

What C-Suites Should Expect From Business Schools

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Are business schools delivering on their promise to industry? What steps should business schools take to make their curriculum more relevant, their faculty more effective, and their research more impactful?

Business school education (BSE) can be extremely useful. It can launch and accelerate careers. It can train students how to use a variety of tools and techniques. It can demonstrate how to present and communicate, and it can help students network with colleagues and employers: among the most valuable assets of BSE are internships and cohorts, where students learn how to behave in the real business world and see how business problems are framed and solved.

But BSE often drifts from the stuff of real business, especially those aspects of business that are unpleasant. Business schools seldom analyze business crimes and misdemeanors, the role that pure greed plays in the competitive

marketplace, or “personalities” that are less than business appropriate. Insider trading, bank fines, inexplicable executive compensation, price gauging, corruption, misinformation, and wildly offensive behavior—by any ethical metrics—are ignored, especially when they conflict with employment opportunities for students or what might offend existing or prospective donors. (Ironically, this “ignorance” is a master class in how business schools pick and choose “curriculum” and how business schools avoid confronting the unpleasanties that define way too many business school business models.) C-suites have every reason to expect business schools to educate students about the good, the bad, and the ugly, including what employees expect from their employers.

THE PROMISE AND PERILS OF BUSINESS EDUCATION

Business technology education? Most business schools see “technology” as servers and clouds, not as a strategic differentiator, which is the perfect way to miseducate business students about the role that technology should play in the 21st century. Business schools chase



technology curriculum. They seldom create groundbreaking insight into how technology enables digital transformation, despite how many amazing faculty they claim to house. Technology changes way too fast for university curriculum committees to approve. Example? While everyone on and off campus is obsessed with generative artificial intelligence, large language models, and ChatGPT, there are still very few courses, academic majors and minors, or master of business administration (MBA) specializations in these areas. Worse, business technology programs are loathe to kill old courses in systems analysis and design, “programming,” and database management among countless courses that have not stood the test of time.

There are other complaints about BSE, including its overemphasis on tools and techniques with what appears in every way as “training,” not “education.” The lack of immersive problem-solving is another complaint. Students also frequently complain about the corporate inexperience of business school faculty¹ and the irrelevance of what qualifies as “research” in business schools.² Textbooks are abstract and theoretical, with outdated cases. BSE is seldom “in the room” where business problems are solved. All this leaves business students all dressed up with nowhere to go.

At a recent Association to Advance Collegiate Schools of Business deans conference, several BSE problems were discussed.¹ Sydney Finkelstein, who is the Steven Roth Professor of Management at the Tuck School, indicted BSE in “The Big Scam? What’s Wrong With Business Schools, Business School Faculty, and the Study of Management.” Here are some highlights:

“For business schools ... the question becomes ... what is our competitive advantage? It’s not

research, because not enough people are reading the articles and the research itself isn’t having enough of an impact on society.³ It’s not teaching, because too many other players might be doing a better job at providing content than the schools themselves ... Our unique capability is that we have a piece of paper with a nice stamp and a brand name on it ... I find it completely incredible that we have faculty members that have never worked in a company ... They know less about organizations, economics, and supply chains than their students.”

Complaints about business school relevance and responsibility are heard within too many companies. MBAs have been criticized for decades as abstract, theoretical, and content-free.⁴ Some of the criticisms are extremely harsh.⁵ The contributions of MBAs have even been analyzed empirically.⁶ Much of this ineffectiveness can be traced to the problems described previously and ones not detailed here.

PURPOSE FOR ALL

Business schools might also perform a market analysis of what they offer. For example,⁷

“Studies have consistently shown that millennials want a strong sense of purpose in their work. For the younger Generation Z workers, 95% want a meaningful job that goes beyond making ends meet, according to a 2021 study by career experts at Zety.com; 71% would even take a pay cut to get it. Typical of today’s business school applicants, says Barbara Coward of the consulting company MBA 360 Admissions,

is a young woman at a medical tech firm who wants to attend Harvard Business School in hopes of moving to a startup that makes wearable technology to improve public health.”

Is that a C-suite requirements analysis? Should curricula be developed that speak directly to pools of prospective employees? Yes.

What about values? Should business schools teach students how to maximize profit regardless of the impact it might have on society? Is the maximization of profit the *only* objective employers have? Listen to this⁷:

“Columbia Business School had just one-quarter of its students enrolled in courses on social and environmental impact 15 years ago, delivered by its Tamer Center for Social Enterprise. Today, that number has swelled to 50% of the school’s roughly 1,000 students. Such courses include ‘Bridging the American Divides,’ to help students understand the causes and consequences of social polarization, and ‘Business and Society: Reconciling Shareholder and Stakeholder Interests.’ The latter course, says Dean Costis Maglaras, ‘really makes students think about things like inequality, technology and algorithmic bias, climate change, and financial services for people that don’t have access to the banking system.’”

Deloitte’s recent study about what Generation Z wants from its employers provides important insight for both business schools and employers⁸:

“The annual Deloitte Global Gen Z and Millennial Survey

has revealed a consistent theme: young employees want their employers' values to be aligned with their own—and they want to drive societal change through purposeful and meaningful work.”

All these data should help business schools and employers target curriculum, faculty, and research.

WHAT C-SUITES SHOULD EXPECT FROM BUSINESS SCHOOLS

C-suites should expect graduates to understand the basics of business. But for those business schools that want to

and satisfies student requirements. While the vast majority of business schools have historically run from both relevance and responsibility, a reimagined relevance-with-purpose curriculum should emerge in response to the all-purpose default “greed is good” mission that has defined virtually all business schools in the country [even if the words are never spoken (though frequently whispered) on campus].

Curriculum should also be forward-thinking. Business problems are growing in number and complexity. Business schools should look inside vertical industries and their functions, with solutions that can actually be applied. Does this turn business

executives and don't know how to analyze the indirect and long-term implications of complex business decisions ... Today it is possible to find tenured professors of management who have never set foot inside a real business, except as customers.”

Relevance requires corporate experience. But if that's the case, then a massive shift in faculty recruitment and retention is necessary. But without changes in accreditation and rankings standards, it will be impossible to disrupt the decades-long faculty model that still dominates academia: the desire for tenure. Eliminating tenure strikes at the heart of academia, which means it's a model that will change only at the margins. That said, there are real assaults on tenure, coming primarily from state legislatures, which control the funds allocated to state institutions.¹¹ Tenure protects faculty from relevance and responsibility.

The two-faced approach works here as well. Faculty incentivized to publish relevant impactful research should be recruited and rewarded, while faculty who can professionally deliver relevant curriculum should also be recruited and rewarded. Faculty seldom do both well—nor should universities want them to. Faculty who focus on research *and* teaching will shortchange one or the other. When has a corporate executive expected anyone to excel in marketing *and* finance? Human resources *and* strategy? Technology *and* sales? The notion that faculty can simultaneously generate impactful research, teach amazing classes, and service their disciplines has never made any sense.

Universities should recruit faculty from industry who have wide and deep corporate experience. Ideally, faculty will have C-suite experience, but senior management experience of any kind will check the relevance box. Some of these recruits would excel at research, and some would excel in the classroom. As outlined in the

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reimagine their curriculum, delivery, and purpose, there are several ways they can change,⁹ which will make students far more valuable to their employers. Let's look at curriculum, faculty, and research and how they might each change to increase their corporate value.

Curriculum

Curricula should have two faces. The first is relevance, and the second is responsibility. Curriculum should become much more relevant to real-world problems, events, and, especially, technology trends. (It should also eliminate training of any kind now that the world has given us Coursera and Udemy.) Curriculum should also align with the obvious issues that define life in the United States in the 21st century, such as inequality, gun violence, inflation, oligarchies, tax policy, educational failure, climate change, environmental challenges, and democracy. Schools should combine relevance and responsibility with reimagined curriculum that enables corporate requirements

schools into extended consultancies? Absolutely it does, versus theoretical organizations that perform research of little or no use to companies faced with real problems.

Faculty

Business schools should redefine the whole concept of “faculty.”

Bennis and O'Toole start this way¹⁰:

“By whatever means they choose—running businesses, offering internships, encouraging action research, consulting, and so forth—business school faculties simply must rediscover the practice of business. We cannot imagine a professor of surgery who has never seen a patient, or a piano teacher who doesn't play the instrument, and yet today's business schools are packed with intelligent, highly skilled faculty with little or no managerial experience. As a result, they can't identify the most important problems facing

preceding, traditional faculty with no industry experience should be required to get some.

Performance should determine who does what, who stays, and who goes. It should also determine what faculty earn. Faculty who publish impactful research or teach amazing classes (assuming that classes don't all end up as online correspondence courses) should be handsomely paid. Those that fail to do one or the other should be cut from the team. (The "academic freedom" argument against the elimination of tenure comes without proof. Very few professors speak loudly about the issues that tenure allegedly protects.) Obviously, tenure presents an obstacle to consistent performance.

Research

The whole concept of research also needs a makeover. Since we know that business school research is largely irrelevant to actual business problem-solving, business schools should incentivize research that impacts problem-solving. The problem¹⁰:

"When applied to business—essentially a human activity in which judgments are made with messy, incomplete, and incoherent data—statistical and methodological wizardry can blind rather than illuminate. Consider some of the most difficult questions facing managers: how does a culture of celebrity affect leadership? How should a CEO be compensated? How does one design global operations so they are at once effective and equitable? What is the purpose of a corporation beyond the creation of shareholder value? Such broad, multifaceted questions do not easily lend themselves to scientific experiment or validation."

Research needs relevance as much, if not more, than curricula. Faculty need to partner with companies that provide

problems for "research." As suggested, faculty need to support companies as they attempt to become more profitable and responsible. This partnership should be wide, deep, and continuous—and will forever change the relationship between industry and business schools that has persisted for decades.

ACTIVISM

Any good business professor—and corporate manager—will tell you that incentives always play a major role in behavior. Accreditation boards and rankings organizations must change accreditation and rankings standards before business stakes its claim on business education and begins to make C-suites happy. Courageous business schools may try to differentiate themselves by offering unique curricula, and struggling schools may create lifelines for themselves by upsetting their apple carts as last-ditch efforts to stay alive. But unless there are rewards for doing so, nothing much will change (which, by the way, is just fine with many business schools despite complaints about relevancy, cost, faculty, and purpose). Until then, C-suites will remain disappointed in what their business graduates bring to the table.

For their part, companies should push business schools to sell them what they need. Executives and managers can participate directly in advisory boards and related governance organizations, but rather than quietly sit there, as they usually do, they should loudly complain and then prescribe. Business schools will not change—even during a period of declining MBA enrollments—unless they're pushed and pushed hard. Executives also need to persuade the accreditation and rankings organizations that they're measuring the wrong things and that the ability to actually solve business problems with curriculum and research is far more important than publishing in theoretical academic journals that hardly anyone, except other academics, reads.

It's the same for technology education, where C-suites and their representatives

should insist that technology curriculum and research align with trajectories that impact business models, processes, and whole digital strategies. Offering a course or two in technology is not what's required here. Since business is nearing all-digital status, technology curriculum, faculty, and research should focus on true disruptive digital transformation. It should become the educational infrastructure for all the disciplines (marketing, finance, accounting, and so on) and processes that enable technology-based problem-solving.

Without activists, the gap between what C-suites need from business graduates and what business graduates know will continue to grow. Major changes in curriculum, faculty, and research are necessary to make business education useful to companies that need solutions to the array of problems they face every day. If companies want to close the gap, they need to make their case loudly. **□**

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