The MBA (Master of Business Administration) is probably today the postgraduate degree with the most global impact. The MBA is a “licence to manage” and a label broadly recognized around the world.

The MBA emerged in the United States at the turn of the 20th century as a two-year postgraduate program where students enrolled straight after three or four years of college. In the background, the corporate transformation of American business suggested that Management should become a “profession” and even a “science”. The progress of the MBA in the United States before 1945 came together with the emergence of management consultancy and the birth of a business press. These developments reinforced each other and structured a field of professionalized management.

In the 1950s, the MBA came to be harshly criticized; student bodies and curricula were of low quality and faculty members were not research-oriented. American business schools reacted, reaching for Academic respectability. They built permanent Faculties, fostered research and publication, created PhD programs in business studies and strengthened curricula. At the same time, the MBA became an object of exportation. A one-year MBA opened at INSEAD in Fontainebleau, France, in 1959; a two-year program at the IESE in Barcelona in 1964 and in both cases the Harvard Business School was involved. Early versions of an MBA came to the London and Manchester Business Schools during the 1960s. This was, in fact, only the slow start of a global diffusion process that intensified from the 1980s onwards. Business schools and MBA programs sprouted up everywhere in the world. In Europe only, around 400 business schools opened in the late 1980s. There was resistance but education systems progressively transformed themselves to allow for local versions of the MBA – even Oxford and German Universities were eventually converted!

The spread of MBA programs does not seem perfectly coupled with transformations in corporate governance. The progress of market logics, multinational firms and foreign capital naturally all play a role. However, the spread of the MBA can be documented in countries with very different business systems. In Eastern Europe, the fall of the Berlin Wall marked the beginning of a rush. American Universities and non-profit organizations worked with local Universities to develop management training programs – including MBAs. Financing came from large American Foundations (Mellon or Ford). The European Union also jumped in, but to a lesser extent. And a few private donors realized major investments – the case of George Soros is worth mentioning here. The spread to Asia was also striking. By 2002, 62 Chinese Universities had obtained from the State the right to deliver an MBA. Even in Africa, the forgotten continent of globalization, MBA programs are flourishing today. From South Africa to Ethiopia, Zimbabwe, Egypt or the Gulf countries, getting an MBA seems to be the way to go for local elites.

MBAs around the world still exhibit diversity although global diffusion comes together with powerful homogenizing pressures. Accreditation bodies such as the AACSB (American Association of Collegiate School of Business) play a role there. They have gone international and spread around criteria, practices and processes. The ranking business that emerged in the
1980s around MBA programs also has an impact while the predominant role of American Academia in the development of management knowledge and texts has further reinforced standardization in curricula and contents. Language, finally, is important – MBA programs around the world are partially if not fully in English. Recently, criticisms surfaced again, some echoing old debates. MBAs are too detached from practice, research is too academic, there are too many MBAs around and business schools share in the responsibility of recent business scandals. The MBA will have to adjust, possibly quite significantly, but altogether it is here to stay.

This, potentially, has important consequences. The global spread of the MBA carries along a progressive homogenization, across the world, of models of economic elite production and reproduction. This homogenization is bound to reflect at the helm of corporations – increasing the possibility of “global corporations” at least at the managerial level. Even in developing countries, research seems to show that the spread of MBA programs and graduates implies conformity across cultures to dominant (Western) leadership paradigms. The progress of the MBA is an expression but also a driver of current globalization – it is a category through which a transnational class of leaders is being produced and reproduced.

Marie-Laure Djelic
ESSEC Business School

Bibliography

Cross-references: class, transnational corporations, marketing, advertising, higher education