

SECTION 1

From good to great

In his 2001 classic book *Good to Great*, Jim Collins seeks to answer the question, 'Can a good company become a great company and, if so, how?'

Together with his team, he examined 1435 Fortune 500 companies. Of these, only 11 met all of the criteria for transforming from good to great, demonstrating just how difficult making this leap is. In the book, the discipline of 'first who' emphasises the importance of having the 'right people' in key positions. The text presses the importance of character attributes over specialised skills, which can be learnt.

An MBA is one way of learning skills and acquiring knowledge. However, achieving an MBA alone does not guarantee you will progress from being a good to great leader. This first section of the book considers the evidence for doing an MBA and discusses the alternative options.

FURTHER READING

Collins J (2001). *Good to Great*. London: Random House Business Books.

So, why do an MBA?

Leadership and learning are indispensable to each other.

John F Kennedy (1917–63)

INTRODUCTION

A Masters in Business Administration (MBA) is the world's most popular postgraduate degree programme. Every year, in the United States of America, over 90 000 students graduate with MBAs. In the United Kingdom, over 10 000 MBA students graduate annually. Yet in the UK, only a handful of these are also medically qualified.

When fellow clinicians learn that we have an MBA, the ensuing question is not infrequently: 'So, what was your Masters in?' Amongst the reams of qualifications collected by doctors, an MBA has not yet become mainstream currency; maybe it never will.

This book doesn't set out to advocate or endorse MBAs for medics. It aims to present an overview for the individual to decide if it is the right career path for them. This opening chapter sets the scene by exploring the current relevance of the MBA and the applicability of it for healthcare professionals.

WHAT IS AN MBA?

The first MBA programme was developed in America in the early 1900s. It was introduced to Europe in the 1960s. Nowadays, with thousands of universities offering MBA programmes around the world, there are increasingly flexible ways of learning, as discussed in Chapter 4.

In summary, an MBA covers all of the functions and practices of a business, i.e. commercial activity. Historically, MBAs have focused on delivering the core subjects of accounting, finance, human resources and marketing. These subjects form the foundation of most MBA programmes. An overview of these areas is provided in Section 2 of this book. MBAs have subsequently evolved to include 'softer' areas such as leadership, entrepreneurialism, sustainability, risk, globalisation and ethics. These subjects are often included as 'elective' modules on MBAs, offering scope and flexibility to cater for individual preferences. Studying for an MBA inevitably serves to broaden horizons, open doors and create new opportunities.

MBAs AND THE CORPORATE WORLD

In an analysis and ranking of the performance of 2000 CEOs (Chief Executive Officers) globally, CEOs with an MBA ranked 40 places higher on average than CEOs who didn't have an MBA. Whilst this connection demonstrates association, it doesn't infer causation between doing an MBA and becoming a CEO.

Over the last year, the reputation of MBAs has been attacked for their role on the ethical and strategic lapses that led to the 'credit crunch'. In response to the criticisms that MBA programmes focus too extensively on creating shareholder value through high-risk strategies with insufficient emphasis on sustainable practices and stakeholder responsibility, the Association of MBAs carried out an extensive review of MBAs (Durham, 2009). This survey – of over 100 business schools – identified that the top three reasons for individuals doing MBAs were:

- career progression (39%)
- career change (28%)
- gain more detailed knowledge/improve skills (18%).

These reasons are likely to resonate with medics considering studying an MBA. Section 4 of this book explores career opportunities both in and out of the NHS for medics with MBAs.

In addition, the survey showed that nearly one-quarter of MBA graduates were self-employed (23%). The two largest business sectors represented amongst MBA graduates were consulting (15%) and finance (13%). Healthcare, together with the pharmaceutical industry, accounted for only 6% of MBA alumni. Consulting and finance may be overrepresented on MBA programmes, as certain career paths in these sectors require an MBA for progression. However, for most sectors, including healthcare, doing an MBA comes down to proactive individuals writing business cases to convince their line managers to invest in their development to do an MBA.

Across Europe, women make up 30% of MBA students yet remain largely absent from the top positions of large corporations, as in healthcare organisations. Only 10% of board members of FTSE 100 companies are women (*The Times*, 2010). By means of introduction, FTSE is an independent company jointly owned by the *Financial Times* and the London Stock Exchange. It provides objective information and ranking about commercial markets.

The options for MBA programmes study are increasingly global. The 2010 UK business school performance rankings for MBAs are listed in the following chapter. Reflecting increasingly globalised economies, MBAs frequently include international case studies and study tours. From personal experience, the international MBA study tour was a highlight of the MBA, both socially and for learning purposes.

On the social theme, one of the most advantageous and implicitly intangible benefits not explicitly stated in any MBA curricula is the personal networks derived from participating in such programmes. The concept of networks and networking is discussed further in Chapter 7. Many doctors may feel uncomfortable with the concept of 'networking with a purpose' but this is largely due to unfamiliarity with it as a skill. The importance of networking cannot be undervalued. *Connected* (2010), by Christakis and Fowler, describes how social networks shape our lives and influence what we do. If you are considering changing or upgrading your role or career then

the advantage of an MBA is that it exposes you to a broad range of completely unrelated industries and opportunities. Similarly for those already committed to a new career trajectory, doing an MBA helps to identify kindred spirits.

To maximise your MBA experience, many business schools provide accompanying Executive Coaching alongside the degree. This personal developmental opportunity is rarely available in the public sector. It can make an enormous difference to crystallising thought processes about career development and next steps.

Not all are advocates of MBA programmes. Amongst others, Mintzberg is a well-known critic of MBAs and challenges the evidence that such courses proffer benefit to students. Mintzberg notably argues that MBA courses focus too much on the academic aspects or the 'science of management' and fail to focus on the art of management. Mintzberg believes that management is a craft that cannot easily be taught, but rather has to be learned from experience or at least analysis of experiences. Mintzberg gives his support to courses that take those with real world experience and help them to build and reflect on this, rather than MBA programmes. His concern surrounds the clear trend that MBA programmes are increasingly geared towards those just graduating from first degrees with limited or no real-world experience and who all too often do an MBA for the 'stamp on the CV' value.

MBAs AND MEDICINE

In the UK, 17% of public spending in 2009 was spent on healthcare. This is more than that spent on education (13%). The proportional share of UK gross domestic product (GDP) spent on healthcare is set to rise to 14% by 2030. Both the level of spending and the rate of increase in healthcare spend in the UK are unsustainable for the future economy. At present, the National Health Service (NHS) is battling with the two-fold challenge of improving the quality of healthcare whilst simultaneously improving overall productivity. As long as the quality of care is perceived as the sole responsibility of the clinician, and productivity is perceived as resting entirely within the managers' domain, both aims are compromised.

One of the solutions proposed to close the yawning divide between clinicians and healthcare managers is to implement interdisciplinary education from an early stage in training. This would enable a greater mutual understanding of professional cultures. Joint initiatives, such as combining managerial and clinical reporting, aim to identify system failures at an earlier stage to prevent recurrences of the tragic sequence of events at the Bristol Royal Infirmary (1995) and more recently at Mid Staffordshire NHS Trust (2009).

In the US, nearly one-third of medical colleges offer a formal integrated degree in medicine (MD) in combination with a business school. The five-year Harvard MD/MBA programme was created in 2005 specifically to develop clinical leaders. Students concentrate on medicine for the first two years with a management internship in a hospital or healthcare organisation in between. In the third year, students continue medical training as well as doing several management courses, including looking directly at management problems on the wards. During the fourth year, students do an MBA with a clinical rotation and in their fifth year students complete their MBA and clinical rotations. Such programmes aim to produce doctors bilingual in both

medical and 'management speak' who can act as cross-cultural agents narrowing the gap between doctors and managers. The majority of graduates from this programme enter clinical roles. It is too soon to measure the success and ability of these graduates in rising to healthcare leadership positions.

There are many more medically qualified chief executives in the US than in the UK. This is a likely consequence of fundamental differences in healthcare funding and ensuing fragmented infrastructure. This has pushed clinicians in America into developing commercial acumen. At present, no undergraduate medical curricula include MBAs in the UK. However, some medical schools offer intercalated Masters in Healthcare Management, discussed in Chapter 2.

In the UK, MBAs have historically been designed to attract students with five to ten years' postgraduate experience. For doctors, this typically means doing MBA post-membership exams. This timing aims to enrich classroom discussion based on real-life experience. Across Europe, the average age of a student on a full-time MBA programme is 27 years. For those studying part-time or via distance learning, it is 34 years. Undertaking an MBA at a later stage in your career can be a more strategic move to achieve a promotion or career change.

Financial cost is a significant barrier to many medics pondering on whether to do an MBA. However, there are sources of funding available, as discussed in Chapter 6. In addition to cost, MBAs are a huge time commitment. Even executive or part-time MBAs can demand an additional 10–20 hours study a week, as well as lecture attendance. For medics, this is on top of years of ploughing through medical exams as well as hoovering up other research qualifications, all while balancing the commitments of an on-call rota. At the end of it, there are no guarantees that doing an MBA will lead to a promotion or even recognition in healthcare. In fact, there is a risk that it may even be perceived pejoratively as 'going over to the dark side'. Currently, the low numbers of NHS clinical consultants with MBAs, mean that there are few role models to encourage trainees to consider this as a desirable option.

The majority of NHS consultants are 'baby boomers' (aged up to 62). Findings from research into the attitudes and behaviour of 'Generation Y' (individuals under 30) suggest that if 'Gen Y' are not being given what they need at work, they will leave. The concept of a 'job for life' is no longer relevant for medicine or elsewhere. This means that doctors are likely to be increasingly looking to develop transferable commercially applicable skills. As such, an MBA may offer additional skills to compliment clinical training, for employment avenues outlined in the final chapter.

SUMMARY

With global healthcare demand predicted to rise, there is a need for healthcare to learn from the corporate sector about how best to improve quality alongside improvements in productivity. Medics doing MBAs is one possible route for cross-sector innovation and learning to achieve this.

In addition to the wider healthcare policy considerations, the individual commitment and ultimate value of an MBA rests with how much you are prepared to invest of yourself and the quality of teaching you receive. This makes where and how you do your MBA key considerations in the value derived, discussed in Chapter 3.

If success is about the combination of knowledge and experience, then an MBA will not guarantee making you a great leader but may very well enhance a potential one. Although not relevant for all, an MBA can be considered a significant landmark on an aspiring individual's leadership journey.

The range of possible career options outlined in the concluding section of this book may be useful incentives to consider when deciding on an MBA. However, it is important to appreciate that many of these are achievable without an MBA. Alternative academic options to an MBA are considered in the following chapter.

FURTHER READING

Association of MBAs. Available at: www.mbaworld.com

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