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## Reinventing the MBA



# From MBA to MBL Reinventing the MBA

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**MBAs are driving the world... And if that is true, we (the author is an IMD graduate) should seriously start challenging the purpose, process and content of our graduate programs. We MBAs led the world to its worst crisis since 1929. We have allowed, short-term profit and have taken greed and deception to be the values that drive some of our most powerful businesses. We are still unable to come up with a convincing response to the world's poverty, unsustainable and damageable growth. This article suggests radically new ways to look at our MBAs and executive education.**

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For many years, the business community has been complaining about the inadequacy of MBA graduates to meet its needs. Back in 1997<sup>1</sup>, IMD Professor, Kashani was sharing that some of the recruiters' negative feedback about MBA students in general, was that "Business school students are excellent performers...as long as they are told what to do and how to do it..." More recently, Philip Delves Broughton<sup>2</sup> called his fellow Harvard MBA's "Masters of the Business Apocalypse" in a March 3, 2009 article, published in *The Sunday Times*. In his article, he bitterly criticized the inability of greed-driven graduates to "Make a positive difference in the world", as Harvard Business School's Mission Statement (almost) claims. McGill's famous Professor, Henry Mintzberg, is quoted in *The Financial Times* article<sup>3</sup> as saying: "For years, the business schools have been promoting an excessively analytic, detached style of management that has been

dragging organizations down. Most [MBAs] believe that because they sat still for a couple of years, they are equipped to manage anything. In fact, they have been prepared to manage nothing. Programs that claim to do, so promote hubris instead. And that has been carried from the business schools into corporate America on a massive scale."

It is fair to say though, that the business school environment has evolved a lot and is way ahead of many other postgraduate teaching processes. The best schools today have all scrapped the 'ex cathedra' delivery style to replace it by far more interactive case teaching, action learning, distance learning, webcasting and other webinars, as well as real-life consultancy projects.

During the same time, however, we have witnessed an 'academization wave', whereby, far from applying their 'customer-centric' lessons, business schools seem to be entrenched in a world

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<sup>1</sup> D Marlier & C Parker (2009) *Engaging Leadership* (Palgrave-MacMillan).

<sup>2</sup> P Delves Broughton (2008) *What They Teach You at Harvard Business School* (Viking).

<sup>3</sup> Stefan Stern (2009) "MBA Bashing is a Case Study in Misdirected Anger", *The Financial Times*, March 17.

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of theory. In fairness to the schools, this is greatly encouraged by uncreative rankings from the press who, for example, all attach high importance to the number of professors holding a PhD, when we are all still waiting to see the first evidence that PhD-holding has a positive correlation with development performance of participants.

In our view, changes will be perceptible around five different themes:

- Purpose
- Branding and positioning
- Teaching process
- Contents
- Ethics.

### Purpose

The historical times we are living in can be described by the following matrix<sup>4</sup>:

The purpose of tomorrow's MBA should be to prepare individuals to lead global communities, constantly moving and evolving. In other terms, business schools would be well-advised to move their purpose and delivery from 'content' (equivalent to 'provide a hungry man with a fish') to 'process' ('teach him how to fish').

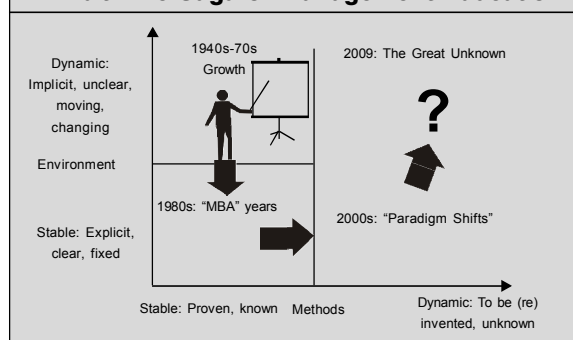
A 'Do Tank' (as opposed to just a 'Think Tank') in Brazil<sup>5</sup>, seems to have anticipated this and offers an increasing number of tailored courses where its corporate clients 'learn to learn' (instead of "Passively getting fed with the latest tools in the market") and are encouraged, in strategic terms, to go from "Trying to guess what the future will be" to "Preparing and engaging our organization for whatever the future might be", as Board Advisor, Nick van Heck, puts it.

The matrix shown above provides a good hint of why that might be: The world is changing faster and faster, its complexity increases by the day, uncertainty and ambiguity are at the highest.

As an example, in a speech I was recently giving in Brazil, I provided a simple list of events, trends which could tomorrow impact the world and our business environment:

- Bird flu/ Swine flu/ Next flu
- Actual/next crisis/recession/depression or the 'post crisis'/recovery
- Energy crisis
- Environmental crisis
- Religious wars
- Social wars
- An Asteroid hitting our planet
- The disappearance of honey bees through mobile phone waves
- Obesity and public health
- Disrupting technology
- Social networks
- Social networks backlash
- New sources of energy
- Content for free. Piracy on content (music, movies, software, luxury, car pieces, what's next?)
- Raising life expectancy
- Raising standards of living
- Emergence of BRIC countries
- End of the US dollar as an international currency
- Insolvency of several major states adversely impacted by the crisis
- The collapse of Russia
- The collapse of the Chinese regime
- The death of Michael Jackson
- The successor of Brazilian President, Lula

### Exhibit: The Saga of Management Education



<sup>4</sup> Inspired from J Pine & J Gilmore (1999) *The Experience Economy: Work Is Theatre & Every Business a Stage*. Harvard Business School Press.

<sup>5</sup> Fundação Dom Cabral in Belo Horizonte and São Paulo ([www.fdc.org.br](http://www.fdc.org.br)), contact Prof. Dalton Sardenberg.

- Brazil's hosting of the 2014 World Cup
- Leading knowledge workers
- Dealing with knowledge architecture.

This is already a solid list and one can be almost sure that the biggest influencer in the years to come is probably not even on it and will take us all by surprise as all the recent crises seem to have done.

There should be a fundamental paradigm shift in business schools from the illusion 'to teach content' to the hopeful 'engage in a process'.

### Branding and Positioning

The question is open whether or not to rebrand the concept of 'business school' (which may be costly) and/or MBA. We would like to evoke the transformation from MBA to MBL—Master of Business Administration to Master of Business Leadership.

More than a word game (who could reasonably prefer, nowadays, to be prepared at high cost to become a 'Business Administrator' rather than a 'Business Leader'), the MBL suggests a paradigm shift: Instead of being trained to run a business for business sake, the Master of Business Leadership is educated to inspire and engage for a higher purpose.

Instead of focusing mainly on the cognitive skills and reinforcing the intellect, the MBL, would work on Aristotle's three agendas:

- **Logos (Intellectual Agenda):** An MBL degree would, as its predecessor, still transfer skills and knowledge (although these will have evolved from current curriculum, tending more towards long-term processes than short-lived 'flavor of the month' content).
- **Ethos (Behavioral Agenda):** "We are more likely to act our way into a new way of thinking than think our way into a new way of acting"<sup>6</sup>: MBLs would learn to lead through practice and be enriched by numerous behavioral reviews and feedback. As the Greek name also suggests, MBLs would go deep into business ethics and serve as generators of a new global breed of community leaders.
- **Pathos (Emotional Agenda):** Leaders of tomorrow will have ensured that people are convinced more through the 'emotionally-engaging' process, rather than through the sole 'intellectually compelling one'. They will learn how to deal with their deep emotional resources and help others exploit their own. "Leadership is about creating conditions for others to do and be their best."

The new business school would, therefore, be positioned as a 'school for life'. It would integrate the notions of logos, alongside those of ethos and pathos.

### Teaching Process

The teaching process would evolve as well:

- **From Subjects to Themes:** Instead of traditional 'silo' contained subjects, the courses would follow a theme (a bit like IMD's highly successful OWP—Orchestrating Winning Performance). We would not teach 'strategy classes' anymore, but rather dive into a theme like "Preparing for the future vs. guessing it".
- **From Individual Teaching to Integrated Delivery:** This is the 'Holy Grail' of many colleges: Cross-teaching. It may not be convenient to see two professors co-delivering on the same theme at the same time. However, several professors would design together a course around a theme and agree on its delivery content, style and process. In Nyenrode (NL), the topics I was co-delivering (teamship and leadership) were also integrated into our colleagues' classes (without interfering with the subjects they were teaching). Students observed and gave each other feedback by the end of the module, on the behaviors which had been selected collectively as most 'value building' for that class.
- **From Classroom to Reality:** Classrooms are a highly secure and totally artificial environment. A case study well-written is reassuring per se: "All things we need to know to solve the case are contained in the 24 pages." The MBL would "use reality as the simulation", as much as possible. There would still be occasional room for the 'traditional' delivery processes (ex

<sup>6</sup> R Pascale, M Millemann, L Gioja (2000) *Surfing the Edge of Chaos*. Texere.

cathedra, case study, action learning and simulations) but we would work on reality cases as much as possible. Several possibilities exist, amongst which are: Real consultancy projects (such as existing for 30 years in IMD), community work (as some execs courses already include), personal action plans between modules (and their debrief/review), ambitious project delivery (such as IMD's 15-years-old TIE projects) and also engagement process of participants' real teams (peers and subordinates with their presence during specific and large seminars). Finally linking up with organizations such as Leader's Quest ([www.leadersquest.org](http://www.leadersquest.org)) would be another way to learn live. Recently, the Foundation Cabral shared with me that the CEO of a highly successful Brazilian company, when invited to be part of an innovative program they run exclusively for people holding that responsibility, had put a condition that the course should be "Outside the classroom environment and with real-life application".

- **From Teachers to Advisers:** Faculty members should be selected based on their capacity to advise, coach, mentor, develop and accompany the candidates. In our executive education courses, participants' favorable ratings are far more correlated to our delivery style (capacity to transfer skills and knowledge in an engaging manner), real-life experience, credible examples and stories and relationship building than to our own previous academic education.
- **Using the Community:** Ecole Hôtelière de Lausanne (EHL) is the world's No.1 Hotel Management School. It prides itself in claiming that seven out of the world's 10 best hotels are run by some of its alumni. EHL uses its own community as a training lab for its students. Some of them are busy in the kitchen, preparing food in the several restaurants for their peers and get rated not only on their technical skills, but also on their behavioral skills by the faculty. The same happens to those serving the food, handling the bar, cleaning rooms on campus, etc. Such a thing should be possible and be adopted to the business school context.

- **Feedback:** When the course I was co-teaching in Nyenrode, gained so much positive feedback and credit from the MBA/EMBA participants, the Dean, in a well-intentioned gesture of appreciation, announced that it was becoming one of the four courses for which failure would mean failing the whole MBA. Although appreciating the intention, it appeared rather as a 'poisoned gift': How to rate people on a non-cognitive and developmental course? We ended up deciding that the most developmental and fairest way to evaluate participants was through feedback: By the end of each module (as explained above), participants were rating each other (in their 6-7 people sub-team) on the list of 10 behaviors, which had been collectively selected by the class as the most suitable to ensure maximal value for their MBA (the list was updated after 6 months). That feedback was part of the rating. The other part was coming from faculty and staff rating the candidates on their own observations. Finally, each candidate was also rated on the quality of the feedback he/she would provide to his/her sub-team members by module end. This is an example of feedback as a developmental process.

### **Contents**

As earlier explained, we should get rid of the 'silo mentality' when designing the curriculum of an MBL. Rather than the traditional subjects (which would still, here and there, have justification, maybe in a foundation module), we should offer themes. In those themes, new skills and knowledge should be made available.

Some examples (purely indicative) are:

- **Leading in Uncertain Times:** This could include managing ambiguity and uncertainty, Complex Adaptive Systems Theory adapted to business, etc.
- **Preparing for the Future vs. Guessing It:** Scenario planning, leading when I know/don't know.
- Preparing my organization to become innovative.
- Using social networks in my business.

- **Global Leadership:** Linking with Leaders' Quest like organizations, learn and practice leadership on the field.
- **Change Management and Change leadership:** Project management and engagement skills.
- **Running a Successful Merger or Integration:** With all the pre-work (strategic, finance, legal), negotiation and (frequently forgotten) post-deal integration.
- **Leading a Virtual/Remote Team/Leading in a Matrix Environment:** Co-piloting, influencing skills, conflict and negotiation management.
- **Break From the Pack (Piggybacking on the Title of an Excellent Book):** Understand the explicit as well as implicit/unconscious needs of the customer/value curves, etc.

These are just examples taken from our own practice, which necessitate the blend of diverse talents and are far more meaningful to our clients than stand-alone courses. These would evolve with the market's needs.


### Ethics

It is unfair to blame MBAs and their schools for what is happening around the world in 2009. However, we should take a hard look at ourselves.

We have educated a large part of the leaders in the business community and it seems that, for a part of them at least, we failed to raise their ethics at the same level than their intellectual and business skills.

We find this, one of the most challenging tasks for the future business schools. On the one hand, it is critical not to fall into a new hypocritical and counterproductive wave of 'politically correct' way of doing business. On the other, we need to do something very deep (once again both intellectually compelling and emotionally engaging) and lasting in order to prepare the future generations of global business leaders to fulfil their role with dignity and ethics.

### Conclusion

This document and its theme are still in the 'work-in progress' stage. Its purpose is to create discussion and debate, explore ideas around the notion of the business school of the (near) future. Reinventing the MBA is a topic which is very dear to my heart and which I am starting to explore with a few institutions around the world. You are welcome to join. 

Reference # 16M-2009-09-06-01

