

A DEGREE AHEAD: WHAT CAN EDUCATION LEARN FROM AN MBA?



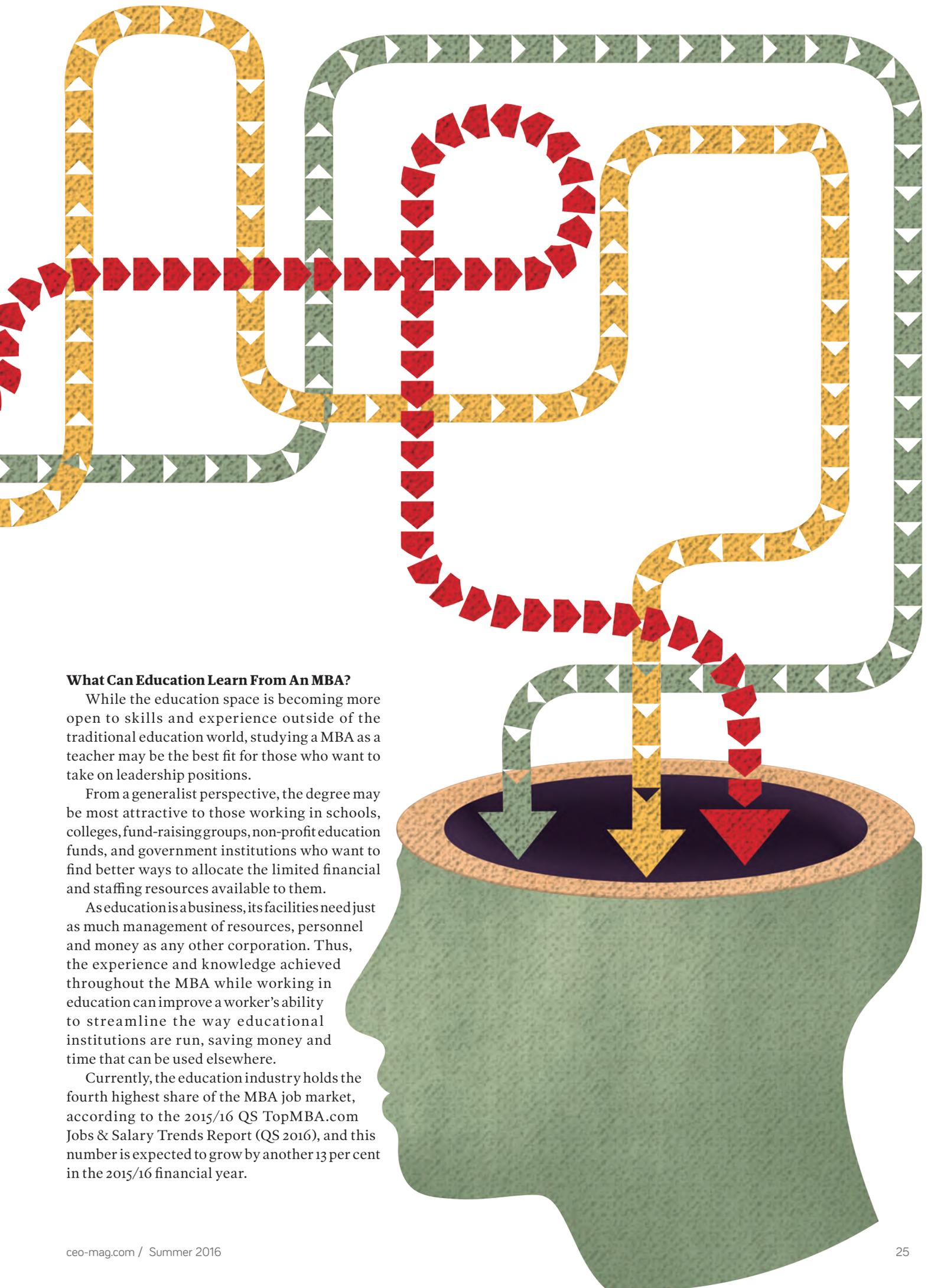
In a bid to increase world standards of education, a greater number of countries are choosing to mirror the Finnish education system, where teachers must hold a minimum of a Master's degree to teach in their respective country. As more educators take on the challenge of completing this higher level of education, the Australian Institute of Business (AIB) investigates the specific advantages that a Master of Business Administration (MBA) has to offer this industry.

Education's Demand For Master's Degrees

The demand for master's level employees in the education sector is on the rise, and as a result the annual number of master's graduates has also increased. Today, more than 50 per cent of America's public school teachers and 38 per cent of private school teachers hold a master's degree, an increase of 45 per cent since 2000 (National Centre for Education Statistics 2012).

Achieving a master's level degree as a teacher has been proven to increase their students' performance, job security, and salary (Bureau of Labor Statistics, 2012).

Students of teachers with a master's degree perform consistently better than those whose teachers hold only a bachelor's degree or less (NAEP 2014), and completing the degree heralds an average 10 per cent bump in salary and a reduced unemployment risk for teachers, compared to those with a bachelor's degree (Bureau of Labor Statistics, 2012).



What Can Education Learn From An MBA?

While the education space is becoming more open to skills and experience outside of the traditional education world, studying a MBA as a teacher may be the best fit for those who want to take on leadership positions.

From a generalist perspective, the degree may be most attractive to those working in schools, colleges, fund-raising groups, non-profit education funds, and government institutions who want to find better ways to allocate the limited financial and staffing resources available to them.

As education is a business, its facilities need just as much management of resources, personnel and money as any other corporation. Thus, the experience and knowledge achieved throughout the MBA while working in education can improve a worker's ability to streamline the way educational institutions are run, saving money and time that can be used elsewhere.

Currently, the education industry holds the fourth highest share of the MBA job market, according to the 2015/16 QS TopMBA.com Jobs & Salary Trends Report (QS 2016), and this number is expected to grow by another 13 per cent in the 2015/16 financial year.



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OF BUSINESS is a 30-year-old business school based in Australia, offering degrees, undertaking research, and providing consultancy services globally. AIB was the first, and remains the only, private institution in Australia to be government approved to confer the full suite of business degrees, including the prestigious PhD.

How Can An MBA Benefit Education Leaders?

For those holding or aspiring to hold leadership positions in both public and private education providers, an MBA may be useful in giving these leaders the proven ability to develop a business plan, create an effective marketing strategy, and manage projects, finances, and employees.



Simon Herd, Principal of Medowie Christian School, completed his AIB 12 Month MBA in 2014 as Deputy Principal in preparation for the principal's role. Today he is managing the school's multimillion dollar budget with confidence and viable knowledge about the parameters of the organisation.

"Specialising my MBA in Human Resource Management allowed me to gain that expertise in dealing with staff and ensuring we have performance systems in place to help teachers to be the best they can be," he said.

"Within a school setting, our staff wages are around 75 per cent of our budget, so we need to make a significant investment into this area to ensure we are getting the best out of our teachers, and creating the best learning environment for the students as well."



Johannes Solymosi, Principal of Victory College and current AIB 12 Month MBA student, said the MBA programme is particularly relevant to his role as principal, with subjects including leadership, strategic planning, operations, human resource management, finance management, corporate governance and marketing.

"For those who aspire to the principal's role, typically you would progress through the ranks as a teacher and then into middle management. As a teacher stepping into this organisational leadership role, I decided to complete the MBA to give me a solid theoretical basis behind my role as principal," he said.

"I did consider the more traditional educational leadership degree, but wanted to branch out of the educational view of running a school, and learn from a more generalist, business-oriented model."

Both principals said the project management subject from the MBA helped them to prepare, run and negotiate on key building and curriculum projects within the school, while the corporate governance subject gave them an understanding of best-practice governance for their roles on the school board.

"I've used the operations management subject to streamline the enrolment process and provide a better service to prospective parents from their first enquiry to enrolment," Mr Solymosi said.

"Using the human resource management subject, I've also implemented a new performance and development project framework, and our staff are happy that the school is now using a best practices framework that suits our environment, values our staff members, and is sustainable for the future."

Should teachers complete an MBA?

Traditionally teachers must gain years of classroom experience (and, depending on your country, a master's degree) before making the rise to leadership positions such as dean or vice-chancellor, deputy principal and principal. For many, this entails completing a leadership programme; however an MBA can offer broader management skills and help teachers to gain that point of difference that will pay off later in their career.

The degree is also useful for those who are currently working in business and would like to switch careers to teach business or legal studies at a senior school level.

"One of my staff members who teaches business studies has an MBA and business industry experience, which has been really helpful in getting the best out of the students, as well as providing them with current best practice in industry," Mr Herd said.

Mr Solymosi said he believed an MBA programme would be most relevant for principals and school business managers, as well as functional leaders, marketing directors, human resources managers, and board members.

"I would probably recommend teachers and middle-level managers gain their educational postgraduate qualifications first, and then complete an MBA to progress into a more generalist management role," he said.