

# How to survive & thrive in the 21st century

Why are business schools so often wasteful and self-defeating competitors when they could be models of co-operation, co-ordination, and collaboration? There can be transformation says **Dr Ying Zhang**



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*The External economic and political forces and intense competition across regions have brought about a convergence: a world of business schools with fewer organisational idiosyncrasies and less-differentiated value propositions*

Over several decades, education has produced a huge amount of human capital around the world. In this regard, the performance of business education has been outstanding, with ever more business schools producing ever more graduates. However, business education's trajectory does not seem to lead to what was once seen as its fundamental function: enriching social value and serving both local and global communities.

External economic and political forces, asymmetric information flows between market and education institutions, and intense competition across regions have brought about a convergence: a world of business schools with fewer organisational idiosyncrasies and less-differentiated value propositions.

Pressured by globalisation, standardisation and the income inequality typical of capitalist economies, business schools are now better equipped to compete with each other in offering vocational preparation than to help bring about a more sustainable way of life. Uneven resource distribution across countries and regions also contributes to this phenomenon, as do drastic inequalities in education. Will business education be able to survive and thrive?

There is a downward spiral driven by the “signalling effect of wealth-related indicators.” This is what comes of designing and developing business education for the sake of shareholders' interests rather than those of the stakeholders and the community at large. A business school's ranking says more about its ability to prepare students to find a high-paying job for themselves than its ability to prepare students to create jobs for others.

Research, publications, faculty, teaching, and even programmes are more focused on learning from cases of success than from cases of failure. Business schools are therefore pushed into a rat race, each one chasing standardisation in order to survive while trying to generate a bit of differentiation in order to thrive – but they do



so more in the manner of a business than in the manner of an educational institution.

This leads to a very serious paradox of business education; namely, that what is needed is differentiation for different local communities but what is supplied is standardisation for the sake of comparison.

For example, most business schools have saddled themselves with a research model that emphasises narrowness of scope and rigor of methodology while producing little insight about the dilemmas facing actual managers running actual businesses. It then falls to the school's administration to come up with more diversified and innovative programmes and formats. This is the "Matthew Effect," by which those business schools with strong brands and high rankings attract funding with which to upgrade, while the rest are left to struggle and will find it hard to thrive—or even to survive.

Rarely do we see business schools willing and able to pursue an integrative hybrid model to carry out both a social and a commercial mission at the same time in the same place. This capacity has been eroding for decades. The efforts to integrate social and economic missions were always separate and independent rather than systematic. Business education gradually lost its ability and its will to offer holistic, social answers to the questions "who are we?" and "where are we from?"

In these circumstances, I propose that business education should adopt an ecosystem philosophy, attaching a great deal of relevance to a sustainable society and specifically to authentic behaviours,

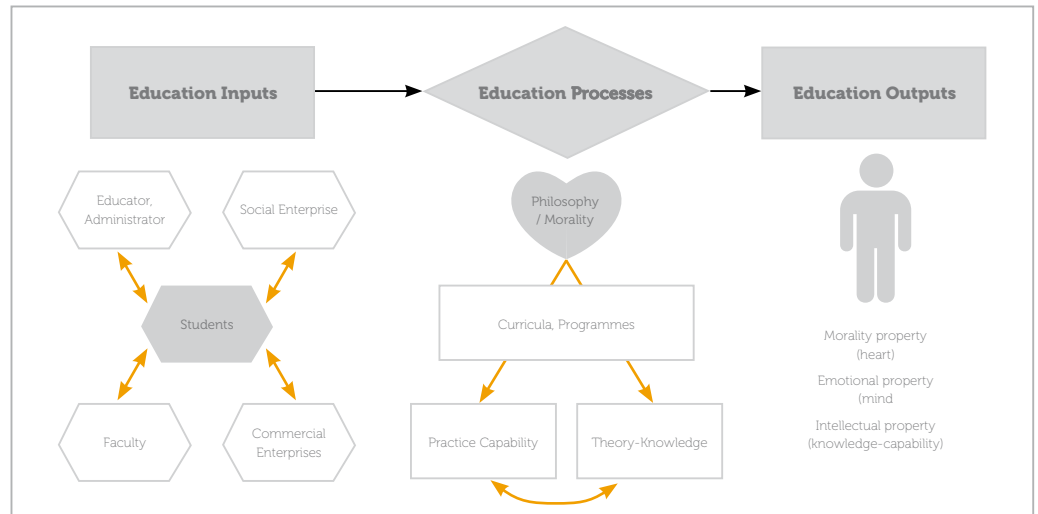
standards of business conduct and how the human race can survive and thrive. Business schools have much to learn from their institutional peers such as medical schools (though they, too, are in transition), about how to design a hybrid, ecosystem-based model for addressing social and economic needs at the same time.

Setting up entrepreneurship centres or innovation labs is a worthwhile step but the next step needs to be more embedded and integrative; for example, building up an embedded "business hospital" to diagnose local business problems, much as medical schools often provide their communities with clinics that benefit the medical students who gain experience by serving in them, the patients whom they serve and the faculty, who have the opportunity to develop new medical knowledge, bring it to the patient's bed, structure it, deliver it in the classroom and ultimately publish it in good medical journals. A business hospital, well integrated into the curriculum, would help MBA students and their professors review and extend their knowledge while contributing to the local economy.

A well-functioning business education ecosystem should nurture its internal stakeholders (faculty, students, alumni, administrators) and co-ordinate them with external factors (government, industry, community, the economy), always aiming for the maximum collective value while managing periodic disturbances.

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In other words, a sustainable feedback loop in this system means that business education should not only lead the economy by creating and distributing knowledge, techniques and standards of conduct but should also collaborate with external stakeholders to collectively create value for the community in the form of a sustainable economy.

If the proposed ideal business education is to carry out a collective vision of social value and to improve the well-being of stakeholders, it must take a network approach to its inputs, processes and outputs. This approach requires internal and external stakeholders to contribute collectively to the philosophy and morality of education and to design a curriculum that combines theory with actual practice and that includes the interactive experiences students need to develop their knowledge and their practical capabilities.

Put another way, a business education should provide students not only with scientific intellectual property – by transferring outer knowledge but with what we might call inner knowledge – by educating the heart and mind to build positive “moral property” and “emotional property.”

If this system is to truly qualify as a professional business education, it must work out a hybrid of knowledge and experience from both academia and practice and must be able to draw from and contribute to both. Its administrators must not only devise a strategy to provide a business

education for a global economy but, even more importantly, must serve and communicate with the social and commercial components of a school's own local community. This will, in turn, enrich the faculty with new theoretical knowledge and practical experience, making them better qualified to educate their students.

I believe that if business education were structured in this way, with all its stakeholders connected, served, fully engaged and treated fairly, whatever obstacles it faced would be resolved by the system itself automatically, just as they are in a healthy natural ecosystem. The wasteful and self-defeating aspects of the current competition would be transformed into co-operation, co-ordination, and collaboration. Business schools and the societies in which they operate would all be better for it.

*This article is based on a presentation by Dr Ying Zhang to an EFMD conference in Edinburgh, UK, in April 2016. It draws on her recent study of business school development, her experience as an associate dean and a faculty member of one of Europe's largest business schools, and experience in the Chinese and American education sectors.*

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