The Assessed Value of the MBA Programme by its Alumni –
The Case of the Former German Military Officers

Sebastiaan Derksen (spcderksen@hotmail.com)
University of Applied Sciences Kempten, Germany

Summary

Purpose: According to its proponents, an MBA programme can improve one’s managerial and business competencies, knowledge and skills, and thus one’s career chances in business. Worldwide many people make at least one or more career switches during their careers. Every year, among them are approximately one thousand German military officers who make the career switch from the German army to business.

In light of this context, this study focuses on the issue, whether the MBA programme does actually fulfill its proponents’ “promises of improvement” for its graduate students; former German military officers in particular.

Methods: An empirical, quantitative research was conducted. 151 survey questionnaire responses were collected (55 former German military officers with an MBA degree and 93 civilian MBA alumni) to assess whether and to what extent the MBA programme is valued by its alumni for the improvement of their managerial performance and career success in business. Furthermore, this study tested the hypotheses that former German military officers value the MBA programme higher than civilian MBA alumni do, and that they value the MBA programme as an ideal study for a successful transition from a military career into business.

Results: This study shows that both civilian MBA alumni and former German military officers with an MBA degree value the MBA programme positive in regard to the improvement of their managerial performance and career success in business. Although the results of this research do not show a real significant difference, former German military officers do value the MBA programme more positively than civilian MBA alumni do for the improvement of their overall success in business. It can be concluded that former German military officers assess the MBA programme as an ideal study to make the transition from army to business as successful as possible.

Introduction

The concept of “a job for life” seems to be anything but of this time (Skidelsky, 2017; Patty, 2016). Similarly, in the German army (Bundeswehr) where approximately 15,000 to 20,000 soldiers switch careers from the Bundeswehr to business every year (Knuf, 2017). Among them are approximately 1,000 officers who want to continue their career as a leader / manager in the business world, and although these military officers are generally well trained and experienced to manage and lead, they often lack knowledge and experience of functioning as a manager in the business world. In addition, potential employers in business seem to have a hard time understanding and valuing the education, training, and working experience of former military officers (Citroën 2014; Schmaler, 2015; Rosales, 2017).

As a worldwide recognized postgraduate business degree, the Master of Business Administration (MBA) programme is generally seen as a value-adding process in education for managers in becoming better managers (Cengiz & Muragishi, 2006; Baruch & Leeming, 2001). The MBA programme would enable its students to develop knowledge, skills, and abilities needed for career success, and it would unlock employment opportunities in all industries, job functions, job levels, organizational sizes, and work locations (Baruch & Peiperl, 2000; GMAC, 2016). In this way, the MBA program sounds very promising for especially (former) military officers to adjust and revise their military leadership / managerial skills, and knowledge fit for business (QS Intelligence Unit, 2018; Byrne, 2014).

Following the United States, which already has had a long tradition of using the MBA programme to prepare its service men and women for a new life in the corporate world, nowadays, business schools in Europe are also seeing an increasing number of (former) military officers mingle with professionals from more traditional business backgrounds (Symonds, 2010).

Similarly, in Germany where, in order to improve their chances of success on the civilian labour market, more and more German military officers start with an MBA program just before or shortly after they make their career transition to business (C.S-W., 2015; MBA-Studium.de, 2016).

In response to this trend, among others the University of Applied Sciences Kempten (Kempten, Bavaria) and the ESB Business School (Reutlingen, Baden-Württemberg) advertise their MBA programmes as extra suitable for military officers who are considering to leave the Bundeswehr. They promise, with their MBA programmes, to close the gap with respect to content between the military officer training and education, and the challenges of the civilian economy (Zander, 2008; Klein, 2013; ESB, 2018).

Without contradicting its popularity, the practical question arises however, whether the MBA programme genuinely can be seen as a real added value for improving one’s job opportunities, managerial performance and career success in the business world. Particularly in the case of former (German) military officers, who have conducted an MBA programme to increase their chances of success on the civilian labour market; “has the MBA programme actually helped them sufficiently to increase their managerial performance and career success in business?”.

By means of quantitative research, this study attempts to offer insight into the actual added value of the MBA programme for its alumni, and for former German military officers in their career switch from active military service to the business world, in particular.

Literature Review

In 1908, Harvard University (Cambridge, Massachusetts, USA) was the first to offer the education programme called MBA at its business school (Mintzberg, 2004). Since the 1980s, the popularity of the education programme has increased significantly in the US which ensured that the US style MBA programme was, and still is, increasingly being adopted worldwide (Friga, Bettis & Sullivan, 2003).

Historically, the original purpose of the MBA programme was to train technically skilled individuals in a particular occupational domain (e.g., engineers) and to provide the functional knowledge and skills necessary to manage people and operations (Rubin & Dierdorff, 2013). Currently, the reason for most people to conduct an MBA programme mainly lies in the expectation that the MBA degree will improve their career opportunities and increase their chances on a graduate job with a higher salary, because its value, and the almost assured “return-on investment” of the degree seems to be generally accepted by employers (Subramaniam, Yusoff & Arumugam, 2014; Lorenzi, 2012; Byrne, 2014; Boyatzis, Stubbs, & Taylor, 2002).

Notwithstanding its popularity, the MBA programme has also continuously been subject to debate concerning its academic purpose and value, and whether it meets the expectations it entails (Connell, 2003, Peffer & Fong, 2002, 2004; Jain & Kamal, 2010). Critics of the MBA programme question the promised positive impact of the MBA degree
on people’s career, and even condemn it as “a ruinous investment”, with regard to study effort and the often high study costs (Boyde, 2014; Byrne, 2013).

Several empirical studies seem to lend support for the contention, that the MBA programme is explicitly aimed to add value to its graduate students by providing them with and/or improving their business-related knowledge and managerial skills, helping them in several aspects of their career development with increasing compensation over time (Mihail & Elefterie, 2006; Baruch & Leeming, 2001; GMAC, 2016; Mihail & Kloutsiniotis, 2014). The MBA program would thus contribute to its graduate students in their improvement of job performance as a manager in business, i.e., improvement of Managerial Performance. In addition, it would contribute positively to the improvement of their business careers, i.e., Career Success.

Managerial Performance and Career Success can therefore be seen as dependent variables for the assessment of the relevancy of the MBA programme for its graduate students. Since this study attempts to offer insight into the actual relevance and the perceived added value of the MBA programme for its alumni, and for former German military officers in particular, it is necessary to continue with an elucidation of these two dependent variables.

Managerial Performance

Over several decades, many researchers have ventured to identify and categorize the competencies that are indispensable for successful managerial performance (Bosch, Lee, & Cardona, 2013). Robert White (1959) is credited for having introduced the term competence to describe those personality characteristics associated with superior performance and high motivation (Delamare - Le Deist, & Winterton, 2005). David McClelland (1973) is, however, often cited as the source or founder of the modern competency movement for his paper “Testing for competence rather than for intelligence”.

McClelland (1973) argued that aptitude and intelligence tests are not all that valid, because they predict neither job performance nor success in life. McClelland set out to find an alternative to this traditional aptitude and intelligence testing, which yielded a deeper measure that he labelled competencies. McClelland didn’t define however, the concept of competency precisely, but it basically came down to; “an underlying characteristic of a person which enables him/her to deliver superior performance in a given job, role, or situation” (Haygroup, 2003; Spencer & Spencer, 1993). With his paper, McClelland started the quest for theories and modelling to predict the competencies that are important for effective (managerial) job performance (Vathanophas & Thaingam, 2007).

Richard Boyatzis (1982) was one of the first to present a total system approach that determined which characteristics of managers enable them to be effective in various management jobs. His pioneering study of “The Competent Manager” promised a new, more integrated and universal approach to management education, training and development, and was undoubtedly a major influence on the enormous growth of management based competency models during the early 1990s (Caldwell, 2010; Burgoyne, 1993).

Boyatzis defined competency as “an underlying characteristic of an employee (i.e., a motive, trait, skill, aspect of one’s self-image, social role, or a body of knowledge) which results in superior performance” (1982:21). A person’s set of competencies reflects his/her ability to do a job. “Competencies are characteristics that are causally related to effective and/or superior performance in a job.” (Boyatzis, 1982:23). This definition allowed competencies to be objectified, analytically disaggregated and grouped into skills, knowledge, self-concepts, traits and motives.

Over the years, the concept of competence has become rather complex. It has evolved in such a way, that it has become subject to multiple interpretations and it has become one of the most diffuse terms in the organizational and occupational literature (Sandberg, 2000; Robotham & Jubb, 1996).

It is generally agreed however, that competence is not a single construct, but is multidimensional (Crawford, 2005; Bosch et al., 2013).

Competence frameworks, and diverging taxonomies of managerial performance have, therefore, become a necessity for the identification and the measurement of the aspects of competencies. These frameworks (models / taxonomies) describe, categorize and link the specific competencies, knowledge, skills and possible specific personality characteristics of a manager that play a pivotal role in organizational effectiveness: to meet the mission and vision, and to improve the business performance of the organization (Manxhari, Veliu, & Jashari, 2017).

A literature review, to depict the competencies that stand out in the improvement of managerial job performance, has resulted in a selection of four competency frameworks on basis of their general prevalence (references) and acceptance in the scientific literature, and the completeness of the substantiation of the frameworks.

The first competency framework selected is the “Hyperdimensional Taxonomy of Managerial Competencies” of Tett, Gurtenman, Bleier, & Murphy (2000). The term hyperdimensional was used to emphasize that their search for dimensions was more specific than those promoted in previous taxono-
mies. They have used 12 managerial performance taxonomies, that have been reported over the years, and assembled 47 observable dimensions of managerial competencies, that represented all managerial functions, industries, sectors, and levels as much as possible. All 47 competencies were described, defined, and organized into nine general categories: Traditional Functions, Task Orientation, Person Orientation, Open Mindedness, Emotional Control, Communication, Developing Self and Others, Occupational Acumen and Expertise, and Person-Organization Fit. Three mail-out survey-driven studies were undertaken to evaluate and improve the proposed taxonomy which led to an increase of the number of competencies to 53.

Tett’s et al. research (2000) is all-meaning about the scientific exploration into the competencies that are most applicable to managerial performance. It is the specificity of the taxonomy that makes it fit for designing research, comparing research and for identifying key challenges (Nijhuis, Vrijhoef, & Kessels, 2015).

The second competency framework selected is the taxonomy of “Critical Competencies” of Abraham, Karns, Shaw, & Mena (2001). Their research was motivated by the fact, that while more and more organizations were experimenting with identifying the most critical managerial competencies and the implementation of performance management, it was not clear that they were used in a complementary way. In their research, 2,500 firms were asked which competencies they consider to be descriptive for successful managerial employees, and whether they used those competencies in appraising their managerial employees. This resulted in a set of 20 managerial competencies, with the following six competencies to constitute the most critical: Leadership Skills, Customer Focus, Results Oriented, Problem Solver, Communication Skills, and Team Worker.

In comparison to the “Hyperdimensional Taxonomy” of Tett et al. (2000), the taxonomy of Abraham et al. (2001) focuses only on the most critical (necessary) competencies that make the functioning of a manager successful.

The third competency framework selected is Henry Mintzberg’s (2004) “List of Managerial Competencies”. Originating from his book “Managers not MBAs”, Mintzberg (2004) offered a list of 13 managerial competencies that he believed a manager must meet to succeed as a manager, and were derived from numerous available lists of managerial competencies from published and company sources (Mintzberg, 1973, 1994). Mintzberg organized these 13 managerial competencies into four categories: Personal Competencies, Interpersonal Competencies, Informational Competencies, Actionable Competencies (Mintzberg, 2004).

Contradicting Abraham et al. (2001), Mintzberg did not sort the competencies by order of importance, but categorized them in a similar way in which Tett et al. (2000) had done in their “Hyperdimensional Taxonomy”. Similar to the taxonomy of Abraham et al. (2001) however, is the detailed (practical) description given by Mintzberg of the competencies in his taxonomy.

The fourth, and last competency framework selected is the model of “Managerial Work Role Requirements by General Category” of Dierdorff, Rubin & Morgeson (2009). Derived from the US department of Labor’s Occupational Information Network (O*NET), which contained 52 different managerial occupations from its nationally representative sample of over 8,600 incumbent managers, they developed first a model which depicted six essential behavioral requirements for all managers: Managing Decision-Making Processes, Managing Human Capital, Managing Strategy & Innovation, Managing the Task Environment, Managing Administration and Control, and Managing Logistics and Technology.

In their follow-up research, Dierdorff et al. (2009) conducted a principal component analysis and found 18 work role requirements which broadly capture the Activities, Knowledge, Skills and Traits required to perform managerial occupations. They found out that requirements of managerial roles can be parsimoniously described as Conceptual, Interpersonal and Technical/Administrative in nature, since they broadly underlie all managerial work. With their model of “Managerial Work Role Requirements by General Category”, Dierdorff et al. (2009) provide an extensive taxonomy of the required managerial performance competencies, with a subdivision into three general categories (Conceptual, Interpersonal and Technical/Administrative).

Despite differences in emphases and theoretical origins, most competency frameworks have a considerable degree of overlap, as is the case with the latter four reviewed ones. Different names and labels may be used, but they all seem to refer to a related body of concepts (Bosch et al., 2013). However, as with any competency framework, it should be noted that no set of managerial competencies exhibits the role of the manager completely (Manxhari et al., 2017).

Where Tett et al. (2000) have endeavoured to achieve the most complete taxonomy possible, and Abraham et al. (2001) to select the most critical competencies and to place them in order of importance, and Mintzberg (2004) to subdivide the most critical competences into collection categories of competencies, it seems that Dierdorff et al. have succeeded in capturing all these attempts in their competency model: extensive (complete), selected, and categorized.

However, in determining and measuring the performance of managers by means of competencies, it is
situational dependent which competencies actually apply, are important, and in which order of importance they should be placed. It is improbable, that only one particular competency model / taxonomy, for example only Dierdorff et al.’s “Managerial Work Role Requirements by General Category” (2009), is the most suitable for every research on managerial performance. Therefore, the application and comparison of several different empirically proven managerial competency models / taxonomies is recommended for every research on managerial performance.

Career Success

Career success can be defined as the accumulated positive work and psychological outcomes resulting from one’s work experiences (Seibert & Kraimer, 2001), or as the experience of achieving goals that are personally meaningful to a person, rather than those set by others; i.e., peers, organization, or society (Mirvis & Hall, 1994). One framework that is commonly used in the scientific literature for categorizing how career success is operationalized, is Everett Hughes’s (1937) theoretical distinction between objective and subjective career success (Heslin, 2005). A sustainable perspective implies that both components should be looked at in its context to someone’s perception of career success.

Objective Career Success is a form of success that is observable, somewhat tangible, and can be measured on the basis of objective criteria such as salary (financial success) and status / promotion (hierarchical success) (Judge, Higgins, Thoresen & Bar-rick, 1999). Measures of objective career success are typically external indicators of career advancement or the accumulation of extrinsic rewards (Feldman & Ng, 2007).

Subjective Career Success can be defined as the perception of a person's success with regard to his/her development, career prospects, recognition and satisfaction with his/her career (Gattiker & Larwood, 1986). In contrast to objective career success, subjective career success is much more of a feeling (emotion) and/or an “internal perspective of success”: experienced work success, experienced interpersonal success, experienced financial success, experienced hierarchical success, etc. (Gattiker & Larwood, 1987).

Career satisfaction is commonly seen as an important facet of subjective career success and is very often assessed with the widely-accepted “Career Satisfaction Scale” of Greenhaus, Parasuraman, & Wormley (1990) (Spurk, Abele, & Volmer, 2011; 2015; Hofmans, Dries, & Pepermans, 2008). This scale assesses satisfaction regarding progress towards personal career goals in five areas: Success, Overall Career, Income, Advancement, and New Skills (Shockley, Ureksoy, Rodopman, Poteat, & Dullaghan, 2015).

In general, research on career success assesses both objective and subjective career outcomes, assuming that people define their career success in largely the same way: i.e. salary, promotions, and job satisfaction (Ng, Eby, Sorensen, & Feldman, 2005). Heslin (2005) stated however, that researchers should bear in mind that the perception of career success can differ among people with different backgrounds concerning; education, age, gender and socio-economic demographics.

Research Questions & Methods

This study focusses on the issue, whether the MBA programme proponents’ “promise”, that it would improve one’s managerial and business competencies, knowledge and skills, and thus their career chances in business, get actually fulfilled for its graduate students, and in particular for former German military officers. Furthermore, it seeks clarification on how the valuation of the MBA programme by former German military officers with an MBA degree relates to the valuation by civilian MBA alumni.

Former studies on the added value of the MBA programme on managerial performance and career success in business have focused on MBA alumni as business managers in general, making merely predominant distinction between the MBA alumni’s nationalities and not so much on their professional backgrounds (GMAC, 2016; QS Intelligence Unit, 2018; Iwasaki, 2005). This study will thus on the one hand, contribute to the scientific discussion about the actual added value of the MBA programme as a suitable study to foster career success and increase of managerial performance in business for its graduate students in general. On the other hand, it will demonstrate the added value, or the lack of it, for former (German) military officers concerning the career switch from the army to business.

Research Questions

RQ1: How do former German military officers with an MBA degree assess the added value of the MBA programme for the improvement of their managerial performance and career success in business?

RQ2: How does the valuation of the MBA programme by former German military officers relate to the valuation by civilian MBA alumni?

RQ3: Do former German military officers believe that the MBA programme provides an ideal springboard for a successful transition to business?
Hypotheses

Based on the two dependent variables of this study: Managerial Performance and Career Success as scientifically proven indicators for the research on the relevancy of the MBA programme for its graduate students, two hypotheses were developed in support of this research. In addition, one hypothesis was developed on the added value of the MBA programme for a successful transition to business of former German military officers.

Managerial Performance

The leadership and management qualities of military officers are generally learned and formed in a progressive and sequential series of carefully planned training, educational, and experiential events “far more time-consuming and expensive than similar training in industry or government” (Kolditz, 2009). Military officers are literally educated and trained in leadership, and defence organizations generally continuously monitor and manage this pillar for possible improvement (Velsor, Criswell, Puryear, & Hollenbeck, 2016).

In GMAC’s “Alumni Perspectives Survey Report 2017” (GMAC, 2017) the MBA alumni concur that their MBA education prepared them well for leadership positions. Of course, functioning as a manager / leader in business is not identical as managing / leading as a military officer in the army. However, it seems fair to state, that military officers in general have had more training and education in management and leadership than their civilian counter-parts in business.

For former (German) military officers, an MBA programme seems fit to help them to adjust and revise their military managerial skills and knowledge into ones that are directly applicable in business (Citroën, 2015). Theoretically speaking, the assessed added value of the MBA programme for the preparation for leadership positions should therefore be higher for civilian MBA alumni than for former German military officers.

H1: Civilian MBA alumni value the MBA programme more significant in regard to their improvement of managerial performance, than former German military officers do.

Career Success

According to the “Alumni Perspectives Survey Report 2017” (GMAC, 2017) and the “Value of a Graduate Management Education Alumni Perspectives Survey 2018” (GMAC, 2018) by GMAC, most alumni agree that their MBA programme was personally, professionally, and financially rewarding. The greatest agreement among alumni of MBA programmes shows, that the education increased their earnings power, prepared them for leadership positions, and it has helped them to advance more quickly in their professional careers.

It is more often the rule than exception, when former (German) military officers want to make the switch from the army to the business world, that they encounter the problem of potential employers in business having difficulties to understand and appreciate the education and training that the former military officers have conducted, and what the positions actually imply that they have fulfilled in the army (Schmale, 2015; Rosales, 2017). The MBA degree however, could function for former (German) military officers as a sort of “certificate of business competence” and be of a great help for the improvement of their career success in business.

In general, business jobs typically pay more than military jobs. Although comparing civilian pay to military compensation can seem like comparing apples with oranges. In addition to basic pay, military personnel get free medical care, special pay and more. Fact is, that military officers typically advance along a standardized career path, and in the civilian sector, promotions and career advancements are far more varied and less predictable (Powers, 2018; Tilghman & Copp, 2018). A rise in salary or job promotion could therefore have a greater impact on the experience of career success for former German military officers than for civilian managers / employees (as MBA alumni).

H2: Former German military officers value the MBA programme more significantly in regard to their career success in business, than civilian MBA alumni do.

MBA as Springboard

The deprivation of relevant working experience in the business world, which could call into question the suitability as a business manager, makes in theory the MBA programme (degree) very valuable for former (German) military officers when they are looking for their first job on the civilian labour market. In addition, the MBA programme sounds very promising in providing former (German) military officers with a good insight into the operational nature of business and prepares them to function successfully as business managers. Apart from skills and knowledge, the MBA programme could also provide them with the confidence to perform successful in business, and thus makes a transition to business less frightening and more successful.

H3: Former German military officers value the MBA education as an ideal study for a successful transition from a military career into business.
Study Design

The purpose of this study is to offer clarification regarding the assessed added value of the MBA programme by its graduate students, and in particular of former German military officers who transitioned to the civilian labour market. Like most business and management research, the survey strategy (case study) with a deductive approach was used as a quantitative research strategy to obtain the primary data for this study (Saunders, Lewis & Thornhill, 2009: 360).

Questionnaires have been widely acknowledged as an effective research method in the area of behavioural sciences (Baruch & Leeming, 2001). For this study, a standardized self-administered questionnaire was created in English, where respondents were informed up front, that the participation in the survey would be done anonymously. They were asked to respond to the same set of questions in a predetermined order, in order to generate an efficient way of collecting responses needed for quantitative analysis e.g., comparison between former German military officers MBA alumni and civilian MBA alumni. The respondents were asked in the questionnaire, to self-evaluate what effects the MBA programme has had on their managerial performance in their job performance, and their career success in business. Has the MBA programme, in terms of competency development, prepared them in becoming (even more) outstanding managers and leaders (Camuffo & Gerli, 2004)?

Previous studies on the concept of the MBA programme have shown, that it is extremely difficult to get a reasonable number of MBA alumni to participate in a survey (Hamid, 2013; Blackburn, 2011; Iwasaki, 2005). In order to gather a sufficient number of respondents, MBA alumni were openly invited to participate in the survey via the business and employment-oriented service / career-oriented social networking sites of XING and LinkedIn. Furthermore, on request, the University of Applied Sciences Kempten (Hochschule Kempten), as one of the educational institutions in Germany which offers an MBA programme, and besides civilian students also has a focus on attracting former German military officers to conduct its MBA programme, was found willing to offer its cooperation for this research by sending out (email) to its alumni; an official request to participate in the survey.

Measurement

With regard to the effects of the MBA programme on the possible improvement of managerial performance and career success in business of its graduates, prior to conducting the survey; managerial performance was dissected up to its basic elements. These basic elements originated from the existing literature (taxonomies / models) on managerial performance, where the term "managerial competence" is often used as an indicator for managerial performance, and it also includes managerial business knowledge and skills (Dierdorff & Rubin, 2007).

The competency frameworks of Tett et al. (2000), Abraham et al. (2001), Mintzberg (2004), and Dierdorff et al. (2009), as described earlier, were used to generate valid indicators for measuring MBA alumni’s possible improvement in managerial performance in business. The improvement of managerial performance due to the MBA programme was therefore examined based on the assessed contribution of the MBA programme on the improvement of Managerial Competencies (5), Managerial Skills (6) and Business Knowledge (2).

To assess the impact of the MBA programme on career success, six indicators were used, which were mainly based on the “Career Satisfaction Scale” of Greenhaus et al. (1990), and were proportional divided between subjective and objective career success indicators (Hughes, 1937).

The assessment of the contribution of the MBA programme on the improvement of managerial performance and career success was done in the questionnaire, by presenting the respondents statements where they had to indicate if their MBA programme had contributed sufficiently to the improvement of the relevant components (e.g., managerial competencies, career success). With the usage of a five-point Likert Scale; “strongly disagree” (1), “disagree” (2), “neither disagree nor agree” (3), “agree” (4), “strongly agree” (5), the respondents could indicate whether they agreed or disagreed with the statement and thus assess the impact of the MBA programme (Sullivan & Artino, 2013). Scores between 2.5 and 3.5 indicate the category of "neither disagree nor agree". Scores < 2.5 belong to "disagree" or to “strongly disagree" < 1.5 (rejecting the statement). Scores > 3.5 indicate "agree" or “strongly agree" > 4.5 (perpetuating the statement). Based on the “independent samples t-test between means”, it was calculated to what extent it can be concluded that a difference in research results is in fact statistically significant.

22 statements were presented to the respondents. One question had to be answered on the increase of the yearly Gross Income (seven options) and six questions concerned the demography of the respondents. Furthermore, in order to obtain the outcome of the assessment of the former German military officers, on the 151 completed questionnaires the filter was applied of “German nationality” and “former military officer” resulting in n = 55.
The Former German Military Officers

In order to become an officer in one of the armed forces of the German Bundeswehr, which has approximately 177,000 service men and women within its ranks, you have to register for admission to the military officer training of the Bundeswehr as either a Time Officer Candidate (“Zeitoffizier”) or a Career Officer Candidate (“Berufsoffizier”). A Career Officer Candidate has to complete the officer training of approximately six years where a four-year Master study is an integral part of the training, and has a minimum commitment period of 13 years. A Time Officer Candidate has to complete the officer training, which doesn’t include a four-year Master study, and has a minimum commitment period of three years with a standard commitment period of 13 years.

Almost 80% of the young officers leave the German Bundeswehr after 13 years of compulsory service (Brockmann, 2017; Schmale, 2015). They leave with plenty of experience in areas such as operations and/or logistics, they do not shy away from taking responsibility, having been trained in human resources issues and leadership, and are very likely to have international working experience. All in all, they seem particularly suited for leadership roles in the business industry.

In reality, however, former German military officers seem to have seldom a leg up with the employers in the German business industry. They often encounter prejudices among medium-sized companies, where the clichés of military command and obedience are used to throw a potential candidate out of the race (Schmale, 2015).

Two Sample Groups

The responses of the questionnaires were collected from two different sample groups, namely: former German military officers with an MBA degree, and civilian MBA alumni. As stated before, XING and LinkedIn were used to get as many MBA alumni to participate in the survey. The web link to the online questionnaire was active from July 2nd to July 17th ‘18, and 151 individuals have filled in the questionnaire (N = 151). The majority of the respondents (53.64%) were between 35-44 years of age, followed by the group who were between 25-34 years of age (35.76%). There were significantly more male respondents (81.64%) than female ones (18.54%). The lion’s share of the respondents (78.15%) had the German nationality. Of the respondents, more than one-third (38.41%) were former German military officers (FGMO) and almost two-third (61.59%) were civilians when they conducted their MBA programme.

More than half of the respondents (52.32%) had graduated from their MBA programme 1-3 years ago, 35.1% 4-6 years ago, 11.26% 7-10 years ago, and 1.32% more than 10 years ago. More than one-third of the respondents (36.42%) indicated that the MBA programme hasn’t led to an increase of their yearly gross income at all. 14.57% of the respondents (n = 22) stated that the MBA programme led to a yearly gross income increase between €1 and €9,999. 24.5% (n = 37) had an increase between €10,000 - €19,999, 10.6% (n = 16) between €20,000 and €39,999, 5.96% (n = 9) between €40,000 and €59,000, 3.97% (n = 3) between €60,000 and €79,000, and 6 respondents (3.97%) indicated that the MBA programme had even led to an increase of their yearly gross income by over €80,000.

Empirical Results

Value Assessment of the MBA Programme by Former German Military Officers

The online questionnaire was filled in by 151 individuals (N = 151). In order to obtain the outcome of the assessment of the former German military officers, on the 151 completed questionnaires the filters were applied of “German nationality” (n = 118) and “former military officer” (n = 58), and resulted in n = 55.

Managerial Performance

As shown in table 1, according to the participants of this study, former German military officers ascribe the MBA programme for making a positive contribution to their improvement in Managerial Competencies (M = 3.87).

The overall mean score of M = 3.68 indicates that the former German military officers also tend to ascribe their MBA programme for the improvement of their Managerial Skills.

The score of M = 3.79 for Business Knowledge gives a positive, but at the same time a slightly distorted picture: the added value of the MBA programme in the improvement of the knowledge in “General Business Functions” is assessed with M = 4.4, but the improvement of the knowledge in “Technology, Design, and Production” is only M = 3.18.

The scores of “Managerial Competencies”, “Managerial Skills” and “Business Knowledge” together result in a weighted average score for Managerial Performance of M = 3.77. The former German military officers strongly incline to agree that the MBA programme has contributed sufficiently to the improvement of their managerial performance in business.

Career Success
With an overall mean score of $M = 3.85$, the former German military officers agree that the MBA programme has contributed sufficiently positive to their Career Success in business. In particular, their positive assessment with regard to “Improvement of Business Skills and Knowledge” ($M = 4.4$) and “Increase of Career Chances” ($M = 4.11$) stand out, as shown in table 2.

In contrast, if one only looked at the objective indicator of Career Success “Increase of Income”, as shown in table 3, the image would arise, that the MBA programme does not really make a convincing contribution to the feeling of career success for former German military officers. Almost 44% of the former German military officers have indicated, that the MBA programme has not directly contributed to an increase of their Yearly Gross Income.

**Consideration of the MBA Programme as an Ideal Study for Success in Business**

With an overall mean score of $M = 3.84$, the former German military officers indicate that they value the MBA programme as an ideal study for the improvement of their success in business in general. As shown in table 4, they consider in particular the MBA programme as an ideal study for the improvement of “Managerial Performance in business” ($M = 3.98$).

**Comparison: Former German Military Officers and Civilian MBA Alumni**

Among the 151 respondents, there were 93 individuals who had conducted their MBA programme as a civilian. Of these 93 respondents, 63 have the German nationality. Within the group of the 30 “non-Germans”, 14 different nationalities existed and five respondents, that were not willing to make their nationality known.

The results of the questionnaires of the 93 civilian MBA alumni ($n = 93$) were compared to the results of the 55 former German military officers ($n = 55$) in order to examine how the valuation of the assessed added value of the MBA programme by the former German military officers with an MBA degree relate to the valuation by the civilian MBA alumni.

**Managerial Performance**

The comparison of the aforementioned groups, as shown in table 1, shows a small, not statistically significant, difference between the overall mean (weighted) scores of the former German military officers ($M = 3.77$) and the civilian MBA alumni ($M = 3.74$) in regard to the assessed added value of the MBA programme for the improvement of Managerial Performance in business.

Although there are a number of scores that deviate to some extent from each other, only the score for the competence "Leadership" differs statistically significantly. Civilian MBA alumni ($M = 4.01$) appreciate their MBA programme significantly higher for their improvement than the former German military officers ($M = 3.71$) do. This can be explained by the fact that, in their military careers, the former German military officers often have already received a lot of education and training in leadership in comparison to civilian business managers (Kolditz, 2009; Velsor et al., 2016).

Despite that they are not considered as statistically significantly different, there are some other noticeable scores. One of them is the relatively low score of the civilian MBA alumni for the assessment of the Managerial Competence “Innovative Thinking” ($M = 3.45$) compared to the score of the former German military officers ($M = 3.75$). This score difference can be explained, that civilian MBA alumni already have had more experience in business and therefore have a higher expectancy rate on this particular topic than the former German military officers do. Additionally, it is noticeable that both the civilian MBA alumni ($M = 2.95$) as the former German military officers ($M = 3.18$) do not agree nor disagree on the statement that their MBA programme was of any improvement of their Business Knowledge with regard to “Technology, Design, and Production”.

**Table 1:**

<table>
<thead>
<tr>
<th>FGMO</th>
<th>Civilian</th>
<th>Statistical Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Self-Management</td>
<td>$4.07 \pm .85$</td>
<td>$4.03 \pm .82$</td>
</tr>
<tr>
<td>External Self-Management</td>
<td>$3.71 \pm .97$</td>
<td>$3.84 \pm .90$</td>
</tr>
<tr>
<td>Leadership</td>
<td>$3.71 \pm .93$</td>
<td>$4.01 \pm .80$</td>
</tr>
<tr>
<td>Strategic Thinking</td>
<td>$4.11 \pm .87$</td>
<td>$4.06 \pm .90$</td>
</tr>
<tr>
<td>Innovative Thinking</td>
<td>$3.75 \pm .99$</td>
<td>$3.45 \pm 1.12$</td>
</tr>
<tr>
<td><strong>Managerial Skills</strong></td>
<td>$3.87$</td>
<td>$3.88$</td>
</tr>
</tbody>
</table>
Networking | 3.49 | .91 | 3.41 | .93 | .611
Communication | 4.05 | .88 | 4.03 | .82 | .889
Analysis | 3.84 | .87 | 3.57 | .99 | .069
Project Management | 3.38 | .94 | 3.65 | .97 | .100
Problem Solving | 3.73 | .84 | 3.68 | .97 | .751
Decision Making | 3.58 | .87 | 3.67 | .93 | .561

Business Knowledge
General Business Functions | 4.40 | .65 | 4.20 | .80 | .118
Technology, Design, and Production | 3.18 | .90 | 2.95 | 1.17 | .212

Weighted Average | 3.77 | .88 | 3.74 | .94 | .848

Note: FGMO (Former German Military Officers) \( n = 55 \) / Civilian MBA alumni \( n = 93 \)
Statistical Significance (t-test) alpha level 0.05

Career Success
With an overall mean score of \( M = 3.85 \), the former German military officers value the MBA programme for its improvement on Career Success slightly higher than the civilian MBA alumni do (\( M = 3.7 \)). Although both groups agree that their MBA programme has improved their "Improvement of Business Skills and Knowledge" sufficiently, the former German military officers rate it with \( M = 4.4 \), significantly higher than the civilian MBA alumni do (\( M = 4.11 \)), as shown in table 2. This could logically be explained with the fact that officers often lack the necessary experience and knowledge about civilian business in comparison with the civilian MBA alumni. The MBA programme obviously provides them sufficiently with the necessary Business Skills and Knowledge in order to increase their Career Chances in the civilian business world.

Table 2:
Comparison Former German Military Officers and Civilian MBA Alumni – Career Success.

<table>
<thead>
<tr>
<th></th>
<th>FGMO</th>
<th>Civilian</th>
<th>Statistical Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( M )</td>
<td>( SD )</td>
<td>( M )</td>
</tr>
<tr>
<td>Job Improvement</td>
<td>3.85</td>
<td>.96</td>
<td>3.71</td>
</tr>
<tr>
<td>Improvement of Business Skills and Knowledge</td>
<td>4.40</td>
<td>.65</td>
<td>4.11</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>3.40</td>
<td>.93</td>
<td>3.38</td>
</tr>
<tr>
<td>Increase of Income</td>
<td>3.56</td>
<td>1.00</td>
<td>3.41</td>
</tr>
<tr>
<td>Increase of Career Chances</td>
<td>4.11</td>
<td>.75</td>
<td>3.89</td>
</tr>
<tr>
<td>Expansion of Professional Network</td>
<td>3.78</td>
<td>.80</td>
<td>3.70</td>
</tr>
<tr>
<td>Weighted Average</td>
<td>3.85</td>
<td>0.86</td>
<td>3.70</td>
</tr>
</tbody>
</table>

Note: FGMO \( n = 55 \) / Civilian MBA alumni \( n = 93 \)
Statistical Significance (t-test) alpha level 0.05

The comparison of one of the objective indicators of Career Success; “Increase of Income” (table 3), shows also no significant difference. Noticeable is however, that 10% more of the former German military officers indicate that their MBA programme (degree) did not directly lead to an increase of their yearly Gross Income.
Table 3: Comparison Former German Military Officers and Civilian MBA Alumni – Increase of Yearly Gross Income due to the MBA Programme.

<table>
<thead>
<tr>
<th>Increase of Yearly Gross Income (salary):</th>
<th>FGMO</th>
<th>Civilian</th>
<th>Statistical Significance P</th>
</tr>
</thead>
<tbody>
<tr>
<td>No increase</td>
<td>43.64%</td>
<td>33.33%</td>
<td>.212</td>
</tr>
<tr>
<td>Between €1 and €9,999</td>
<td>14.55%</td>
<td>15.05%</td>
<td>.934</td>
</tr>
<tr>
<td>Between €10,000 and €19,999</td>
<td>21.82%</td>
<td>24.73%</td>
<td>.668</td>
</tr>
<tr>
<td>Between €20,000 and €39,999</td>
<td>10.91%</td>
<td>10.75%</td>
<td>.976</td>
</tr>
<tr>
<td>Between €40,000 and €59,000</td>
<td>1.82%</td>
<td>8.60%</td>
<td>.097</td>
</tr>
<tr>
<td>Between €60,000 and €79,000</td>
<td>3.64%</td>
<td>3.23%</td>
<td>.894</td>
</tr>
<tr>
<td>Over €80,000</td>
<td>3.64%</td>
<td>4.30%</td>
<td>.844</td>
</tr>
</tbody>
</table>

Note: FGMO n = 55 / Civilian MBA alumni n = 93
Statistical Significance (t-test) alpha level 0.05

Consideration of the MBA Programme as Ideal Study for Success in Business

Similar to the comparison between the assessment of the added value of the MBA programme in regard to the improvement of Managerial Performance and Career Success in business by the former German military officers and the civilian MBA alumni, there is little difference (none significant) in the consideration of the MBA programme as an ideal study for general improvement of one’s success in business (table 4).

It can be stated that both the former German military officers (M = 3.84) and the civilian MBA alumni (M = 3.74) consider the MBA programme as an ideal study for the overall improvement and increase of one’s success in business.

Table 4: Comparison Former German Military Officers and Civilian MBA Alumni – Consideration of the MBA Programme as Ideal Study for the Improvement of One’s Success in Business.

<table>
<thead>
<tr>
<th>FGMO</th>
<th>Civilian</th>
<th>Statistical Significance P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Managerial Performance in business</td>
<td>3.98</td>
<td>.77</td>
</tr>
<tr>
<td>Career Chances in business</td>
<td>3.78</td>
<td>.78</td>
</tr>
<tr>
<td>Overall Success in business</td>
<td>3.76</td>
<td>.83</td>
</tr>
<tr>
<td>Weighted Average</td>
<td>3.84</td>
<td>.79</td>
</tr>
</tbody>
</table>

Note: FGMO n = 55 / Civilian MBA alumni n = 93
Statistical Significance (t-test) alpha level 0.05
Confirmation and Disprove of Hypotheses

Managerial Performance

H1: Civilian MBA alumni value the MBA programme more significantly in regard to their improvement of managerial performance, than former German military officers do.

The weighted average score of $M = 3.74$ on Managerial Performance of the civilian MBA alumni in comparison to the weighted average score of $M = 3.77$ of the former German military officers, with $P = .848$ (the difference is not significant) proves the first hypothesis to be false. However, it must be stated, that the civilian MBA alumni ($M = 4.01$) do assess the MBA education for the improvement of the competence “Leadership” significantly higher ($P = .04$) than the former German military officers do ($M = 3.71$).

Career Success

H2: Former German military officers value the MBA programme more significantly with regard to their career success in business, than civilian MBA alumni do.

The only score in the comparison of both groups, that is statically significantly different is for “Improvement of Business Skills and Knowledge” ($P = .025$). The former German military officers value it higher ($M = 4.40$) than the civilian MBA alumni do ($M = 4.11$).

The overall mean score (weighted average) on Career Success does show that former German military officers ($M = 3.85$) assess the value of the MBA, in regard to the improvement of their Career Success, higher than the civilian MBA alumni ($M = 3.70$) do. However, to claim that this is actually significantly higher, is statistically not proven. Therefore, the second hypothesis can neither be confirmed nor can it be disproved.

MBA as Springboard

H3: Former German military officers value the MBA education as an ideal study for a successful transition from a military career into business.

The overall mean score of the former German military officers for the statements on the consideration of the MBA programme as being an ideal study for the improvement of one’s Managerial Performance, Career Chances and Overall Success in business is $M = 3.84$ with a SD < 1. The analysis of this score indicates that the majority of the officers tend to state that the MBA programme can indeed be seen as an ideal study for a successful transition from a military career into business. The third hypothesis is therefore confirmed.

Conclusion

Summary

The MBA programme is applauded by its proponents, and criticized for its actual added value, in terms of career success, by its opponents. Those who actually can give the best verdict about the added value of the MBA programme are its alumni themselves.

Where most of the research into the relevance of the MBA program for its alumni does not seem to make any distinction in the professional background of the alumni, this research did (GMAC, 2017; QS Intelligence Unit, 2018; Iwasaki, 2005; Baruch & Leeming, 2001). It has had a focus on the former German military officers as MBA alumni, and their assessment of the MBA programme with regard to the improvement of their managerial performance and career success in business, in comparison to the civilian MBA alumni.

Limitations

Strictly speaking, the sample of this study was not truly a random sample. Since only Hochschule Kempten was found willing to contribute to this research by officially requesting its alumni to participate, and for example the UDBW München and ESB Reutlingen, who are also known to offer MBA programmes specifically for German officers, refused to do so, the majority of the respondents came from Hochschule Kempten. In addition, the other respondents were directly or indirectly contacted via the online professional network platforms LinkedIn and Xing. So, despite the reasonable diversity in terms of gender, nationality, age and background of conducting the MBA programme as a civilian or as a former German military officer, it cannot be stated that the sample is truly representative of the target population of MBA alumni in general.

Furthermore, with approximately 130 educational institutions in Germany offering the MBA programme, the sample size of 151 MBA alumni is fairly small compared to the actual size of the population (MBA-Studium.de, 2016). The origin of the vast majority of the sample and the sample size can therefore be a threat for the validity of the conclusions of this research.

It is also important to note, that the respondents were asked in the questionnaires for the assessment of the value of their MBA programme. No account has been taken, however, of the fact that these MBA programmes can differ from each other in form and/or content. MBA programmes can be split into different categories; for example, there are full-time MBA programmes and part-time MBA programmes (which require part-time study). Many MBA programmes offer an education in general management along with a more specialized curriculum. These specialized curricula may also vary from each other. In addition, MBA programmes may also vary per institution that provides the MBA programme (e.g. quality). Generalizing the MBA programme can therefore be a threat to the validity of the conclusions of this research.
Another limitation to the conclusions of this study is, that the respondents were asked in the questionnaire about their nationality and the institutions where they have followed their MBA programme. They were not asked where they have started or continued working after their MBA programme (country, sector) and whether they had changed jobs or positions directly after their MBA programme. In particular, with regard to the assessment of Career Success, matters such as job satisfaction, increase of income or job improvement can be reasonably dependent on these latter factors.

Managerial Application

As the literature review of this study showed; in determining and measuring the performance of managers by means of competencies, it is situational dependent which competencies actually apply, are important, and in which order of importance they should be placed. It is improbable, that only one particular competency model / taxonomy is the most suitable for every research on managerial performance. Therefore, the application and comparison of several different empirically proven managerial competency models / taxonomies is recommended for every research on managerial performance.

The results of this study show, that with regard to the experience of Career Success; it does not appear to be directly dependent on the increase of someone’s yearly gross income. About half of the respondents of both the former German military officers and the civilian MBA alumni have indicated that the MBA programme has led to no or only a relatively low increase. Both the civilian MBA alumni as the former German military officers have, however, valued the MBA programme as sufficient (positive) for the improvement of their Career Success in business.

Furthermore, with the results of this research, it cannot be concluded that former German military officers as MBA graduates value the MBA programme significantly higher for the improvement of their Managerial Performance and Career Success in business, than civilian MBA alumni do. Both groups assess the added value of the MBA programme on the improvement of their managerial performance and career success in business as almost equally sufficient.

Despite the fact that the majority of the former German military officers are properly trained and have sufficient experience in functioning as a leader / manager, the results of the research show, that they still very much appreciate the MBA programme for the improvement of their managerial skills and performance in business. Together with the fact, that they also appreciate the MBA programme with respect to its relevancy of improving their career opportunities and success in the business world, it can be concluded that the MBA programme can indeed be seen as a good, perhaps ideal education for former German military officers in making their career transition from the army to the business world as successful as possible.

A final conclusion that can be drawn, applies to the Hochschule Kempten as one of the educational institutions that offers the MBA programme in Germany. Since the Hochschule Kempten has been the main purveyor of the sample of this research, it can be stated that the results of this research certainly apply to it. It can therefore be concluded that its alumni, both the civilian MBA alumni as the former German military officers, are in general positive in their assessment of the MBA programme of Hochschule Kempten for the improvement of their managerial performance and career success in business.

Recommendation

This research was carried out mainly driven by the fact that in the existing studies on the assessed value of the MBA programme, little or no distinction is made in the professional background of the alumni at the time of the conduct of their MBA programme. This research has shown that little differences in the MBA programme value assessment exists between civilian MBA alumni and former German military officers. It cannot however, be assumed that this conclusion applies to all former military officers in the world. To be able to do so, research will have to be done on the assessment of former military officers worldwide.

In addition, it could also be worthwhile to conduct research on MBA graduates from certain other specific professional sectors; to what extent they assess the MBA programme as an added value for the improvement of their chances of success in business or successful transition to business.

About the Author

Sebastiaan Derksen has served as an officer in the Royal Netherlands Army for more than nineteen years now. Apart from a Bachelor degree in Military Business, he holds a Master degree in Political Science. In September 2018, he concluded his MBA programme “International Business Management & Leadership” at Hochschule Kempten with his Master Thesis “The Assessed Value of the MBA Programme by its Alumni - The Case of the Former German Military Officers”.

Bibliography


Byrne, J.A. (2014). Why the MBA has become the most popular master's degree in the U.S. Fortune. Fortune.com


