

Corporate recruiters have begun visiting top arts grad schools. This approach has often come at the expense of traditional business graduates.

9 The MFA Is the New MBA

Getting admitted to Harvard Business School is a cinch. At least that's what several hundred people must have thought last year after they applied to the graduate program of the UCLA Department of Art – and didn't get in. While Harvard's MBA program admitted about 10% of its applicants, UCLA's fine arts graduate school admitted only 3%. Why? An arts degree is now perhaps the hottest credential in the world of business. Corporate recruiters have begun visiting the top arts grad schools – places such as the Rhode Island School of Design, the School of the Art Institute of Chicago, Michigan's Cranbrook Academy of Art – in search of talent. And this broadened approach has often come at the expense of more traditional business graduates. For instance, in 1993, 61% of McKinsey's hires had MBA degrees. Less than a decade later, it was down to 43%, because McKinsey says other disciplines are just as valuable in helping new hires perform well at the firm. With applications climbing and ever more arts grads occupying key corporate positions, the master of fine arts is becoming the new business degree.

The reasons are twofold – supply and demand. The supply of people with basic MBA skills is expanding and therefore driving down their value. Meanwhile, the demand for artistic aptitude is surging. In many ways, MBA graduates are becoming this century's blue-collar workers – people who entered a workforce that was full of promise only to see their jobs move overseas. For



example, Lehman Brothers and Bear Stearns have begun to hire MBAs in India for financial analysis and other number-crunching work. Starting salaries: around \$800 per month. A.T. Kearney estimates that in the next five years, U.S. financial services companies will transfer a half-million jobs to low-cost locales such as India – saving the industry some \$30 billion but displacing 8% of their American workforce. As the *Economist* recently put it, the sorts of entry-level MBA tasks that “would once have been foisted on ambitious but inexperienced young recruits, working long hours to earn their spurs in Wall Street or the City of London, are, thanks to the miracle of fibre-optic cable, foisted on their lower-paid Indian counterparts.”

At the same time, businesses are realizing that the only way to differentiate their goods and services in today's overstocked, materially abundant marketplace is to make their offerings transcendent – physically beautiful and emotionally compelling. Think iMac

computers, Design Within Reach, and Target aisles full of Isaac Mizrahi women's wear and Michael Graves toilet brushes. Or just listen to auto industry legend Robert Lutz. When Lutz took over as chairman of General Motors North America, a journalist asked him how his approach would differ from his predecessor's. Here's what he said: “It's more right brain....I see us as being in the art business. Art, entertainment, and mobile sculpture, which, coincidentally, also happens to provide transportation.” General Motors – General Motors! – is in the art business. So, now, are we all.

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