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## Is your MBA giving big return on investment?

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A graduation ceremony. Choosing the right MBA programme is critically important. FILE PHOTO | NMG

Many Master of Business Administration degrees can positively alter the trajectory of a learner's life. The MBA degree stands as the bulwark executive training for discovering scientific methods for management. On the flip side, some MBA programmes prove about as worthless as learning about good governance from former Zimbabwe president Robert Mugabe.

Lower-end programmes prove wasteful by charging tuition fees but providing limited to negative value. In the absence of quality faculty, your MBA could literally teach you methods and techniques for managers that science has proved wrong. Examples of bad incorrect teaching in

MBA programmes in Kenya include: performance reviews are helpful, monetary rewards unilaterally increase employee performance and hiring minority groups hurts team performance.

Inasmuch, not all MBA programmes give the same benefit to students. Kenyans apply in their thousands for MBA programmes throughout the country each year. A smaller number looks beyond our borders. Among the 268 Kenyan citizens who took MBA admissions exam in 2016, the infamous GMAT, Kenyans scored an average of 463 while Ugandans, Tanzanians, and DR Congolese scored lower (452, 434, and 353 respectively) and Americans, Japanese, and Chileans higher (547, 552, and 585 respectively).

Despite the insatiable demand for graduate programmes, research shows that most MBA degrees do not return a positive return on investment for alumni.

Upon paying fees and opportunity costs for a student's lost time studying, if one's new salary after obtaining the MBA is not substantially higher over their lifetime, then the individual's MBA is deemed to have provided negative return on investment. In short, students from most MBA programmes do not earn back enough higher earnings to justify the costs of their graduate degree.

Therefore, it makes choosing the right MBA programme critically important. Utilise the following four criteria to select an MBA programme worth your time and money.

First, the salary increase pre-MBA to post-MBA stands as one of the frequently used techniques to rate programmes by the world's most prolific MBA ratings agencies including the Financial Times (<http://rankings.ft.com/businessschoolrankings/global-mba-ranking-2018>), US News and World Report (<https://www.usnews.com/best-graduate-schools/top-business-schools/mba-rankings>), Bloomberg Businessweek (<https://www.bloomberg.com/graphics/2017-best-business-schools/>), and the Economist ([https://www.economist.com/whichmba/full-time-mba-ranking?year=2017&term\\_node\\_tid\\_depth=All](https://www.economist.com/whichmba/full-time-mba-ranking?year=2017&term_node_tid_depth=All)).

But in Kenya, programmes are cheaper compared to average professional student salaries and gaining a return from the investment is easier though far from guaranteed. As examples, Harvard University alumni pre-MBA versus post-MBA salary increase by 102 per cent on average while both the University of Chicago and Durham University's MBAs experience an 118 per cent salary increase all the while Chinese universities often get their students over 150 per cent salary improvements due to the tighter Chinese labour market.

Specifically ask the admissions officers at your targeted university about the average salary increase for alumni once they finish their MBA programmes.

Second, investigate the faculty who would teach on your programme. If your faculty member has never worked full-time in the area they are teaching in or have not published cutting-edge recent research as a first author in that field, then chances are that they downloaded your course notes and slides off Google and cannot answer deeper questions beyond what appears on the screen.

As an MBA student you need to be able to debate, argue, disagree, grow, and gain the latest scientific knowledge on the topics else your learning will prove wasteful and can give you inaccurate concepts, theories, and ideas.

Third, remember networking networking networking. Your MBA represents a substantial investment of your time and money with other potential or current executives. The cost of an MBA in Kenya often equals about the same price as joining a country club, such as Muthaiga Club or Windsor Golf Country Club. Your next job should come from someone in your MBA programme. Look at your classmates as your future employers. So, the calibre of fellow MBA students is crucial. Otherwise, the tuition money would be better spent joining a country club and golfing with executives who would then later hire you. Ask about the average years of experience of your prospective fellow MBA students and the median career rank and industry.

Fourth, look at how classes and exams are conducted in your prospective MBA programme. An MBA exam that entails regurgitating definitions is just a glorified secondary school not worth your hard-earned money.

Classes should not only help you to gain accurate knowledge, comprehension, and analysis, but also give you substantial skills to synthesise, apply, and evaluate real world scenarios through the lens of your class learning.

In your investigations for a prospective MBA programme, ask your friends not only what they learned in their own programmes but how they learned.

*Dr Scott may be reached on [scott@ScottProfessor.com](mailto:scott@ScottProfessor.com) or on Twitter: @ScottProfessor*