

A degree of relevance for the 21st century?

If business schools cannot tailor the education they offer to suit the new demands of the workplace they risk being sidelined, writes **Emma Boyde**

Business degrees account for a vast section of the undergraduate and postgraduate higher education market. In its Business School Data Trends 2013 the AACSB International, the US-based accrediting body, estimates that as of last February there were 15,673 institutions worldwide offering business degrees at all levels.

But the question of whether many students are wasting their money on an irrelevant qualification is being more hotly debated than ever.

In the US, the gold standard MBA degree is thought to account for two-thirds of all graduate business degrees conferred in the US, according to research by Marina Murray of the Graduate Management Admission Council, which also found that one-fifth of all degree-granting institutions in the US offered an MBA.

The UK's Association of Business Schools has estimated that one in seven UK undergraduates are studying business and management, and expects the number studying at both undergraduate and graduate level to rise as students seek subjects with clear links to employability.

However, against this backdrop developed nations are grappling with recession and offering fewer job

opportunities in traditional roles, while there appears to be a growing demand for both entrepreneurs and innovative solutions to the world's intractable problems.

Critics say that business schools have a lot to answer for and are not doing much to make anything better for society or to help students fill non-traditional roles.

"Many people blame management education for the greed in society," says Dennis Hanno, provost and dean of the graduate school at Babson College.

"The world does seem to expect more from business schools than ever before," adds Dan LeClair, executive vice-president and chief operating officer of the AACSB.

However, Mr LeClair defends the status quo and says that he believes expectations are becoming unrealistic. People often seem to expect one programme, the MBA, to address everything from providing a high paying job to fixing society's ills, he says.

But Ulrich Hommel, director of the research and surveys unit at the European Foundation for Management Development, the business education membership body, disagrees. He argues that the danger for business schools is that if they cannot tailor the education they offer to suit the new demands of the workplace, they face becoming sidelined.

EFMD is conducting research into the impact of non-traditional players in targeted training.

"Executive education and corporate training units are hugely profitable for business schools, but because this business is profitable it is attracting a lot of new players," says Prof Hom-

mel.

In addition, he says, technology could be a big game-changer.

"Business schools are already in this market and new players are entering this space that business schools already occupy. It will make the boundaries of the business school much more fuzzy."

In addition to the risks of losing out to specialised short-course competitors, business schools also need to think more deeply about their weightier degrees, says Prof Hommel.

Many MBAs are too academic in their focus, he says. "This lecturing and case-based teaching – is that sufficient? ... I would say, probably not."

David Gann, vice-president of Imperial College and founding head of its Innovation and Entrepreneurship Group, thinks that some basic changes in the mindset of some business educators could help.

"I would say in general there's a big question about some of the relevance of business schools and how they operate," he says. These issues are being addressed particularly in North America and Europe, he adds.

Prof Gann believes that part of the problem is the disconnect between research and the role of business schools in preparing students for their future positions in the business world.

"The world has moved on, the question is: have business schools moved on and I think the answer to that is: not yet."

"I think we're on the path to that at Imperial, but I think we've got a lot to do," he says.

Prof Gann believes that business education should model itself a little more closely on disciplines such as

engineering or medicine.

"You need practical application, not just research." Although he stresses: "It's not either/or, you need both."

Other business schools are also devising innovative approaches to tackle the issue of relevance. Prof Hommel says that he has seen some impressive uses of what he calls "action-based learning", where students are asked to look at real companies, typically in their start-up phase, rather than being asked to pore over case studies. "It's a radically different approach."

Prof Hanno – perhaps unsurprisingly given Babson's reputation as a good school for learning entrepreneurial skills – also thinks teaching such skills forms part of the answer.

"The buzzword now is that we need more entrepreneurial activity," he says. "We train students to think like entrepreneurs to find a solution to problems."

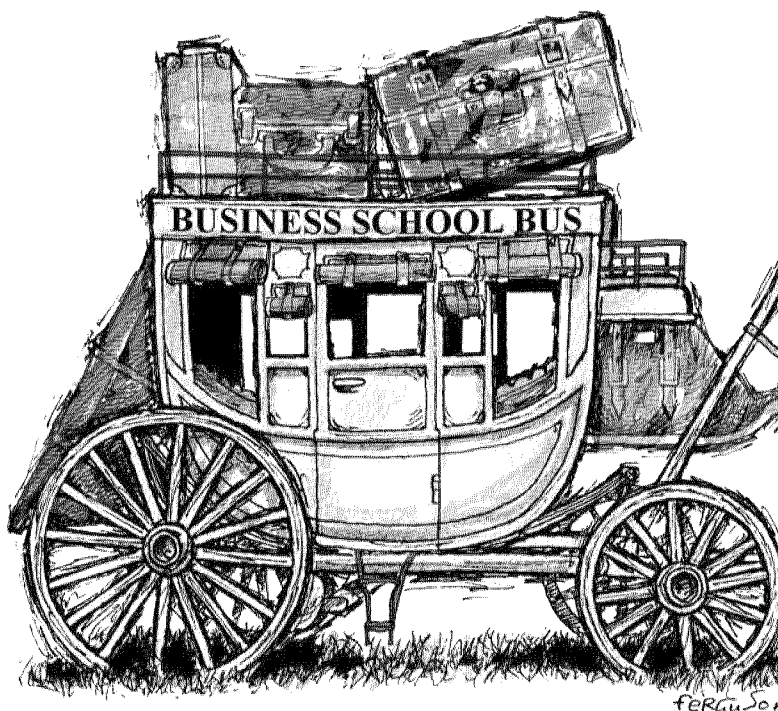
Babson has also decided that one of the strands that creates a more relevant business education should be a focus on creating a better world.

Prof Hanno says the college was an early signatory to the UN Principles of Responsible Management Education. PRME, which was founded in July 2007, now has more than 500 members, although Prof Hanno says US schools are still under-represented.

Nonetheless, Prof Hanno says that Babson faces the same problems as all academic institutions – that they tend to be slow to change. But the problem is: "We don't have time. We need to change now," he says.

Prof Gann is in agreement. "If you can't innovate you can't really lead."

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Facts and figures

AACSB International, the US-based accreditation body, questions hundreds of schools globally each year and presents a statistical portrait of graduate and undergraduate education.

Findings from the Business School Data trends 2013 include:

- The US has the largest number of business degree programmes – 9,799. Almost half – 49 per cent – are undergraduate, with masters accounting for 41.5 per cent.
- 156,400 students were enrolled on US MBA programmes in 2011-2012.
- In contrast Europe has 1,786 business degree programmes: 54.5 per cent are masters programmes and 34.6 per cent are undergraduate programmes.
- Outside the US, the number of students studying for an MBA is 110,002.
- 463 member schools within the US offer an MBA. Outside the US the global figure is 194 schools.
- In Asia, member schools offer 829 business degree programmes. Of these the majority – 45 per cent – are masters programmes and 31 per cent are undergraduate or bachelor programmes.
- 493 member schools in the US offer an undergraduate business degree. Outside the US the figure is 164. (AACSB 2012).