MANAGEMENT SKILLS DESIRED BY BUSINESS SCHOOL DEANS AND EMPLOYERS: AN EMPIRICAL INVESTIGATION
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ABSTRACT

The objective of this research was to determine the skills business leaders find most critical in MBA programs to adequately prepare leaders and professionals for organizational success. A second goal was to explore the relationship between the perceptions of business and industry leaders and business school leaders on the rankings of skills deemed most important to prepare students for success in their business careers. The conceptual framework for this study was based on Tanyel’s et al., 1999 study. A survey instrument was administered to 67 respondents from prospective employers of MBA graduates and 15 respondents among business school deans and directors located in the state of Michigan. The two samples consisted of a matched pair design and rank order means for skill rating by the prospective employers and the matched mean rating from the deans/directors. The major findings found significant differences in the mean rating of the importance of “soft skills” vs. “hard skills” among the prospective employers of MBA graduates. Additionally that there is a significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” for MBA graduates among the deans and directors at business schools with MBAs. This research offers business school leaders empirical evidence for curriculum redesign for prioritizing skills and designing coursework to incorporate top ranked skills viewed as most important by business and industry leaders.

JEL: J24, J33, J44, M12

KEYWORDS: Higher Education, MBA Programs, Management Skills, Soft Skills

INTRODUCTION

Business degrees, considered prestigious in the early 1980s, declined in prestige beginning in the 1990s due to the lack of perceived effectiveness of MBA programs (Allen, 1998; Hahs, 1999; Oblinger, 1998; Storey, 1997). With the events that followed September 11, 2001 coupled with the U.S. recession of 2008, business degrees continue to face a downward spiral. Employers criticized business schools and business graduates as generally unable to transfer content knowledge to real situations in a fast-paced global work place (Ainsworth & Morley, 1995; Carter, Goodrum, Saito, & Naugle, 1999; Dudley, 1990; Fisher, 1994; Saito, 1994; and Voght & Schaub, 1992). Business educators appear to be equally disgruntled. In an archived article sourced from AACSB, Greenburn (2006) notes the criticisms of leading business educators:

It appears that industry and academia are in agreement that business programs require dramatic changes to the curriculum that is aligned with the needs of the new global workforce. The case for making business programs more desirable has never been so critical. And, business schools need to quickly get on board with deep changes to their curriculums to avoid further declines.

Research is needed to determine whether business schools are addressing the criticisms and preparing their students with the skills demanded by the corporations that hire their graduates. If business schools and corporations work together, their efforts could result in improved MBA programs. The remainder of
This paper will provide a literature review, methodology, results & discussion, and conclude with findings and results.

LITERATURE REVIEW

Business is changing. As business changes, what it needs from employees will shift. Most of all, business needs people who will enter the workplace ready to make a solid contribution but who will also be effective in the future. Leaders will be required who can anticipate and lead change. Graduates of higher education will need to be flexible, adaptable, and in possession of a mix of broad education and specific skills. Communication, interpersonal skills, problem solving, decision-making, and teamwork are the competencies that will allow employees to grow and adapt as the world of work continues to change (Oblinger, 1998). While there are numerous explanations for the change in criteria for workplace skills, the impact of globalization appears to be one of the most significant causes that appear in many analyses (Rhinesmith, 1996; Williams, 1996). In response to increased global competition and the expansion of the world economy, businesses are seeking workers more highly skilled in the soft skills (Caudron, 1999; Solomon, 1999; Himmelsbach, 1999).

As global issues become ever more important, over the last few years the criticism has emerged that American MBA programs are not international enough, either in the number and variety of international business courses, or in the qualifications of those who teach them (Ball & McCulloch, 1993; Beamish & Calof, 1989; Muuka, Harrison, & Hassan, 1999). Streisand (1995) writes that America's colleges and universities are often accused of having little in common with the real world, and Eberhardt, Moser, & McGee (1997) state that recently many articles have appeared, noting "an apparent gap between the skills and abilities of business graduates and the needs of U.S. businesses." Tanyel and et. al. (1999) state that "the business environment changes faster than curricula at colleges and universities because of the cumbersome process often involved in curriculum revision, including political posturing by operating entities and conflicting educational philosophies among faculty."

According to Neelankavil, (1994):

Graduate business schools must take a careful look at their programs to prepare MBAs to face challenges of the changing business environment. Some specific criticisms of graduate business programs are: 1. Many MBA programs focus on technical skills to the exclusion of communication skills. 2. MBA programs do not teach their graduates leadership, creativity and entrepreneurship. 3. MBA programs ignore the importance of teamwork. 4. MBA programs lack integration and a global perspective. To raise the quality of MBAs, schools need to cover material relevant to client firms and incorporate new materials into existing courses that stress written and oral communication. Faculty and executives should forge links to evaluate graduates and update classroom material. Faculty should be encouraged to undertake business internships. Corporations must identify MBAs with potential for senior level management and train them, focusing on leadership negotiating skills and long-term planning.

Skills for The Organization – What Business Firms Require

Both academics and employers complain that college graduation requirements, based primarily on passing sets of courses, fail to ensure that the graduate has the personal qualities and skills needed to succeed in graduate school, professional training, or in the workplace (Oblinger, et. al. 1998). These skills include initiative, persistence, integrity, the ability to communicate effectively, to think creatively as well as critically, and to work with others to solve problems (Oblinger, et al. 1998). Also required are
those skills involving interaction among people such as interpersonal skills, teamwork, and communication skills (Harvey et al. 1997).

“Many educators will claim that our colleges already provide just such preparation. But if we listen to those who employ our graduates or to educators in graduate and professional schools, we hear that an enormous chasm exists between what higher education claims it is doing and what is actually achieved” (Lavenberg, 1997, A64). Many industries and large corporations are dismissing employees who hold MBAs or replacing them with technical people who do not necessarily have an MBA degree (Yucelt, 1998). Yucelt contends that part of the blame lies with business schools for choosing to teach what they want instead of what business firms need. Therefore, in the U.S., demand for the MBA is declining, and business schools are facing the toughest challenge regarding increased tuition, programs content, quality and teaching skill (Yucelt, 1998). According to Harvey & Knight (1996),

*Employers are not looking for trainees when they employ graduates but people equipped to learn and deal with change. Employers want graduates who are adaptable and flexible, who can communicate well and relate to a wide range of people, who are aware of, but not indoctrinated into, the world of work and the culture of organizations, and who, most importantly, have inquiring minds, are willing and quick to learn, are critical, can synthesize and are innovative.*

Mardeusz (1995) suggests that over the last three decades little change has been made in university curricula with respect to advanced degrees in Business Administration. In 1986, the American Assembly of Collegiate Schools of Business (AACSB) reported that business schools fail to provide students with the tools and perspectives that are needed to build foundations for successful contributions as employees and leaders in business. Since that time, traditional MBA programs have been criticized for excessive focus on quantitative and technical skills and too little attention to such soft skills as interpersonal, communications, teamwork and people skills (Colvin, 1997; Eberhardt et al., 1997; Hahs, 1999; Nicastro and Jones, 1994; Nowak et al., 1996; Oblinger, 1998; O'Reilly, 1994; Pearce, 1999; Tanyel et al., 1999; Tomlinson, 1999; Wardrope & Bayless, 1999; Whettingsteel, 1999; Zolner, 1996).

**Soft Skills**

Contrary to popular belief, soft skills do make a difference in the business world (Workforce, 1999). Although managers still need typical techniques taught in MBA programs, they need additional tools to be effective. Today’s managers need a variety of soft skills in communication, negotiation, and team building to effectively manage technological change and corporate stress resulting from downsizing and rapid growth (Deverell, 1994). According to a study of what corporations seek when they hire MBAs, the three most desired capabilities are communication skills, interpersonal skills and initiative-all of which are elements of emotional intelligence (Caudron, 1999). In a recent study of 1,400 CIOs in the United States, RHI Consulting Inc. found that twenty-seven percent of CIOs said interpersonal skills are the most important factor for reaching management levels in the IT field (Solomon, 1999).

In 1995, Daniel Goleman, a psychologist and former New York Times reporter, published the international best seller, Emotional Intelligence: Why It Can Matter More Than IQ (Bantam Books, 1995). In it, he brought together years of research to show that emotional intelligence—which can loosely be described as “a person’s ability to manage his or herself and relate to other people”—matters twice as much as IQ or technical skills in job success (Caudron, 1999). In a follow up book: Working with Emotional Intelligence (Bantam Books, 1998), Goleman revealed data from studies in more than 500 organizations that proved factors such as self-confidence, self-awareness, self-control, commitment and integrity not only create more successful employees, but also more successful companies (Caudron, 1999). Caudron (1999) states that, “as a result of Goleman’s research and all the publicity generated by his
best sellers, employers do appear to be more willing to invest in soft-skills development, especially at the higher management levels.” A study of 1,171 U.S. Air Force recruiters showing that the best performing recruiters were those who scored high on assertiveness, empathy, interpersonal relations, problem solving and optimism (Caudron, 1999). Mariotti (1998) contends that MBA programs in the U.S. are the best in the world. Still, there is an aspect of business they teach poorly or not at all—‘soft management.’ Teaching the ‘hard’ stuff—technology, financial analysis, and workflow—is the easy part. These topics yield to logic and analysis. The ‘soft’ stuff is the hard part. The MBA programs should teach these concepts, but only the best ones are beginning to do so.

METHODOLOGY

Data Collection

The data was collected and analyzed in 2001 to determine the relative importance of each of the skills/attributes to both the organizations and business schools. The skills tested for this study came out of Tanyel et al. (1988) study and was used with permission from the authors. The organizations identified for the employer survey through the Dun and Bradstreet database had a contact person within the organization. However, the cover letter included with the instrument was sent to the Vice President of Human Resources. A return, prepaid envelope was included with the cover letter and survey. A return rate of 10% was anticipated, since the interest in the subject was expected to be high among corporations contacted. For the university survey, the author contacted either the Director of the MBA program, an Associate Dean, or the Dean, and read the appropriate sections of the survey to the respondent. The goal of this study was to determine whether or not business leaders believe MBA programs adequately prepare students in business skills. A second goal was to explore the relationship between the perceptions of business managers and business school leaders on how well MBA programs prepare students in the skills that organizations seek.

Design

The research population for this study consisted of human resource managers from companies throughout the state of Michigan. The second population consisted of Deans or Associate Deans of Michigan business schools. The same survey instrument was used for both populations. However, certain sections of the survey were left out for the deans/directors since the questions did not apply to them. The survey consisted of 16 managerial skills/attributes that the respondents were asked to rate on a scale from 1 (less important) to 5 (very important). The author used a five point Likert-type questionnaire designed for organizations that hire MBA graduates. A total of 2,000 surveys were mailed out to employers and 21 universities with MBA programs were contacted by telephone. A total of 78 surveys were received. However, 67 surveys were used since the rest indicated that they do not hire students with MBAs. A total of 15 deans and associate deans responded to the telephone survey.

This study had a response rate of 3.4% from the employers and a 75% response rate from the deans or associate deans of MBA programs. The reason for the low response rate from the employers was that many of the managers we contacted by telephone indicated that they did not hire MBA graduates. Therefore, the questionnaire did not apply to their firms. The data was manually entered into SPSS 9.0 for Windows for statistical analysis. The 16 items from the survey were originally used in the study by Porter & McCibbin (1988) and later used by other researchers such as Ferketich (1998); Tanyel et al. (1998); and Levenburg (1996). Subjects were asked to rate the 16 attributes/skills on a scale of 5 (very important) to 1 (less important) that they desire of their newly hired college graduates. They were also asked to circle yes or no if their graduates demonstrate these skills.
Construct Validity and Reliability

To determine the reliability and validity of the instrument, the researcher pretested the instrument with selected human resource professionals before mailing it to the selected groups for their study. As this questionnaire was successfully tested and utilized by Tanyel et al. (1998), it can be assumed to meet the requirements for construct validity. Literature on business skills and MBA knowledge constituted the body of literature used in the development of the questionnaire for this study. Principal writers in these areas included: Ferketich (1998); Levenburg (1996); (Porter & McKibbin (1988); and Tanyel et al. (1998).

RESULTS AND DISCUSSIONS

Test of Hypothesis One

Hypothesis HO1 states that there is no significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” among the prospective employers of MBA graduates. All respondents were asked to rate the importance of 16 different skills. Of the 78 employers surveyed, 11 indicated that they did not hire MBA graduates. Each of the remaining 67 respondents rated both the hard and soft skills, so the t-test for Paired Samples was appropriately used.

Table 1: T-test for Paired Samples

<table>
<thead>
<tr>
<th>Paired Differences Mean</th>
<th>t</th>
<th>df</th>
<th>Significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft – Hard</td>
<td>0.637</td>
<td>11.578</td>
<td>66</td>
</tr>
</tbody>
</table>

Hypothesis HO1 states there is no significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” among the prospective employers of MBA graduates. All respondents were asked to rate the importance of 16 different skills. Of the 78 employers surveyed, 11 indicated that they did not hire MBA graduates. Each of the remaining 67 respondents rated both the hard and soft skills, so the t-test for Paired Samples was appropriately used.

Table 2 summarizes the results of the means and standard deviations of soft skills and hard skills for human resource managers. The rankings on the critical managerial skills to the organization are displayed in Table 3.

Table 2: Mean and Standard Deviation of Soft and Hard Skills for Human Resource Managers

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOFT</td>
<td>67</td>
<td>3.44</td>
<td>5.00</td>
<td>4.5696</td>
<td>0.4005</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HARD</td>
<td>67</td>
<td>2.43</td>
<td>5.00</td>
<td>3.9328</td>
<td>0.5847</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondent type =1.00 With the mean rating for soft skills being 4.57 and the mean rating for hard skills being 3.93, the resulting p-value of 0.000 was less than the established significance level of 0.05. As a result, the null hypothesis is rejected and it can be concluded that there is a significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” among the prospective employers of MBA graduates.
Table 3: Rank Ordered Means for Critical Managerial Skills to the Organization According to Human Resource Managers

<table>
<thead>
<tr>
<th>Rank Order</th>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SS Responsibility &amp; Accountability</td>
<td>4.82</td>
<td>.46</td>
</tr>
<tr>
<td>2</td>
<td>SS Interpersonal Skills</td>
<td>4.71</td>
<td>.55</td>
</tr>
<tr>
<td>3 or 4</td>
<td>SS Oral Communication</td>
<td>4.67</td>
<td>.54</td>
</tr>
<tr>
<td>3 or 4</td>
<td>SS Teamwork</td>
<td>4.67</td>
<td>.56</td>
</tr>
<tr>
<td>5</td>
<td>SS Ethical Values</td>
<td>4.61</td>
<td>.68</td>
</tr>
<tr>
<td>6</td>
<td>SS Decision Making &amp; Analytical Skills</td>
<td>4.60</td>
<td>.61</td>
</tr>
<tr>
<td>7</td>
<td>SS Creativity &amp; Critical Thinking</td>
<td>4.45</td>
<td>.64</td>
</tr>
<tr>
<td>8</td>
<td>HS Written Communication</td>
<td>4.44</td>
<td>.79</td>
</tr>
<tr>
<td>9</td>
<td>HS Time Management</td>
<td>4.42</td>
<td>.72</td>
</tr>
<tr>
<td>10</td>
<td>HS Project Management</td>
<td>4.21</td>
<td>.88</td>
</tr>
<tr>
<td>11</td>
<td>SS Persuasiveness and Influence</td>
<td>3.98</td>
<td>.92</td>
</tr>
<tr>
<td>12</td>
<td>HS Presentation Skills</td>
<td>3.96</td>
<td>.89</td>
</tr>
<tr>
<td>13</td>
<td>HS Assimilate new Technologies</td>
<td>3.90</td>
<td>.83</td>
</tr>
<tr>
<td>14</td>
<td>HS Computer Problem Solving Experiences</td>
<td>3.83</td>
<td>.96</td>
</tr>
<tr>
<td>15</td>
<td>HS Computer/Word Processing Skills</td>
<td>3.70</td>
<td>.94</td>
</tr>
<tr>
<td>16S</td>
<td>HS Global/International Business Skills</td>
<td>3.15</td>
<td>1.32</td>
</tr>
</tbody>
</table>

N=67 Note: SS indicates Soft Skill and HS indicates Hard Skill. The top seven skills desired by prospective employers (in order of importance) are responsibility and accountability, interpersonal skills, oral communication, teamwork, ethical values, decision-making and analytical skills, and creativity and critical thinking. The average mean for soft skills (SS) among the prospective employers was 4.57 (on a 5 point scale), indicating that human resource managers determine that these skills are highly essential to the organization. The soft skills were all ranked in the top half of the critical managerial skills list. The hard skills (HS), written communication, time management, project management, presentation skills, ability to assimilate new technologies, computer skills and global/international business skills were all ranked in the lower half of the list. The average Mean for hard skills (HS) among human resource managers was 3.93 (on a 5 point scale) indicating that prospective employers desire soft skills over hard skills. The skill/ability believed to be most important by Deans/Directors of MBA programs was oral communication. The skill/ability ranked lowest on the list of critical managerial skills among deans/directors was global/international business skills.

Test of Hypothesis Two

Hypothesis HO2 states that there is no significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” for MBA graduates among the business school deans and directors with MBAs.

Table 4 summarizes the results of the t-test for paired samples.

Table 4: T-test for Paired Samples (Hypothesis Two)

<table>
<thead>
<tr>
<th>Paired Differences Mean</th>
<th>t</th>
<th>df</th>
<th>Significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1 Soft-Hard</td>
<td>2.794</td>
<td>14</td>
<td>0.014</td>
</tr>
</tbody>
</table>

Hypothesis HO2 states there is no significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” among the deans or associate deans of business schools. All respondents were asked to rate the importance of 16 different skills. Each of the 15 respondents rated both the hard and soft skills so the t-test for Paired Samples was appropriately used.

Table 5 summarizes the means and standard deviations for soft and hard skills for deans of MBA programs.

Table 5 Mean and Standard Deviation of Soft and Hard Skills for Deans of Business Schools

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOFT</td>
<td>15</td>
<td>3.00</td>
<td>4.89</td>
<td>4.2917</td>
<td>0.4823</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HARD</td>
<td>15</td>
<td>2.86</td>
<td>4.57</td>
<td>3.9583</td>
<td>0.5175</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Resp_type =2.00 With the mean rating for soft skills being 4.29 and the mean rating for hard skills being 3.96, the resulting p-value of 0.014 was less than the established significance level of 0.05. As a result, the null hypothesis is rejected and it can be concluded that there is a significant difference in the mean rating of the importance of “soft skills” vs. “hard skills” for MBA graduates among the deans and directors at business schools with MBA programs.
The ranking of deans on the critical managerial skills to the organization are displayed in Table 6. The rank ordering, means, and standard deviations of the hard and soft skills are displayed.

Table 6: Rank Ordered Means of the Critical Managerial Skills to the Organization According to Deans of Business Schools

<table>
<thead>
<tr>
<th>Rank Order</th>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2 or 3</td>
<td>SS Oral Communication</td>
<td>4.67</td>
<td>.62</td>
</tr>
<tr>
<td>1, 2 or 3</td>
<td>HS Written Communication</td>
<td>4.67</td>
<td>.62</td>
</tr>
<tr>
<td>1, 2, or 3</td>
<td>SS Responsibility &amp; Accountability</td>
<td>4.67</td>
<td>.51</td>
</tr>
<tr>
<td>4 or 5</td>
<td>SS Interpersonal Skills</td>
<td>4.60</td>
<td>.63</td>
</tr>
<tr>
<td>4 or 5</td>
<td>SS Decision Making &amp; Analytical Skills</td>
<td>4.60</td>
<td>.83</td>
</tr>
<tr>
<td>6</td>
<td>SS Teamwork</td>
<td>4.33</td>
<td>.62</td>
</tr>
<tr>
<td>7</td>
<td>SS Creativity and Critical Thinking Skills</td>
<td>4.27</td>
<td>.70</td>
</tr>
<tr>
<td>8</td>
<td>HS Presentation Skills</td>
<td>4.13</td>
<td>.83</td>
</tr>
<tr>
<td>9 or 10</td>
<td>HS Time Management</td>
<td>4.07</td>
<td>.80</td>
</tr>
<tr>
<td>9 or 10</td>
<td>SS Ethical Values</td>
<td>4.07</td>
<td>.70</td>
</tr>
<tr>
<td>11</td>
<td>HS Computer Problem-Solving Experiences</td>
<td>4.00</td>
<td>.93</td>
</tr>
<tr>
<td>12</td>
<td>HS Computer/Word Processing Skills</td>
<td>3.93</td>
<td>.88</td>
</tr>
<tr>
<td>13</td>
<td>HS Ability to Assimilate New Technologies</td>
<td>3.80</td>
<td>.86</td>
</tr>
<tr>
<td>14</td>
<td>HS Project Management</td>
<td>3.73</td>
<td>.88</td>
</tr>
<tr>
<td>15 or 16</td>
<td>SS Persuasion and Influence</td>
<td>3.33</td>
<td>.90</td>
</tr>
<tr>
<td>15 or 16</td>
<td>HS Global/International Business Skills</td>
<td>3.33</td>
<td>1.11</td>
</tr>
</tbody>
</table>

N=15 Note: SS indicates soft skill and HS indicates hard skill. According to the business schools deans/directors of MBA programs, the top seven critical skills/abilities to the organization are oral communication, written communication, interpersonal skills, decision-making, responsibility and accountability, ability to work in teams, and creativity and critical thinking skills. Six of the seven skills are soft skills. The average Mean of soft skills for deans/directors was 4.29 and the average Mean of hard skills 3.96. The results indicate that soft skills are rated higher than hard skills among business school deans/directors of MBA programs.

Test of Hypothesis Three

Hypothesis HO3 states that there is no significant difference in the mean rating of the importance of each skill for MBA graduates among the prospective employers vs. the business school deans and directors. The 67 respondents from the prospective employers rated each of the soft and hard skills, as did the 15 respondents among the deans and directors. The mean rating among the soft and hard skills for the two groups were compared. Utilizing the Levine test, there is support for equal variances. Hence, for the soft skills, the t-test for Independent Samples had a p-value of 0.015 when the Equality of Variances assumption was used; as a result, the null hypothesis is rejected and it can be concluded that there is a significant difference in the importance of soft skills as rated by the prospective employers of MBA graduates vs. the business school deans and directors. For the hard skills, the t-test for Independent Samples had a p-value of 0.874 when the Equality of Variances assumption was used. As a result, the null hypothesis is not rejected and there is insufficient evidence to conclude a significant difference in the importance of hard skills as rated by the prospective employers of MBA graduates vs. the business school deans and directors.

Table 7: T-Test for Equality of Means for Independent Samples (Hypothesis Three)

<table>
<thead>
<tr>
<th></th>
<th>t</th>
<th>Df</th>
<th>Significance (2-tailed)</th>
<th>Mean Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Skills (Equal Variances)</td>
<td>-2.49</td>
<td>80</td>
<td>0.015</td>
<td>-0.278</td>
</tr>
<tr>
<td>Hard Skills (Equal Variances)</td>
<td>0.16</td>
<td>80</td>
<td>0.874</td>
<td>0.026</td>
</tr>
</tbody>
</table>

Utilizing the Levine test, there is support for equal variances. Hence, for the soft skills, the t-test for Independent Samples had a p-value of 0.015 when the Equality of Variances assumption was used; as a result, the null hypothesis is rejected and it can be concluded that there is a significant difference in the importance of soft skills as rated by the prospective employers of MBA graduates vs. the university deans and directors. For the hard skills, the t-test for Independent Samples had a p-value of 0.874 when the Equality of Variances assumption was used.
FINDINGS

The goal of this study was to determine whether or not business leaders believe business schools adequately prepare MBA students in business skills. With the rapid changes in new technology and the existence of global economies, business needs people who can deal with change and uncertainty. A second goal was to explore the relationship between the perceptions of business managers and business school deans on how well MBA programs prepare students in the skills organizations seek.

The research population for this study consisted of human resources managers from companies throughout the state of Michigan, USA. The second population consisted of business school deans, associate deans, or MBA program directors. The same survey instrument was administered to both populations. Certain sections of the survey were eliminated for the deans since the questions did not apply to them.

Using the existing literature as the starting point, Tanyel et al. (1998) developed a self-administered questionnaire to identify the skill set believed necessary for today’s business school graduates to contribute effectively to an organization upon graduation. The survey consisted of 16 managerial skills/attributes that the respondents were asked to rate on a scale from 5 (very important) to 1 (less important). The 16 items from the survey were originally used in the study by Porter & McCibbin (1988).

From the 2000 surveys that were mailed out, a total of 78 surveys were used for the data analysis. The study had a 78% response rate from the deans and 3.4% from the employers. The data was manually entered into SPSS 9.0 for Windows for statistical analysis. The data was collected and analyzed to determine the relative importance of each of the skills/attributes to both the organizations and business schools.

The questions investigated in this study included the following: (1) what are the most important managerial skills to the organization, as identified by business managers? (2) what are the most important managerial skills to the organization, as identified by business schools deans/directors? And (3), is there a difference between how business managers and business schools deans and MBA programs directors rate managerial skill?

According to the prospective employer respondents, the most important skills to be obtained by graduates are (in order of importance) responsibility and accountability, interpersonal skills, oral communication, teamwork, ethical values, decision-making and analytical skills, and creativity and critical thinking. Those attributes believed to be less important included written communication, time and project management, persuasive ability, presentation skills, ability to assimilate new technologies, computer skills, and global awareness. According to the business school deans/directors of MBA programs, the most important skills are (in order of importance) oral communication, written communication, interpersonal skills, decision making and analytical ability, responsibility and accountability, ability to work in teams, creativity and critical thinking skills. Deans/directors indicated that ethical values, computer skills, time and project management, persuasive ability and global awareness were less important attributes.

The results of the respondents’ ratings of the 16 attributes are presented for prospective employers and business school deans. The results of the t-tests for paired samples performed supported two of the three hypotheses. The mean rating among the soft and hard skills for the two groups were compared. Utilizing the Levine test, there is support for equal variances. Hence, for the soft skills, the t-test for Independent Samples had a p-value of 0.015 when the Equality of Variances assumption was used; as a result, the null hypothesis is rejected and it can be concluded that there is a significant difference in the importance of
soft skills as rated by the prospective employers of MBA graduates vs. the business school deans and directors. For the hard skills, the t-test for Independent Samples had a p-value of 0.874 when the Equality of Variances assumption was used. As a result, the null hypothesis is not rejected and there is insufficient evidence to conclude a significant difference in the importance of hard skills as rated by the prospective employers of MBA graduates vs. the business school deans and directors.

**Implications for Business Education**

The top seven skills desired by prospective employers (in order of importance) are responsibility and accountability, interpersonal skills, oral communication, teamwork, ethical values, decision-making and analytical skills, and creativity and critical thinking. The average mean for soft skills (SS) among the prospective employers was 4.57 (on a 5 point scale), indicating that human resource managers determine that these skills are highly essential to the organization. The soft skills were all ranked in the top half of the critical managerial skills list. The hard skills (HS), written communication, time management, project management, presentation skills, ability to assimilate new technologies, computer skills and global/international business skills were all ranked in the lower half of the list. The average Mean for hard skills (HS) among human resource managers was 3.93 (on a 5 point scale) indicating that prospective employers desire soft skills over hard skills. The skill/ability believed to be most important by Deans/Directors of MBA programs was oral communication. The skill/ability ranked lowest on the list of critical managerial skills among deans/directors was global/international business skills. This is consistent with the finding for prospective employers.

According to the business schools deans/directors of MBA programs, the top seven critical skills/abilities to the organization are oral communication, written communication, interpersonal skills, decision-making, responsibility and accountability, ability to work in teams, and creativity and critical thinking skills. Six of the seven skills are soft skills. The average Mean of soft skills for deans/directors was 4.29 and the average Mean of hard skills 3.96. The results indicate that soft skills are rated higher than hard skills among business school deans/directors of MBA programs.

**CONCLUSIONS**

Because the goal of graduate business schools should be to provide graduates with skills and attributes that prospective employers desire, the results of this study should be beneficial to business school deans/directors of MBA programs for curriculum revision and other changes in management education. Business schools need to add a substantial focus on the soft skills. They need to continually reassess their goals and strategies and make the necessary changes in order to keep up with the rapidly changing needs of business organizations. They need to be teaching what needs to be taught according to the needs of prospective employers. Graduate business programs must also find methods of strengthening soft skills, or people skills, while continuing to prepare students in the hard skills.

The biggest concern of this research is assessing the degree of measurement error present. The researcher considered the validity and reliability of the measure. The data collected for this study focused on management education in the United States only. Furthermore, due to the regional nature of the study, the researcher excludes respondents from other regional areas since the results of the study focus on one region of the United States rather than the entire nation. Due to limited time and resources, this study did not cover managerial skill preparation in undergraduate business education. Although businesses are interested in skill preparation at the undergraduate level, this study was limited to management education at the graduate level. However, these topic areas could be addressed in future research.

One problem in identifying trends in the literature base is the lack of uniformity in the critical skill set or characteristics and attributes that lead to success in business. Various researchers appear to be using
different terms in the identification or description of similar skills/attributes. For example, should decision making and analytical ability be one skill or should they be broken up into two separate skills? One could argue that analytical skills are hard skills while decision-making skills are soft skills. Another area for future research is to determine if the results would differ if the population of employers were categorized into two groups. One category would be for manufacturing firms while the other would be for service firms. It would be interesting to see if they would rank soft and hard skills any differently. Are human resource managers the ultimate customers of MBA programs? Would the results have changed had front line managers been the sample for this study? While HR managers may preach the “soft skills” line, what do line managers want? Due to the limited resources of this study, the results were obtained from one state. It would be very useful if this type of research was conducted in other regions of the country, a nationwide basis, and/or an international sample. Finally, it would be interesting to do comparative studies of the perceptions of students and employers, students and faculty, and students and alumni.

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**BIOGRAPHY**

Nadia Shuayto is an Assistant Professor of Marketing in the College of Management at Lawrence Tech University, Southfield, MI, U.S.A. She served as the Director of the DBA Program, MBA Program, AACSB Coordinator, and Associate Dean before returning to her faculty role where she continues to
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Professor Shuayto teaches Global Marketing Management, Human Resource Management, Leadership, Strategic Planning, and Marketing Management. She also serves as a marketing and management consultant. During her eight years at the AUB, she consulted in Lebanon, Jordan, Kuwait, Dubai, Sharjah, and Yemen. The types of industries she has consulted with include health care (AUH, American University Hospital), petroleum, airlines (KPC, Kuwait Petroleum Company), communication (Spacetel), and education (AUB, LTU, and University of Sharjah).

Professor Shuayto has over 20 years of professional experience in the fields of retail, food & beverage, health care, and import/export. She acquired the master franchise for the Little Caesars Pizza chain in Lebanon and opened the first outlet in 2003. She is active in her research and is author and co-author of peer-reviewed journals, refereed articles and conference proceedings. Her areas of research include Management Education, Global Marketing Management, Human Resource Management, Expatriation, and Standardization and Customization of Marketing Strategies. Professor Shuayto recently received an “Outstanding Research Award” while presenting at the Global Conference on Business & Finance. In addition, she won the “Best in Category” Award for the MENA (Middle East and North Africa) region in the 2011 EFMD (European Federation of Management Development) Case Competition. The name of her case is: ELIE SAAB: Growth of a Global Luxury Brand. She can be reached at Lawrence Technological University, Southfield, MI 48075, (248) 204-3070, nshuayto@ltu.edu.