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<http://www.wsj.com/articles/jack-welch-on-the-m-b-a-1427915862>

BUSINESS SCHOOLS

Jack Welch on M.B.A. Degrees

Former GE chief talks about what's missing in traditional programs



Jack Welch, former CEO of General Electric, says there are plenty of other ways for aspiring executives to acquire the skills needed to run a company besides a traditional M.B.A. *PHOTO: ANDREW SPEAR FOR THE WALL STREET JOURNAL*

By **LINDSAY GELLMAN**

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Jack Welch says he's still a fan of the traditional M.B.A. degree—to a point. But he wonders about the average program's return on investment.

The former General Electric chief says there are plenty of other ways for aspiring executives to acquire the skills needed to run a company. In a new book of career advice, “The Real-Life M.B.A.,” Mr. Welch and his wife Suzy write that navigating everyday life at work provides valuable management training, too. The book is due out later this month.

Mr. Welch, who is also the founder of a for-profit online M.B.A. program, recently spoke to The Wall Street Journal about what business schools aren't teaching, the

market for M.B.A. programs and the next generation of leaders. Edited excerpts:

WSJ: What do traditional M.B.A. programs miss about management?

Mr. Welch: If traditional M.B.A.s are missing anything, they miss a lot of the human equation about building teams, about being generous managers who love to see their people succeed, who love to give their people raises and promotions.

WSJ: What will the market for business degrees look like in five to 10 years?

Mr. Welch: The elite, top 10, whether it be [Northwestern University's] Kellogg, Stanford, Harvard—it won't be touched. And if you go further down you see that applications are down. But I think the marginal school with the overpaid and underworked faculty—below the top 25 [M.B.A. programs]—they've got to get their act together. They'd better start providing more value to the student.

WSJ: You founded an online M.B.A. Is there still a stigma associated with online degrees?

Mr. Welch: It used to be, just like online dating used to be. Today if you look at the [weddings section in the] New York Times on Sunday, how many of them meet online?

What, meeting at a bar is better than online? It's the same way.

Students are taking on this enormous debt. It's brutal. It's got to change. And the Internet—online education, in my view, is what's going to change it.

WSJ: What would you tell a 26-year-old today if he or she wanted your advice about going to business school?

Mr. Welch: If you can afford it—if you have wealthy parents, if you want to spend \$300,000—and here's how I get to that: \$100,000 salary, two years gone, plus tuition. If you can afford to do that, it's a good investment, if you get into a top school.

WSJ: You, and, a bit later, Steve Jobs have been the iconic faces of executive leadership of the last quarter century. Where will the next iconic leader come from? A tech company? A big industrial conglomerate like GE? A startup?

Mr. Welch: What I would say overall is that management is so much better today. Leaders are in up to their elbows. Whether it be Howard Schultz [of Starbucks Corp.] who's always trying things, or whether it be any number—Aaron Levie at Box—it could

be anybody. [Apple Inc.'s] Tim Cook is obviously knocking it out of the park. I can name 50. There are so many good leaders now. Kevin Plank at Under Armour—he's taking on Nike. And you listen to him talk and you buy into it.

WSJ: Any women on that list?

Mr. Welch: I think Marissa Mayer [of Yahoo Inc.] is one.

WSJ: Will that leader have an M.B.A.?

Mr. Welch: I don't know. But he or she will be skilled at engaging his or her employees, and listening to his or her customers, and understand there's no business without customers—only satisfied customers can provide job security.

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