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The Italian Job

This is the man who turned Fiat's fortunes full circle

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Each year, corporations spend millions on executive programmes to develop their executive talent. The question is: Are they paying any attention to the quality of the product they buy? **John Fernandes**, President and Chief Executive Officer, AACSB International looks closer.

Hungry for knowledge



A survey of corporate recruiters by the Graduate Management Admission Council has revealed that 76 percent of the respondents sponsor employees to full-time MBA programmes, 83 percent sponsor to part-time programmes, and 80 percent sponsor to executive MBA programmes. That all adds up to a great deal of money spent to reimburse employees for executive education.

But what are companies getting for their money? Do they thoroughly research all educational organisations where their employees go for their executive education? Executive education, with a big push from a rapidly expanding global economy and

increasing demand for continuous learning, has expanded to all corners of the globe. The latest technology has led to business decisions being made in minutes and hours instead of days and weeks. To keep up, companies require that employees stay proficient in any area that might affect their jobs.

Clearly, lifelong learning is an important trait of today's modern executives. Since they must stay on top of the issues, deal with the changing needs of employees, adapt to technological advances, and cope with the newest challenges, executive education is the perfect mechanism to deliver that learning. In recent years some industry pundits have

signaled the end of the conventional, two-year MBA course of study. Citing employee reluctance to quit their jobs to study full time, as well as rising costs, a great deal of emphasis has been put on offering programmes that will fit into just about every executive's lifestyle. While the traditional MBA has not – nor is likely to fade away anytime soon, there is no denying that the overwhelming choice of most executives returning for an advanced degree is a part-time programme.

Today, choices in executive education are wide open. There is something for everyone. Evenings, weekends, alternating weekends, one weekend per month-all offer a degree of

flexibility that allow people to pursue education without having to quit their job, put family life on the shelf, or make major economic sacrifices. In addition to the many conveniences of scheduling, today's executive education courses also offer a cost-effective way for companies to develop employees. There is a trade-off, however. While a person enrolled in a traditional programme – or even a part-time degree programme – will have coursework that is directly related to a specific industry or business, the individual executive education courses may not always be a perfect match. To make up for this, we are seeing a trend whereby schools will be willing to design a custom programme to fit a specific industry.

Why is executive education a good investment for employers?

Beyond the many benefits of continuous learning, one of the key pluses is that employees are exposed to presenters and instructors who are experts in their field. Breaking away from the job for periods of time to freshen thinking on a specific topic, listen to successful people and how they do their jobs, and return home invigorated and ready to implement new practices is something that cannot be duplicated on the job. Executive education has the power to help employees see an issue in an entirely new way, so that they return to work with a best practice that they can immediately put into practice.

Companies must be critical executive education consumers

Companies are concerned about their return on investment. The same thing is true when considering an executive education programme for employees. One should approach executive education the same way as any other major company investment. This means evaluating providers in terms of reputation, quality, and track record.

Clearly, all executive education programmes are not alike. Because AACSB-accredited business schools are required to show continuous improvement and undergo an accreditation maintenance review process every five years, they provide the perfect, safe environment for companies to invest their executive education dollars. While it may be important to do a thorough background check on a non-accredited provider, AACSB has its own process in place to ensure that its institutions and offerings are up to date.

The 527 business schools in 30 countries accredited by AACSB, in order to maintain their accreditation status, must go through a rigorous peer review process every five years. This process includes measuring improvement since the school's last review, examining how well it is managed, evaluating the quality of faculty, and analysing how well the school serves students in the context of its mission.

Faculty quality might be the most important consideration of all. Business schools with

global accreditation must hire faculty of the highest quality. As a result, when a company decides to work with an AACSB-accredited institution, it is assured that faculty members involved in various courses are qualified, current with the latest trends in their area of expertise, and able to offer cutting-edge instruction.




Lifelong learning is an important trait of today's modern executives. Since they must stay on top of the issues, deal with the changing needs of employees, adapt to technological advances, and cope with the newest challenges, executive education is the perfect mechanism to deliver that learning.



Accredited business schools offer a wide choice in executive education-including degree programmes of the highest caliber that allow students to fit class time to their individual lifestyles. Some schools offer customised MBA programmes that fit a specific industry and are designed explicitly for a particular company.

One cannot emphasise enough the importance of companies being informed consumers when choosing an executive education programme. In order to ensure that programmes match the needs of the company and are delivered efficiently, the company must thoroughly complete its due diligence before agreeing to a specific programme. Whether it involves a degree or non-degree programme, it is important to distinguish between skill/knowledge-based programmes and general management development programmes. The farther afield these programmes are from typical degree programmes, the more difficult it is to assess and evaluate in terms of overall benefit to the employee.

There are an infinite number of executive education choices out there. An eager student, hungry for knowledge, will extract every bit of information and put it to use on the job. But it is up to the company to carefully evaluate the benefits, style, fit, faculty, and course offerings of its executive education provider. Careful pre-planning and ongoing evaluation will ensure a maximum return on investment where employees completing programmes will continue contributing to company success for many years to come. 

About the author

John Fernandes is the President and Chief Executive Officer of AACSB International - the Association to Advance Collegiate Schools of Business. AACSB International is a not-for-profit organisation of more than 1,000 collegiate schools of business, corporations and other organisations in more than 70 countries devoted to the advancement of higher education in business administration and management. Organised in 1916, AACSB International is the premier accrediting agency for bachelor's, master's and doctoral degree programmes in business administration and accounting, with over 500 accredited schools worldwide.

Prior to joining AACSB International, Mr Fernandes was executive vice president and chief operating officer for the Institute of Internal Auditors (IIA). Prior to joining The IIA, he served as vice president and general auditor for New York City Transit. His experience includes staff and management positions with Exxon Company USA, Cameron Iron Works and Houston METRO. Mr Fernandes has extensive corporate governance experience as a member of the board of directors and audit committee of a \$2bn integrated health care delivery system. He served as chairman of the audit committee. He is also on the Board of Governors of Beta Gamma Sigma, the business honor society, and the Board of Directors of the Global Foundation for Management Education.

Mr Fernandes has more than 30 years' internal auditing and management experience. He has managed and conducted audits of energy, manufacturing, marketing, transportation, and management operations throughout the United States and in 16 other countries.

He received a bachelor's degree in accounting and communications from Babson College in Wellesley, Massachusetts and a master's degree in public administration from the University of Houston. He is a graduate of the Programme for Senior Executives in State and Local Government, John F Kennedy School of Government, Harvard University, and the University of Texas' Public Executive Institute. He is a member of the Kennesaw State University Corporate Governance Centre Advisory Board and the Tampa International Trade Forum. He is a past president of the IIA's Houston Chapter and Vice President of the New York Chapter.

