

# The Value of an MBA



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SPRAY PEOPLE  
GROUP

This is an article about why MBAs get a bad rap, why MBA programs can produce catastrophically bad business people and what success in an MBA program looks and feels like.

## Stages of learning

A popular and, to my mind, accurate model of learning breaks competence into four distinct stages. As we become more skilled in any particular activity we move through these four stages.

They are:

**Unconscious incompetence** – in this stage we don't know what we don't know. The learner is blissfully unaware of their incompetence or what even needs to be learned to achieve competence. In our complex and highly specialised economy most people, even highly successful ones, are in this stage of learning for most things.

*You don't know what you don't know.*

**Conscious incompetence** – in this stage we start to appreciate just how rubbish we are at something. As we start to understand a bit more about the topic at hand we really start to realise how much we must learn about it. When we try to practise we are brutally aware of our failure and inability to perform. This stage of learning is often accompanied by a feeling of panic. If you have ever had that "oh my god I'm never going to be able to do this!" feeling, then you have just moved from unconscious incompetence to conscious incompetence. It's not a nice feeling and this is often why people give up early on learning programs.

*The beginning of wisdom is knowing you know nothing*

**Conscious competence** – in this stage we have gained some skills and are consciously applying them. This is often the fun bit of a learning program. We have developed some shiny new skills and can now do things we could not do before and we are fully aware of our new brilliance.

**Unconscious competence** – once our new skills are practiced regularly they become part of us and who we are. They slip into the unconsciousness and we don't even think about them much anymore. We don't think we just do. The skill becomes effortless.

## The known trap

There is a well-known trap that exists within this model. Namely, that when we achieve unconscious competence level in a skill we may develop some bad habits or ignore aspects of the skill that we are not so competent in. Because we are skilled enough to do the job well and without much conscious effort this can actually be a barrier to further refining one's skill. Coaching and mentoring is often about taking a highly competent person out of the unconscious competence zone and moving them to being conscious of what they are doing well (so they improve) or moving them to being conscious of their incompetence in one aspect of the skill area.

Increasing conscious awareness is how high performers continue to improve. For this reason, all top sportspeople need coaches. The coach of a top sports person is clearly

not better at the physical endeavour in question. If, for example, Roger Federer's coach played him at tennis he would lose every time. So, what can he actually teach him about winning grand slams? Well, not much directly but he can drag him out of unconscious competence and make him aware of flaws or aspects of his game to improve. The actual improvement and refinement of technique will then be self-generated. A good coach will raise the awareness of the coachee and then it is the coachee who will provide the solution to whatever the problem is. This is particularly true with people who are at the top of their field and this is the role of the coach – to raise awareness by dragging the coachee out of their unconscious competence zone.

### **The lesser known trap**

All this is well known and standard coaching / learning theory. There is, however, a slightly subtler trap that the stages of learning model reveals. The trap is that the experiences of being unconsciously competent and unconsciously incompetent can feel very similar. Both are unconscious and so we are, by definition, not aware of what we are doing. So, even though we are at completely different ends of the competence hierarchy the actual day to day experiences seem the same. As such it is often the case that unconscious incompetence masquerades as unconscious competence.

If you have ever worked for a know-it-all boss who knows nothing you will have experienced this phenomenon. When combined with a big ego this leads to false bravado and often very poor decision making, much to the frustration of those subordinates who are very conscious of their managers incompetence. Most of us have worked for unconsciously incompetent people who clearly think they are brilliant. It is, sadly, very common.

### **Dunning Kruger Effect**

The similarity of the "user experience" of unconscious incompetence and unconscious competence perhaps goes some way to explain another well-established effect in psychology, the Dunning-Kruger effect. This is an experimentally verified cognitive bias where unskilled or inexperienced people consistently and vastly over estimate their competence levels in a given endeavour. If people with this bias gain a bit more skill the spell tends to break, and they realise just how much more they need to learn but the effect can often be persistent and engender a resistance to learning. After all, in the person's mind they are already very competent? Why would they need training? As such the Dunning Kruger effect serves to trap its victims in the unconscious incompetence phase of learning.

If this persists for any length of time other psychological factors may come into play. The false sense of competence will often mean poor but confidently made decisions will be made. When these decisions result in failure the person at the centre of the Dunning Kruger trap has two options: one is to realise they screwed up royally and admit that they don't know what they are doing; the second is to find someone else to blame. Guess which option is normally taken? Hint, it ain't the one that causes some painful soul searching and an admission of failure on the part of the manager in question. If all this is sounding eerily familiar and resonates with some of your experiences with incompetent leaders then you are far from alone!

This is all, sadly, very common. As this vicious circle spins away the hapless victim of their own ego becomes more emotionally invested in protecting themselves from reality. So, the finger pointing and pig-headed refusal to take any responsibility increases with each turn of the screw. Left unchecked this is a destructive blame culture that can literally bring down entire companies.

### **What an MBA should not do**

MBA's get a poor rap sometimes. The stereotype is some fresh-faced kid with a MBA thinking they know everything but who know sweet FA in reality. As with many stereotypes this has some truth to it and, if we understand the Dunning Kruger effect, we can see why. A little bit of knowledge can be a dangerous thing and so an inexperienced manager armed with some MBA models can very easily fall into this cognitive bias and the nightmare, vicious circle outlined above. They will, thus, vastly over estimate their level of competency and then proceed to make terrible decisions as a result.

Add to this the prestige associated with being a Master of Business Administration and we can easily see how the Dunning Kruger trap might be sprung. Getting an MBA does confer prestige, it's hard work especially if conducted whilst working a full-time job and when the degree is awarded most graduates feel chuffed with themselves. Normally company sponsored MBA programs are seen to be for the brightest and the best. Those in the MBA program are the rising stars. So, when they are, after several years of graft, study and examinations, conferred with the title of "Master" is it any wonder many people get caught out by their own egos?

### **What an MBA should do**

What an MBA should do is make the student panic. After successfully completing an MBA if there is not a feeling of dread and fear then you have probably slipped into the trap above. For me, completing my studies in no way increased my feeling of competence in fact it made me acutely aware of how incompetent I was. This, whilst unpleasant to experience, is a very good thing because at least then I knew what I needed to learn. It's kind of like passing a driving test. On passing you have enough competence not to be a total danger to yourself and others but you actually learn to drive properly through experience on the road in the real world over the next few years. We call people who have just passed their test provisional drivers but, oddly, people who have just passed their business driving test we call masters – the error of labelling here should be obvious!

### **Where do MBAs go wrong?**

As mentioned the saying a "little knowledge is a dangerous thing" is very true as the knowledge gleaned from an MBA program may not be enough to jolt one out of the unconscious incompetence phase. Instead the "little knowledge" gained from an MBA can be just enough to trigger a Dunning Kruger effect and thus is born another idiot, know-it-all MBA who blunders around ruining everything he or she touches.

For this reason, it is vital to only consider doing an MBA once one has considerable business experience under one's belt. Combined with a bit of real world actual experience an MBA will normally be enough to get one to the stage of conscious incompetence and bypass Dunning Kruger "nightmare on MBA street" type scenarios illustrated above. If you are under 25 or have less than 5 years' experience in a management position, then an MBA is probably a dangerous thing to do for your career and your company.

### **Recap**

- 1- Completing an MBA should NOT engender a feeling that you can run a business.
- 2- If you get that feeling after you pass your MBA, you are probably enveloped in a Dunning Kruger cognitive bias and you need to know this is dangerous for all around you.



3- If, when you have completed your MBA, you are a paranoid wreck and feeling completely overwhelmed by just how much you still need to learn then, congratulations, you have done it right. Welcome to reality, you are on the right path.

The good news is that the feeling of dread will lessen as you take steps to address your lack of skill. You will gain competence and move into that lovely, warm and fuzzy, conscious competitive realm where you apply your skills and see the results. The bad news is that the feeling of dread will never fully go away and if it ever does you are doing it wrong! There should always be a nagging feeling that you don't know enough. This is the path towards continual development and the path of a true leader. If you think you've ever "made it" or "arrived" then you most definitely have not.

It's not easy running a business and that constant doubt, if it's not crippling or delaying decision making, is actually a good thing. It may be tough to live with, it may be stressful, but it keeps you sharp and, most importantly, learning more.

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