

MILLARD ARNOLD: Are business schools still relevant?

Business education attracts some fierce criticism — but the fact is, despite immense challenges, the local schools are extremely competitive

28 JUNE 2018 - 11:45 MILLARD ARNOLD



The Gordon Institute of Business Science. Picture: ROBBIE TSHABALALA/FINANCIAL MAIL

Following decades of enthusiastic support, business schools now find themselves under attack for being irrelevant, inconsequential or of little real value in developing business leaders who can make a difference.

In some part, this is due to the metamorphosis of the workplace. The World Economic Forum predicts that "by 2020, more than a third of the desired core skill sets of most occupations will comprise skills that are not yet considered crucial to the job today". Last year Michael Mankins, a partner at Bain & Company, wrote in the Harvard Review that "innovations will change the basis of competition in many markets and alter the sources of advantage for most companies. Business-critical roles — jobs that are central to differentiating a company from its competitors and successfully executing strategy — will also change."

Critically, he adds, "companies will be forced to rethink the talent they will need to play these business-critical roles in the future".

For business schools, the implications are huge. If these changes are to take place in less than a decade, the challenge for business schools is to develop courses, programmes and initiatives that will align with business needs.

With 18 diverse member schools with varying strengths, objectives and approaches, the SA Business Schools Association (Sabsa) commissioned a study, "Alternative Futures for Business Schools in SA". It sifted through a range of concerns, from SA's stagnant economic environment, rising social expectations and fluctuating ideological shifts in the political space. Throw in changes in student demands, technological advances and a

cumbersome regulatory environment, and it's clear that business schools are hard-pressed to structure a coherent formula to address all of this.

It is easy to understand why those unaware of these complexities are quick to say that business schools are in decline.

SA business schools offer insights into transformation and the unique demands of emerging economies

But it is no easy task to develop courses that adapt for these rapidly changing demands, while offering a quality MBA endorsed by the Council on Higher Education (CHE).

Just getting the CHE's approval (as you must) can take years. And business schools are doing this, while having to predict the needs of business years from now.

Other challenges include more "commoditisation" of management education through "MicroMasters" designed to address specific needs, understanding artificial intelligence, the future of work, edutourism as a potentially lucrative revenue stream, and creating flexible options for working students.

Winning strategy

The Sabsa study suggests that unless business schools manage costs in a leaner way, adopt tech-enabled alternative delivery models and form strategic collaborations, they will find it harder to fashion a winning strategy to address the long-term needs of business.

More importantly, the study also found that a concentrated, coherent and thoughtful engagement with society and the business community could yield favourable results.

"By positioning themselves as a partner for inclusive development," the report says, "business schools are able to enhance their social licence among citizens and societal stakeholders ... [while] the business community views schools as beacons of excellence, opening avenues to relevant, game-changing ways of doing business."

Despite the naysayers, SA business schools are extremely competitive. They offer insights into transformation, issues of inequality and the unique demands of emerging economies that few others can match, globally.

Change is inevitable, but the fact is that SA business schools have energetically and aggressively squared up to the challenge.

Expect the face of business schools to look very different indeed by 2028.

- Arnold is CEO of the SA Business Schools Association