Characteristics of Executive MBA Programs at Public Colleges in the United States

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ABSTRACT

Eighty-three (83) public colleges of business administration were surveyed in this study. The study addressed: where the EMBA was taught; where the program was housed; how many months to complete; what percent were full-time; the percentage of practitioners; how they were compensated; and tuition costs. The programs are both expensive and demanding, and they are not entered into as a way to make money in the short-run. The public institutions use the EMBA as a means of establishing long-term connections with business and industry, and providing a valuable service to executives in their career development.

Keywords: Executive MBA, Public Colleges, Characteristics, Survey.
INTRODUCTION

Time, effort and money are being spent on the training and education of managers. Much of this money is spent on in-house training programs while additional funds are spent on education outside of the work environment. One of the sources for the training and development of managers is in the traditional collegiate educational environment. This environment includes most of the traditional colleges and universities in the United States. The programs that these institutions offer include both credit and not-for-credit programs. One of the types of programs designed for business and industry, exclusively for managers, is the Executive MBA (EMBA) program. These programs are designed expressly for managers currently working in industry who continue to perform on the job during their tenure in the programs. They represent an extensive effort on the part of the faculty of the business college, and a growing area of activity for schools and colleges of business administration.

SIGNIFICANCE OF THE RESEARCH PROBLEM

Eighty-three (83) public colleges of business administration offer EMBA programs (The Executive MBA Council, 2003). These programs are often carried out as an activity of the graduate arm of the school of business. Often a business college will establish an institute or some other similar administrative unit to help conduct the program and maintain the distinctiveness of the program from the rest of the traditional graduate offerings of the college. EMBA programs such as these are important to the college of business and the university for five reasons (Maidment, 1989):

1. they help establish and maintain contacts with the corporate world;
2. they give the faculty exposure to executives;
3. they assist the college in faculty development;
4. they operate at a profit, bringing in additional funds to the college in the form of fees; and
5. they enhance the reputation of the university, particularly the college of business, with a potentially large source of financial and other support.

Since the university operates in a changing environment, the university must seek to maintain contact with the various important components of that environment. Business and industry represent a major source of funds and other types of support that the university may utilize. Finally, the university has an obligation to establish and maintain a positive attitude on the part of industry toward the university so graduates of the institution may find a receptive group of employers upon graduation (Maidment, 1990).

STATEMENT OF RESEARCH PROBLEM

The executive MBA program was defined, for purposes of this study, as an academic credit educational program designed by public colleges and universities for managers in industrial organizations. These programs of study led to the MBA degree (Master of Business Administration) upon successful completion of the course of study. These were distinct programs from the regular course of study leading to the traditional MBA. These programs were
not evening programs such as those given at many institutions, especially in urban areas, after regular working hours. They were distinct programs from the traditional ones offered by the college of business administration. The study investigated the characteristics of executive MBA programs at public colleges of business administration.

Of particular interest were:

- the unit in which the EMBA program was housed;
- the number of months to complete the program;
- the location of the classes;
- the percent of faculty with terminal degrees;
- the percent of faculty that were full-time;
- the percent of faculty that were practitioners;
- how the faculty was compensated;
- the average compensation for a faculty member;
- the total cost of the program to the student (sticker price).

PURPOSE

This study examined the current status of EMBA programs at public AACSB accredited colleges of business administration. The study was designed to ascertain the characteristics of executive MBA programs in the United States. Finally, the study identified the characteristics of EMBA programs at public colleges of business administration in the United States.

DELIMITATIONS OF STUDY

This study addressed the EMBA programs developed for managers by public colleges of business. Colleges that were private, or were outside of the United States, were excluded from the study. 83 public colleges of business administration in the US in 2003 had EMBA programs listed in the 2003 directory of the Executive MBA Council.

OVERVIEW OF THE LITERATURE

Information on education for industry was found in two sources: (1) the literature on training and development in industry; and (2) the literature on non-traditional education in academia. This literature was separated into these two broad categories based upon the perspective of the writer of the literature, and whether they were writing from the perspective of an academic or a practitioner.

The literature on training and development in industry was essentially “how to” in nature and was usually associated with the problems of training people inside of the corporation. Occasional articles dealing with not-for-academic-credit programs at colleges of business designed for executives have appeared in the literature (Maidment, 1986), but these articles have mostly dealt with training and development. Publications included in this category would include Training, Training and Development, Workforce, HR Magazine, as well as other publications aimed at business practitioners. Over the past several years, academics have taken an interest in management education once the student has left the traditional educational environment. The establishment of fairly recent academic journals including the Journal of
Management Education, the Journal of Human Resource Development, and the Journal of Executive Education all point to increased interest in the various areas of executive education. Yet, there has been little in the way of academic research and publication on Executive MBA programs.

Starting in the late 1970’s and early 1980’s there was a small trickle of research and publication dealing with executive education in academia for business and industry. Several dissertations were published during this time (Lowery, 1983) (Baker, 1983) (Zerges, 1984). Several studies, sponsored by a variety of groups and organizations, investigating higher education for business and industry were published (Porter, & McKibbin, 1988) (Byrne, 1991). But, few of these studies addressed EMBA’s directly, or if they did, only in a peripheral way as a part of the general whole. It was during this time that the MBA degree, itself, rose tremendously in popularity and demand with many more institutions offering the degree than in the past.

It should be noted that there have been a number of articles dealing with EMBA programs, in a superficial way, in terms of ranking them to see which one is the best (Ranking the Best MBA Programs, 2001). These are very popular articles and can often be found in a variety of popular publications, but really serve no useful purpose other than as a marketing tool for those institutions who’s programs are ranked highly.

In sum, while the executive MBA programs are often promoted by public colleges of business, little is known about them in terms of the characteristics of these programs when viewed as a whole.

PROCESS AND METHODOLOGY

This study addresses nine (9) questions:
(1) What was the unit of the institution in which the EMBA program was housed?
(2) How many months did it take to complete the EMBA program?
(3) Where was the EMBA program conducted?
(4) What percent of the faculty had terminal degrees?
(5) What percent of the faculty were full-time?
(6) What percent of the faculty were practitioners?
(7) How were the faculty compensated?
(8) What was the average compensation for a faculty member?
(9) What was the cost of the program to the student (Sticker price)?

This study consisted of a survey of the eighty-three (83) public colleges of business administration. A rate of return 31.32 percent was obtained. Five attempts were made to contact these institutions. The first two attempts were by email and the last three attempts were by US mail. The sequence of activities was as follows:

(1) The instrument and a letter of explanation was emailed to the public colleges of business that conducted an EMBA program. This list was EMBA Council list of EMBA programs in March of 2003.
(2) Mailings three through five were sent via US mail at roughly two month intervals. These mailings contained a letter of explanation, the instrument, and a return, self-addressed stamped enveloped. Institutions that had
responded to each prior mailing were eliminated from the succeeding mailing.

(3) The next step was analysis. All responses were averaged and descriptive statistics, including frequency distribution, means, and standard deviations were computed.

Responses to each question in the questionnaire were summarized. For each of the forced response questions, the frequencies and proportions of responses were calculated. A profile of the typical characteristics of an EMBA program at a public college of business administration was described.

FINDINGS

A rate of response of 31.32 percent was achieved by the study for the 83 public institutions with 28 school responding. As may be seen in Table 1, fifteen public institutions indicated where the programs were housed. Sixty-six percent of the respondents indicated that the programs were housed in the college of business;

<table>
<thead>
<tr>
<th>Location</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Education Facility</td>
<td>0</td>
</tr>
<tr>
<td>College of Business</td>
<td>10</td>
</tr>
<tr>
<td>College of Business Executive Degree Programs</td>
<td>3</td>
</tr>
<tr>
<td>Graduate School of Management</td>
<td>1</td>
</tr>
<tr>
<td>Graduate School</td>
<td>0</td>
</tr>
<tr>
<td>School of Management</td>
<td>1</td>
</tr>
<tr>
<td>Responses to question</td>
<td>15</td>
</tr>
</tbody>
</table>

Length of the program was also addressed by the study. There was one school that responded with more than one EMBA program making a total of 28 EMBA programs addressed in this category as one other institution did not respond. Nearly forty percent of the programs took between 19 and 21 months. However, programs at public institutions taking only 12 months and 22 to 25 months were almost equal in number.
TABLE 2
How Many Months Does the EMBA Take?

<table>
<thead>
<tr>
<th>Number of Months</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 – 18</td>
<td>8</td>
</tr>
<tr>
<td>19 – 21</td>
<td>11</td>
</tr>
<tr>
<td>22 – 25</td>
<td>7</td>
</tr>
<tr>
<td>26 – 29</td>
<td>2</td>
</tr>
<tr>
<td>Over 30</td>
<td>0</td>
</tr>
<tr>
<td>Responses to questions</td>
<td>28</td>
</tr>
</tbody>
</table>

EMBA programs were frequently held at more than one location including regular classrooms, off campus and separate education facilities on campus. “Other” locations for public AACSB accredited institutions indicated by the respondents included:
- On campus in “special” classroom;
- On campus, but in executive style regular classroom;
- On campus in “special” high tech classroom;
- EMBA facility

As may be seen in Table 3, one of the more interesting aspects of this data is that only three institutions had on-line as a site for their instruction. Given the recent discussion on internet/web/on-line instruction, it is interesting that only three of the twenty-eight institutions would be utilizing on-line instruction in their programs.

TABLE 3
Where Were the Classes Conducted?

<table>
<thead>
<tr>
<th>Location</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Classroom</td>
<td>10</td>
</tr>
<tr>
<td>Off Campus</td>
<td>9</td>
</tr>
<tr>
<td>Separate Executive Education Facility on Campus</td>
<td>9</td>
</tr>
<tr>
<td>Online</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td>Responses to question</td>
<td>34</td>
</tr>
</tbody>
</table>

The percent of faculty with terminal degrees, the percent of full-time faculty, and the percentage of practitioners used in the programs was also of interest to the researchers. The mean percentage of faculty with terminal degree at public universities was over 90 percent. The percentage of full-time faculty in public EMBA programs was over 95 percent, and practitioners accounted for less than 9 percent of the faculty at public executive MBA programs. Faculty were compensated using a variety of methods, and many used more than one, but as indicated in Table 4, over half of the methods utilized involved either as a part of the regular
salary and teaching load or as overload credit. In addition to a separate contract, other compensation methods at public institutions included:

- All receive additional stipend of $750 per credit hour taught;
- Load plus stipend;
- Combination overload and regular salary load.
- Extra stipend in addition to regular load

Of those faculty that were compensated over and above their regular teaching load or overload credit, well over half were compensated over $6,000 per course/module.

### TABLE 4
How Were Faculty Compensated?

<table>
<thead>
<tr>
<th>Methods</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate Contract</td>
<td>9</td>
</tr>
<tr>
<td>Part of Regular Salary and Teaching Load</td>
<td>14</td>
</tr>
<tr>
<td>Overload Credit</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
</tr>
<tr>
<td>Responses to question</td>
<td>35*</td>
</tr>
</tbody>
</table>

*Some institutions used multiple methods

### CONCLUSIONS

The analysis of the data collected yields several interesting conclusions. First, all of the EMBA programs were housed in colleges of business or schools of management. This suggests that EMBA programs are grounded in traditional business school structures and processes and are not part of the executive or management development programs that can be found at many public colleges. Second, the cycle time for students to move through EMBA programs is short as 26 out of the 28 respondents indicated that their programs could be completed in 25 months or less. The majority of programs took only 19 – 21 months to complete. The short cycle time for students to move through these programs suggests a need for very tight scheduling, staffing, and other logistics and also indicates a need for continuous and robust recruiting. Only three respondents indicated that classes were conducted online. This is surprising and may represent an opportunity to shorten the length of programs, reduce the cost of delivering programs, and provide more flexibility for students. Give that over 95% of the faculty in EMBA programs were full-time faculty and that EMBA programs tend to be pragmatic and applied in nature, it would be interesting to see if more practitioners could be deployed to the EMBA classroom. Doing so might provide an even more applied focus in certain courses and might help conserve the load credit of full-time faculty for other activities. If this alternative is considered, the standards for professional qualifications of the AACSB would have to be fully considered. Finally, EMBAs are expensive and the price of these programs ranged between $14,000 and $100,000. Schools offering EMBAs may need to be more conscious of prices and perceived value given the current emphasis on cost containment in most companies.
RECOMMENDATIONS FOR CONTINUED STUDY

An initial avenue for continued study could be to compare the characteristics of EMBA programs to the characteristics of traditional full-time or part-time MBAs to assess how similar or dissimilar these programs really are. Outcome measures such as satisfaction with one’s classmates, impact on employment or career, and satisfaction with the overall experience could be evaluated. More specific areas of research could investigate the potential roles of practitioners in the EMBA classroom, the enhanced use of on-line technology to include social networking sites, and the relative price sensitivity of potential EMBA students and their employers. Additional areas for exploration could include the use of cohort models, the use of varied models of class scheduling, and areas of academic emphasis such as ethics, finance, or even processes used in consulting. A last area of study could be to systematically investigate the projected benefits attained from the business community as a result of offering the EMBA. This research would focus on the return on investment from offering EMBA programs and such analysis could be useful in making more informed choices about the amount and type of resources that might be committed to these programs.
REFERENCES


The Executive MBA Council (2003). Directory of Executive MBA Programs. Orange, CA.