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# The Renaissance We Need in Business Education

by Johan Roos

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Having taught at five business schools over several decades and served as Dean of two, I have come to a conclusion: The educational institutions where our future business leaders are being trained must be recalibrated and transformed dramatically.

Business education today is anachronistic in both how it is conducted and what its content focuses on. Our brick institutions have in no way caught up with what today's technologies make possible in terms of virtual learning and individualized, customized instruction. More importantly, business education needs to evolve once again, revising its goals to educate leaders of the future who have a new set of skills: sustainable global thinking, entrepreneurial and innovative talents, and decision-making based on *practical wisdom*.

Historically, business schools have so far been through two waves. As originally conceived, they were institutions of *practical education*. In the late 19th and early 20th century, successful businessmen like Joseph Wharton wanted to professionalize companies and legitimize working in business. The earliest business schools sought to provide the tools and teach the skills required to become a successful business person at the time, like bookkeeping, efficient manufacturing, and contract law.

But in the mid-20<sup>th</sup> century the influential Ford Foundation and, separately, the Carnegie Foundation damned this approach. The Gordon-Howell Report in 1959, funded by the Ford Foundation, criticized the weak scientific foundation of business education, suggesting that professors were more like quacks than serious scholars. The curriculum was too narrow, simpleminded, and weak, and the caliber of faculty and students unimpressive. The Carnegie Foundation's findings resulted in a thick book called *The Education of American Businessmen*, also published in 1959. Its message was equally harsh: *Too much engagement with cases, too little research; too much practice, too little theory*. Perceiving a need for a more cerebral breed of managers to preside over corporations of unprecedented scale and scope, both looked for models to the research-driven natural science fields.

The subsequent recasting of business schools 2.0 along the lines of serious academia served its purposes for decades, embedding a level of valuable intellectualism into business education. However, as every trend comes to lose sight of its need for renewal, we are now stuck with an academic system in which business schools are run as if they are deaf, blind, and dumb to a completely new emerging world. The combination of the tenure system and the publish-or-perish dictum is crowding our schools with "business scholars" whose main role is to perform original research to be published in so called A-level journals. This need to publish to make a career has led to increasingly obscure research of almost no value to real businesses, specialization that encourages silo thinking, and a serious disregard of the importance of teaching students to think.

Instead of focusing on real and practical problems of relevance to the business world today, "performance" has become the dependent variable in most management research and the root of delusions (to use Phil Rosenzweig's term) that business scholars serve up to managers. Too many tenured professors have never worked outside academia; they are familiar with neither the day-to-day operations of companies nor the intricate processes of

how decisions are made. This makes it only harder for them to see the value of real world experience as part of their students' education.

In essence, the pendulum has swung fully the other way. Too much emphasis is now placed on theory vs. practice, ensuring that graduates are unprepared to deal with the complex problems of the world that companies actually inhabit. They lack meaningful, relevant business education that teaches them cross-disciplinary thinking, broad familiarity with humanistic and scientific trends, and, most importantly, Aristotle's "phronesis" – the practical wisdom (also discussed in David Hurst's blog *Is Management Due for a Renaissance?*) that teaches them to make decisions based on deep notions of what is good for the global community of which businesses are part.

What can and should we do? There have been many proposals for change and experiments in redesign in the past few years. My criteria for judging which are most worthwhile would be to stress five neglected qualities. The reforms we enact should make our schools more:

**Humanity-Minded.** We need to put philosophy and the humanities back into the core of our business education. Our future corporate leaders need to have the thinking skills necessary to appreciate the complexities of what it means to be human, as well as business's role in sustaining an inhabitable, healthy planet. The scientific management emphasis on efficiency and profit at all costs can no longer take precedence over human values.

**Blended.** Technology is fast eliminating the need for students to spend the majority of their educational lives on campuses in huge halls, listening to dull, cardboard lectures. The economics of operating large campuses, and big faculties and admin staff are inflating the costs of business education beyond reason. Many government-supported universities are already cutting budgets. The growing trend of creating MOOCs (massive open online courses) taught by the world's most skilled and talented teachers is already proving that the traditional classroom paradigm is passé.

**Individualized.** Students should be offered a range of options to customize their education to reflect their personal goals, ambitions, capabilities, and risk tolerance. Let's have them work with a kind of advisor to structure their own program tailored to their passions and capabilities. Help them design an amalgam of classroom courses (both on their own campus and abroad), work in real companies, entrepreneurial workshops and startup weekends, MOOC courses (perhaps amounting to 20% to 50% of their classes), and other learning formats that contribute to their becoming intelligent and global business thinkers.

**STEM-driven.** We need to increase business students' knowledge about science, technology, engineering and math and encourage them to expand their horizons of technology beyond IT and Angry Apps. Given that so much innovation happens in STEM-oriented industries, business education needs to help students bridge the natural and social sciences. Degree programs in Management of Technology and Industrial Economics exemplify worthy hybrid forms of education that bring these worlds together.

**Hands-On.** We need to merge business experience and academia far more than now. Schools need to begin working with corporations to create more meaningful internship and management training programs, designed to make the connection between theory and practice. They should also provide incentives for professors to engage more with the practical problems of everyday organizational life. For example, why not set up "Professors in Residence," where professors live in organizations for a while, as a mirror-image to today's Executives in Residence. In general, let's promote more dialogue between companies and academia.

The organizers of the Global Drucker Forum have lately called for a "Great Transformation" in management, which Richard Straub of the Drucker Society describes as the best hope for advancing human prosperity. I throw my voice into this call for a radical new synthesis and approach to business in the world. But, as of now, I know that the majority of students graduating from our standard undergraduate programs and most MBA programs are unprepared for this future.


The business leaders who will succeed in the coming decade will be notable for their holistic thinking, global perspectives, international experience, multilingual capabilities, technological familiarity, entrepreneurial mindset, creativity, and ability to deal productively with complexity and chaos. Many corporations already say they cannot find the type of employees they need, so we must begin acting now to transform our business schools. It

is our job as educators to produce graduates who can thrive in a radically changing world, and who can shape it in positive ways. We must educate a new generation of renaissance leaders.

*This post is part of a series of perspectives by leading thinkers participating in the Sixth Annual Global Drucker Forum, November 13-14 in Vienna. For more information, see the conference homepage.*

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