

REINVENTING THE MBA: A MINORITY REPORT

“Creative Destruction Visits Management Education”

BY

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RE: “It’s time to reinvent the MBA,” by Ron Duerksen, 31 Jul 2015

This is an interesting article as it conflates two questions and then successfully proves the hypothesis but arrives at a dubious conclusion. By doing this, the article feels just a bit more than mildly self-serving.

The questions are: “Are MBA programs still viable?” and “Are their graduates still valued by employers?” Presumably the reader should simply accept to assumptions implied in these questions. 1. That the MBA program is what provides something uniquely valuable. 2. That the quality of the “MBA” is more important than the quality of the individual possessing it. These are the existential questions that a substantial part of the remainder of the article challenges. It is, however, consistent with the willful blindness that (typically MBA) management consultants and business book writers chastise their clients and readers about: are you truly relevant or are you framing your assessment with the implicit assumption that you are. This article starts from the latter position.

To quickly substantiate that starting point, the authors turn to data. Demand for MBAs continues to rise according to a survey conducted by the organization that makes

truckloads of revenue based on people writing expensive entrance examinations to gain admission to the coveted MBA program.

Even if one were to accept the value of this data at face value, it only says demand is rising. It says nothing at all about why. That's important. In this age of blind reliance on naked data, exposing those statistics could have the subtle impact of affirming both to candidates that the MBA remains the most viable route to high income jobs and to employers that MBAs are plentiful and, with "discipline-based knowledge," are "the best and cheapest way of reducing your losses" or training costs.

Then, of course, there is the referred to visionary conference to discuss the future of the MBA. Could anyone expect an answer other than the Holy Church must continue to come out of a conclave of priests, bishops, and cardinals at the Vatican? It's no wonder this closed congress's output did not introspectively wonder about the broader notions in the business world that general arts or Classics graduates possess broader perspective and notions, or that there is, at least according to articles in this and other reputable newspapers, increasing focus on lawyers and legal training for executive roles. In both of these cases, the non-MBA fulfills several of the thematic ruminations that the authors move on to in the body of the article, which we'll get to now.

First acknowledgement: management is not a science. I happen to agree, but we better hold tight to the safety devices because there is an extraordinary force coming out of the "big" data analytics community that is driving toward obviating management as anything but a science—that an algorithm can replace. That is, after all, the logical endpoint of the entire argument behind data analytics. It is all a science, not an art at all. As it turns out, acknowledging that management is a practice makes much more sense. Trades—even exceedingly well compensated trades—have (best) practices and methods that are inbued with science but ultimately only anecdotes.

Once acknowledging this condition, the authors don't continue to ride out the argument. The response is to provide MBA students with "an understanding of how they can reason in different modes," which is actually the essence of most liberal arts education. And, in the liberal arts, with many, many more generations of experience at it, they do it much better. Then the student needs "practical application of management knowledge" from the MBA program. Again, most applied college business programs focus on the practical application of management. This ought to beg a question for the five-star list of authors: if the MBA were to "descend" to the same place as a college graduate, wouldn't it make sense to get the college graduate at half the cost? More about why this is not the answer below.

The second theme is some ephemeral notion of an "integrated" form of education. It must be a reference to pedagogy that the average non-academic reader such as myself is left to marvel at as though it were meaningful. To help with that, the thought is wrapped up in the context of "infinite sea[s] of data" referring, raising the spectre of magic. For the life of me I can't understand how this would be reflected in an MBA program or what it actually even means. It certainly does not seem like a competitive advantage that MBA programs would have; perhaps it's only a counterpoint to the outdated, half-century old pedagogical method referred to early in the article.

Extending the concept of integration within the organization offering the MBA program, the authors then suggest that they have to break down boundaries. Doing this, MBA programs "have a *unique* [emphasis mine] opportunity to contribute to the intellectual and moral development of tomorrow's leaders." Seriously? Once again, this would seem to be the appropriation of education and training that is more than ably provided on other parts of the campus: philosophy, arts & science, the seminary. MBA programs have never truly muddied their mission with nonsense about intellectual and moral development. In point of fact, it's been my experience that both of these are

incidental in the realms to which MBAs move after school—unless they choose to pursue a PhD. The paragraph ends by prattling on about diversity, multiple viewpoints, stakeholders, collaboration, etc. Good thoughts. Maybe that's what a good broadbased liberal arts or science education would achieve.

The final theme regresses back to practical application and experience gained from internships and practica, and so forth. The goal is to make real the discipline-based knowledge, which would aid in ensuring MBA graduates understand the practice of their trade as much or more than the (scientific) methodologies. This is happening in all areas of education and is the foundation of the college programs. So, I have to ask again, what then distinguishes the MBA from the college diploma holder?

Finally, with no disrespect to Mr. Schulich at all, I can read his quotations considerably less charitably than it is obviously intended. While it is positioned as an exhortation to the student, read the following quotation bearing in mind that it is not the student but the business that bears the costs and losses of mistakes made gaining experience. "The real world is an expensive place to get a management education. Your MBA will be the best and the cheapest way of reducing your losses." All I have to do is replace the final "your" with "my" or "our company's" and I have a true statement.

Finally, though not a theme raised by the authors, the entire entreaty is directed toward the MBA as education for managers. Glaring in its omission is any of the absence dubious equating of MBA-provided skills as equal to leadership or entrepreneurship. Both of which, it is more than arguable, reside in the individual not the education. I can only raise the obvious examples to stifle rebuttal: Steve Jobs, Bill Gates, Larry Page, Richard Branson, and on and on.

There is no doubt that in the circumstances, the MBA program could stand to be renovated to be better than it is. That this group would take up that challenge is laudable.

That said, based on the reasoning, the real question would be does the MBA need to exist? As a good businessman or investor would question: are there better or even adequate solutions to the problem of management preparation in these new circumstances? If there are—and it would seem there's a good argument to be made that there are—is it time for creative destruction of the MBA?

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