

Trials & Trends

While recent report cards for business schools may be disappointing to some observers, a thoughtful evaluation points to steady progress and advancement.

by Ángel Cabrera

Despite radical upheavals in the world's corporate environment, many would charge that executive training and development models have changed very little in recent decades. To quote Henry Mintzberg, the Cleghorn Professor of Management Studies at McGill University in Montreal, Canada, for example, we're educating executives with a product from 1908 and a strategy from the 1950s. The first date refers to the year when the first Harvard MBA graduated; and the second marks the publication date of *Higher Education for Business*, an assessment of American business schools written by Robert Aaron Gordon and James Edwin Howell.

Other indictments have been raised by professors, administrators, and others on both sides of the Atlantic and elsewhere. In my opinion, however, those of us in management education don't always give ourselves enough credit for the strides we've made or for the things we're doing well. Admittedly, we face challenges; but our progress and sense of purpose have never seemed steadier or stronger.

Limitations in Our Models

At the time when the Gordon and Howell report was published, U.S. business schools were producing 3,200 MBA graduates per year. The study drew attention to the lack of rigor and academic legitimacy of the schools of that time, and it eventually generated a transformation that spanned several decades. During that period, economists, sociologists, and psychologists helped build the scientific basis of current management education.

For better or worse, today's business schools produce hundreds of thousands of graduates across the world, evidencing the enormous impact that current business training models have on our societies. Notwithstanding the size and status of these models, limitations and flaws in our practices unquestionably exist. We regularly hear criticisms about the broad tenets of management education, as well as rebukes that stem from current research.

Mintzberg, for example, asserts that today's MBA programs produce functional specialists—experts in finance, marketing or accounting, for example—instead of true, professional managers. Yet we all know that real management consists of much more than solving well-defined technical problems.

Real managers usually have to identify the problems themselves; and, more often than not, these problems are ill-defined and transdisciplinary in nature. Real managers must be able to look for collaborative solutions and then implement them in socially complex environments.

MBA programs have also come under fire as a result of recent research by Jeffrey Pfeffer, Thomas D. Dee II Professor of Organizational Behavior at the Stanford University Graduate School of Business, and Christina T. Fong, a Stanford Ph.D. candidate. Pfeffer/Fong argue that, with a few possible exceptions, master's degrees in business administration teach little of real use in the business world. Their study also questions the relevance of current research for management practice, suggesting that the disproportionate influence of basic research has made us lose sight of what companies really need. Pfeffer/Fong maintain that companies typically evolve far more quickly than academics in terms of innovation in management techniques.

Another chronic complaint in some management education circles is related to rankings by the media. Many professors and deans rail against the potentially harmful effects of rankings. They insist that schools may be diverting their resources away from fundamentals like generating knowledge or improving training methods and channeling them toward cosmetic strategies that might improve their position in rankings.

These criticisms have been made by solid professionals, and they raise points that merit the engagement of all management educators. Nonetheless, I would say that the state of management education is healthier than it might appear.

It is true, for example, that management training emphasizes functional technical knowledge; but we must also point out that our programs now attach greater importance than ever to the development of broad management skills through strategies such as workshops, outdoor training, coaching, and assessment programs. And while some lines of research might seem irrelevant to the practicing manager or the consultant, basic research enables qualitative advances in resolving problems of a more applied nature.

In response to the rankings issue, it seems to me that, in fact, rankings have indeed affected the way many business schools operate. It seems important to acknowledge, however, that competition related to rankings has also produced innovations and improvements that have had a positive effect on the quality of management training. The outcomes have had both positive and negative elements.

These are real and continuing issues, of course; but I believe we're doing a good job in terms of identifying, confronting, resolving, and coming to terms with many of these kinds of problems. And while many of them haven't been settled to the satisfaction of all parties, other sets of trends and opportunities now may loom even larger.



Moving Forward

In many ways, change has become as much a given in business schools as it is in business. Understanding and acting on the forces and factors that are likely to have greatest impact on business schools can help us move ahead at full speed. I submit that our most critical, current issues lie in the areas of internationalization, integration of disciplines, learning and practice, and societal responsibilities.

Internationalization. Not so long ago, only large organizations were international. That scenario has changed. Every day, a growing number of small- and mid-sized firms are becoming more globalized so that they can create and maintain competitive advantages.

In the international arena, companies may find themselves in confusing, self-governing environments where regulations may be vague or nonexistent. None of the legal or cultural guarantees to which the managers are accustomed may be in place. To operate in such an environment, exceptional managers are needed. They must be capable of interpreting highly complex political, cultural, and economic variables; and they must be capable of holding their own in the face of ambiguity. They must be sensitive to differences and know how to adapt themselves to different environments.

This kind of mind-set can only be developed in educational environments with a markedly international slant in terms of participants, faculty, vision, and content. These environments must be truly multicultural and diverse, where participants can immerse themselves, question and be questioned, and give and receive, all at the same time. Only in such settings is it possible to develop the skills required to handle complex intercultural situations. Creating these kinds of managers and environments is a critical challenge for business schools.

Integration of Disciplines. I agree with Mintzberg when he says that management is a transdisciplinary and integrative profession. In practice, however, we continue to divide our curricula into watertight disciplinary compartments. The professor of finance may translate one business case into discounted cash flows; the strategy professor may see it relating to the development of core competencies. The marketing professor may see it as a question of brand building, and the human resource professor as a process of cultural transformation. The reduction of problems into disciplines obviously makes them more manageable, but at the



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cost of dangerously restricting the space where we look for possible solutions.

Management training should help participants explore the limits of their particular specialties, find and define problems, and understand the spaces where available solutions lie by looking at them from the perspective of other disciplines. Some schools, including our own, are experimenting with different models of multidisciplinary integration; but this kind of exploration—which I consider to be essential—still has a long way to go.

Learning and Practice. The classroom has proven to be a good place for reflection, for getting away from the pressures of the moment and for learning. Sometimes, however, the result of this learning process is too far removed from the realm of professional practice; and that distance can limit the real value obtained from investment in training. The distance could be physical, temporal, or, in the worst of cases, cultural.

To close distances, programs must incorporate new ways of integrating the learning experience and professional practice. Achieving this closure is sure to require closer collaboration between organizations and business schools, so that professional performance objectives would be linked with those of professional development, weaving together training, consulting, and research. In the future I predict that we will see the line between degree programs such as the MBA and executive training become increasingly blurred, because programs that provide an intelligent combination of the best of both worlds are already under way.

Placing the learning process in context is also going to require enlightened use of the Internet and other technologies. In Instituto de Empresa's International Executive MBA, for example, a community of students and teachers from different countries spend the year "together" by interacting from their places of work and residence. A training environment of this nature connects training content with localized professional development more closely than we were ever able to do before. The most important role of technology, we have found, is not to cut costs but to increase the effectiveness of the learning process. The opportunities here are enormous, and they are going to require a clear investment in resources and an innovative and flexible approach.

Societal Responsibilities. Regardless of the level of attention we have given in the past to corporate ethics, schools must assume their share of responsibility for the current, widespread lack of confidence in business organizations and their leaders. In a recent international poll by the World Economic Forum in Rio de Janeiro, which was based on 34,000 interviews with respondents in 46 countries, corporations emerged as the least trusted institutions worldwide, topped only by congresses and national parliaments. The untrustworthiness of corporations should be of great concern to those of us dedicated to the training of new business leaders.

Many of the business leaders involved in recent scandals, and many others involved in the perpetuation of corruption in societies around the world, have been trained in some of the world's most prestigious schools. This does not mean that the training they received destroyed their values, or that without that training these directors would have acted differently. It does mean, however, that the schools did not equip these managers with the tools they needed to tackle some of the most complex decisions that their organizations face.

In one way or another, our schools must face up to the problem of how we teach ethics. I'm convinced that the most effective solution does not lie in multiplying corporate ethics courses. It is important to know and foresee the most common ethical dilemmas, but it would be naïve to think that a business school can alter a person's scale of deeper values.

Nonetheless, training can help participants understand the long-term consequences associated with situations such as the lack of transparency, weak governance structures, or the lack of responsibility toward the environment. Training can also help develop a true professional attitude among students, a form of professionalism with strong moral and deontological foundations. Most important, we must be capable of incorporating these subjects into the core of our programs, and not treat them as isolated issues.

Toward Transformation

While we all share universal concerns regarding the advancement of management education, growing competition among schools is another driver that obliges us to seek innovative ways for confronting these and other issues. To rise to the challenges posed by globalization, schools may open more remote bases, form cross-border alliances, or merge with partners overseas. Alliances will give rise to business school clusters, following the pattern that has emerged in other sectors, such as commercial aviation.

This trend will also spark investment in the learning technologies needed to enhance contextualization and integration in our curricula. The cost of these investments will surely

give rise to both large- and small-scale collaborations that can extend to related sectors such as consulting.

In the next few decades we may see the end of the dominance of the case method as we now know it. Simulators, interactive cases, collaborative and constructionist learning methods, and mixed teaching models will replace many of our current methodologies. Some of these methods will require professors to be more involved with firms, or they might combine learning with specific research projects that maximize content relevance.

Perhaps it is true that we have evolved slowly over the past five decades, but I maintain that dramatic change is under way. I'm predicting that the next decade will mark an unprecedented transformation in management education. ■

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