

The Good Times Continue to Roll

Business schools adapt to meet new needs

IN 2001, applications to business schools and the hirings of MBA graduates were in decline, and the starting salaries of MBA graduates were stagnant. Respected authorities were decried the increasing irrelevance of business school curricula and called for fundamental changes.

But by 2005, the situation started to improve as worldwide competition for top talent heated up again. Last year, according to the Graduate Management Admission Council, the hiring of MBA graduates increased by 18 percent globally. MBA applications were up, and the average starting salary for MBA graduates had climbed above the pre-2001 levels. Meanwhile, among the leading business schools, curricular reform continues. Three ongoing trends stand out:

Internationalization

As the call for global leadership skills intensifies, leading schools are adapting their curricula to have more of an international focus. Many schools have developed courses on how to motivate, communicate, and negotiate cross-culturally. Georgetown University's McDonough School (of Business and Walsh School of Foreign Service recently joined forces with ESADL Business School

in Barcelona, Spain, to create an international executive management program. Alliances such as the one between Northwestern University's Kellogg School of Management, the University of Pennsylvania's Wharton School, and the Indian School of Business, are proliferating.

At Columbia Business School, the Jerome A. Chazen Institute of International Business offers language programs and international study tours, sponsors visiting international scholars, and facilitates exchange study at nearly two dozen business schools around the world. The Global Access Program at UCIA's Anderson School of Management matches MBA students with technology companies in eight foreign countries to develop comprehensive business strategies. Business schools with a preponderance of international students and faculty are now in the spotlight. Interest in schools such as IESE Business School in Spain and INSEAD in France, most of whose students hail from outside the host country, has spiked. Ditto the UK's Durham Business School, which the *Financial Times* ranked fifth in Europe for international faculty and seventh in the world for international students

last year. In the United States, the Hough Graduate School of Business at the Warrington College of Business Administration at the University of Florida was ranked first in The Economic Intelligence Unit 2007 list of the most international alumni at public institutions.

Practical relevance

Several schools are now creating a closer connection between how business is taught and how careers are evolving. Northeastern University College of Business Administration has partnered with the 20 firms that employ most of its graduates to ensure that its courses give students the skills they'll need on the job. At Pepperdine's Graziadio School of Business and Management, students tackle marketing problems brought by companies including Raytheon, Disney, and Coca-Cola.

Other schools have hired business executives rather than academics to serve as dean. In December 2005, INSEAD hired Frank Brown, a businessman who had spent 26 years with PricewaterhouseCoopers, as its dean; London Business School did the same with former Bain Managing Partner Robin Buchanan.

A "softer" focus

In The Upwardly Global MBA, a recent survey of more than 100 executives from more than 20 countries, almost none of the respondents emphasized a need for greater functional or technical knowledge among future recruits. Instead, they said they wanted recruits who were more thoughtful, more aware, more sensitive, more flexible—in short, people with the soft skills to effectively act upon the knowledge they have.

Most business schools have responded by placing greater empha-

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sis on leadership skills. The Institute for Leadership Advancement at the University of Georgia's Terry College of Business, for example, offers undergraduate, MBA, and executive-education programs that help participants hone their personal leadership styles and improve their group skills. The Sovereign Institute for Strategic Leadership at Drexel University's LcBow College of Business makes use of real-world scenarios to help executives learn not only how to lead in times of accelerating change but also how to effect transformational change.

The University of Toronto's Rotman School of Management has established the Desautels Centre for Integrative Thinking, which seeks to develop managers who can hold in their heads two opposing ideas at once and then come up with a new idea that contains elements of each but is superior to both. As Rotman Dean Roger Martin argues in his new book, *The Opposable Mind*, it is this process of consideration and synthesis—not superior strategy or faultless execution—that is the hallmark of exceptional businesses and the people who run them. Other schools, such as Stanford's Graduate School of Business and Harvard Business School, are fostering a stronger cross-enterprise perspective and a more integrated approach to problem-solving by replacing first-year functional courses such as marketing, strategy, and accounting with courses that emphasize multidisciplinary themes such as customers, competitors, and business and society.

There has also been a rapid increase in corporate responsibility, environmental sustainability, and social entrepreneurship courses. Stanford's Graduate School of Business and Berkeley's Haas School

of Business remain at the forefront of schools offering courses devoted to sustainability and social and environmental entrepreneurship. Last year, the MIT Sloan School of Management introduced the S-Lab, a project-based course that enables teams of students to work with local and international businesses, NGOs, and nonprofits to devise environmentally sustainable business models.

To augment the development of environmental economics courses, researchers at Duke's Fuqua School of Business, Harvard Business School, and Dartmouth's Tuck School of Business Administration recently unveiled MapEcos.org, a Web site that uses advanced mapping tools to provide a balanced view of the environmental performance of more than 20,000 industrial facilities in the United States.

Other schools are widening their focus to include the managerial challenges implicit in public-sector leadership. Kellogg's Center for Nonprofit Management recently launched two executive programs geared specifically toward education leaders. The University of Virginia's Darden School of Business and Curry School of Education have been running a similar partnership since 2003.

Five years ago, some experts were wondering whether business schools were on the road to extinction. Today they seem more relevant than ever. ♦