The MBA in 2020: Will there still be one

by Prof. Bodo B. Schlegelmilch, Dean of the WU Executive Academy and chair of the Institute for International Marketing Management at WU, on the future of MBA education

Recently, the MBA degree has come under 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 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. The opposite is the case! The number of candidates sitting 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 are rising in numbers.

So why has the MBA come under such intense scrutiny? An 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 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 the curriculum only. 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.

Soft skills, ethics and intercultural knowhow

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 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.

Also, global competition, global sourcing, global financing and global customers have heightened the need to educate managers who posses cross-cultural understanding and sensitivity. Consequently, business schools are struggling to design learning experiences that provide international exposure and foster cross-cultural understanding.
The MBA in 2020
One thing is clear: in 2020, MBA programs will still exist. However, 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, I 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.