught more than a third of their courses on the specialist area but that they taught less. The case presented in Table 7 supports this argument. Given that the trend internationally is towards significantly higher percentages of the programme in the area of specialisation, with functional and generalist subjects occupying minimal space, it seems legitimate to wonder to what extent, at least in some cases, specialisations in South Africa are actual responsiveness to market needs.

International trends in specialisation raise the broader question about the nature and purpose of the MBA discussed in the previous chapter. Is the MBA a generalist qualification? Is there a need for specialists with generalist knowledge, in which case would provision be moving towards the 'bespoke MBA' with the programme designed with the flexibility to allow for diversification in the elective streams as the bases for specialisation? Is the future of the MBA in the development of sectoral-specific programmes? If the answer to the latter is yes, how would sector-specific programmes produce the 'ideal MBA' according to Neelankavil's description?

The ideal MBA would be creative, intelligent, hard working, well-organized, socially responsible, ethically oriented, mature, flexible and able to understand the functional interplay among finance, human resources, marketing and operations management. In addition, such an individual would have a strong analytical background, extensive business experience and work well with people. The ideal MBA would be, in short, a well-educated and well-rounded individual who could tackle the myriad problems faced by managers in all business.⁹

The place of research education in the MBA

The question of what the 'ideal MBA' is cannot be settled without tackling the dichotomy between the 'professional' MBA and the 'academic' MBA. In 1959 Gordon and Howell reflected that many business schools, regardless of their specific orientation, would define their MBA as a professional master's in the sense that their programmes prepared for practice rather than for teaching and research, and because the majority of the programmes did not build on an undergraduate base in the same field.¹⁰ This old debate is current in South Africa where programmes that define themselves as practitioner-oriented see in this focus a reason to minimise the role of research in the overall programme.

The currency of this debate seems to be partly related to the societal focus on entrepreneurship and the growing perception of the MBA both in the public and private sectors as the best approach to the training of new management cadres from historically disadvantaged groups. These local drivers operate in a changing business context where complexity, internationalisation, knowledge management and flat organisation structures accentuate the need for skills that could enable middle managers, and also future business leaders, to make strategic decisions in an ever competitive world.

Practitioner-focused programmes place less emphasis on the research component of the MBA than do their more academically oriented counterparts. But perhaps it could be that, at least in certain cases, the practitioner label offers an elegant way out of the difficulties caused by the lack of academically trained faculty either available for or capable of supervising research projects. Could it not be, as the analysis presented in the previous section suggests, that practitioner programmes are enrolling students who are in no position to comply with the research requirements of a master's level degree, and who are not provided with the necessary support within the programmes either?

The analyses of the programme archetypes presented in Tables 6 to 8 give a sense of the wide differences in the ways in which programmes deal with the research component of the MBA. Against this backdrop the issue of the MBA dissertation needs to be tackled from two different perspectives. One is the definition of the master's degree. As we saw earlier, the

⁹ James P. Neelankavil, Corporate America's Quest for an Ideal MBA, *Journal of Management Development*, Vol. 13 No. 5, 1994, pp.38-52, p.38.

¹⁰ Gordon and Howell, *Higher Education for Business*, p.248.

MBA, as a professional master's degree, is pitched at Level 8 PG2 of the NQF. Table 1 indicates that half of the applied competencies of professional masters, are in the field of research. This does not mean that the aim of the qualification is to turn the student into a researcher. No accreditation body expects MBA programmes to turn out researchers and academics; this is the function of doctoral programmes. But there is a general acknowledgement that research skills are among the enabling tools for independent learning.

An examination of a sample of research reports and dissertations approved at some of the business schools whose programmes were part of the re-accreditation process signalled the existence of a wide, possibly too wide, spectrum in the level and scope of these works. While some of these dissertations could hardly stand comparison with master's dissertations in other disciplines, even with mini-dissertations from coursework master's, others showed the kind of integration between theory and application expected at a master's level (professional or not).

Taking into account both international debates and South African trends in this regard, it seems important to point out that even if a fitness for purpose approach akin to the one taken by the AACSB were to be applied in South Africa, defining a school as practitioner-oriented only means that the faculty is not primarily engaged in research, not that students do not have to acquire research skills and competencies in order to be awarded an MBA. This approach, of course, begs the question as to how faculty that is not active in research can teach research methodology and supervise master's dissertations. We would like to argue that the location of MBA programmes within higher education institutions, whether these are universities, the now universities of technology, or private providers, defines the need to have a research function. This need not constitute the primary focus of the school's mission, but it cannot be minimised to the point that a master's degree is stripped of its defining features.

From the point of view of research skills alone, few MBA programmes actually match the level descriptors of the professional master's degree. However, this is a problem manifested also in non-professional disciplines in relation to the structured master's or master's by coursework. A master's degree without sufficient research methodology, theoretical grounding and analytical skills seems misplaced at Level 8 PG2. The issue of research in the MBA is not limited just to a matter of standards but is fundamentally related to curriculum content and knowledge production. We mention in Chapter 3 that research is a fundamental aspect of business school accreditation by the AACSB and EQUIS.¹¹ The AACSB highlights the role that research plays in achieving curriculum renewal and relevance. There is, moreover, a general agreement that globalisation and the changes it has brought about in terms of governance, markets, and the relations between macro and micro economic policy

11 See EQUIS, *Criteria Satisfaction Checklist* (pdf), and *The Dynamic Model for Quality Development. Guidance Notes on the EQUIS Quality Criteria* (pdf); www.efmd.be AACSB International, *Eligibility Procedures and Accreditation Standards for Business Schools*, adopted on 25 April 2003. Revised on 1 January, 2004 www.aacsb.edu/accreditation

have heightened the need for research that helps us understand these changes and their implications. The AACSB argues that business schools have a responsibility to respond to the need for research on business. As we will see in the next chapter, in a developing country such as South Africa the areas for research and, by implication, for curriculum renewal are at the intersection of the global and the local. Orienting students towards current and locally relevant research areas is a fundamental aspect of research training at the MBA programmes, not because students should develop an academic interest but because on their actions depends the renewal of business practices in the country. This, however, is far from being the norm.

The fact that research-intensive MBAs are not the norm does not mean that there are no research-intensive business schools and programmes in South Africa where the staff's research talent and experience play a role in the renewal of the MBA curriculum. A good example of the relation between research and renewal is staff involvement in the development and preparation of case studies for the programme courses.

MAKING SENSE OF CONTENT: TEACHING AND LEARNING IN THE MBA

As the analysis of Criterion 10 in Chapter 2 showed, teaching and learning have various interrelated components: the transmission of content, the development of skills and competencies, the integration of knowledge, and the demonstration of the capacity to apply knowledge, competencies and skills in appropriate circumstances. Integrating these – far from an easy task at the best of times – is further complicated when the subject matter involved in the teaching and learning process is of a multidisciplinary nature.

We argued in Chapter 3 that the multidisciplinary character of the MBA poses the greatest challenges to teaching and learning because multidisciplinary does not just happen when many disciplines are taught as part of one programme. For teaching and learning to be effective in a multidisciplinary context there needs to be an epistemological convergence which sees the object of study with a different lens from each individual discipline. The construction of multidisciplinary and the development of specific skills and competencies depend directly on the practice of teaching and learning. This section discusses the skills and competencies expected as outcomes of the MBA and how they relate to pedagogies and modes of delivery.

Making managers: The quest for skills

From the 1924 introduction by Harvard of the case study as the main method of teaching the MBA, engaging with real problems in the world of business has been the teaching method at most schools. In 1959 Gordon and Howell identified three different emphases in teaching: the descriptive, the analytical, and the managerial clinical, and pointed out that too much emphasis was being placed on the description of institutions, procedures and practices when the stress should rather be on analysis.

Greater emphasis on an analytical approach means giving students a command of useful analytical tools, seeking out significant generalizations, and in general developing in students the kind of sophisticated understanding of the relevant underlying relationships that will enable them to cope with concrete problem-solving situations. The kinds of problem-solving situations which are important to the businessman are those which he encounters in an administrative capacity. Hence, there is need for managerial and clinical emphasis in which problems are considered not only from the viewpoint of the detached observer, but also from that of the manager who must cope with them and reach a workable solution within the limitations imposed by his immediate environment.¹²

The pedagogical modalities that have accompanied teaching at business schools have been the straight lecture, the discussion method, and a combination of the two. In all cases teaching required small classes where contact between students and lecturers was possible. While Gordon and Howell found that most American business schools in the late 1950s practised all of these methodologies, they remarked upon the uneven results of the teaching. While the main reason given for this was that ‘teaching by the Socratic method is an art which some teachers never acquire’, over and above unsatisfactory teaching the two main difficulties were the quality of the students and the quality of the materials used.¹³

Almost 50 years later the issue of the outcomes of business education is still a vexed question, although what is expected from an MBA graduate has changed, following the changes experienced in business organisations and the global economy. A much-quoted 1999 article by Kretovics¹⁴ summarises the outcomes of an assessment pilot study that measured the learning outcomes of an MBA programme, using a learning skills profile which measured 12 learning skills important in business and management education. The article is important not so much for the results of the assessment as for the systematic identification of the skills. Kretovics grouped the 12 skills in four areas: interpersonal skills, information gathering skills, analytical skills and behavioural skills, which in turn represented four ways of interacting with reality: concrete experience, reflective observation, abstract conceptualisation, and active experimentation.¹⁵ The table below shows the actual skills required in each area:

12 Gordon and Howell, *Higher Education for Business*, p.360-1.

13 Gordon and Howell, *Higher Education for Business*, p.365.

14 M. Kretovics, Assessing the MBA. What do our students learn? *Journal of Management Development*, Vol.18, No. 2, 1999, pp.125-136. Hereafter Kretovics, Assessing the MBA.

15 Kretovics, Assessing the MBA, p.128.

Table 9: Business education learning skills profile

<i>Concrete experience</i>	<i>Reflective observation</i>	<i>Abstract conceptualisation</i>	<i>Active experimentation</i>
<i>Interpersonal skills</i>	<i>Information gathering skills</i>	<i>Analytical skills</i>	<i>Behavioural skills</i>
Help skills	Sense-making skills	Theory skills	Goal-setting skills
Leadership skills	Information gathering skills	Quantitative skills	Action skills
Relationship skills	Information analysis skills	Technology skills	Initiative skills

Source: Kretovics, Assessing the MBA, pp.128-9.

It is generally agreed that in order to facilitate the development and enhancement of these skills MBA programmes have to provide students with experiences of team and individual work, research and library work, IT usage, analysis of case studies, and lectures grounded in theory. This is, at least in theory, predicated on the reinforcement of skills across different programme modules. Harvard Business School's explanation of the way in which they use the case study method remarks upon not only the preparatory work that students do but also the fact that every section of the programme is taught by a team of faculty that works together to integrate ideas and themes across various classes.¹⁶ This speaks of Harvard's resources and its large number of enrolments and also highlights the importance of the integration of subjects and skills development by faculty.

The 'total pedagogy' of the MBA depends on establishing an optimal balance between syndicate work,¹⁷ discussion/lecture sessions and individual work. Much of the MBA pedagogy depends on the lecturer's ability to use the Socratic method, and on his or her ability to ground a case study in theory.

A lecturer in an MBA programme has to be able to transmit the contents specified in Table 5 and at the same time help students to develop the applied competencies and autonomy of learning indicated in Table 1. Bringing real-world experience and academic scholarship together within a particularly demanding pedagogic framework requires lecturers who cannot be either academics without business experience or professional managers without theoretical grounding. Moreover, both academics and professionals need to learn to teach in a particular way.

¹⁶ www.hbs.edu/case/case-print.html

¹⁷ It must be noted that syndicate group work is not a methodology used exclusively in MBA programmes. Other professional master's programmes such as the master's in clinical psychology also use this methodology successfully in the discussion of clinical cases.

International standards for business school faculty are much more stringent than the HEQC's re-accreditation criteria.¹⁸ EQUIS, for example, suggests 25 professors as the adequate staff number for a business school.¹⁹ International standards require higher qualifications, international exposure, research production and scholarly work, and fundamentally that all core subjects be taught by permanent full-time faculty attached to the school.

South African business schools, even well-established large schools, are far from achieving this. Only 5 of the 27 business schools assessed during the re-accreditation process have more than 10 academic staff primarily dedicated to the MBA. In terms of programmes, only 4 of the 7 fully accredited MBAs have more than 10 full-time academic staff. One issue that emerged quite clearly during the site visits was the shortage of competent full-time faculty teaching financial management and related subjects at most schools. Whatever the reasons for this, many programmes have resorted to hiring part-time staff to lecture and develop materials in this area.²⁰ This dependence on part-time staff has different implications depending on the academic status of that staff and the course in which they lecture. Yet one general implication is that part-time staff is seldom available for staff development and that whatever research production they might be engaged in happens outside the business schools.

The total learning experience pedagogic model proposed internationally by the big business schools is based on the existence of both full-time students and full-time faculty. As has been mentioned, both locally and internationally there is a growing number of part-time students. *Management Education at Risk* indicates that business schools have responded to the broad range of consumer needs and preferences by developing a number of programme formats that run alongside the traditional two-year full-time MBA.

Part-time MBA programmes at AACSB member schools represent 58 percent of the enrolments at these schools, while only 24 per cent of the students enrolled at MBA programmes at the AACSB's schools attend traditional full-time programmes. The variation, of course, does not end here; modes of delivery also vary in order to respond to student needs. The introduction of distance education and more recently the use of IT platforms to deliver programmes or to supplement teaching have introduced a new variety of opportunities but also pressing pedagogic challenges. Can interpersonal and behavioural skills be developed through a distance mode of delivery (even if IT could allow for real-time communication between syndicate group members)? Can some of the analytical and behavioural skills be taught without contact time? The case of UNISA, which adopted a mixed mode of delivery in relation to the MBA and still has a high drop-out rate, should give

18 See AACSB International, *Eligibility Procedures and Accreditation Standards for Business Schools*, adopted on 25 April 2003. Revised on 1 January, 2004 (pdf) pp. 16-17 www.aacsb.edu/accreditation, and *The Dynamic Model for Quality Development. Guidance Notes on the EQUIS Quality Criteria*, (pdf), pp.23-4. www.efmd.be/

19 The school should recruit, develop and manage its faculty in accordance with its strategic objectives and have sufficient core faculty to cover the major disciplines and constitute a viable body of distinctive expertise (e.g. minimum 25 professors). EQUIS Standards www.efmd.be

20 Evaluators mention the telling story of the same finance lecturer being interviewed during five different site visits.

pause for reflection about the pedagogic effectiveness of distance modes, particularly correspondence and e-learning, in relation to the MBA programme. In the last section of this chapter we will see the consequences that this decision has had in terms of the funding of UNISA's Master's in Business Leadership (MBL).

While the issue of the content of the MBA seems to be more or less settled, pedagogical issues are being debated. Most heads of school would concur that the integration of syndicate learning, guest lectures, complex and dynamic case studies and, in some schools, very advanced assumptions of learning are what make possible the MBA as a total learning experience. The areas of disagreement are: to what extent this combination can be provided by part-time faculty, and whether distance or e-learning are adequate modes for delivering a professional master's such as the MBA.

With regard to staff issues, the analysis of best practices in student admissions suggests that only those programmes which have sufficient full-time staff (or adequate resources and structures to coordinate part-time staff) can provide bridging courses to guarantee that students admitted via AA or RPL can profit from the learning experience. Once again, it seems that well-established schools are in a better position to offer access with quality.

The next section will look into the antecedent conditions for programme integration to take place and the extent to which this actually happens in the South African MBA.

THE MATRIX MODEL OF THE MBA: WHO HOLDS THE CENTRE?

As we saw in Chapter 3, the beginnings of most business schools were characterised by the application of the 'functional silos' model. According to this, business schools' needs for specialist faculty were resolved through the recruitment of personnel from other academic units within the university where the business school was located. This was the history of the establishment of Wharton in the US as much as that of the Graduate School of Business at the University of Pretoria in South Africa. As business schools acquired the academic credentials necessary to stand on their own they attracted full-time faculty at the doctoral level, which in turn helped them to move up from the 'bottom of the academic table', to use Gordon and Howell's expression. This situation, however, is changing again. Increasingly, business schools are relying on part-time faculty and on non-academic faculty to teach some of their courses. This trend, which as we saw figures quite prominently in the AACSB's latest analysis of the field of management education, can be explained through the confluence of a number of features, among which are demands for relevance from the business environment, competition for full-time faculty which pushes academic salaries up, rapid changes in business technology and organisational structures, and student demands.

The results of the re-accreditation exercise show that South African business schools are relying more and more on part-time faculty to teach the MBA. We have called this mode of operation the matrix model. The matrix model is a form of organisation of the learning programme and of the teaching and learning that relies on a large number of part-time

faculty coordinated administratively and/or academically by a small core of full-time staff. The capacity of a matrix model to provide an integrated programme and the proverbial total learning experience depends to a large extent on whether the nature of the coordination provided is administrative or academic, and, in the latter case, on the extent and scope of the academic coordination.

Part-time staff in a matrix model is hired to do any or most of the following tasks: teaching, curriculum development, assessment, external examination, and preparation of learners' guides and other materials. In other words, the matrix model is based on academic outsourcing. This section identifies different varieties of the matrix model in South African business schools, looks into the advantages and disadvantages of the model, and puts forward some of the implications that the application of the model might have for the learning programme and the research activities of the school.

An analysis of the organisation of the 27 business schools that participated in the HEQC's re-accreditation process identified three types of matrix model:

- Schools where there is almost no core academic staff and where the elements of the matrix (lecturers, and course and material developers) operate almost independently, without visible control mechanisms to assure the quality of the individual course or the level of integration of each module's learning outcomes.
- Schools that have retained academic capacity in the core areas of the MBA but use outside academic expertise for specific modules. The quality of the programme is maintained through the employment of full-time academic staff in the core disciplines.
- Schools that have a small core of full-time staff and offer modules of a high international standard through employing professional lecturers (as opposed to non-academics) who facilitate the preparation of material and the lectures. These schools have tight quality control mechanisms for integrating the learning outcomes of modules and evaluating the quality of the lecturers and their courses.

Each of these varieties of the matrix model represents a different kind of governance within a similar framework and has different consequences for the programme. In general, from a financial point of view, a matrix system reduces a school's overheads by sub-contracting areas of responsibilities while at the same time avoiding potential human resources problems by entering into contractual relationships that allow the rapid and uncomplicated replacement of unsuitable lecturers. From the point of view of the learning programme and the teaching and learning processes, schools can source experts from various disciplines and students are exposed to a wide variety of lecturers with diverse backgrounds in business or relevant fields. From the point of view of the management of the programme, schools have the flexibility to ensure that the courses are meeting the students' demands. However, this depends to a large extent on how the matrix is controlled.

This cost-effective picture leaves out some of the problematic effects of the matrix model on the learning programme and on teaching and learning. As we saw in the two previous sections, the multidisciplinary nature of the MBA programme requires epistemological integration. At the same time there are a number of soft skills and hard skills which need developing across courses/modules. A good MBA programme requires integration and monitoring and evaluation of teaching and learning processes to ascertain their success in facilitating stipulated learning outcomes. The most extreme matrix model, which separates out curriculum development and teaching or teaching and the preparation of materials, undermines not just the integration of the programme but the effectiveness of the teaching.

All the literature revised during the preparation of this report remarks on the importance of business schools' faculty from the point of view of their standing in academia and their standing vis-à-vis the world of business. In this sense, it seems that the most serious danger of the matrix system is that it depletes a business school of 'localised' intellectual capital, i.e. academic staff whose ability to teach, to analyse problems and to produce knowledge has an effect on the business school beyond the actual module they facilitate, and regardless of the specific contractual arrangement they have with the school. The over-utilisation of non-academic lecturers to teach part or full MBA courses/modules is one way in which schools contribute to their own lack of localised intellectual capital.

The matrix model's reliance on non-academic faculty has a further negative effect on the achievement of the applied competencies expected of a master's degree. Practitioners outside academia seldom have the scholarly training that allows them to analyse the actual experiences they are transmitting theoretically, or to critique theory taking experience as a point of departure. In this sense what might be interesting and powerful as a seminar or as a guest lecture becomes an impoverished module from a theoretical and methodological perspective. Yet a well-coordinated matrix model that carefully selects its non-academic staff has the potential to enrich sessions with the experience of the practitioners and decision-makers. Part-time non-academic staff can act as a conduit for the interaction between MBA programmes and the business world, creating dynamic opportunities for the identification of research topics, innovative management practices, and a possible training ground for students.

A further issue that the matrix system compromises is the actual pedagogy of the MBA. First, there is the issue that part-time faculty seldom participates in staff development programmes. Second, there is the issue of a non-academic staff which has no pedagogic training at all. Poor pedagogic training not only undermines the transmission of knowledge and the development of competencies and skills that takes place in the classroom, but also calls into question the quality of the assessment. The assessment practices highlighted as sources of concern in Chapter 2 included: the actual level of the assessment; the use of multiple-choice questions, inadequate at a master's level; the lack of assessment experience of staff; the lack of guidelines for assessment; the lack of an external examiner system; and the fact that lecturers who taught a module were also acting as external examiners. While some of these issues speak of courses not being taught at a master's level, a problem to which we have

already referred, others point to the effect that the lack of programme coordination has on the ways in which the learning process takes place.

However, the third typology of MBA matrix suggests that it is possible to run a good MBA programme relying on some part-time faculty. What are the antecedent conditions for this? Firstly, most faculty has both high academic degrees and experience of the world of business. Non-academic faculty is not invited to anchor modules but as guest lecturers. Secondly, successful matrix model programmes are based on the development of tight quality controls to oversee the content, delivery and materials of each course. Thirdly, they create structures that allow for communication among staff and the integration of the programme. Lastly, they rely on student evaluations to ascertain the quality of the teaching and learning experience that takes place in the classrooms and in the syndicate groups. Presumably one of the conditions for all of this to happen is that part-time faculty sign contracts that bind them to participate in a number of programme coordination activities beyond the facilitation of a specific module.

However, there is an area in which even those successful business schools based on a matrix model are found wanting, and that is research production. Academic part-time staff, according to the business schools' submissions, does not produce research in the context of the programme, while non-academic part-time staff simply does not produce research. Thus programme renewal and innovation of the discipline based on in-house research are very rare features of programmes organised on a matrix model. By implication, mentorship of syndicate groups and supervision of dissertations and research projects are also undermined by the lack of research-active full-time academics.

The highest research production and supervisory capacity in all the programmes evaluated was found at schools organised with a large core of full-time academic staff, capable of offering doctoral programmes. The question then is, taking into account the need for integration, the achievement of learning outcomes, the exposure of students to a variety of perspectives in the world of management, and the need to focus on problems encountered in the real world of business, what are the optimal proportions of part-time and full-time staff and how does this influence the cost of the degree?

Funding the MBA

The cost of the MBA is an old and contentious issue among public providers. MBA programmes offered by public providers are funded at the honours level. This is related to the fact that when in the 1980s the subsidy formula was calculated based on the information provided by the South African Post-Secondary (SAPSE) system there were no master's degrees by coursework. Thus the masters in public administration and the MBA were both considered for subsidy purposes as honours degrees. The argument for this decision was that a horizontally-spread master's had lower costs than a research master's which needed to be integrated vertically and demanded higher qualified faculty and a more expensive infrastructure.

Current ministerial proposals for the organisation of the Higher Education Qualifications Framework (HEQF) locate the MBA at Level 9, together with all other master's degrees. The document accepts the concept of master's degrees that require students to pass a number of courses at Level 9. The total credits for this degree, however, need to be equally divided between coursework and a research project written up as a dissertation or thesis.²¹ This relocation of the MBA will solve the funding dispute once the new funding formula is implemented. Yet, given what this research has shown, it is possible that several programmes offered by both public and private providers will have to sharpen their research requirements if they want to make the grade. And, as we have seen, in many cases this might imply the hiring of full-time faculty with research and supervisory experience.

An analysis of the fees charged for different programmes shows that MBAs completely staffed with full-time faculty are more expensive than those which operate with part-time faculty and a small core of full-time faculty. This observation has three implications for the analysis of the provision of MBAs in South Africa.

First, the fact that an MBA could be run with part-time staff and at a comparatively low cost in terms of infrastructure must have played a role in the expansion of private providers in the MBA market. It is not surprising, then, that new providers, both public and private, not only employed part-time faculty but also offered their MBAs in the cheaper distance mode. The case of UNISA, however, begs the question as to how cheap it actually is to offer a distance MBA programme. As mentioned earlier, UNISA does not offer its MBL exclusively as a distance programme. The realisation that a full distance programme could not deliver the sought-for learning outcomes caused UNISA to introduce compulsory study schools and to allocate 12 hours of syndicate work to each module. The introduction of contact sessions in a programme subsidised by government not only at the honours level but also as a distance programme raises serious financial issues for the business school.

The second implication has to do with the relationship between the cost of a programme and student access. Some MBA programmes which run with lower overheads, i.e. with part-time staff and in a distance mode of delivery, have lower fees, and thereby enhance access, especially for previously disadvantaged population groups. As we have seen in Chapter 1, the most expensive programmes have the highest proportion of white students, while cheaper programmes have larger numbers of black students. Yet the analysis shows that is not always the case that these cheaper programmes are offering MBAs at the master's level.

The third implication of the different costs of MBAs staffed with either part-time or full-time faculty has to do with internal cross-subsidisation. Public providers with higher overheads and MBAs funded at the honours level started developing new sources of income to cross-subsidise the MBA. This, however, gave rise to a peculiar situation. Unlike other master's programmes which are attached to faculties and function organically and therefore can be

²¹ Ministry of Education, *The Higher Education Qualifications Framework. Draft for Discussion*, July 2004, p.19.

cross-subsidised through the income generated by undergraduate programmes, MBA programmes are usually run from independent business schools that do not offer undergraduate degrees. Cross-subsidisation for the MBA has come mostly from non-degree education. Executive education became a primary source of income for business schools, with the lecturers who participate in these programmes being paid above current salaries at higher education institutions. This situation underlines a further problem: the relationship between business schools and the higher education institutions in which they are located. Issues of ill-defined reporting lines and demands for further autonomy from universities' bureaucratic procedures were coming to the fore in the form of institutional crises just as the re-accreditation process began.

If anything has emerged from the analysis of the re-accreditation results it is that there is no single model for running a good MBA programme. This said, it also seems clear that even those programmes which obtain good results from a matrix model with tight central control find it difficult to comply with some of the features, such as research production, that constitute the best MBA programme.

CONCLUSION

This chapter has focused on the fundamental aspects of any higher education programme: curriculum content and teaching and learning and how these relate to the admission practices and the contractual modalities under which academic staff is attached to the programme.

The analysis of the results of the re-accreditation process in the context of international trends in business education has shown that:

- Low admission requirements undermine the existence of MBA programmes at the master's level.
- The splintering of the MBA into intermediate qualifications in order to allow entry into the MBA by students who do not possess the necessary assumptions of learning is a fairly common practice among some programmes that defined their purpose as practitioner-oriented.
- The lowering of entrance requirements has direct consequences: the diminishing importance of research education in the MBA and the weak articulation between obligatory courses, capstone modules and elective courses.
- Thin specialisations are more often the consequence of marketing decisions than actual responsiveness of MBA programmes to the economic needs of the regions in which they are located.
- Programmes need to apply rules of progression between obligatory subjects for the integration of the MBA as a multidisciplinary degree to take place.
- The curricular and pedagogical integration of MBA programmes is jeopardised by the organisation of programmes in a matrix model without central academic coordination.

- Unresolved issues of funding and academic definition are undermining the relationships between business schools and the universities in which they are located.

Three main issues need to be highlighted for further reflection on the content and structure of the MBA learning programme. Unless programmes take admissions seriously, both in the sense of establishing whether prospective students have the knowledge, competencies and skills necessary to undertake an MBA, and in the sense of providing non-credit bearing opportunities for AA and RPL students to develop the assumptions of learning, the standing of the MBA as a master's degree will be jeopardised in the market.

It has become abundantly clear that only those programmes that are governed within a structure that allows for academic control of the content, delivery and materials of each course, and for their integration, can actually help students develop the skills and competencies expected from an MBA graduate. As Carnall puts it, apropos of the third generation MBA:

Put simply, management problems rarely emerged conveniently labelled. Managers do not face psychological problems or economic problems. They rarely face personnel problems or production problems for that matter. Rather, they face problems whose solutions can be informed by different subjects and disciplines. If a production manager is trying to achieve a more flexible production system then ideas and techniques drawn from psychology (e.g. motivation theory), personnel management (e.g. flexible hours, flexible pay systems), production (flexible technology, just-in-time management, and materials requirements-planning techniques), accounting and finance (capital appraisal technique) will be needed.²²

In this sense the multidisciplinary nature of the MBA presents an epistemological as well as an administrative challenge to the business schools.

Finally, we would stress two areas for further debate and research: the extent to which distance education can deliver the training needed for MBAs, and the need to elevate the role of research at business schools if they are to keep their programmes relevant.

In the next chapter we explore the different ways in which MBA programmes interact with society's needs.

²² C. Carnall, The third generation MBA global reach and 'local' service, *The Learning Organization*, Vol.2, Issue 2, 1995, p.4.

THE MBA IN SOCIETY: WINDS OF CHANGE

The third category of re-accreditation criteria used by the HEQC to assess MBA programmes was focused on context. Criterion 13 referred to the linkages of the programme to the business environment; the arrangements developed by the programme to effect credit transfers with programmes at other higher education institutions locally or abroad; the establishment of partnerships focused on teaching and learning; and, finally, it examined the programmes' (and the business schools') systematic monitoring of their relationships with external stakeholders.

As seen in Chapter 2, typically public providers did better than private providers in meeting this criterion, owing to the existence among the former of longer and better-established networks with the world of business and their peer institutions. We remarked in analysing the results of the re-accreditation in relation to this criterion that links with the business environment are much more than an add-on to a programme. We argued that curriculum renewal took place based on these relationships and that these relationships provided business schools with a real possibility of introducing new management practices in the public and private sector.

This chapter looks at the MBA 'external environment' from the point of view of the programme's responsiveness. Traditionally, responsiveness was understood as the way in which the MBA programme answered to business's needs for particular skills, which in turn were equated to society's needs. What was good for business was good for the general progress of society; and business schools had a responsibility to train managers in a way that responded to this order of things. Ironically, one of the effects of globalisation has been to challenge and reshape the relationship between business and society, introducing the idea that businesses have social responsibilities that go well beyond paying taxes and operating within the law. Consequently, the concept of the MBA responsiveness to business needs has been broadened to encompass the education and training of managers in issues such as social justice, sustainable economics, and citizenship. This introduces the opportunity for management education to contribute not only to the education of new managers but also to the shaping of society.

The relationships between business and society are being reshaped in a stormy and difficult context. The corporate scandals that opened the 21st century sent unpleasant reverberations through most businesses and created suspicion and distrust about the role of business in society. MBA programmes were not immune to this and nor were their students: the GMAC surveys that followed the Enron and Parmalat debacles registered a growing student preoccupation with

ethics.¹ The debate, however, goes well beyond a traditional conception of business ethics and involves issues of corporate governance as well as of issues of social responsibility and corporate citizenship. In a country like South Africa where political democratisation came hand in hand with the promise of social justice and deracialisation these issues are enormously relevant.

This chapter unpacks some of these debates and, based on the programmes' submissions to the HEQC, presents an analysis of some trends in curriculum development which highlight the challenges and possibilities faced by the MBA in South Africa in preparing future generations of managers. It argues that the curriculum renewal and pedagogy innovation that need to take place to educate managers in new business practices, and that can support the development of new relationships between business and society, can only take place if there is enough research producing the knowledge base from which to develop new practices.

A LEXICON TO REDEFINE THE WORLD OR A NEW WORLD IN SEARCH OF A LEXICON

In June 2004 the AACSB published its report *Ethics Education in Business Schools*.² The call for the investigation as well as the report itself took as a point of departure the existence of an ethical crisis which, although it affects most spheres of life, has affected business more dramatically. The gravity of the situation, the report argues, makes it necessary for business schools to renew and revitalise their commitment to the 'centrality of ethical responsibility at both the individual and corporate levels in preparing business leaders for the twenty-first century'.³ But if business schools have been teaching ethics since the days of Gordon and Howell's report, why is it only now that several international organisations seem to be concerned with business ethics, and what does this really mean?

As globalisation gathers pace and the powerful role of business unfolds more clearly, the relationship between business and society is coming under the spotlight. The classic view of the purpose of business as profit maximisation has been superseded by a more complex perspective: the interdependence of business and society. Without understanding this interdependence neither business nor the society in which it operates will thrive.⁴ Hence the importance of social impact management:

Social impact management is about asking a new and broader set of questions regarding the traditional terrain of business. For example, it is common for a business strategy discussion to explore a firm's purpose in terms of its objectives for competitive positioning. What is less common is for that discussion to consider the firm's intentions and their implications for consumers, employees and community members, given the different choices around growth objectives and product development.⁵

¹ GMAC, *Global MBA Graduate Survey 2000. Summary Report*, p.24.

² Report of the Ethics Education Task Force to AACSB International's Board of Directors, *Ethics Education in Business Schools*, June 2004, www.aacsb.edu Hereafter *Ethics Education in Business Schools*.

³ *Ethics Education in Business Schools*, p.9.

⁴ The Aspen Institute, Business and Society Programme, *Social Impact Management: A Definition*, 2001, www.aspenbsp.org

⁵ *Op.cit.*

Social impact management is one of the forms that the preoccupation with business in society has taken. There are others: corporate social responsibility, corporate citizenship, corporate responsibility, triple bottom line. A new lexicon has appeared at the intersection of the corporate and the social and it is important to know what it means, who and what drives it, and what business schools have to do with it.

What does it mean and what drives it?

Broadly speaking, new terms emerge either to designate a concept or practice or relationship that exists, or to bring into existence, as it were, a concept or practice or relationship that does not currently exist (or exists in an embryonic state) but which is seen as desirable (or undesirable). Naming and defining things is part of a process of broadening our consciousness or understanding of them.

Academically, the oldest concept or notion regulating the relationship between business and society is business ethics, which traditionally sought to provide business leaders and managers with decision-making frameworks within which to reason ethically: how to arrive at a decision that produces the greatest good for the largest number of people; how to use considerations of moral standards, duty, rights and justice in making a decision; and how to make decisions taking into account the moral actor and the moral communities, such as professional communities, to guide one's actions. Today business ethics is this and more. The call made by the AACSB's report to teach ethics in business points out four components of what should be included as 'cornerstones of a comprehensive and viable ethics education curriculum in business schools':⁶ the responsibility of business in society, ethical leadership, ethical decision making, and corporate governance.

Thus, the world of business ethics has been enlarged by a conception of business that goes beyond merely acting within the law, producing safe goods and services at prices commensurate with their costs, paying taxes, and minimising the negative social and environmental aspects that business activities might have. Business now has many more responsibilities than simply financial accountability with a bottom line of short-term profit and loss. Businesses today are asked to take into account a triple bottom line – economic, social and environmental – and to look into social impact management and report on it.

Among the concepts defining the new relationship between business and society are:

- Corporate responsibility: The degree of (ir)responsibility manifested in a company's strategies and operating practices as they impact on stakeholders and the natural environment, day-to-day.
- Corporate social responsibility: The subset of corporate responsibilities that deals with a company's voluntary/discretionary relationship with its societal and community stake-

⁶ *Ethics Education in Business Schools*, p.10.

holders. It is frequently operationalised as community relations, philanthropy, multi-sector collaboration or volunteer activities.

- Corporate citizenship: The range of strategies and operating practices a company develops in operationalising its relationships with and impact on stakeholders and the natural environment. This definition attempts to integrate two separate streams of thinking: corporate (social) responsibility and stakeholder theory.⁷

The growing importance of these issues is reflected in the multiplication of projects and organisations focused on them. The concept of corporate responsibility has an American origin. One of the early missions of the Aspen Institute, created in 1950 and today at the forefront of the debate on social impact management, was to help ‘American business leaders to lift their sights above the possessions which possess them, to confront their own nature as human beings, to regain control over their own humanity by becoming more self-aware, more self-correcting and hence more self-fulfilling’.⁸ From this almost spiritual mission the Aspen Institute has moved into the development of programmes that support social and environmental stewardship by business and its relationship with management education. Since 1998, every year the Aspen Institute has published the results of its *Beyond Grey Pinstripes* survey, which ranks business schools for the manner in which they introduce the triple bottom line of business into their MBA programmes. As the 2003 report put it, *Beyond Grey Pinstripes* picks up where conventional rankings leave off.

On the other side of the Atlantic, European business and business schools have recently come up with corporate social responsibility as a better way of defining the framework of the relations between business and society in Europe. The creation in 2002 of the European Academy of Business in Society constituted an important step in the institutionalisation of these preoccupations in Europe.

Businesses themselves play an active part in the configuration of the field and the practices of corporate social responsibility and in the challenge they are putting to business schools. At a high level meeting between deans of business schools and CEOs in 2002, the CEO of Société Générale Belgique, Etienne Davignon, who is also chairperson of Corporate Responsibility Europe, challenged business schools to innovate in the development of business models and management skills to help companies respond to the triple bottom line of business.

The greatest critique of MBA training at the moment is that it is out of date. If teaching on corporate social responsibility doesn’t come in in a fairly short time, business will lose interest – not in the topic, but in the business schools.⁹

The next section looks into what business schools in Europe and America are doing to respond to this.

⁷ *European Business Forum (EBF) on Corporate Social Responsibility (CSR) – Highlights of the Debate*, Issue 16 winter 2003/4.

⁸ www.aspenbsp.org

⁹ *European Business Forum (EBF)*, Integrating business in society into mainstream business education, Issue 16 winter 2003/4.

What are business schools doing?

As part of the general movement to understand and define the field of corporate social responsibility in Europe a survey was designed and administered by the International Centre for Corporate Social Responsibility, Nottingham University Business School, in 2003. It was done in partnership with the European Academy of Business in Society and the efmd. Like some of the activities of the Aspen Institute, this survey shows the nature and scope of business schools' involvement in the issue of business in society. The results of the survey¹⁰, which focused on both the content of the courses taught and the areas of research, indicate that the most common labels (in order of importance) to designate what business schools were teaching and researching were: business ethics, sustainable development, corporate social responsibility, and environmental or ecological management. Other labels such as accounting, corporate governance, law and public governance suggest that corporate social responsibility in Europe is deeply connected with corporate and social governance issues. Newer names to define new areas of interest were business transformation, culture, leadership, supply chain management, and stakeholder management.

Programmes dedicated to corporate social responsibility are most generally offered on executive or short courses, although a third of the MBA programmes surveyed offered corporate social responsibility as an optional module. While the first trend suggests that industry itself is demanding the course, the second suggests that something might be changing in the social focus of some business schools.

The most important debate about the place of corporate social responsibility in the MBA curriculum has to do with the tension between mainstreaming and embeddedness. While mainstreaming means that corporate social responsibility is taught on its own at any of its various levels, most commonly as an optional module, embeddedness implies bringing corporate social responsibility into the core and fundamental subjects of the MBA. Matten and Moon give an example of how the focus on strategy would shift through the inclusion of corporate social responsibility in the conceptualisation of the course:

A strategy module would not only teach a managerial view of the firm (as being responsible mainly for shareholders, customers and suppliers) but a broader sense of the firm being intertwined in more complex responsibilities towards a plethora of stakeholders and other societal actors.¹¹

The very hands-on nature of the subject of corporate social responsibility suggests the need to teach it through case studies brought in by industry itself and by NGOs. Similarly, much-needed research on these issues moves in the interface between theory and its applications.

10 D. Matten and J. Moon, *Corporate Social Responsibility Education in Europe*, www.eabis.org (07-09-04). Hereafter, Matten and Moon.

11 Matten and Moon, p. 14.

Interestingly, the analysis of the survey suggests that the leading forces behind the inclusion of corporate social responsibility in the MBA curriculum are individual faculty members. In other words, at least in Europe, school leadership seems to be lagging behind in this debate. Matten and Moon suggest that business school leadership's relatively unenthusiastic support for corporate social responsibility points to the fact that business schools as institutions are not encouraging social responsibility in business education.¹² Yet the amount of activity uncovered by the survey seems to support the argument that, even though at a pilot and tentative level, the curricular importance of the area has been acknowledged at most business schools in Europe. If European schools are, according to Matten and Moon, still at the pioneer stage in the introduction of corporate social responsibility in the MBA curriculum, American schools are closer to the institutionalisation of a new curriculum.

The Aspen Institute's *Beyond Grey Pinstripes* suggests a more mature and consolidated state of development of corporate social responsibility or, as they call it, social impact management, at the institutions they surveyed. Beyond Grey Pinstripes and Teaching Innovation are two programmes that fall under the Business and Society Programme run by the institute. The goal of the teaching innovation programme is to create a 'tipping point' in business education to further the teaching of corporate citizenship and values-based leadership.¹³ The project has 11 participating business schools from all continents, including the Business School of the University of Stellenbosch. A part of the project is the implementation of a pilot project at each school, aimed at helping individuals and firms address challenges and opportunities in the areas of corporate citizenship, social impact management, etc.¹⁴

Despite all this, the impression that business schools are not encouraging social responsibility in business education but actually remain 'brainwashing institutions educating their graduates only in the relatively narrow shareholder value ideology'¹⁵ lingers on as business practices do not seem to be really changing. The next section will explore whether this statement is applicable holus bolus to the MBA programmes offered in South Africa.

BUSINESS IN SOUTH AFRICAN SOCIETY: AN MBA PERSPECTIVE

The dramatic changes that have taken place in South African society since the early 1990s have left almost no section of society untouched. In the case of higher education institutions, as government led the creation of a single coordinated higher education system, both public and private providers were the focus of the development of policy and regulatory frameworks and the implementation of a range of systems and mechanisms to steer the higher education institutions in the direction pointed by the legislation.

¹² Matten and Moon, p.16.

¹³ 'Tipping point' is a term that refers to the moment when something (a sociological trend, a disease, a fashion) that was previously unique and very limited in scope becomes widely prevalent. See Aspen Institute, Business and Society Programme, Teaching Innovation Programme Update, July 2004, p.1.

¹⁴ www.aspeninstitute.org/Programmet2.

¹⁵ Quoted in Matten and Moon, p.2.

Business schools and MBA programmes have been affected by these changes and demands as much as any other academic units and programmes within the system. Schools have been asked to change their staff and student profiles while simultaneously supporting equity and quality, to contribute to the development of the country's economy, and, more recently, to help train public service management cadres for a more efficient state.¹⁶ As we have seen in previous chapters the results of the re-accreditation exercise indicate that schools have responded to these challenges differently according to their identified niche market, availability of resources, tradition, history, and vision. This section looks into those elements of the MBA curriculum that can be associated with the incorporation of corporate social responsibility into the content of manager training.

Tables 1 and 2 below present two views of the curriculum offered by 16 of the South African MBA programmes. Table 1 classifies programmes' purposes from the perspective of the 'responsiveness' agenda. This refers to the ways in which programmes engage with national developmental objectives or concrete problems, whether social, economic, cultural or political. Table 2 shows the range of corporate social responsibility/social impact management topics offered by the same group of select MBAs indicating the status of the course – i.e. whether it is elective, obligatory, part of a specialisation, or part of the content of another course – in order to ascertain the relative importance of these contents in the overall programme curriculum. The definitions of purpose and the themes and topics are taken directly from institutions' submissions and are not a construction of the researchers.

Table 1: Selected MBA programmes by area of responsiveness

<i>Purpose/ responsiveness</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	<i>K</i>	<i>L</i>	<i>M</i>	<i>N</i>	<i>O</i>	<i>P</i>
MBA for global economy	X	X	X	X	X	X	X									
MBA southern Africa economy	X	X	X					X	X	X	X	X				
MBA for South African economy		X		X	X	X	X				X	X	X			
MBA for provincial/local economy											X	X	X	X	X	X
MBA specialised economic sector			X						X					X	X	X
HRD for black/female individuals														X		

As Table 1 indicates, programmes can have more than one purpose simultaneously. A programme can prepare managers to operate in the global economy, in the southern African region and in the South African economy. Yet specialisation and local economies are more closely associated than specialisation and a global perspective.

In Table 2 we have treated fundamental and core courses, as in the previous chapter, as 'obligatory' (O) and distinguished them from elective courses (E) and courses that are part of a specialisation (S).

¹⁶ The Ministry of Public Service and Administration, in its Policy Statement of the Establishment of a Senior Management Service in the Public Service, points to a MBA (public service-oriented) as the right training to achieve the efficiencies and effectiveness expected from the public service in terms of delivery.
<http://www.dpsa.gov.za/documents/act®ulations/frameworks/sma-policy.pdf>

Among the courses that situate business in context, not only are those teaching globalisation the most commonly offered but they are also the ones regarded as obligatory by the largest number of programmes. An obligatory course on business in society was offered by 5 programmes. Yet in order of importance, measured in terms of how many programmes offered a course as obligatory, business in society is ranked fourth in a seven-point scale. In terms of courses that define forms of ethical or social awareness in business behaviour, business ethics was offered as an obligatory subject by 7 of the 16 programmes selected for this example, which puts business ethics third in the ranking of most important courses, after globalisation and employment equity. Courses on governance are obligatory in 4 programmes (fifth in the ranking), law is taught as obligatory subject also in 5 programmes, while social justice is included as part of an obligatory subject in only 1 programme. Among the subjects dealing with business attitudes, employment equity and transformation is an obligatory course in 8 programmes and is second in the ranking, followed by entrepreneurship which is obligatory in 7 programmes and therefore shares the third position in the ranking with business ethics. Specific problems affecting society, such as health and environmental issues, are at the bottom of the ranking, with environmental management being taught as an obligatory course by marginally more programmes than HIV/Aids, which is part of an obligatory subject in one programme only.

Table 2: Status of social responsibility topics in the curriculum content of select MBA programmes

<i>Theme/issue</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	<i>K</i>	<i>L</i>	<i>M</i>	<i>N</i>	<i>O</i>	<i>P</i>
Globalisation	OE	SE	O	O	O	O-	OE	O-E	E	O-	O-	O	O			
Industrial sector specific		E				E		E	E					E		
Entrepreneurship		E		OE	O	E	E	O		O	O-	S	E		O	O
Public sector																S
SMMEs																
HIV/Aids		E				E					O-					
Technological management		E				O-		O-					E	O-	O	
E-commerce etc.	E	E			E	E	E	E		O-E						
Business and society					O			E	O-		O-	O-			O-	
Environmental management		E					O-E	E			E				O	
Employment equity/ transformation	O-		O-		O		R				O-	O-	O-		O-	O-
Social justice	O-															
Business ethics	O	OE	O-		O	O		O-	E	O-	E	E				O-
Governance		OE		O		E	O-		E	E			O-			
Law							O					O	O-		O-	O
Change management							O						O	O-	O	O

KEY: **O:** OBLIGATORY COURSE/MODULE. **O-:** HALF-COURSE OR PART OF OTHER COURSE. **E:** ELECTIVE. **S:** SPECIALISATION. **R:** RESEARCH/CASE STUDY.

It is interesting to realise that most programmes have taken up the topical issues of South Africa's economy/business environment: globalisation, employment equity and entrepreneurship. It is equally astonishing that in one case only is HIV/Aids an obligatory course, and that small, medium and micro enterprises (SMMEs) are a non-topic.¹⁷

The re-accreditation self-evaluation form that programmes had to fill in asked about modules that the business school considered innovative. Two schools submitted modules that fit in the business in society framework, the one a course on business ethics, the other a course on business in context. Both courses had in common that the syllabi included the analysis, with a local focus, of a number of issues from the corporate social responsibility and social impact management agenda discussed earlier. There are two elements that differentiate programmes. One is the scope and focus of the syllabi: is the content up-to-date or traditional; does it adapt topics to the local South African reality; does it focus on South African cases? The other is the status of the course: is it elective or obligatory? Assuming that students who enter the MBA are not necessarily socially minded, that their understanding of the business bottom line is focused on profit, then if a course like 'business in context' is elective it might well be that students choose not to take it. Similarly, students are reported not to enjoy business ethics courses: if attending such a course were optional, would they actually come?

The issue, as argued by Matten and Moon, is whether these types of courses are electives, add-ons, mainstream or embedded. While mainstream seems initially the best option, embeddedness has the advantage of making corporate social responsibility and social impact management a structural part of business education. Table 3 provides an example taken from the Aspen Institute of how to include these topics within an MBA disciplinary structure.

Table 3 suggests that embedding corporate social responsibility in the MBA programme is not an impossible task. It is not about teaching new courses but about teaching them differently. It does not entail taking out 'traditional' content; it means teaching forms of critique.

For this to happen, however, research-active business schools are a pre-condition. Knowledge production is a necessary basis for developing new concepts, venturing critiques, taking new approaches to old problems and identifying new situations. Research is especially needed in the context of developing countries, where the relationship between business and society takes specific forms. How many case studies have been produced at South African business schools that analyse market deregulation and public enterprise privatisation from the point of view of the triple bottom line of sustainable business? How many case studies are focusing on the ways in which black economic empowerment is advancing social objectives? Research on accounting, marketing, strategy, governance,

¹⁷ It might be that SMMEs as a topic is subsumed under entrepreneurship, but in the documentation at our disposal there is no clear indication to this effect.

Table 3: Examples of social impact management topics per MBA disciplines (Aspen Institute Business and Society Programme)

	<i>Accounting</i>	<i>Business/ government relations</i>	<i>Economics</i>	<i>Finance</i>	<i>IT</i>	<i>Marketing</i>	<i>Operations management</i>	<i>Organisational behaviour/HR</i>	<i>Strategy</i>
Topics	Full-cost accounting.	Social impact of regulation/deregulation/privatisation.	Distribution of wealth within and between countries.	Impacts on individual and institutional investor incentives.	Digital divide.	Impact of product development on consumers.	Impact of labour standards.	Employee rights and participation.	Corporate reputation.
	Differential accounting standards.	Technology transfer impact on economic opportunities.	Family/community impacts on employee time use.	Impact of capital flows across borders.	Social impact of technology transfer.	Niche marketing impact on business strategy.	Accountability and risk management in supplier relations.	Work/life balance issues.	Executive compensation strategies.
	Accountability in reporting systems.	Jurisdictional disputes.	Fiscal incentives and disincentives.	Differential access to capital.	Workforce impact of IT enhancement.	Cultural impacts of advertising messages.	Differential safety and labour standards.	Workplace equity and diversity.	Competitive analysis of employee ownership models.
	Social auditing.	Public/private partnerships.	Causes and impacts of wages and income gap.	Social venture capital and social investing.		Social and cause-related marketing.		Labour relations and union strategies.	Operating in economically disadvantaged areas and emerging markets.
			Social impacts of key economic concepts.						Standards for fair competition.
									Trends and critiques of corporate governance.

operations management, organisational behaviour and economics, to mention only a few subjects taught in the MBA, is needed to identify the topics relevant for the development of new management practices in South Africa.

CONCLUSION

This chapter has situated the curriculum of the South African MBA in the context of international debates about the need to teach corporate social responsibility to future managers. As we have seen through the analysis of Tables 1 to 3, the content of the MBA programmes offered in South Africa is fairly responsive to the development agenda set by the government, thus the importance of topics such as globalisation, entrepreneurship, employment equity and business ethics. Some business schools offered interesting examples of innovation and good practice in this area.

Yet given South Africa's history, and when one compares local syllabi with the examples suggested by Aspen, it is difficult not to wonder about the capacity of business schools, through their MBA programmes, to change the manner in which business articulates with society. Are business schools conservative or subversive? Are they simply a vehicle for changing the racial composition of business in South Africa, or can they redefine the relationship between business and society?

Responsiveness, as we have argued in this chapter, can be reactive and limited to skills development, or it can take up topical issues, or it can be proactive and, through knowledge production, challenge established concepts and practices.

WHAT MBA?

This report has taken the reader from the history of the MBA in South Africa, its geographical distribution and the demographic profile of its student enrolments and academic staff, to analysing the results of assessing the quality of the MBA programmes in three areas: governance, learning programme and context. The report has offered a particularly detailed unpacking of the MBA learning programme, and moved finally to reflecting on the transformative potential of management education in South Africa, based on current teaching and learning practices at business schools.

From the analysis presented in the preceding five chapters the following points emerged:

- MBA programmes in South Africa offer important examples of good practice in the structuring of the learning programme, the introduction of a range of pedagogic experiences, and the renewal of content. There are also interesting examples of admissions being managed with the goals of equity, access and quality simultaneously in mind, and of strategic investment in academic infrastructure and resources.
- Despite enormous progress in creating access for a new generation of black and women MBA graduates, the student profile of the programmes is still largely white and male. So is the staff profile. At this level, schools are battling not only with entrenched institutional behaviours but also with enormous salary competition from both the public and private sectors.
- Most programmes show weak research production at faculty level and an undervalued place for research in the education of managers. This undermines business schools' capacity for introducing innovative practices in management in South Africa and renewing programme content.
- Commended programmes have high admission criteria, adequate forms of support for AA and RPL students, and rules of progression within the programme that cover all the functional areas of management and provide a variety of learning experiences through elective courses.
- Most schools show some form of curriculum responsiveness to society and business needs. Some schools show interesting examples of curriculum renewal and mainstreaming non-traditional courses.

The report also brings forward three areas for further debate and research:

- The limits and possibilities of distance learning, especially in its electronic form, as a medium for the development of some of the soft and hard skills expected of MBA graduates.
- The weight and form that research education should have in the MBA programme in order to keep it at the master's level.
- The optimal balance between full-time and part-time faculty, and especially between academic and non-academic faculty, to make the master's programmes innovative and relevant, and to provide a teaching and learning experience that produces the required learning outcomes.

In many senses, the production of this report has been a stimulating and challenging intellectual experience for the research team. In the process of preparing it several topical issues emerged which required both investigation and thought. Among those issues there are two that deserve some elaboration in this conclusion: the existence of a 'South African MBA', and the pressing issue of 'an MBA for what'.

There is no South African MBA, just as there is no American MBA, French MBA or Mexican MBA. There is no doubt that the contents of the functional areas of management are more or less the same the world over and that most MBA programmes use the same type of pedagogy to teach their students. What distinguishes one MBA from another is the quality of the faculty, the integration of research into teaching, the resources relied on, the admission criteria used, the areas of specialisation focused on, the variety of elective courses offered, and the programme's relationships with the world of business and the public sector.

Yet there is something that can and should differentiate the MBA taught in South Africa from those taught in Western Europe or in North America. We have argued throughout this report that the opportunities for the South African MBA programme content and research outputs to be innovative could be found in the intersection between the global and the local. Chapter 5 in particular suggested a number of areas for research and teaching which do not deviate from the accepted (international) content of the MBA but that introduce problems which are relevant and specific to management education in a country like South Africa. If the MBA programmes offered in South Africa are serious in their stated purpose of preparing managers for the country, the region, and even the continent, much more of their content has to focus on the specific realities of business and management in the developing country context. This can only take place if business schools dedicate time and resources to the production of research for curriculum renewal and for challenging old or inadequate business practices.

As regards the question of 'an MBA for what', the expansion of the MBA in the world and in South Africa is linked, as we have pointed out in this report, to a number of circumstances. Among the trends supporting the growing importance of the MBA in South

Africa is the conviction that the MBA prepares its graduates to tackle any kind of management problem. Since business efficiency is seen as a desirable and generalisable feature of all types of organisations, NGOs and governments, as well as the private sector, see in the MBA the training ground for new management cadres. This has two negative effects, one for the sector involved, the other for the MBA programmes.

Even when the inclusion of a triple bottom line of business responsibility is challenging business practices and influencing changes in management education, business purposes are considerably different from those of governments or NGOs. Even if certain business practices in regard to cost-effectiveness, reporting systems, organisational arrangements, etc. can be usefully incorporated into government department and NGOs, the philosophy that informs the running of state departments in developing countries is not the same as that which shapes business enterprises. Confusing the two in the search for efficiency might distort the function of government and NGOs in relation to society. This does not mean that it is not possible to re-orient MBAs to suit the specific needs of the third sector. Some business schools such as Harvard have special courses focused on the management of NGOs. However, the relation between MBAs and the training of government management cadres is debatable. It still needs to be established to what extent the re-orienting of the MBA towards government management training needs is possible or desirable, and what its meaning might be for the focus of schools of public administration and their relation with business schools.

From the point of view of the MBA programmes, the expectation that they will produce CEOs for multinationals and local enterprises, self-made entrepreneurs, specialist managers of specific economic sectors or industries, executive directors for NGOs, and a layer of middle and top managers for a variety of government departments might lure business schools into offering, as pointed out in this report, specialisations too thin to produce specific skills and competencies, and that undermine the core general competencies expected of MBA graduates.

More than 50 years after the opening of the first MBA in South Africa business schools are being asked to redefine their identity. Business, government, and society are making demands on them at a time when they also have to revise their standing as postgraduate programmes. How to remain faithful to the contents of a postgraduate business management programme and yet become relevant for local society is probably the greatest challenge that lies ahead.

HEQC RE-ACCREDITATION CRITERIA AND MINIMUM STANDARDS

1. ORGANISATION SETTING: EXTERNAL

The programme is an integral part of the national higher education system and the higher education institution.

Minimum standards

- i. The linkage between the MBA programme and the institution must be clearly demonstrated.
- ii. Private providers are registered by the Department of Education (DoE) in terms of the requirements stipulated in the Higher Education Act 1997, and the Regulations of the DoE, 2002.
- iii. Public providers must ensure that the MBA programme is listed in the PQM for 2003-2006 issued by the DoE in 2002.
- iv. The MBA is registered on the NQF by SAQA.
- v. The MBA is accredited.
- vi. Adequate resource allocations have been made through financial planning for the development and sustainability of the programme.
- vii. The institution must demonstrate that the programme is part of the institution's planning processes.

2. MISSION, GOALS AND OBJECTIVES

The unit and programme shall have a clearly stated motivation with supporting goals and objectives.

Minimum standards

- i. The unit will have a clear mission, goals and objectives that support the MBA programme.
- ii. A unit must undertake systematic, broad-based and integrated evaluation of its activities, to determine its effectiveness in achieving its stated mission, goals and objectives.
- iii. The results of this process must be linked to, and systematically utilised to inform, the programme's planning processes.
- iv. The unit uses regular data collection mechanisms, benchmarks and user surveys to provide information needed for evaluation, planning and management.

3. ORGANISATIONAL SETTING

The internal organisation of the school/unit/faculty is conducive to teaching, learning and research.

Minimum standards

- i. The organisational structure of the unit should enhance the potential for fulfillment of its stated mission, goals and objectives and should provide for effective participation of faculty and learners in all activities of importance.
- ii. The environment should be characterised by commitment to the integrity of the institution, high ethical standards in the management of its affairs, fairness in dealing with relevant constituencies, and support for the pursuit and dissemination of knowledge and accountability.
- iii. The unit has effective communication channels, accountability frameworks and cohesive committee structures to support the work of the unit.

4. GOVERNANCE

Clearly defined policies and processes concerning programme governance and academic policies.

Minimum standards

- i. Within the framework of rules and regulations, programme administration and the faculty should have the prerogative to assure the integrity of the programme and the achievement of its stated mission, goals and objectives.
- ii. Programme faculty members should have formal opportunities for input in decisions affecting admissions, progress, resource allocation, faculty policies, curriculum design and evaluation, research and consultancies, and degree requirements.
- iii. The unit has a quality management system that is reviewed periodically.
- iv. Learners actively participate in governance structures.
- v. Administrative mechanisms permit learner involvement in programme policy formulation and review.

5. RESOURCES

The programme has resources adequate to fulfil its stated mission and goals.

Minimum standards

- i. The programme must have suitable premises at its disposal for long-term use and should provide favourable conditions for successful learning. This expectation includes the provision of comparable equipment and resources at off-campus sites.
- ii. Learners have access to comprehensive and up-to-date library facilities with access to the latest databases. Libraries should be sufficient in size and scope to complement the learning programmes offered, provide incentives for individual learning and support appropriate scholarly and professional activities of the faculty. Evidence must also be available that off-campus learners have adequate library support.
 - Full text databases from Ebsco or Proquest.
 - Emerald Library.
 - SA company information: either McGregor's Office or Inet BIS.
 - At least one reputable database such as Reuters, Bloomberg or Hoovers.
 - World Development Indicators or equivalent.
 - South African studies.
 - Archives of major South African financial publications and newspapers (*Financial Mail, Business Day, Mail & Guardian*, etc.).
 - Video collections.
- iii. Access to library, research and computing facilities should be available outside normal working hours and weekends.
- iv. Access to industry-standard hardware, software and internet access including access to appropriate e-learning platforms for all programmes, but particularly important for distance learning and mixed mode programmes.
- v. There should be a sufficient number of teaching venues and computer laboratories of an appropriate size and quality to provide a quality education environment. Full-time faculty should have suitable office space and access to computers.

6. HUMAN RESOURCES

The programme has an adequate and dedicated faculty able to support the programme's mission, goals and objectives.

Minimum standards

- i. Policies, procedures and operational guidelines relating to conditions of employment are available to all staff members.
- ii. Part-time and contractual staff members are provided with explicit responsibilities and duties.
- iii. All procedures and appointments are in line with relevant legislation and the overall policies of the institution. Policies, procedures and practices of the programme should encourage the inclusion of faculty members who contribute to the diversity of the staff complement.
- iv. Criteria for appointment, advancement or promotion must be explicit and consistently applied.
- v. The institution provides opportunities to enhance the teaching capabilities of faculty and support their professional growth and development.
- vi. The size of the teaching staff and the contractual arrangements relating to hours and workload must ensure that all teaching, research, learning support and counselling activities relevant to the programme's mission can be realised.
- vii. It must be guaranteed that all subjects, courses or modules are taught by experts in the field with adequate academic or professional qualifications. Specific motivations must be provided when employing staff without a master's qualification.
- viii. Academics and other members of the unit must undergo a formal evaluation of performance. The evaluation process should cover the areas of student advising and counselling, programme development, scholarly and professional activities, service activities, administrative activities, business and industry relations, faculty development activities, additional contributions to the academic unit and consulting activities.
- ix. Seventy five percent of the full-time faculty must have master's degrees or higher and business experience.

7. STUDENT RECRUITMENT

The programme has student recruitment policies and admissions policies designed to recruit learners who will develop competencies in the field of business management.

Minimum standards

- i. Acceptance criteria and processes should include a significant number of the following: letters of recommendation, written essay or personal statement, aims and objectives for undertaking the field of study, interview, copies of academic transcripts, resumé or curriculum vitae, evidence of computer literacy, work experience, admissions test such as GMAT or equivalent.
- ii. Ninety percent of any cohort must have at least an NQF level 7 (bachelors degree or equivalent) on entry. Exceptions to the rule are based on exceptional professional performance and evidence that the learner has participated in relevant courses leading to management qualifications. Not more than 10 percent of a cohort can be recruited via alternative access mechanisms and in these cases RPL policies and procedures must be applied properly. The learners must have more than two years' relevant and appropriate work experience.
- iii. Admission criteria and processes must be clearly documented. Prospectuses and other documents must adequately describe the educational offerings in terms of the academic calendar, admissions policies, degree completion requirements and academic standards.
- iv. Advertising and promotional materials, recruitment literature and other supporting material must contain accurate information.

8. DIVERSITY, ACCESS, REDRESS AND EQUITY

The programme shall address the broader issues of access, redress and equity in relation to both staff and student profiles.

Minimum standards

- i. The institution and unit have set target rates for disadvantaged groups and provide adequate support to ensure throughput rates for these target groups.
- ii. The unit encourages the inclusion of learners to reflect the diversity of the population.
- iii. The unit has measures in place to provide support in ensuring the success of learners in numeric and language skills.
- iv. The unit has set equity targets to be reached and is actively pursuing these in relation to staffing requirements.

9. LEARNING PROGRAMME

The programme reflects its mission, goals and objectives leading to the MBA or in the designated area of the specialisation and has clear learning objectives.

Minimum standards

- i. An MBA programme must display clear practical relevance and be well grounded in current theory.
- ii. The planning, administration and execution of the MBA programme are conducted within a framework of an effective programme quality management system.
- iii. There are clear systems and procedures for the design and review of the programme.
- iv. The MBA is a postgraduate degree at the master's level and must correspond to the minimum standards for such degrees.
- v. The minimum credit value of the MBA is 240 credits at Level 7/8.
- vi. The MBA has a minimum duration of one-year full-time study or two years part time.
- vii. The MBA programme provides coverage of the main functional areas of management: accounting, finance, marketing, operations management, information systems management, human resource management, economics and quantitative analysis. (European standard)
- viii. The core content should include (but not necessarily be restricted to) the following areas of major underpinning knowledge in general management:
 - The concepts, processes and institutions in the production and marketing of goods and/or services and the financing of business enterprise or other forms of organisation.
 - The impact of environmental forces on organisations, including: legal systems; ethical, social, economic, and technological change issues; and the effect of international developments.
 - The ability to respond to and manage change should be covered explicitly; the concepts and applications of accounting, of quantitative methods and management information systems including IT applications; organisation theory, behaviour, human resource management issues and interpersonal communications; the processes and problems of general management at the operational and strategic level; and business policy or strategy should be a core integrative course. (AMBA standard)
- ix. Not more than 33 percent of the content is directed to a specialisation, which must include a portion of core and elective courses, and a research report in the area of specialisation. Areas of specialisation need to be justified in order to demonstrate that the graduate will function as a specialist in the designated area.
- x. The design process for the programme uses participants who are qualified in terms of expertise and experience. It takes into account trends in higher education curriculum design as well as market trends and the need for management education and development both nationally and internationally.

- xi. Clear and effective procedures are in place to evaluate the programme on a regular basis. Review findings are disseminated appropriately and utilised for staff development, curriculum improvement and increasing student access.
- xii. The methods used for review are credible and consistent and allow for the triangulation of information and data in order to produce a valid outcome.

10. TEACHING AND LEARNING

The programme ensures that each student displays an understanding of the areas of knowledge that are basic to general management, acquires skills and experience in the application of basic management principles, and demonstrates integration of this knowledge.

Minimum standards

- i. Learners are provided with clear guidance as to the means by which the integration of subjects, courses or modules is achieved.
- ii. In addition to the acquisition of knowledge, the curriculum is expected to put theory into practice by focusing on the development of learners in competencies such as decision making, team work, leadership skills, entrepreneurial potential, negotiation skills, and communication and presentation skills.
- iii. The most recent developments in teaching methods and techniques must be used, with the involvement of learners as a dominant feature.
- iv. Proactive learning is reflected in dialogue-oriented lectures, case studies, group work or interactive learning sessions in the context of management simulations and project work.
- v. Teaching and learning methods must be applicable to real-life working situations. To facilitate the transfer of theory into practice, company projects must be an essential element of the MBA programme.
- vi. An MBA programme should have a minimum of 476 teaching/contact hours. This interaction may in part be supplemented by using modern multimedia techniques. In addition, there should be a minimum of 1 000 hours of preparatory study. (FIBAA standard.)
- vii. The quality requirements for programme development and delivery take into account all delivery modes. The following must be taken into account by distance education providers:
 - The design of the programme ensures explicit coherence between, on the one hand, the aims and intended learning outcomes of the programme and, on the other, the scope of the learning materials and the strategies for teaching at a distance.
 - The institution has tested systems and technologies for materials development and delivery for distance learning.
 - Learning materials, teaching and learner support strategies, and modes of assessment are designed (and reviewed regularly) in order to give students enrolled at a distance a reasonable chance of achieving intended exit level outcomes.

- Training and development opportunities are provided for staff to be able to design, deliver and review programmes offered at a distance.
- Systems are in place to identify inactive students and support them timeously.

11. ASSESSMENT

The assessment processes are valid, reliable and transparent. The assessment practices demonstrate the integration of content, teaching methods and modes of delivery.

Minimum standards

- There is rigorous assessment that is fair, explicit and consistently applied to ensure that learning objectives are at master's level. The assessment criteria must be stipulated with a range of assessment methods used. The policies and procedures for assessment take into account the varying modes of delivery. The unit must demonstrate that the formative and summative assessment procedures for programmes are appropriate for the delivery mode and the circumstances in which the programmes are studied.
- Assessment is systematically and purposefully used both to generate data for summative purposes (grading, ranking, selection, predicting) and for formative and diagnostic purposes, such as providing timely feedback to inform teaching and learning.
- The unit has efficient internal and external procedures to moderate and validate its assessment procedures and results, in order to ensure their reliability and to ensure the integrity of the qualifications it awards.
- Assessment is conducted rigorously within a framework of rules and regulations governing assessment. Security arrangements pertaining to recording and documenting assessment decisions are in place.
- The institution has a policy and effective procedures for recognising prior learning and for assessing current competence.
- The programme has to be organised in such a way that it can be completed within the stipulated time frames. Staff and infrastructural resources are organised for examinations and other forms of assessment in line with the requirements of the programme.
- The academic staff responsible for official decisions on assessment is appropriately trained, experienced and competent to assess. Teaching staff is provided with opportunities to improve and professionalise assessment practices.

12. RESEARCH

The programme has an active research focus through which both staff and learners contribute to the knowledge base of the field of management.

Minimum standards

- i. There are clear and efficient arrangements in place for the management of research functions and processes in a way that ensures and enhances quality, increases research participation, productivity and research funds.
- ii. The unit has effective strategies for research development, including capacity development for new researchers.
- iii. The MBA programme should contain substantial evidence of individual work undertaken as a project, providing evidence of the ability to integrate the core subjects. The research component should constitute at least one fifth of the overall pass mark.
- iv. All research projects should have a sound foundation as well as a practical base to allow learners to demonstrate an understanding of theory and its application at master's level.
- v. Cooperation of an employing organisation is desirable to enable learners to conduct action research. In the absence of this, the unit should provide alternative means for the learners to carry out action research.
- vi. Faculty members should be research active (i.e. 0.3 publications per full-time faculty member).
- vii. Appropriate and effective strategies are implemented for postgraduate education, including postgraduate supervision.
- viii. Postgraduate supervision procedures and processes must be on a par with all other postgraduate degrees. In order to achieve this, clearly structured courses must be provided to ensure that students are adequately prepared for research projects and for entry into higher qualifications.
- ix. The institution/unit has regulations governing the relationship between supervisors and postgraduate students. There are mechanisms for complaints and appeals.
- x. There are monitoring mechanisms in place to check the progress of students, codes and guidelines for supervision, and training and development opportunities for new supervisors.

13. EXTERNAL ENVIRONMENT

The unit is active in the field of management and contributes to the improvement of management in society.

Minimum standards

- i. The unit has linkages with the business environment that support and augment the programme and work of the unit.
- ii. The unit provides evidence of articulation and/or credit transfer relationships with other higher education institutions.
- iii. The unit ensures that all partnership agreements are focused on ensuring quality teaching and learning.
- iv. The unit consciously measures and monitors its relationships with external stakeholders.

CASES OF BEST PRACTICE

This appendix outlines five mini-case studies of instances of best practice in MBA provision in South Africa. They come from among those business schools that were commended by the HEQC for an aspect of their programme provision. The selection of cases is not representative of all the re-accredited business schools. The purpose of these mini-case studies, prepared by the respective business schools and edited for publication, is primarily to highlight concrete examples of best practice and to share experiences with the broader MBA community in order to stimulate improvement and innovation in the provision of excellent higher education programmes.

MINI-CASE STUDY 1: MANCOSA'S EXPANDING INFRASTRUCTURE

The Management College of Southern Africa (MANCOSA) in Durban is a private higher education institution offering since 1995 a distance-learning general MBA programme and a specialised programme in tourism. MANCOSA emerged in the post-apartheid period to address the need for affordable management education for previously disadvantaged sections of the South African population. Its mission is to provide affordable, accessible and accredited programmes through supported distance education. Currently the institution enrolls approximately 600 students on its two MBA programmes.

MANCOSA was among the business schools that were commended in relation to the HEQC's re-accreditation Criterion 5, resources. This criterion stipulates that an MBA programme must have resources adequate to fulfil its stated mission and goals. More specifically, the minimum standards are that:

- (i) The programme must have suitable premises at its disposal for long-term use and should provide favourable conditions for successful learning. This expectation includes the provision of comparable equipment and resources at off-campus sites.
- (ii) Learners have access to comprehensive and up-to-date library facilities with access to the latest databases. Libraries should be sufficient in size and scope to complement the learning programmes offered, provide incentives for individual learning and support appropriate scholarly and professional activities of the faculty. Evidence must also be available that off-campus learners have adequate library support. With respect to the MBA a library should include: full text databases from Ebsco or Proquest; Emerald Library; SA company information, either McGregor's Office or Inet BIS; at least one reputable database such as Reuters, Bloomberg or Hoovers; World Development Indicators or equivalent; South African studies; archives of major South African financial publications and newspapers (e.g. *Financial Mail*, *Business Day*, *Mail & Guardian*, etc.); and video collections.

- (iii) Access to library, research and computing facilities should be available outside normal working hours and weekends.
- (iv) There should be access to industry-standard hardware, software and internet, including access to appropriate e-learning platforms, for all programmes, but particularly for distance learning and mixed mode programmes.
- (v) There should be a sufficient number of teaching venues and computer laboratories of an appropriate size and quality to provide a quality education environment. Full-time faculty should have suitable office space and access to computers.

Physical, technological and knowledge infrastructure

MANCOSA approaches the question of resources and resource infrastructure from three angles, namely: physical infrastructure, technological infrastructure, and knowledge infrastructure. With respect to physical infrastructure, MANCOSA owns the premises within which the MBA programme is offered, and in which the learning resources are located. Its infrastructure includes two lecture theatres, a library, a computer/internet centre, two reading rooms, a recreation area, an electronic media centre, a students' boardroom, and three tutor counselling rooms. Moreover, MANCOSA has by contractual agreement access to workshop facilities at various institutions across the SADC (Southern African Development Community) region, which are used for workshops, special classes and examinations. The institutions include Wits College of Education (Johannesburg), the University of Namibia, the Natural Resources Development College in Zambia, and the Universidade Eduardo Mondlane in Mozambique.

In terms of its technological infrastructure, MANCOSA's student support system is based on an information technology system which includes the recruitment office, registry, finance department, quality assurance, library services, media centre, the computer/internet centre, and the examinations office. Computers and printers are linked through a server onto an integrated and shared office network. Over the past four years MANCOSA has maintained its learner records on an integrated software programme called the Universal Student Admissions Programme (USAP). Recently, MANCOSA replaced this system with a more comprehensive management system called ISMS, in order to meet its growing needs. The confidentiality and security of student records is maintained. There is a large staff complement to support the activities at each of these units, as well as a full-time IT person.

For the use of students, MANCOSA has a computer and internet centre on its premises. The information technology infrastructure consists of computer hardware, printers, fax machines, photocopiers, a laminator and a scanner. Computers and overhead projectors are available to academic staff. Data projectors, televisions, VCRs and other hardware are also available. Additional equipment is hired on a needs basis. Students are encouraged to use these facilities throughout the week as well as on weekends and holidays and after hours. Assistance from qualified IT personnel is available on the premises. When students need to study late, the lecturing staff stays on at night to keep the learning facilities open. Students are satisfied with the flexibility in the use of the learning resources.

As its knowledge infrastructure, MANCOSA identifies two key resource centres, the library and the media centre. The institution has a well-equipped library on its premises which has about 4 000 books and subscribes to 18 journals both national and international. The library also has a collection of past dissertations, research publications and newspapers. In addition, off-campus students have access to library facilities located in regions in which they live. Contractual agreements with external libraries allow students to use the libraries of nearby higher education institutions. MANCOSA has arrangements with the libraries of the following institutions so as to facilitate learning and research for its dispersed student base: the new University of South Africa, the University of KwaZulu-Natal, the University of Stellenbosch, the University of the Free State, Rand Afrikaans University, Port Elizabeth Technikon, and the Universidade Eduardo Mondlane.

MANCOSA's agreement with the former Technikon SA enables its students to register with the Goldfields Library and Information Centre of Technikon SA; this agreement cost MANCOSA R19 685. Registered library users are provided with a library card that allows MANCOSA students access to the TSA library for a one-year duration. MANCOSA students are bound by the rules and regulations pertaining to the library facility of Infobridge. The services include access to the Goldfields Library and Information Centre, use of the reference collection, journal collection and internet, a postal service to MANCOSA students who register with the library, and loan privileges. These allow students to borrow up to six books and two audio-visual items at a time. The loan period is 30 days for books and seven days for audio-visual items.

In order to ensure that MANCOSA's students have access to all required books, MANCOSA has donated about 1 000 books to university libraries within the SADC region to improve their library holdings and to provide access to these books for its MBA students in those areas.

In keeping with technological developments in distance education, MANCOSA has an electronic media centre on its premises. This centre gives students access to a wide range of electronic media facilities. Electronic communication between tutors and students is conducted through email and chat facilities. Discussion rooms and real-time chat rooms are available for students. Currently the media centre has the following resources related to management programmes: personal computers equipped with CD-Rom, internet, scanner, laser printer, sound kit and CD writer, floppy disks, compact disk-journals, tutorials, encyclopaedia, television set, VCR, DVD player, video camera, video cassettes, overhead projectors, transparencies, etc.

As a distance learning institution, MANCOSA conducts the bulk of learning through the electronic learning platform for all its programmes. Multimedia resources for the MBA include a video and CD Rom collection. MANCOSA students have free access to the latest online journals through the EBSCO web-site. Access to the EBSCO website is via the MANCOSA website. MANCOSA's in-house Management Journal is also available on the website. Online access to weekly business publications also includes *The Economist* and *Financial Mail*. Additional support services offered online include an academic calendar, tutorial letters, workshop handouts, assignment guidelines, assignment submissions, result

statements, account status, and past examination papers. In short, the MANCOSA campus in Durban has a state-of-the-art physical, technological and knowledge infrastructure to meet learner needs. At the same time, the institution has found effective ways to deliver a quality infrastructure to a widely-dispersed student body across the SADC region.

In order to keep up with technological developments and with its growing student numbers, MANCOSA has taken some strategic decisions including the following: (1) budgetary provisions are regularly revised and increased; (2) student feedback is continuously and consistently taken into account and acted upon; (3) service delivery is student-focused; and (4) MANCOSA's infrastructure provision has been continuously benchmarked against provision by other institutions in the country offering similar programmes.

MINI-CASE STUDY 2: THE LEARNING PROGRAMME OF THE UCT GSB

The Graduate School of Business (GSB) of the University of Cape Town (UCT) has offered an MBA programme since 1964. The GSB aims to be 'the international business school in Africa' and thus actively recruits students from other parts of the world and from Africa in particular to contribute to the diversity of its student population. The GSB MBA programme is offered full-time and part-time. The average number of students is 75 on the full-time programme and 40 on the part-time programme.

The GSB of UCT was commended for the quality of its learning programme (Criterion 9). This means that the GSB's programme reflects the school's mission, goals and objectives leading to the MBA and has clear learning objectives. The applicable HEQC minimum standards include:

- (i) An MBA programme must display clear practical relevance and be well grounded in current theory.
- (ii) The planning, administration and execution of the MBA programme are conducted within the framework of an effective programme quality management system.
- (iii) There are clear systems and procedures for the design and review of the programme.
- (iv) The MBA is a postgraduate degree at the master's level and must correspond to the minimum standards for such degrees.
- (v) The minimum credit value of the MBA is 240 credits at Level 7/8.
- (vi) The MBA has a minimum duration of one-year full-time study or two years part-time.
- (vii) The MBA programme provides coverage of the main functional areas of management: accounting, finance, marketing, operations management, information systems management, human resource management, economics and quantitative analysis. (European standard)
- (viii) The core content should include (but not necessarily be restricted to) the following areas of major underpinning knowledge in general management: the concepts, processes and institutions in the production and marketing of goods and/or services and the financing of business enterprises or other forms of organisation; the impact of environmental forces on organisations, including legal systems and ethical, social, economic, and technological change issues, and the effect of international developments; the ability to respond to and manage change, covered explicitly; the

concepts and applications of accounting, quantitative methods and management information systems, including IT applications; organisation theory, behaviour, human resource management issues and interpersonal communications; the processes and problems of general management at the operational and strategic level; and business policy or strategy as a core integrative course. (AMBA standard)

- (ix) Not more than 33 percent of the content is directed to a specialisation, which must include a portion of core and elective courses, and a research report in the area of specialisation. Areas of specialisation need to be justified in order to demonstrate that the graduate will function as a specialist in the designated area.
- (x) The design process for the programme uses participants who are qualified in terms of expertise and experience and takes into account trends in higher education curriculum design as well as market trends and the need for management education and development both nationally and internationally.
- (xi) Clear and effective procedures are in place to evaluate the programme on a regular basis. Review findings are disseminated appropriately and utilised for staff development, curriculum improvement and increasing student access.
- (xii) The methods used for review are credible and consistent and allow for the triangulation of information and data in order to produce a valid outcome.

Design and key features of the GSB curriculum

The GSB full-time MBA is delivered over 11 months with four blocks of ten weeks. The part-time MBA option is offered over 22 months and is comprised of eight blocks of ten weeks, with attendance in class on Monday nights from 5.30pm to 10pm and on Saturday mornings from 8.30am to 1.30pm.

The GSB designed its MBA programme with the purpose of developing students' managerial, leadership and entrepreneurial skills, and to facilitate access to specialist knowledge and new ways of thinking. Thus its core curriculum is both local and international in orientation and the material is specifically contextualised in relation to emerging economies and transitional societies and of course to South Africa in particular. The curriculum is structured around 11 core courses, which are designed to ground students in the fundamentals of management and to integrate this learning into a holistic framework that is sensitive to the key challenges facing business today. In addition, electives enable the students to explore areas of interest in more depth, and the final research report and company analysis projects are designed to help students integrate what they have learned and apply it to real management problems and contexts.

A key feature of the GSB curriculum is its practical emphasis, as it is designed to challenge students to apply the knowledge and skills gained on the programme to situations in actual companies and organisations. Exposure to real-world issues occurs through site visits, company-based projects of various kinds, and other mechanisms, and concludes with the company analysis project.

Two core courses on the MBA, Business, Government and Society, and Communication, Leadership and Learning, are seen as key to the integration of the curriculum and to the students' understanding of their and business's role in society. The two core courses are also integral to the success of the company analysis project, which is a group-based project.

Business, Government and Society

The core course, Business, Government and Society, is divided into three related sections. The first section is dedicated to developing several highly topical issues that impinge upon the relationship between government, society and the business community. These topics include for example the HIV/Aids pandemic, the state of the organised labour movement, the state of political party competition and the state of race relations, while foreign relations are also highlighted. The second section of the course deals very specifically with the incentives set for the business community when dealing with the forces of globalisation. In the final section of the course there is a series of discussions on the concept of sustainable development and the significant strategic implications and potential business opportunities associated with implementing the triple bottom line.

Communication, Leadership and Learning

During the first part of the Communication, Leadership and Learning course, students are exposed to a variety of leadership, communication and learning perspectives and are invited to develop a language for thinking and dialoguing on critical issues. They spend time developing insight into personal strengths and weaknesses while learning about the notion of 'leadership from within'. The course builds on the strengths and diversity in the class and promotes personal and group challenges within a questioning framework. It also lays the foundation for life-long learning.

The second part of the course seeks to develop students' ability to manage change. The course looks at the need for clear understanding of the key strategic drivers of change, and considers the need for finding an appropriate breadth, depth and form of intervention appropriate to the system. Students examine the importance of process in managing change, looking in particular at what can be termed the 'uncertainty – containment paradox'. They also focus on the change agent and related issues of leadership, credibility and sustainability.

Company Analysis

Company Analysis is a capstone course at the UCT business school in which students combine what they have learnt during the course of the year with their own work experience and apply this to a real consulting assignment. The school invites businesses to put themselves forward to be analysed by teams of MBA students. Each participating business receives a thorough assessment of both the internal and external drivers and strategic issues of their business. Using leading-edge methodologies and models, a group of up to six students analyses the

company history and culture, operations, production, human resources, sales, marketing, suppliers, customers and more. The local, national and global context of business is also evaluated and issues around corporate governance, corporate social responsibility, HIV policy and black economic empowerment are specifically addressed.

Students work under close supervision both from lecturers and external business mentors. All material is confidential and, to preserve the integrity of its interaction with businesses, the school signs a confidentiality agreement with participating companies. The outcome of the assignment is a presentation to the company and a consolidated report. The objectives of the Company Analysis programme are to:

- Provide an opportunity to apply theoretical concepts learned over the course of the MBA.
- Learn the project management skills necessary in order to successfully manage and produce a project of this size and complexity.
- Provide an opportunity to work with the company as if the students were a team of consultants.
- Fully analyse all internal operations of a company: the effectiveness and efficiency of each operation and/or function is measured and evaluated and then the effectiveness and efficiency of the interrelation between these operations/functions is also evaluated – i.e. both hard and soft issues are evaluated.
- Gain experience in the design, administering, collection and evaluation of surveys in order to collect information. Interviews and surveys are conducted where applicable on employees, suppliers, customers, competitors and sometimes even substitutes. All other stakeholders are required to be considered via either survey, interview or desk research.
- Perform an extensive external analysis for the organisation. Students are required to consider both the general, overall external environment (global, national, regional) and then they are expected to zoom in on the industry itself. A comprehensive industry analysis and industry positioning is required. This is part of the assessment for the Business, Government and Society course.

Students interact intensively with the organisation over two semesters in order to be able to deliver the information required. The interactions need to be focused and well managed in order to deliver the desired results.

Company Analysis is greatly valued by the students in terms of its integrative value in rounding off their steep learning curves on the MBA programme. It is also valued by the targeted organisations that benefit not only from the content of the reports but also from the insights they gain from working with the students. Many organisations, though existing relationships with the GSB, apply to be part of this process.

The use of course material that is well grounded in current theory and knowledge, a curriculum that covers the main functional areas of general management, including integrative core courses such as Company Analysis, and the use of diverse teaching

methodologies centred on the learner, make the UCT MBA a commendable learning programme that is reflective of the mission and goals of the business school.

MINI-CASE STUDY 3: GIBS APPROACH TO GOVERNANCE

The Gordon Institute of Business Science (GIBS) was established in Johannesburg by the University of Pretoria in 1999. GIBS commenced classes in 2000 with a first intake of 55 MBA students. The establishment of GIBS required the working out of systems and procedures of governance by which the business school would relate to its mother institution.

Governance is Criterion 4 of the HEQC review and refers to the policies and processes concerning programme governance and academic policies. The applicable minimum standards are:

- (i) Within the framework of rules and regulations, programme administration and the faculty should have the prerogative to assure the integrity of the programme and the achievement of its stated mission, goals and objectives.
- (ii) Programme faculty members should have formal opportunities for input in decisions affecting admissions, progress, resource allocation, faculty policies, curriculum design and evaluation, research and consultancies, and degree requirements.
- (iii) The unit has a quality management system that is reviewed periodically.
- (iv) Learners actively participate in governance structures.
- (v) Administrative mechanisms permit learner involvement in programme policy formulation and review.

GIBS Board and internal governance structures

The GIBS operates as a Section 21 company not for gain, acting as an agent for the university. The director of the school reports and is directly accountable to the vice-chancellor of the university and to the GIBS board of directors. The board of directors was established in 1999. GIBS is represented on the Board by the director of GIBS, the director of company specific programmes and the director of administration of GIBS. It is significant that the university is represented on the Board by the vice-chancellor of the university, the deputy vice-chancellor, the executive director (finance) and the dean of the Faculty of Management and Economic Sciences.

The GIBS Board meets three times per annum for a formal review of the progress of the school. The director of the school and all leaders of operational areas supply written reports to the Board. This includes reports on all programmes offered by the school and on the operational and financial performance of the school. The Board approves all major initiatives prior to implementation.

On a day-to-day basis, the school is primarily managed by the executive committee, which is chaired by the director. Among others represented on the executive committee is the

director of administration, responsible for academic programmes. In addition, a functioning and cohesive committee structure enhances and supports the delivery of the programme, covering the full spectrum, including governance, planning, budget and resources, etc.

The director chairs an academic programmes committee on a fortnightly basis. This committee considers and evaluates all aspects of the MBA programme, including the quality of the content of the programme as well as the processes in place to ensure the quality is maintained. The academic programme committee also considers all the student evaluations as well as recommendations and suggestions from the academics on the programme. Some of the criteria which are used in this process are the frequency and use of dynamic, complex and contemporary case studies, the level of class debate and the calibre of guest speakers, modes of delivery that encourage group and individual engagement, the flow and integration of the course material and the linkage between the course content and design and the material covered.

Members of the academic programmes committee meet with the student representatives of the MBA class on a monthly basis. The purpose of these meetings is to receive input from the students on the programme quality and processes and suggestions for future improvements to the programme.

Participation in university governance structures

GIBS is required to process all curriculum changes of its MBA programme through the Faculty Board of the Faculty of Management and Economic Sciences of the University of Pretoria for approval ultimately by the University's Senate. The school is represented on the faculty board by the director of administration: academic programmes. Apart from processing curriculum changes, the faculty board also ensures that all academic processes, such as the appointment of external examiners and the marking processes, are in line with the processes prescribed by the university.

In addition to the quality assurance prescriptions of the university, GIBS has developed its own policy document that details the quality assurance mechanisms for the MBA and focuses on materials, examinations and controls. These processes collectively ensure that the quality of the academic programmes offered by GIBS is always of exceptional standard.

MINI-CASE STUDY 4: GIBS APPROACH TO TEACHING AND LEARNING

Each year GIBS admits between 70 and 75 students to its MBA programme. GIBS's primary aim is 'to significantly improve the competitive performance of individuals and organisations through world-class business education'. GIBS was among the business schools commended for the quality of teaching and learning on their programme. This means that 'each student displays an understanding of the areas of knowledge that are basic to general management,

acquires skills and experience in the application of basic management principles and demonstrates integration of this knowledge'. The HEQC's minimum standards for this criterion (Criterion 10) are:

- (i) Learners are provided with clear guidance as to the means by which the integration of subjects, courses or modules is achieved.
- (ii) In addition to the acquisition of knowledge, the curriculum is expected to put theory into practice by focusing on the development of learners in competencies such as decision-making, team work, leadership skills, entrepreneurial potential, negotiation skills, communication and presentation skills.
- (iii) The most recent developments in teaching methods and techniques must be used, with the involvement of learners as a dominant feature.
- (iv) Proactive learning is reflected in dialogue-oriented lectures, case studies, group work or interactive learning sessions in the context of management simulations and project work.
- (v) Teaching and learning methods must be applicable to real-life working situations. To facilitate the transfer of theory into practice, company projects must be an essential element of the MBA programme.
- (vi) An MBA programme should have a minimum of 476 teaching/contact hours. This interaction may in part be supplemented by using modern multimedia techniques. In addition, there should be a minimum of 1 000 hours of preparatory study. (FIBAA standard.)
- (vii) The quality requirements for programme development and delivery take into account all delivery modes. The following must be taken into account by distance education providers: the design of the programme ensures explicit coherence between, on the one hand, the aims and intended learning outcomes of the programme and, on the other, the scope of the learning materials and the strategies for teaching at a distance; the institution has tested systems and technologies for materials development and delivery for distance learning; learning materials, teaching and learner support strategies, and modes of assessment are designed (and reviewed regularly) in order to give students enrolled at a distance a reasonable chance of achieving the intended exit level outcomes; training and development opportunities are provided for staff to be able to design, deliver and review programmes offered at a distance; and systems are in place to identify inactive students and support them timeously.

Modular MBA programme and the International Global Elective

Since its inception, GIBS has offered an MBA programme on a two-year modular basis. The GIBS MBA is primarily delivered through a series of interactive classroom-based lectures on a modular block-release basis over the two-year period, starting in January each year. The first module commences with a compulsory three-day group dynamics session followed by four days of the first teaching block. Ten days later, block two of the teaching session commences. Thereafter, the programme is delivered through three- and four-day full-time study blocks per module.

The modular structure of delivery allows the students the maximum opportunity to apply theory and concepts that they learn in individual study, lectures and group work. It also allows for the completion of the practical application projects within the student's own company during the periods between each study block. This structure enhances the total learning experience and hones the business leadership capacity of the students.

In addition to the 19 core courses offered in years one and two and the range of electives offered in year two of the programme, the element of the GIBS MBA programme provision which illustrates effective best practice in the teaching and learning criterion is the compulsory International Global Elective.

The GIBS approach to teaching and learning takes cognisance of South African business's need to operate increasingly in the global arena and recognises that international competencies are therefore critical for all senior managers. To this end, towards the end of the second year of the programme, students are required to participate in a ten-day international elective that focuses on global business.

Each year, the global destinations are carefully chosen in order to provide students with a greater global perspective and to show them new contexts in which to apply the knowledge gained on the MBA programme. For the 2005/6 MBA intake, five destinations will be offered. Potential destinations include Boston, Kuala Lumpur and Singapore, China, southern Africa and India. These electives will allow students to focus on the unique business opportunities and challenges of each international destination and each destination will be linked to global best practice. Faculty will be drawn from local business schools and speakers will be drawn from leading companies in the area. The programme also includes company visits to globally competitive industries. Some study tour time may be made available to students to do individual visits to leading organisations in their own particular industry. Students are required to participate in syndicate tasks and projects prior to their departure for each destination. In order to prepare adequately, students receive course packs which contain the relevant case studies and articles for lecture sessions or material pertaining to the various company visits at least three weeks prior to the departure date.

As stated by Prof. Binedell, director of GIBS, 'the questions facing executives are timeless and universal' hence the International Global Elective is an opportunity for GIBS MBA students to appreciate the universality of competitive pressures and opportunities and view first-hand the 'concepts and practices adopted by successful organisations', not only locally but internationally as well.

GIBS's approach to teaching and learning, and the International Global Elective in particular, serve as an example to illustrate the application of the most recent developments in teaching and learning methods and techniques and of innovative ways for students to integrate knowledge and put theory into practice. In this respect, the GIBS MBA is, as advertised by

the school, designed to 'provide students with the knowledge and experience that is necessary to develop their future to their best advantage', and a case of best practice of teaching and learning.

MINI-CASE STUDY 5: THE GSM'S MBA SELECTION MODEL

The University of Pretoria's Graduate School of Management (GSM) has been in existence for 55 years. Founded in 1949, the GSM was the first business school outside the USA to offer an MBA degree. The GSM offers its MBA programme as a part-time programme. Only two classes (one modular and one after-hours) of 50 students each are admitted per year. This is in line with the GSM's teaching philosophy of high intensity interaction between lecturer and students. The MBA degree of the GSM gained full accreditation status with the HEQC and, among others, the GSM was commended for its approach to student recruitment.

The HEQC's MBA re-accreditation criterion for student recruitment (Criterion 7) requires that an MBA programme has student recruitment policies and admissions policies designed to recruit learners who will develop competencies in the field of business management. The minimum standards associated with this criterion are as follows:

- (i) Acceptance criteria and processes should include a significant number of the following: letters of recommendation, written essay or personal statement, aims and objectives for undertaking the field of study, interview, copies of academic transcripts, resumé or curriculum vitae, evidence of computer literacy, work experience, admissions test such as GMAT or equivalent.
- (ii) Ninety percent of any cohort must have at least an NQF level 7 (bachelor's degree or equivalent) on entry. Exceptions to the rule are based on exceptional professional performance and evidence that the learner has participated in relevant courses leading to management qualifications. Not more than 10 percent of a cohort can be recruited via alternative access mechanisms and in these cases RPL policies and procedures must be applied properly. The learners must have more than two years' relevant and appropriate work experience.
- (iii) Admission criteria and processes must be clearly documented. Prospectuses and other documents must adequately describe the educational offerings in terms of the academic calendar, admissions policies, degree completion requirements and academic standards.
- (iv) Advertising and promotional materials, recruitment literature and other supporting material must contain accurate information.

The MBA re-accreditation process driven by the HEQC caused many institutions offering MBA programmes to re-evaluate their admission systems. Some business schools require applicants to comply with stated admission requirements and subsequently use the GMAT or similar tests. The GMAT primarily evaluates the numeracy and verbal skills of the applicant. However, a number of concerns militate against the uncritical use of the GMAT

by South African business schools. One is that for a South African applicant, the GMAT is relatively expensive. Another is that the test is contextualised for American applicants to graduate programmes and tends to be culturally biased. Experience has also shown that South African schools making use of the GMAT rarely apply the same strict admission principles as those in the USA using the GMAT. Evidence exists that applicants with scores well below accepted norms for admission to US MBA programmes are admitted to some South African MBA programmes, although these schools use their insistence on applicants having taken the GMAT in their marketing.

In a recent article by George F Dreher and Katherine C Ryan, 'A suspect MBA selection model: The case against the standard work experience requirement', an interesting argument on MBA admission systems is made: 'MBA admission systems should be of the same high quality as the best systems used by the organizations hiring their graduates'.¹ This statement echoes the approach developed by the GSM in 2001 for the selection of suitable candidates for the MBA programme.

GSM ideal student profile

The GSM follows a competitive admissions policy for the MBA programme. A competitive admission policy ensures (1) compliance with the admission criteria; (2) identification of the most suitable candidates for contributing to and completing the programme successfully; and (3) a balanced student body in terms of race, gender, undergraduate discipline, industry and nationality.

GSM's admission policy requires an applicant to comply with the following to be considered for admission to the GSM MBA:

- Matriculation exemption with a minimum of a D symbol in mathematics (HG).
- A relevant bachelor's degree from a recognised institution demonstrating above-average academic performance.
- Learning of a required standard in a number of defined management foundation areas assumed to be in place.
- At least three years of relevant post-degree experience.
- Current employment in an appropriate position.
- Management potential.
- Intellectual capability and emotional intelligence to complete the programme and derive value.
- Information literacy (including the necessary level of English language proficiency).
- Employer support and recommendation to undertake and complete the programme.
- Regular and effective access to the internet.

¹ G.F. Dreher and K.C. Ryan, A suspect MBA selection model: The case against the standard work experience requirement. *Academy of Management Learning and Education Journal*, Vol. 3, 2004.

- Successful completion of all preparatory work, if required.
- An original evaluation certificate issued by SAQA in the case of a foreign qualification.

Compliance with these criteria does not guarantee admission, only admissibility. The GSM selection board may use their discretion for selection.

The rationale behind the selection approach of the GSM was instrumental in determining the first profile of the MBA graduate that could be delivered to the market. This was achieved by consulting with various stakeholders of the GSM. The MBA programme design was derived from the profile of the ideal graduate. Again stakeholder involvement was basic to the design process. Subsequently, the ideal profile of entrants to the programme was compiled. The profile included competencies such as management potential, information literacy, language proficiency, idea fluency and emotional intelligence. The challenge was to design an admission process and instruments that would select for these competencies.

Admissions tests and interviews

In order to develop an assessment strategy for the MBA admissions process, the GSM consulted with SHL, a well-established company engaged in objective people assessment based on the science of occupational assessment. The GSM ideal MBA competence profile was mapped onto the personality characteristics measured by the SHL occupational personality questionnaire (OPQ32i). The ipsative version of the instrument is used for the MBA selection process. The mapping is shown in Table 1.

Table 1: GSM ideal MBA competency profile

<i>Management potential</i>	<i>Leadership</i>
Aspects of information literacy	Planning & organising
Aspects of emotional intelligence	Persuasiveness
Aspects of information literacy	Problem solving & analysis
Aspects of language proficiency	Oral communication
Aspects of language proficiency	Written communication
Idea fluency	Creativity & innovation
Aspects of emotional intelligence	Interpersonal sensitivity
Aspects emotional intelligence	Flexibility
Aspects of emotional intelligence	Resilience

Although the GSM profile meant that only 10 of the 16 competencies assessed by the OPQ32i were deemed to be crucial, a decision was made to take all 16 competencies into consideration when evaluating an applicant. This decision was based on the relevancy of the other competencies from a business perspective - for example competencies such as strategic thinking, a quality orientation and personal motivation. In addition to the OPQ32i instrument, two other SHL(r) instruments were included in the selection tests: a numerical critical reasoning

instrument (NMG3) and a verbal critical reasoning test (VMG3). The former measures the applicant's ability to make correct decisions or inferences from numerical data, whereas the latter measures the applicant's ability to evaluate the logic of various kinds of argument.

Furthermore, the GSM took the decision to develop an in-house in-tray type test to be used as part of the selection process. The test was designed to give an indication of the applicant's English language proficiency (including writing skills), idea fluency and aspects of information literacy. The test is administered as part of the battery of tests and is graded in-house by an information specialist.

The final step in the selection process is a personal interview conducted with each applicant by an admissions panel. The panel consists of two to three panel members, typically a staff member of the GSM, a lecturer on the MBA and/or an alumnus of the school. The decision on whether to admit an applicant is based on the weighted average of the scores achieved by the candidate.

The GSM has conducted studies to determine the correlation between the scores on the admission tests taken by successful applicants and their subsequent academic performance on the MBA. To date, only a limited sample of students (50) has completed the full MBA programme since the introduction of the selection process. Nevertheless, the ability of the selection process to predict success on the MBA seems to be impressive. Anecdotal evidence obtained from lecturers who have taught on the GSM MBA for many years points to vast improvement in the quality of students admitted to the programme. In the same vein, lecturers teaching on the GSM MBA as well as other highly regarded MBA programmes in South Africa and internationally, have commented on the quality of the GSM MBA students. One comment from one of the itinerant professors teaching on the GSM MBA, refers to 'the willingness and ability of the GSM MBA students to explore the fuzzy boundaries of new management thinking'. This correlates well with what has been described in information science literature as typical behaviour of information-literate people.

Using stringent criteria and a rigorous admission process, the GSM has a situation where the admission process acts as the filter between those who have the potential to succeed on the MBA programme and those who do not. In addition, the school has an equity profile of students that shows a diverse range of students characteristic of the demographics of South Africa, several international students from the SADC region and other African countries. The GSM's approach to student recruitment is comprehensive and fair and thus represents a case of good practice.

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