



## The Impact of Management Education on Executive's Management Effectiveness

### KEYWORDS

Executives' Skill, Management Education, Training

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### ABSTRACT

*At a time when many Western economies are grappling with the effects of older and, in some cases, shrinking workforces, the balance of global labour supply is shifting to emerging economies. The size of workforces in these economies is staggering, with both China and India's individual workforces being larger than those of Europe, the United States and Japan Combined. India's labour force is expected to grow by 31 per cent over the next 20 years (2010-30). By 2050, India will have only 19 per cent of its population above age 60, compared to 39 per cent, 53 per cent and 67 per cent of populations above the age of 65 in the United States, Germany and Japan respectively (Accenture's High-performance Workforce Study, "learning transformation", Business today.) Having a large young population can be a great asset for India, provided it is able to take on the challenging task of educating and training the workforce of tomorrow to equip them to contribute to its growth story. Harnessing the demographic dividend through appropriate skill development efforts would provide an opportunity to achieve inclusion and productivity within the country and also address the gap in the global skill shortage. In this study, my main focus is on the relations between executives' effectiveness and management education and training. In addition to this, I also verified executives' effectiveness with reference to different demographic factors like Gender, Age, Education and Experience. In this research, it has been taken in to consideration that whether executives' effectiveness affects organization's profit, sales and turnover.*

### 1. INTRODUCTION

In highly competitive global economy, companies realizing the fact that their employee, especially those at the managerial levels, is the only sources of competitive advantage. In the past decade managerial talent is the hottest issue and measuring manager's performance has increasingly focused and interesting area for researchers and practitioners. It is commonly believed that managers are the most important assets of nations, organization and institutions to meet the challenges of global competition. The long term stability of any organization depends on the knowledge skills, competencies, positive attitude and behavior of its managers. In the past decades substantial numbers of managers and management scholars have been involved in a debate concerning the effectiveness of management.

Corporations, now a day, face pressures from different stakeholders of the business environment. The changes in the environment have created threats to all of today's Organizations. So, the managers have to look for finding the best possible ways of striking the implications brought by the changes. Mostly, it depends on better way of educating their people to convert previous knowledge and experience into today's competencies required for best possible strategies. (Mohammed Abdullah Mamun, Ariffin Bin Mohamad (2009).

Mark H. McCormack advocates 'street smarts' in his book 'What They Don't Teach You at Harvard Business School.' Here 'street smarts' means having ability to make active, positive use of your instincts, insights, and perceptions. To use them to get where you want to go, preferably by the shortest route, even if this means jumping some fences or going through a few alleys. Can you really learn to apply gut reactions to business? Perhaps not totally, but what you can learn may not the result of management education but the results of street-smart thinking.

Mr. McCormack said, the best lesson anyone can learn from business school is an awareness of what it can't teach you – all the ins and outs of everyday business life. Those ins and outs are largely a self-learning process. Whether it is a matter of closing a deal or asking for a raise, of motivating a sales force of 5000 or negotiating one-to-one, of buying a new company or turning around an old one, business situations almost always come down to people situations. And it

is those executives with a finely tuned people sense, and an awareness of how to apply it, who invariably take the edge.

Mr. McCormack believes with reference to business school, what they don't teach you is what they can't teach you, which is how to read people and how to use that knowledge to get what you want. Masters in business can sometimes block ability to master experience. Many of the MBAs are victims of their business training. The result is a kind of real-life learning disability – a failure to read people properly or to size up situations and an uncanny knack for forming him wrong perceptions. Intellect, intelligence or graduate degrees are not substitutes for common sense, people sense and street smart. (Mark H. McCormack, 'What they don't teach you at Harvard Business School', Bantam books)

Mortan T. Hansen, Herminia Ibarra and Urs Peyer declared the list of The Best 50 CEOs of the world. That review says that only 14 (merely 28%) out of these 50 CEOs are having formal management degree while 36 (staggering figure of 72%) are not having formal management education. According to this review the top 3 CEOs, Steve Jobs of Apple Computers, Yun-Jong-Yong of Samsung Electronics and the CEO of Allxe Miller of Russia, are not Management Graduates. When Steve Jobs became CEO of famous Apple in 1997, the condition of the company was pathetic. After becoming CEO he gave the astounding 3118% Industry Adjusted Return (34% average yearly return). The other in this list are John Martin, Jeffery P. Bezo of Amazon.com, Eric Sumidts of Google, Weng Jinaho of China Mobile, Fujio Mitari of Canon, Fred Kindle of ABB Group and Chung Hung Mong of Hyundai Motors.

This entire world renowned CEOs have not attended any session in any management school. This leads to the belief that formal management education may not require to become successful manager. On the other hand, researchers argued that CEOs from companies based in Germany, Britain, France and United states, where reliable information on degrees is available (1109 CEOs in total), they found that 32% of CEOs who had an MBA ranked, on average, 40 places better than the CEOs without an MBA. Even in the beleaguered financial sector, the MBAs tended to rank better than the non-MBAs. This finding suggests that MBA CEOs have not destroyed value, as some critics would have it. With these types of different beliefs and opinions, we have dilemma about ef-

fectiveness of management education to managers. This research is an attempt to find answer about whether formal and informal management education and training helpful to managers? Are there any effects of management education and training towards executives skills?

#### Research Objective:

To identify relationship between executive effectiveness and Management Education Status.

#### Research Design:

A research design is a framework or blue print for conducting the research project. It details the procedures necessary for obtaining the information need to structure and/or solve research problems. The research design lays the foundation for conducting the project. The descriptive research design is being used to study the formulated problem. Primary and secondary data has been collected according to the need of the study. For collecting primary data, structured questionnaire has been prepared considering objectives of the study. Moreover important factors have been considered to measure the interested variable of the study.

#### Sampling Element:

Each and every executives or managers at different levels in organization, has been identified as a sampling element.

#### Sampling Design and Data Collection:

The universe of the study consists of all executives or managers at different levels in organization. Sample size is 350.

Sampling method is Convenient Sampling Method. Data type is Primary data and Secondary Data. Data collection tool is Structured Questionnaire.

#### Statistical tools used in the research:

Various Parametric Tests have been used to analyze the collected data. Namely, Frequency statistics, Reliability of the scale test, ANOVA, Z Test, Chi square and others.

#### Limitations of the Study:

The sample size is not too much to generalize the result of the study.

There are other variables besides Management Education which affect executives' effectiveness.

Evaluation is based on the primary data generated through questionnaire and accuracy of the finding entirely depends on the accuracy of such data and unbiased responses of the customers.

**Table 1.2 (B) Z - test for Equality of Means**

		Z	df	Sig. (2-tailed)	004Dean Difference	Std. Error ifference	95% Confidence Interval of the Difference	
							Lower	Upper
Executive Skill	Equal variances assumed	.541	334	.589	.02527	.04673	-.06665	.11719

Here, at 5 % level of significance the value of the Z test is greater than 0.05 ( $0.589 > 0.05$ ) it is concluded that there is no significant difference between Executive effectiveness and management education status as one of the demographic variables. So, it is immaterial whether executive has taken any management education. Besides that management education does not guarantee the effectiveness of the executives. Moreover, applying is important than merely taking management education. It should not be concluded that the executive should not pursue the management education but one should be convinced fully that merely taking management degree does not bring the effectiveness.

#### FINDINGS

Management education has developed well in India thanks to the vision of past governments that set up IIMs as role models. Now we must consolidate and get the many institutions that exist to upgrade their standards so that students

#### Analysis & Interpretation

Questionnaire is one of the tools of the primary data collection. In this research, responses have collected through questionnaire.

#### Sample Statistics:

Frequency statistics is one of the important aspects of interested variables therefore frequency statistics of the variables is mentioned below.

**Table 1.1 Sample Statistics**

		Gender	Qualification	Organizational Level	Management Education	Other Management Education
N	Valid	336	336	335	336	335
	Missing	1	1	2	1	2

Out of total 337 questionnaires, one questionnaire has not been filled completely. So analysis is done for the above mentioned valid questionnaire data.

#### Reliability Analysis of Scale:

Here, at 5 % level of significance the value of the Z test is greater than 0.05 ( $0.589 > 0.05$ ) it is concluded that there is no significant difference between Executive effectiveness and management education status as one of the demographic variables. So, it is immaterial whether executive has taken any management education. Besides that management education does not guarantee the effectiveness of the executives. Moreover, applying is important than merely taking management education. It should not be concluded that the executive should not pursue the management education but one should be convinced fully that merely taking management degree does not bring the effectiveness.

**Ho - 1:** There is no significance difference between mean score of executive effectiveness and their management education status.

**Table 1.2 (A) Descriptive**

Management Education	N	Mean	Std. Deviation	Std. Error Mean
Yes	127	1.8957	.36020	.03196
No	209	1.8704	.44539	.03081

get something of value apart from their own inherent quality. Management education has seen a kind of growth that no other technical education in India has seen in the past decades. The All India Council for Technical Education (AICTE), which regulates technical education in India, finds that it has not been able to stop the proliferation in the business schools in the country, though it had intended to do so.

Management education, thus, has to teach these students to keep re-inventing themselves. It has to give them the latest tools and weapons to deal with, resolve, and overcome every new situation. More than this, it has to inculcate in them the capacity to anticipate situations, so that they can be dealt with and overcome before they actually occur.

Managers are required to work under high pressure most of the times. They may be expected to spend many weeks each year at clients' out-of-town locations, sacrificing social and family

concerns. But the financial and other benefits offered to management people are tremendous. On the individual level, there is the reward of working in a field that values creativity and initiative, has a real impact on a client organization, and commands a great deal of status and respect in the business world!

Considering present situation of the management education it is imperative to assess the ability of the institutions to fulfill the objectives of various management programmes. At the same time it is equally important to analyze the role of management education in executive effectiveness in terms of performance of the organization.

#### CONCLUSION

It is concluded that there is no significant difference between Executive effectiveness and Education as one of the demographic variables. So, effectiveness of programmes like MBA, BBA and PGDBM does not have significance difference for contributing to the executive effectiveness. At an Extent, all these programmes add values but value addition is not significant different.

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