

# MBA Culture and the Value of Loyalty

GEORGE A FRITSMAN

At a large Midwestern US medical center, when clinical laboratory scientists earn promotion to section supervisor they are required to accept a two year seniority rollback. Often the raise comes to \$0.05/hour. The laboratory manager bragged she saved \$500,000 over three years and has since earned a promotion to associate hospital administrator. In the same institution, new laboratory scientists with sign-on bonuses are paid more than ten year specialists.

At another prestigious university in the Midwest, the dean of the college of health professions closes a self-supporting clinical laboratory science program graduating 30 students a year. "Doesn't fit with our mission."

What is going on? It's the MBA culture. Without developing core competencies, people in master's of business administration (MBA) or health services administration (HSA) programs are indoctrinated in bottom-line thinking. Many MBA/HSA programs select against health professional applicants – we are inflexible. Those who slip in, nurses or clinical laboratory scientists, don't last in any one position. Too direct, simplistic, too responsive to their employees; can't "rally the troops".

This quote appears in the 6/12/06 *New York Times*: "MBA programs train the wrong people in the wrong ways with the wrong consequences," said Henry Mintzberg, a management professor at McGill University in Montreal. "You can't create a manager in a classroom. If you give people who aren't managers the impression that you turned them into one, you've created hubris."

The dean of the school of allied health in a modest Southern university is determined to upgrade the medical imaging program that graduates 35 students a year – she demands it convert to a master's degree entry level program that no one wants. Where does she get these ideas?

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MBA's play to their own audience. Deans and non-scientist laboratory managers meet only with peers, the group they want to impress. When you attempt to discuss quality issues with your superior, do you get the feeling they aren't listening? They are day-dreaming about how their "strategic" response will play at their next Association of Schools of Allied Health Professions (ASAHP) or CLMA subcommittee meeting.

At the large Florida branch of a national reference laboratory, the local coordinator of human resources may not hire, promote, discipline, or terminate without permission from her manager in Salt Lake City. In the Southwest a competitor is told their branch must increase business by 25% in one year. They reach 23%, outstripping every other branch, but their holiday bonuses are canceled.

What's the answer? Reach a smart MBA student (I know what you are thinking) and suggest they design their end of program project on "The Value of Loyalty". What financial gain is realized by an organization whose employees support each other, stay late, read journals, and join professional organizations? How often does experience catch an error, refine a process, or make a breakthrough? How many dollars are saved when someone shares a good idea? What is the financial value of patient good will?

Conversely, what happens to the EBITDA\* when loyalty is penalized? What is the cost of inattention, tardiness, absenteeism, discipline, termination, turnover, searches, and orientation? What do we lose, dollar-wise, when professionals "keep their heads down"? Does \$500,000 in good will pay off in long-term efficiency, or is it better to tolerate rookie errors and save some bucks?

Our MBA graduate could turn the culture around, and he couldn't plagiarize his paper. Well, maybe in a perfect world.

\*Earnings before interest, taxes, depreciation, and amortization

*George Fritsma MS MT(ASCP) is Clinical Laboratory Science Continuing Education Editor.*