

# The MBA in 2020: Will There Still Be One?

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Recently, the MBA degree has been subjected to intense criticism. There are those who question its very existence and assert that MBA programs are unable to supply employers with the skilled and knowledgeable recruits they need. Others blame the shareholder perspective of MBA programs for the financial crises, or view MBA programs as being complicit to the financial crises. Finally, there are calls for a major retooling of the contents of MBA programs to meet the requirements of the rapidly changing business environment.

In light of such severe condemnation of MBA programs, we would expect student demand to dwindle and recruiters' interest to evaporate. And yet the opposite is the case! The number of candidates sitting for the GMAT test, a required admissions criterion in particular for many junior MBA programs, has reached an all time high and applicants eager to be admitted to an MBA degree program are rising in numbers.

So why has the MBA come under such intense scrutiny? One immediate reason is the financial crisis. Why did the masters of business not foresee the crises? Was their greed too large for their own good? Would a different MBA curriculum have prevented the crises?

The answers given to these and similar questions tend to remorsefully acknowledge some degree of responsibility and quickly point to curriculum changes the business schools are planning to implement or have already implemented.

**The role of the business schools in the future**

However, the debate on the role of business schools is too important to be confined to a discussion on only the curriculum. The very objectives of business schools, the target groups, syllabi and pedagogy of MBA programs are to be reviewed in-depth to determine the future role of business schools in society. Should business schools rethink the ambitious goals

of their founders, namely to educate a professional guild of managers who demand respect on par with that of doctors and lawyers? Business schools need to be clear about their role in the effort to professionalize management.

### **Short-term implications: changing the curriculum**

When speaking with the deans of the leading international business schools, they tend to single out three broad areas for improvement when it comes to the curriculum: soft skills, ethics and CSR, as well as globalization.

Soft skills have always been an important attribute of successful managers. However, in order to manage the increasingly complex dialogue between multiple stakeholder groups and businesses, the value of such skills is likely to increase even further in the future. The technical competence of managers, their knowledge of business fundamentals, increasingly becomes a hygiene factor. What will distinguish managers from business leaders will be their soft skills.

The entire ethics and CSR debate is entwined in an ever more complex and interdependent list of global problems. Consequently, business schools are also challenged to provide guidance on how future leaders should approach pressing global issues such as the uneven distribution of wealth, the diverging population trends between the developed and developing nations, the dissimilar ability and willingness of countries to deal with ecological issues, or the differences in social and ethical standards between nations, to name but a few.

Global competition, global sourcing, global financing and global customers have heightened the need to educate managers who possess cross-cultural understanding and sensitivity. Consequently, business schools are struggling to design learning experiences that provide international exposure and foster cross-cultural understanding.

### **Long-term implications: substantial systematic changes**

While some deans appear to be satisfied with incremental changes in their MBA programs, there is a sizeable group of thoughtful business school leaders who recognize that much more systemic changes are required:

There is an urgent need to rethink the mission of business schools and their role in management education. One reason why business schools have attracted so much criticism is arguably their strategic wavering from trade schools to producers of self-referential and largely irrelevant knowledge. There is a case for a stronger contextualization of business school research, which would involve a widening of participants and contributors to management knowledge.

Turning to teaching, there is also a need for rebalancing. Recently, business schools have rightly focused on improving the analytical capabilities of their graduates. However, this came at a cost in that MBA programs devoted less time and attention to developing students' managerial skills, attitudes, and a sense of purpose or identity. Hence, innovative teaching approaches will emerge during the next 10 years that combine the focus on analytical capabilities with attention to ethics and CSR. This will likely involve more experiential learning and field experiences.

In the future, business schools will also have to play a central role in the professionalization of management. They have an obligation that goes beyond producing technocrats: Management is a blend of experience, insights and analysis. However, business schools will need to live up to the challenge and ultimately be able to turn their MBAs into professionals who share a common body of knowledge, practices and values. Accreditation agencies like AACSB, EQUIS and AMBA will have to carry a considerable responsibility here in that they need to ensure a sensible degree of similarity in the core body of knowledge taught at business schools.

To develop the two other dimensions of professionalism, i.e. common practices and values, business schools will increasingly need to expose their students to complex decision problems that permit them to exercise managerial judgment. To this end, business schools will be central in restoring societal trust and legitimacy in management. Thus, business schools will have little choice but to support a professionalization of management.

Also, business schools will need to sharpen their mission in order to provide much more clarity on the role they want to play in society. They will also have to rethink the type of research in which they are engaging and commit to innovative pedagogies that help rebalance analytical problem solving skills with attention to social responsibility and accountability.

Finally, business schools will have to articulate more clearly what it is they do for society. In this context, many issues that are currently still blurred will have to be addressed. The kind of faculty needed and the type of research conducted will follow from the mission of the business school. And the type and content of programs offered will be determined by the role society assigns to business schools in the process of professionalizing management. This also holds for the mode in which programs are delivered. For example, if management is set to be professionalized, a possible scenario is to require managers in leadership positions to periodically attend a certain number of refresher courses and short management update programs. This would be in line with the requirements of other clinical professions, such as medical doctors, who are required to participate in educational programs to maintain their professional status.

## **The MBA in 2020**

We predict that in 2020, MBA programs will still exist. Will they be very similar to what we have now? The curriculum of MBA programs is likely to become much more complex in the future. There is also a genuine feeling that the link to practice needs to be strengthened and MBAs should be made more aware of the social ills of society. In addition to conveying the required business fundamentals, business schools will have to fulfill their obligation to impart values — values that are internalized and shared by a professional group of managers. This is arguably much more difficult than teaching technical skills.

Technology will also have a strong impact on teaching methods. Students — and in particular busy managers who are enrolling in Executive MBAs — increasingly demand to have access to learning material independent of time and location. Sophisticated distance learning platforms that permit synchronous and asynchronous communication, exchange of files and video conferencing, telepresence of professors teaching elsewhere on the globe

and universities in "second life" already foreshadow things to come. Still, we believe that personal meetings and class room interactions will not be entirely substituted by distance learning. The emotional bonding and experience of a joint meal with fellow classmates and professors is unlikely to be replaced by even the most sophisticated telepresence technology for some time to come.

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