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New MBA timetable starts in 2016

by David Furlonger

South Africans planning to undertake MBAs from 2016 may have to study for an extra two years.

By confirming plans to raise the academic status of local MBAs to full master's level, the Council on Higher Education (CHE) has told business schools to limit student intake to those with an honours or equivalent qualification.

That includes four-year bachelor's degrees like law and engineering. But graduates with three-year bachelor's degrees will in future have to register for bridging programmes, probably postgraduate diplomas (PGD) in business administration. Most will take no more than a year but some schools say theirs could last two.

Depending on the school, therefore, a three-year MBA could ultimately turn into four or five years of study.

There will, however, still be room for students whose work experience compensates for their lack of academic qualifications. As they are now, schools will be allowed to set aside up to 10% of places for "recognition of prior learning".

Not all schools are happy with the new entry standards but they see them as the price they must pay for the MBA to be considered a master's degree. Until now, despite its name, academically the MBA has been rated no higher than an honours degree - in education department parlance, a level 8 qualification. A master's is a level 9.

Though the national education department has yet to confirm this, university business schools expect the upgrade will allow them to claim the generous master's student subsidy which has so far been denied them. Independent schools will continue to get nothing.

The raised entry standards are part of a comprehensive overhaul of higher education in SA. After a period of indecision over whether the MBA should be an academic or a professional degree - or possibly both in tandem - the CHE has opted for the professional route.

This is in line with the generally held view that an MBA is an applied degree, intended to teach leadership and general management skills rather than academic theory. For an academic master's, research accounts for at least one-third of total programme credits, while the professional version requires 25%.

CHE CEO Ahmed Essop says: "Professional or academic, it makes no difference. It is an MBA and will be recognised internationally as such. It is a full master's degree."

Research in the new MBA can take a number of forms. They include a traditional single dissertation, akin to a thesis, or a series of projects or case studies.

Programme content may also change. Some minimum academic requirements for current MBAs are pitched at level 8. "A number of schools will have to look at whether their programmes are appropriate for level 9," says Essop.

He says schools must resubmit their proposed MBA programmes to the CHE by March next year for them to be assessed. Several institutions, however, say they may be ready only by June.

The realignment of the MBA to master's level is the qualification's biggest overhaul since 2004, when a full CHE reaccreditation process laid down strict criteria defining the intent and content of an MBA. As a result, 10 schools - several foreign-owned - were stripped of the right to offer an MBA in SA.

At the time, the CHE promised to repeat the operation every five years, to raise local MBA standards progressively. In the event, citing lack of capacity, it has failed to do so and there has been little incentive for schools to improve.

This new process, though not officially a reaccreditation, is the first concerted attempt since 2004 to shake up the MBA. Details were published in the August 2 Government Gazette. In their submissions to the CHE, schools must set out in detail the programmes they hope to offer from 2016, and even how they will teach them. Essop says a group of academics is assessing what constitutes a level 9 MBA.

Some schools, he admits, will have to work hard to meet the new criteria. "I expect one or two at least will have to resubmit." Gordon Institute of Business Science dean Nick Binedell agrees: "There is a tremendous range of quality among MBAs."

Schools generally welcome the changes but don't deny their concern about some aspects of the new policy. Though almost all have, or are planning, PGD courses to bring three-year bachelor's graduates up to speed, they are worried about the potential effect on MBA applications.

Rhodes Business School director Owen Skae says: "You study for your bachelor's, then you spend however many years building up the required work experience, followed by a PGD, two years of a [part-time] MBA and then another year for your dissertation. That's a long time and is bound to affect the pool of candidates."

However, Regenesys Business School CEO Siegie Brownlee says PGDs can have a positive influence. "They give students the confidence to handle their MBA."

The new entry requirements make no mention yet of the graduate management admission test (GMAT), the exam that tests candidates' suitability for business higher learning and is used by many leading schools around the world.

One of those is Cape Town University's Graduate School of Business. Director Walter Baets says: "With GMAT you can be sure of your entry level." When the PGD requirement was first mooted last year, he warned the extra study time could have "devastating" consequences for enrolments. He is still concerned that many of the people for whom the MBA is intended - he calls it a "post-experience degree" - will no longer qualify or put their careers on hold.

Now that the changes are gazetted, however, schools recognise they must prepare. Essop stresses that schools and their representative body, the SA Business Schools Association, were consulted before decisions were made. Association president Tommy du Plessis says: "We have all discussed this. I personally am comfortable with what is going to happen."

Kobus Jonker, head of the MBA department at Nelson Mandela Metropolitan University's (NMMU) business school, says the school will progressively introduce business

PGDs between now and 2015 for its full-time, part-time and block-release MBAs, so students are ready to study from 2016.

At Wits Business School, academic director Conrad Viedge says the school will also expand its MBA feeder programme. Acting school head Adam Gordon says the extra commitment could actually elevate the MBA's kudos. "If it is harder, people might value it more."

There are potential issues, too, over the definition of research. The idea of students being allowed to amass credits over three or four projects raises questions about the depth of insight these will require. Will they be a series of glorified homework assignments, such as strategy documents for their employers? Applied research is one thing, say schools, but the CHE and its advisers must ensure genuine academic rigour.

Henley SA Business School dean Jon Foster-Pedley says: "You can't do depth in bits. Real research is an integrated body of work. But it's not just about outcomes. It's also about learning how to do it in the first place. Most people coming on an MBA have no research skills. We teach them to look at complex areas and understand multi variables and root causes, how to police their own minds and ask the right questions."

Though 25% is the minimum research content of an MBA from 2016, many schools say they will continue to set the bar at 33%. Gordon speaks for most of the university schools when he says: "For us at Wits nothing changes. Our research component remains one-third of MBA credits, in the form of a research report."

Sayeed Bayat, academic dean at the independent Management College of Southern Africa, says: "We expect a rigorous dissertation process."

There is also general consensus on the issue of students being allowed to carry over study credits from previous programmes. For example, MBA students with a law or accounting degree could bring in credits for those subjects to their MBA course.

Du Plessis says the CHE has agreed to this as an interim measure but most schools dislike the idea. Previous experience of subjects doesn't mean you know how to apply them in an MBA situation, says Foster-Pedley. "You can't say that because you've ticked all the subject boxes, you've done an MBA. The skill is in how you pull the strands together and make them work together. The idea of previous credits doesn't work. They are not part of the MBA experience."

Skae says he routinely turns down requests from students wanting to sit out MBA subjects in which they have prior qualifications. "Knowledge alone isn't enough. It's also how it fits into the overall programme and how you share your knowledge with fellow students." The only situation under which he would allow the carryover of credits would be for a student transferring from another MBA programme.

Now the CHE has laid down the law from 2016, business schools are replanning their MBA timetables. Schools that had hoped to introduce MBAs next year have been told they will have to wait. One of them is the University of SA's Graduate School of Business Leadership, which already has an accredited Master's in Business Leadership (MBL). "We will be the only school offering both an MBA and MBL," says acting director Elmarie Sadler.

Viedge says that though some features of the Wits MBA will change in 2014, the overall "template" will be held back for the new order. Likewise at NMMU, where Jonker

says: "We have put a lot of time and focus into redesigning our MBA but there is no point implementing it all now. We must all wait."

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