

Flexible future



Peter Lorange says that introducing greater flexibility and agility into executive education are essential ingredients in building a secure future for management education

Higher education in business and management has functioned in more or less the same way since it was first introduced as an appropriate subject for study. But things are perhaps about to change and there are at least five reasons why:

- The needs of executives/students are changing. Many are now being made redundant due to emerging technological advances, including artificial intelligence, and consequently, the size of the population that requires re-educating is mushrooming.
- The present executive/student typically requires more flexibility than business schools have been able to offer in the past. Today's executive/students bluntly resist spending weeks, or even months, on business school campuses.
- Cost pressures on the educational sector are becoming more intense. Thus, it has become imperative to find less expensive ways to employ faculty or to make use of schools' campuses.
- Of critical importance is the fact that the emerging technology supports change. Today, studying at home via distance learning is a preferred option compared to classroom-based study, much of which tends to be sadly uninspiring.

The emerging technology allows for remote, deep, interactive learning such as online flashcards, case studies, and quizzes, chatbots with professors and helps assistants, instant grading and so on.

- Finally, related to the point above, education, like many other goods and services, has witnessed increased pressure to 'adapt to the times'.

As students use technology more and more in their personal and professional lives, their attention spans decrease and they demand more interactivity and speed in learning.

So education, just as retailing or other service offerings, has to keep evolving in line with its consumers.

There seems to be a growing realisation that there are many other forms of preparation for a successful career than the typical business school offering

Background

Student enrolment is going down. This is particularly of MBA programmes but it also seems to be the case more generally. What are the reasons? Let me point out just three:

- There seems to be a growing realisation that there are many other forms of preparation for a successful career than the typical business school offering.

For example, the study of engineering and the sciences seems to be on the rise. Perhaps the providers of these, as well as other disciplinary areas, are making it easier to combine study with practical apprenticeships in real companies.

- As well as this shift in student preferences, there is also the issue of an aging population in many developed societies. The number of student applicants is simply no longer growing. This fall in applications and the lack of growth in business schools may be driven by several other problems, of which the following seem particularly acute:

Tuition fees are perhaps now so high that a 'limit of tolerance' has been reached. In other words, studying at a business school is becoming too expensive.

The programme curriculum often seems to be too inflexible, making it difficult to effectively combine study with a career. Employers might find that the student is expected to be away from his or her place of work far too often to make this feasible.

- There seems to be a trend towards 'learning on the job' and a focus on specific job-related achievements.

Many employers or companies in developed countries seem more focused on hiring top talent that has already proved itself 'on the ground' rather than "in the classroom" through degrees or academic achievements.

In other words, today a candidate for an interview is often asked 'what have you done or achieved?' rather than 'what (or where) did you study?'

Potential solutions

A more effective concept for a business school degree programme is clearly necessary. This might encompass:

- A minimum period of time an executive student should spend at a school, which could be quite low, say, one week during a given period. Employers would be key decision-makers in terms of what is realistically acceptable in the context of their business.
- A considerable amount of self-study of diverse cutting-edge expert reports, typically built on the offerings, competences, and research of a range of leading experts drawn from several business schools. Increasingly, the variety seems to be key.

There is typically no simple answer to cutting-edge dilemmas. Different experts from different schools may see things differently and this diversity will become increasingly important.

It is vital to take advantage of virtual learning and digital knowledge transfer as well as digital communities. Modern distance learning is now generally of very high quality and today's students are comfortable studying independently.

- There should also be face-to-face learning experiences, to complement the distance learning element of a programme. These will typically take place in workshop settings on campus or in a hotel with a focus on discussions of cutting-edge dilemmas.

The class leader will take on a role that is perhaps more analogous to a conductor of an orchestra rather than the traditional professorial approach of one-way learning.

These workshops will typically not be limited to the usual 45-minute format of regular classes. It would be helpful to run these workshops over weekends to avoid conflicts with students' day-to-day jobs.

- The key here is the efficiency of the offering. This business school of the future will be more efficient because it will be able to provide more practical, tangible and relevant deliverables.

The 'school'

As mentioned above, the cost structure of many business schools seems out of hand. While it is important to strive for quality, this does not imply that it should be quite so expensive. Some fundamental questions might have to be raised.

A thoughtful programme of outsourcing, drawing on resources only when needed, might have to be put in place. Let me raise some questions relating to particular 'sacred cows', which are increasingly being accepted by schools as problematic:

- Staffing levels tend to mushroom. Why are so many members of staff needed? Why not take advantage of outsourcing opportunities?

Another question, which is perhaps even more fundamental, might focus on what tasks these additional staff are performing. Are they essential? Are the tasks effectively performed? Are the staff being well enough managed? And, most critically of all, is all of this a core part of a typical business school's raison d'être?

- Why employ full-time professors? Most professors have relatively modest workloads. Their contractual requirements in terms of teaching might typically be fulfilled over a relatively short period of time of a school year. So how is the rest of their time being spent?

The conventional answer is on research. But is this, in fact, the case? What is their actual research output? And is it of reasonable quality? Is time being spent on revenue-generating external activities instead, such as on teaching elsewhere and/or consulting? Or is a professor's typical workload simply accepted as an 'easy life'?

Considerable efficiency benefits and cost savings might be incurred by more flexible full-time contracts. Thereby dropping a centuries-old convention of faculty tenure, a historical hangover to safeguard intellectual freedom. Is this still valid?

Why maintain an expensive campus with extensive buildings and grounds? As noted, distance learning will increasingly be expected to take over from the existing campus-based model, implying that conventional classrooms will be much less in demand.

Face-to-face workshops will typically take place in smaller seminar rooms, around circular tables on 'flat' floors with a relatively limited capacity of, say, 30 students at most, a far cry from conventional lecture halls. Airport hotels might perhaps be better suited to meet these needs.

They certainly often offer easier access than many conventional campuses. So the bottom line is: why do we need a conventional school campus at all? The result of all of this streamlining might be a considerable cost saving, without a reduction in quality.

We are seeing new entrants becoming active in markets that have traditionally been the domain of business schools—consultants, special providers, expert entrepreneurs. These new actors do, of course, take advantage of the types of cost savings suggested.

By paring down staff numbers, reducing the professorial time commitment and avoiding expensive commitments to campus buildings, education itself will be able to match the wider societal trends and bring executive education more in line with today's business world realities.

Pedagogy

Pedagogy is clearly changing and we highlight some further contributing factors:

- Learning from what might be regarded as 'cutting edge' seems key. There is an overwhelming accumulation of knowledge these days. Research will, of course, continue to push the limits of knowledge. But, increasingly, the best insights and practice might also come from business. Senior business executives, including leading-edge consultants, may be at the vanguard of new knowledge and they should be brought on board the lecturing team. They should be part of an emerging pedagogy.
- A typical student will, of course, have his or her own ideas about 'how things are' as a result of their experiences in their day-to-day work. These experiences will represent important elements for reflection,

complementing their learning through self-study and/or in workshops. This blend of experience and new insights will result in new learning, new 'ah-ha's'. Modern pedagogy is based on this.

- Writing down one's analysis of a particular real-world business dilemma and submitting this for grading, typically in the form of a relatively short, succinct paper, may be an essential part of the 'new' pedagogy.

Setting down one's thoughts on paper demands the key skill of precision, a requirement that is generally lacking in much of students' academic experiences today. Such a paper will represent the application or the proof of the knowledge a student has acquired.

Conclusions

We see a dramatically evolving reality for the 'business school of the future', including revised offerings, new roles, and configurations (cost-effective and better) and a more powerful pedagogy. The business school sector has traditionally been rather conservative. This is clearly expected to change! ■

ABOUT THE AUTHOR

Peter Lorange, the author of over 20 books and 100 articles, was President of IMD, Lausanne, for 15 years until 2008 and then founded the Lorange Institute, an innovative business school outside Zurich. This was subsequently sold to CEIBS (in 2016). He is now the Chairman of Lorange Network, an example of what might be a business school of the future. Dr Lorange has also been President of BI (the Norwegian School of Business) and has taught at MIT (Sloan School) and at Wharton. He received his doctorate from Harvard Business School and holds six honorary doctorates

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