

# Flex-Time for the MBA

Demand for more work-, life-, and budget-friendly MBA programs continues to rise. In response, business schools are designing new formats, finding new niches, and testing the limits of the “anytime-anywhere” MBA.

by Tricia Bisoux

**M**any business schools are responding to the mounting demand for MBAs that flex to fit a variety of schedules. But with the rush of so many new, alternative MBA programs to the market, some educators wonder whether they match the rigor and relevance of the traditional two-year, full-time MBA that has for so long been the mainstay of business education.

As educators debate the issue, however, the market already has made its choice. Statistics show that in the U.S., for example, nontraditional programs attract the vast majority of MBA enrollments. In the 2003–2004 academic year, nearly 24 percent of MBA enrollments at AACSB-member schools in the U.S. were in traditional two-year programs, according to AACSB International. In 2004–2005, that number slipped to slightly more than 21 percent. On the other hand, enrollment in part-time evening and weekend MBA programs at these schools ticked up to 63.7 percent in 2004–2005 from 61.2 percent in 2003–2004.

For students considering an MBA, the proliferation of alternative options is undoubtedly good news. Whether they are high-level execs, mid-career managers, second-career seekers, or stay-at-home moms, a program exists that will allow them to earn their MBAs without radically changing their lifestyles—or their incomes. Educators emphasize that the challenge for business schools is to design nontraditional MBA models that meet the needs of these students without sacrificing quality.

## **A Worldwide Trend**

“Flexibility” has become a prominent selling point for MBA programs all over the world. Schools in the U.S., Canada, Europe, and Asia are targeting students who are struggling to strike a balance between their educational goals and their work and family lives.

In an emerging market like India, for example, the desire for a work-life-education balance is a relatively new phenomenon among students, says V. Pandurango Rao, vice chancellor of the ICFAI Business School in Hyderabad. In the past, few students returned to school once they began their careers; but that reality is quickly changing, says Rao. “India’s booming economy is changing the usual pattern of education. Employees are realizing they need to learn new skills to be competitive,” he says.

To meet this new generation of Indian MBA candidates, ICFAI has added new options to its programs. In addition to its two-year, full-time MBA, it now also offers a three-year, part-time MBA program in which students meet evenings and weekends. The school also is testing a one-year accelerated option. Both programs, Rao says, are gaining tremendous interest.



“Many aspirants want to pursue an MBA designation, but they do not want to leave their jobs,” says Rao. “A full-time, two-year program simply takes too much time.”

Some schools are actively seeking out new pools of students who would be unable to pursue an MBA *unless* an option existed that suited their individual needs. For example, the Graziadio School of Management at Pepperdine University in Los Angeles, California, recently launched its “Morning MBA.” The 28-month program meets from 9:30 a.m. to 1:30 p.m. on Tuesdays and Thursdays and recesses for seven weeks during the summer. Tailored to stay-at-home moms who want to fit an MBA into their family responsibilities, the program has garnered attention in the national news.

“We’ve received the press because we’re targeting a largely untapped and unique market,” says Linda Livingstone, dean of the Graziadio School. “We’re finding, more and more, that our students have rigorous and demanding work and family schedules that require the need for more creative program alternatives in terms of scheduling and content. Offering more options, like the Morning MBA, is a necessary response to the rapidly changing business world.”

Pace University’s Lubin School of Business in New York, New York, also has found a strong audience for its EMBA model, eMBA@Pace. The 23-month program combines online education with weekly conference calls and quarterly residencies. The program’s content and delivery were designed to create an educational experience that was “problem-centered and student-driven,” says Jim Hall, professor of management and associate dean for planning and assessment. This model was designed to provide students with hands-on experience in solving immediate business problems; but what faculty didn’t anticipate, Hall notes, was the added benefits the new delivery structure would have for students.

“With this model, if someone is transferred to a different town—or even a different country—they can still fly in for the quarterly residencies and work online with their teams.” Hall mentions one student who was unexpectedly transferred back to his home country of South Africa five months

before the end of the program. “With our old model, that would have been the end of the story for him,” says Hall. “But he was able to fly in for residencies and complete the rest of his work from Cape Town.”

The format an MBA follows is really beside the point, asserts Joseph Baczko, dean of the Lubin School. “The focus of an MBA remains the creation, acquisition, and application of knowledge,” says Baczko. “The MBA is evolving into new forms, and people who worry about that are missing the point. Instead, they should listen to employers and students to find out what aspects are missing, like critical thinking, real-world problem solving, team-building, and an interdisciplinary approach to teaching.”



### Revenue Realities

Although educational rigor and excellence are top priorities for these schools, there is still another factor to be considered: revenues. After all, business schools may bank their reputations on their traditional full-time, two-year MBA programs, but they often bank their finances on the more profitable array of part-time, evening, and online options, says Dan LeClair, vice president and chief knowledge officer for AACSB International.

“In many cases, full-time traditional programs are not making money. They represent more of an investment in the school’s reputation,” says LeClair. “Part-time,

executive, and other types of hybrid MBA programs are often a school’s key opportunities for financial support.”

No business school can dismiss the fact that the market pays for what it wants, agrees James Danko, dean of Villanova University’s School of Business in Pennsylvania and president of the MBA Roundtable. “At the end of the day, business schools feel pressure to deliver revenues,” he says. “As much as I’d like to think we’re all academic purists, we still have to fill the seats.”

Filling those seats has become more difficult as students have more and more MBA choices. Business schools, especially those in active metropolitan markets, are facing new competition from all quarters, says Jana Allen, director of Baylor University’s executive MBA program in Dallas, Texas, and chair for the Executive MBA Council’s board of trustees.

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For example, in 1993, Baylor University was the first school to launch a satellite EMBA program in the Dallas area. It contended only with schools whose main campuses were also in Dallas, such as Southern Methodist University, Texas Christian University, and University of Texas–Dallas. Now the market is different, she says. The University of Texas at Austin offers an EMBA program in Dallas, and the University of Texas at Arlington is poised to launch a program. Duke University also comes to Dallas to hold information sessions.

“You never know when a competitor is going to come in to capture some of your market,” she says. To maintain a presence in such a competitive landscape, she says, each school must promote the features of its program that will attract the most interest, from its faculty and programs to its schedule and delivery methods.

Competition and shifting student preferences are affecting the composition of some nontraditionally delivered programs. Executive MBA programs, for example, are undergoing some gradual changes. A 2005 survey by the Executive MBA Council found that, while EMBA programs are still the same average length today as they were in 2001 (about 20 months), more schools are offering shorter programs. In 2003, 37 percent of member programs took 21 to 22 months to complete; in 2005, that number dropped to 27 percent. Programs that take 17 to 18 months to complete, however, increased to 17 percent of members in 2005 from 15 percent in 2003.

In addition, the survey found that its member programs are attracting slightly younger students. Although the percentage of EMBA students in the 31 to 40 age bracket has

## The Recruiter’s Perspective

*For many recruiters, the skills of a job candidate mean more than the format of his MBA.*

Business schools may be concerned about how employers perceive the flexible or accelerated MBA. In large part, however, employers seem unconcerned with the delivery model of a candidate’s business education. Rather, they judge the quality of the MBA credential according to two criteria: the reputation of the school and the demonstrable skills of the candidate.

“For the most part, I think corporate America measures the value of an MBA degree using other criteria—whether it’s granted by an accredited business school, for example,” says Jana Allen, director of Baylor University’s executive MBA program in Dallas, Texas. “Requests come across my desk from employers who are specifically seeking a candidate from an accredited business school. I appreciate that.”

Some corporate recruiters take that a step further, arguing that the format of a candidate’s degree is less important than the skills that degree affords him—and how well those skills serve the job description. At Hyperion, a software provider in Santa Clara, California, for example, the format of an MBA graduate’s degree program has little to do with hiring decisions, says Judy DeSherlia, a college recruiter for the company.

“Our hiring managers target certain skills. The name of the school or the format of the program doesn’t make

or break their decision to interview a candidate,” says DeSherlia. “They make that decision based on both academic background and relevant work experience.”

At A.G. Edwards, a brokerage firm headquartered in St. Louis, Missouri, how closely hiring managers look at a candidate’s MBA credential depends on the job position, says Wendy Schaeferle, the company’s vice president, employment manager. “For certain jobs that absolutely require an MBA, such as those in our capital markets or securities research departments, we do see a difference between full-time and part-time MBA programs,” says Schaeferle. “From a qualitative and competitive standpoint, we prefer the two-year program because of the level of professional interaction those programs offer.”

However, for positions where an MBA is a benefit but not a requirement, program delivery becomes less important, Schaeferle adds. “If the school has a good reputation and a rigorous program, the alternative formats would certainly be acceptable,” she says.

No matter how they deliver their MBAs, business schools that focus on learning objectives and skill sets should fare well when placing their graduates, say these recruiters. They’ll have a distinct advantage over any school that focuses on the marketability of an MBA over its substance.

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held steady at 58 percent since 2001, the *average* age of EMBA students is declining, from 37 years old in 2001 to 35.9 years in 2005.

Younger executives could represent an important target demographic for business schools, says Allen. “For many years, business schools could fill their classes with people who had 12 years of work experience or more,” she says. “But if we’re to have growth, business schools may have to seek out a younger audience.”

### Setting the Boundaries

As schools test new MBA models, they also are establishing which models suit their unique missions—and which ones don’t. In the end, many educators believe that an MBA can be too flexible or too fast to meet the educational needs of students.

In fact, many educators disagree about just how fast an MBA can be delivered before its quality is compromised. Although some argue that the optimum duration is the traditional 24 months, others assert that, under the right circumstances and for students with the right experience already in hand, a full-time equivalent MBA can be offered in an accelerated format of 12 months or even less. Students often flock to accelerated MBA programs, intrigued by the prospect of earning their degrees in less time. But while these programs are becoming increasingly popular, many educators worry that some providers could take the concept too far.

“The competition for students has become so intense that some providers may design programs that short-circuit

the value of an MBA education,” says Danko of Villanova. “When I see ads that say, ‘Get an MBA in 12 months, part-time,’ I worry whether those programs have enough content to be effective.”

Many institutions are testing the accelerated concept to find how—and whether—a form of the accelerated model might fit into their curricula. Some schools have tried it and just as quickly decided to phase it out. The University of Denver’s Daniels College of Business in Colorado, for example, began its one-year accelerated MBA program in 2000 and stopped accepting applications to the program in 2002. Stephen Haag, associate dean of graduate programs at Daniels College, explains that the format simply required too many compromises.

“We felt the program helped students develop solid knowledge in the classroom, but its one-year format required us to set aside many opportunities for experiential learning, such as our three-day outdoor leadership experience, dinners, case competitions, and internships,” he says. “We could have made it successful from a numbers standpoint, but it just wasn’t consistent with our philosophy.”

On the other hand, some schools have designed accelerated programs that they find strikes the right balance between benefiting students and maintaining their educational standards. For Babson College in Babson Park, Massachusetts, the speed limit for its part-time Fast Track MBA program is 24 months, instead of the four to five years it takes to complete its part-time evening program. Babson faculty wanted to design a program that allows working adults to complete a part-time MBA more quickly but that still maintains the rigor and requirements of the school’s other MBA options, says Stephen Laster, director of curriculum innovation and technology at Babson College.

“When we designed the two-year, part-time Fast Track, we started with our learning objectives and expectations for our students. We then worked back to the 24-month time frame,” says Laster. “All students at the master’s level receive a Babson MBA, no matter which program they complete. We make certain that all our MBA programs are of the same quality.”

And then there are schools that are holding fast to the traditional full-time, two-year format. This places them, somewhat ironically, into a niche market, serving those students who want to focus their full attention on their education, without the demands of a day job. For example, Dartmouth College’s Tuck School of Business in Hanover, New Hampshire, as well as Harvard Business School and MIT’s Sloan School of Business, both in Cambridge, Mas-

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sachusetts, offer only the traditional MBA, offering no EMBA or part-time options.

Others, like IESE Business School at the University of Navarra in Barcelona, Spain, offer part-time executive MBA programs, but only through a series of two-week, full-time modules that require students to leave their jobs for two weeks at a time. And its MBA is delivered only one way—two-year, full-time. “We think it’s a better educational process for our students. Full-time programs work at a slower pace and are more comprehensive,” says Jordi Canals, dean of IESE. “They offer students the chance to reflect more on what they learn.”

Canals admits that part-time MBAs and EMBA do offer students advantages. “Part-time evening and weekend programs can have lower opportunity costs. In addition, they allow students to implement what they learn more readily at their jobs,” says Canals. “But full-time programs offer students more time to process the information. There will always be a tradeoff.”

### Innovations, Not Compromises

The tradeoffs between alternative MBA formats and their traditionally delivered counterparts may be unavoidable, but they are providing business schools with fertile ground to cultivate new approaches to MBA education. New MBA formats of all types, educators predict, will be more technol-

ogy-enabled and less defined by a strict timetable. “With the executive MBA program, we moved from a time-bound format to a largely time-free format,” says Hall of the Lubin School. “Students have more control over when and where their learning happens.”

Most educators agree with Hall that the MBA itself is not a constant—it must respond to the changing dynamics of the marketplace. “I don’t think that anyone has proven beyond a reasonable doubt that you need exactly 60 credits for an MBA, or that you must earn them in this sequence or within this period of time,” says Danko of Villanova. “We don’t have to be locked into that model.”

Baczko of the Lubin School agrees. “The two-year program is here to stay,” he says. “But it’s not the only way to deliver an MBA.”

Although debate will continue over where nontraditional MBA formats will eventually lead, most agree on two points: Their popularity will continue to grow, and business schools will continue to offer new options. Still, as students decide on the level of flexibility that best suits their objectives, so too will business schools decide on the level of quality, rigor, and interaction they want to offer. That scenario could present an exciting challenge to business educators, as they work to create more innovative programs to meet students’ constantly changing needs without sacrificing quality, or reputation, in the process. 