

Do MBAs Make Lousy Managers?

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Discuss how MBAs influence managers in their way of work in the organizations, and presents de profile of the MBA students in the United States.

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An MBA is the preferred degree for managers in the US. Students around the world are seeking MBAs as the fast track to management. Education is a generally a good thing—but what if MBA training makes people lousy managers? If this is the case, then MBA training is a global force for making organizations less effective.

There are a lot of critics of MBAs but the most thoughtful is Dr. Henry Mintzberg, one of few truly revered academics in business. His latest book, *Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development*, makes a compelling case that businesses would be better off not hiring MBAs into management positions.

In MBA programs students are taught analysis and technique. What should an organization do about a failing factory? The MBA is taught to look at a 20 pages of text, apply some techniques like present value analysis, and make a decision. End of story. This is what they are taught management is.

Contrast the MBA approach to the true nature of management. First of all, someone with no experience in the firm would never, ever be given the responsibility of making a major decision like closing a plant. There is a deadly hubris in the idea that it is possible to make the right decision without knowing the products, the people and the customers. A real manager would spend a lot of time down in the plant talking to people, he or she would visit customers, and perhaps visit other plants to see how they run. Whatever decision was made would be based on a deep, hands-on understanding of the business – the reading of reports and the application of technique would only play a minor role in the decision.

It's not just that decision making by good managers is based on a much richer understanding of the situation, for a real manager decision-making is a small part of the job. The real job is execution, which is again all about talking to people, learning as you go, bringing energy and direction to workforce. To an MBA 'execution' is just a word, not the very core of their job.

Mintzberg's book has attracted a fury of criticism. Some MBAs make very good managers—of course that's true, Mintzberg does not say otherwise. Aspects of the MBA program are valuable—yes, there's no doubt that analytical skills and a grounding in business techniques has some value. However, Mintzberg's critics can't escape the central argument which is that the implicit message of MBA programs is that management is about sitting in a room, applying some techniques, and making a decision. Students are bound to leave their MBA with a distorted view of what management is and will damage firms as they slowly unlearn these lessons.

So what background you your manager have instead? Firms should hire bright people, and over the years some will emerge as managers to be

managers sat around in the office planning, organizing and making decisions—and if they didn't they should. Mintzberg showed this was completely wrong. Managers had no time to sit around "organizing". They spent their time answering calls, going to meetings, and talking to people in the hallways. Their life was the chaos of keeping the firm moving in the right direction minute by minute, day by day.

Mintzberg's greatest work, *The Rise and Fall of Strategic Planning*, looks at the utter failure of big programmed strategic planning—which involved big planning departments creating hugely detailed plans that would be passed down to someone else to implement. Strategic planning is grounded in the same mistaken idea that management is about some smart person sitting in a room and dictating orders to workers

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promoted up the hierarchy. Bringing people directly into management positions is folly. If firms need people to have some grounding in specific techniques then they can arrange courses for those particular needs. You can teach someone all they need to know about market segmentation in a week. There is no need to spend two years in an MBA program.

It's interesting to see how Mintzberg's book on MBAs flows from his previous work. His groundbreaking work in the 1970's involved observing managers to see what they actually did. At the time academics thought that

who carry out the plan. This doesn't work, and never will work. Jack Welch's great success came from jettisoning the planning departments that had strangled GE.

It seems the vision of managers as puppeteers pulling the strings of an organization from on high will not die. The big planning departments have been vanquished but a whole lot of software vendors are promoting products that envision a manager sitting in a room, staring at a computer and managing by responding to what they see on the screen. Where there are green lights all is well. Red or

yellow lights call for analysis, digging down through screens of data to determine the problem, and set it right. It's an appealing vision, one that promises to take uncertainty of our management and bring control—but that's not how management works.

I had dinner with Mintzberg and at the end he made a comment which somehow wrapped up the whole thing far more poignantly than the carefully marshalled data and arguments in his book. I asked him what to look for in a management development program, he said, "Look for programs where people come out with humility."

Perhaps that is the really the crux of why MBA programs can be so damaging. They teach people arrogance; many are quite explicit in doing so. Yet, no wise person can be anything but humble in the face of the complexity of the world. If you do hire MBAs then look for the humble ones, and if you do take an MBA, realize they can teach you about analysis, but they can not teach you about management.

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David Creelman is a contributor editor to TerraForum Consultores.

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