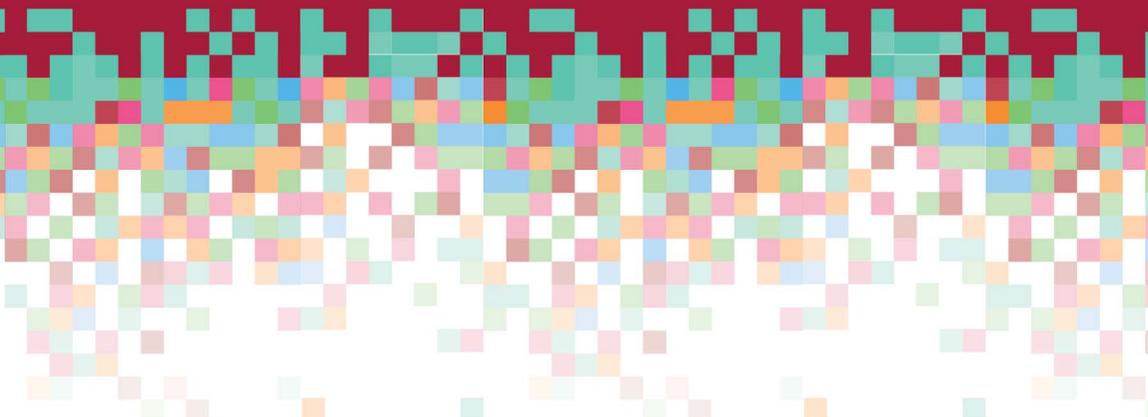


Reimagining Business Education: Insights and Actions from the BUSINESS EDUCATION JAM



Paul R. Carlile, Steven H. Davidson, Kenneth W. Freeman,
Howard Thomas, N Venkatraman



Boston University Questrom School of Business



EFMD



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By

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Acknowledgments

The Business Education Jam started with an idea – to bring the world together for a first of its kind comprehensive dialogue about the future of business education with participation of all stakeholders – academia, industry, government, and beyond. This idea would not have become a reality without the inspiring collaborative and global engagement which occurred before, during, and after the Business Education Jam.

A remarkable group of organizations, volunteers, and colleagues dedicated their time, ideas, and energy to make the Business Education Jam a reality. In particular, the authors extend gratitude to the IBM Innovation Jam Team, led by Liam Cleaver, Vice President, Social Insight Group. They guided the almost yearlong process from idea to reality and remained committed to our goals of an open, engaging brainstorm. We thank the many faculty and scholars, including those within the Questrom School of Business, who helped to refine the content and approach of the Jam. We are grateful to the nearly 100 volunteers and area leads who guided Jam development and facilitated the 60 consecutive hour conversation between September 30 and October 2, 2014. They were the backbone of the effort.

The Business Education Jam was purposefully designed as a highly collaborative process and the extensive engagement of the Jam's many supporters made it possible. We thank the Jam sponsors who provided initial encouragement, advice, and important financial resources, including our presenting sponsors – Boston University Questrom School of Business, GMAC, Johnson & Johnson, Merck, and the Financial Times; our collaboration sponsors – AACSB International, EFMD, IBM, Santander, and the Boston University Questrom School of Business Human Resources Policy Institute; and our

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Finally, we thank the many scholars, deans, faculty, students, staff, and members of industry who have used the Jam findings to inform their own work and are collectively driving forward educational innovations and encourage others to join us in taking the next step in reimagining business education. This book is much more than a summary of the Business Education Jam. It is about much more than challenges. We have tremendous opportunities as we reimagine business education. We applaud the many schools that have adopted the findings of the Jam as their call to action, and encourage continued, collaborative dialogue across all stakeholders as we proceed to ensure the relevance, reach, and respect of the business education models of the future.

Prescript: Reimagining Business Schools

Business school education has historically been an essential element in driving business performance and growth. The symbiotic relationship between organizations and business schools has resulted in economic development, business success, and graduate achievement. However, more recently, there is a growing divide between academia and business. While scholarly research and theory, first argued for by a 1959 report funded by the Ford Foundation, served its purpose for decades, times have shifted. The publish-or-perish dictum has generated a chasm between business theory and practice. The pendulum has swung too far in the other direction since the mid-20th century. Ironically, the need for practice-based research has perhaps never been greater.

Today, businesses face an unprecedented level of complexity and change. Global economic pressures, rapidly evolving technology, radical connectivity, and a dynamic competitive landscape have fundamentally amplified business uncertainties. Entire industries are poised for disruption. Consider the average life expectancy of a company in the S&P 500 index; in 1957 a business had a life expectancy of 75 years. Currently, businesses last only for 15 years (Kuhlmann, 2010). In the midst of such complexities, there is a demand for relevant research and adaptive practices. Yet, most business schools are missing in action.

The divide isn't limited to practice-theory; there is also a skills challenge with graduating students entering into business. Business schools are well aware of some of the more chronic gaps, such as professional writing skills, business model innovation, and analytics. However, the escalation of complexity has ushered in new, emerging needs. There's

a greater need for graduates to understand internal social dynamics and critical thinking to enable adaptation in response to a rapidly changing business world. While content is increasingly becoming a commodity, with the rise of MOOCs (massive open online courses), Google and YouTube, individuals have access to real-time knowledge on an as-needed basis, the judgment of knowing when, where, and how to leverage such information is increasingly important. Skills such as business judgment, social awareness, and critical thinking aren't gained through conventional lectures, papers, and exams but through experiential learning and practice. This requires active partnerships between business schools and businesses.

Academia seems to be caught up in its own impending demise. Escalating tuition cost, declining placement rates, the rise of distance-learning, and the entry of non-traditional competition, have hijacked university focus. For the first time in academic history the cost-benefit ratio of traditional education is being debated. Exacerbating the divide even further is the obsession for faculty tenure that doesn't reward business practice experience and is preoccupied with growingly obscure research that is worthy of A-level journal publication. The self-perpetuating aspects of academia and the doubling-down of ineffective practices within organizations have resulted in a partnership divide. Each has entered into a new normal, creating a polarization of business practice and business education.

To shift direction, one must first shift the conversation. That is exactly what *Reimagining Business Education* does. The Business Education Jam: Envisioning the Future explicitly articulates the key challenges and then provides a bridge to facilitate real conversation. The Business Education Jam engaged thousands of people in a massive on-line discussion, debate, and practical dialogue around the future of business education. Key stakeholders included faculty, deans, and administrators, business executives, hiring managers, students, and graduates. By engaging the whole system in an open exchange of ideas, new insights emerged. The Business Education Jam followed the structure of Think Big, Start Small, and Scale Fast. Starting with the grand challenge of envisioning the future of business education, then exchanging thousands of small ideas with actionable solutions that can be

evaluated and iterated, with successful ideas being scaled across and within institutions.

In the end, Reimagining Business Schools will be a journey rather than merely a one-time exchange. The journey will require a curriculum that is more closely aligned with the practical demands of today's employers, a curriculum that anticipates and addresses tomorrow's challenges. This transformative journey will also require active partnerships between academia and businesses that encourage on-going experiential learning. The journey will drive more practice-based research. Finally, it will require a mixture of scholarly researchers and seasoned practitioners who co-create new theories and practices. Reimagining Business Schools provides the framework to launch this journey, making business education more relevant, accessible, and actionable.

Michael J. Arena
Chief Talent Officer, General Motors Corporation

1

The Need for Real Innovation in Business Education

Business schools teach innovation but themselves rarely innovate. Rather, they remain stuck in approaches to business education that have changed very little for more than half a century. It has been described as “an industry that, if not actually in crisis, is certainly suffering from a bad case of existential angst” (Thomas, Lorange, & Sheth, 2013).

Certainly, some tinkering at the margins has occurred: course offerings have been diversified somewhat; flexible or alternative delivery formats for MBA programs have been introduced; program durations have been compressed; specialized masters programs have proliferated; and technology has made some inroads into the classroom.

However, these developments have largely involved replication and reinforcement of long-standing approaches to business education. Genuine innovation – in instruction, in content, in research, in partnerships with business, and in the b-school business model itself – remains the exception.

As a result, stakeholders in business education – students, employers, governments, expert commentators, funding agencies, and potential donors – now seriously question its value and impact. For example, as noted by Thomas et al. (2013, p. 54) *Financial Times* journalist Skapinker (2011) points out

that few people pay attention to management research because it is irrelevant and does not engage with management practices. In a similar vein Bennis and O'Toole (2005) ask why “business schools have embraced the scientific model of physicists and economists rather than the professional model of doctors and lawyers.”

While the rest of the world innovates at a furious pace in almost every area of human endeavor, business and management education continues to drift on the tide of past success. Now that tide is going out. Unless we as an “industry” find innovative ways to change our path and provide greater value to students, employers, and the world at large, today’s drift will become tomorrow’s full-blown crisis of legitimacy.

Tinkering will not get us through. We will need comprehensive innovation and we will need everyone to lend a hand to make it happen.

That is what this book is about.

It is a dialogue intended to provoke and speed the process of innovation by involving as many stakeholders as possible. The aim is to open business education to innovation and radical change – and to do this through leveraging open innovation – before the world leaves business education behind.

How did we arrive in our current situation?

In the late 1950s two seminal American reports on business education, one commissioned by the Ford Foundation and the other by the Carnegie Foundation, called for business schools to adopt a stronger academic approach to the teaching of business (Gordon & Howell, 1959; Pierson, 1959).

The aim was to elevate the status of these burgeoning institutions through skill-centered curricula, research approaches mimicking the sciences, and widely accepted standards of accreditation. Thus was ushered in a “golden age” of business education. Enrollment boomed, business schools thrived, and the MBA degree became the golden ticket to success.

By the beginning of the 21st century, however, that model of business education had begun to lose its relevance in a greatly changed and globalized world. In the years that followed, the age-old fissure between academia and the outside world became a chasm.

While the rest of the world innovates at a furious pace in almost every area of human endeavor, business and management education continues to drift on the tide of past success. Now that tide is going out

An Inside Higher Education/Gallup survey released in 2014 reported that 96% of chief academic officers believed that universities are “somewhat or very effective” at preparing students for the world of work (Jaschik & Lederman, 2014).

But according to a Lumina/Gallup study released the same year, only 33% of *business* leaders thought that higher education in the United States produces students with the competencies that business needs (What America needs to know about higher education redesign, 2014). Globally, in the 2015 GMAC Corporate Recruiter Survey, 92% cited the most critical selection factor for interviews as a “proven ability to perform”, which also questions the role of our programs in preparing graduates (Corporate recruiters survey: 2015 survey report, 2015).

Industries which have such a glaring difference between their self-perception and the perception of them by their customers are typically described as “deeply troubled” and in need of fundamental change if they are to avoid failure. Yet this gap is rarely discussed in the “industry” of business education.

While two of the polls cited above address undergraduate education broadly – and not specifically business education – we must not rest on our laurels. These surveys refer to all involved, professional schools and the arts and sciences.

Although we may not be alone we cannot wait for the general higher-education system to act. We must take the lead and make changes now to sustain effective business and management education around the world for decades to come.

The discipline-focused training that has defined business education for 50 or so years no longer matches the experience demanded by employers or the expectations of students.

Employers today are more interested in hiring graduates from a range of academic backgrounds. They want graduates who are creative, tech-savvy, agile, and globally aware; who