



# **MAKING BUSINESS EDUCATION SUSTAINABLE FOR FUTURE SCHOLARS AND MANAGERS**

DR. VLAD VAIMAN, PROFESSOR  
SCHOOL OF BUSINESS || RU LECTURE MARATHON

# BUSINESS EDUCATION

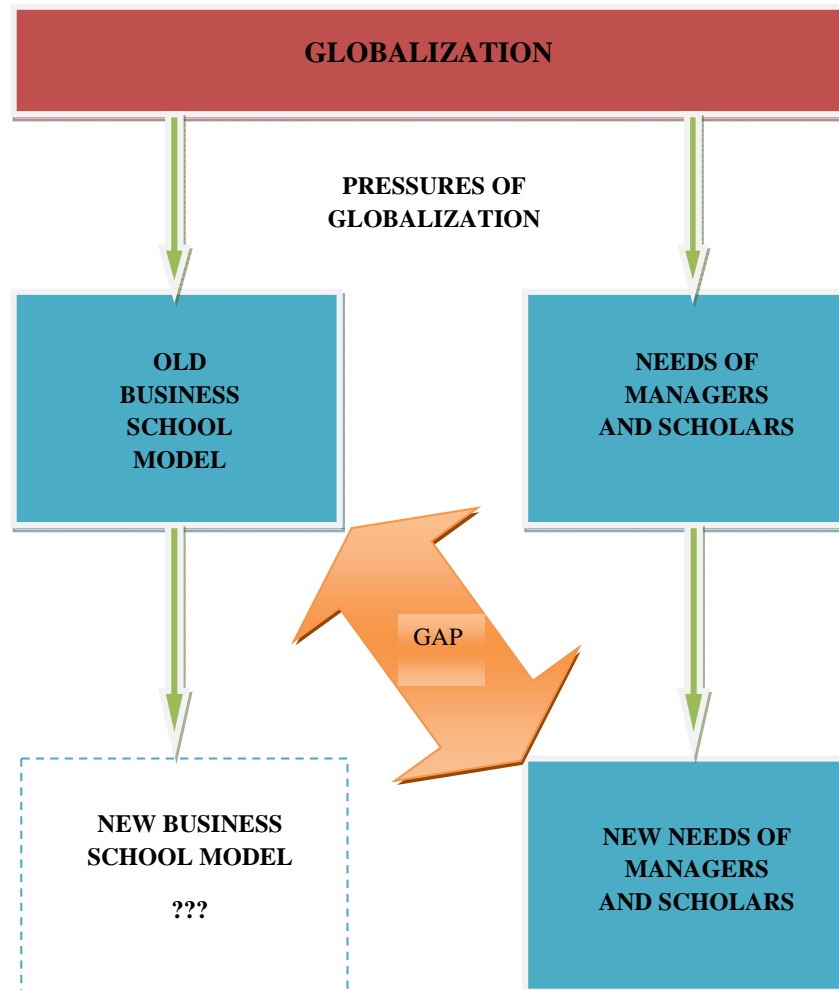
- **Is current business education sustainable?**
- Is it meeting the needs of current managers and scholars without compromising the ability of future generations to meet their own needs?
- Drivers that prompt considerations for new approaches to business education:
  - tremendous cost pressures
  - advances in information technology
  - increase in domestic competition
  - permanent shift to a knowledge-based economy
  - globalization.

# BUSINESS EDUCATION

- Globalization transformed the way business is done and, by default, (should transform) business education.
  - As managerial functions become more interdependent, as international competition explodes, and as new markets open, business managers have to anticipate and adjust to changes.
  - These changes force organizations to develop new types of managers who can deal with the increasingly competitive, multilingual, and interdisciplinary issues businesses face nowadays.
  - So too do those same developments affect business schools.



# Sustainable Business Education (SBE)



# 7 Tenets of SBE

- Systems thinking
- Values focused thinking
- Efficiency
- Best practice
- Prevention of human capital loss
- Continuous improvement
- Good governance

# Systems thinking

- Acknowledging the fact that even smallest projects, activities, policies, or procedures are a part of many interacting and interdependent social, economic, and legal systems that together form one complex system of business education.
- This implies that not only the business scholars have to take a step towards “real-life” applicability of their research, but also practicing managers should be made aware of the utmost importance of basic theoretical knowledge.

# Values focused thinking

- Developing alternative solutions to problems based on the real life phenomena, and more general, on the needs and values of business.
- Future PhDs are trained to do rigorous academic research, without much consideration to managerially relevant research.
- Modern business schools should go back to basics and look at the ultimate purpose of scientific inquiry – explanation and prediction, not advancing a particular theory or discipline.

# Efficiency

- Seeking to maximize the contribution to viability and well-being of business schools while minimizing associated costs.
- Only in the US, business schools spend more than \$320 million yearly on research: is this figure justifiable? In other words, what value has been or will be produced by spending all this money?
- The only meaningful way of determining both the efficiency and effectiveness of research, for example, is to measure its impact on the real world of business.

# Best practice

- Business schools, like learning organizations anywhere, need to develop best practices in teaching and research as well as in their service to community – both within and outside the university walls.
- One of the ways of keeping such a commitment to best practice is to ensure that business schools become centers for advancing ground-breaking teaching methods and rigorous research aimed at practical problems managers face nowadays.

# Prevention of human capital loss

- Through flexible and meaningful hiring and retention policies.
- Business schools, given the current demographic statistics, cannot afford to overlook these important issues.
- Business schools should reconsider their hiring and promotion policies in order to ensure that they do not lose their best people (along with their knowledge, skills, abilities, and experience) to competing institutions.

# Continuous improvement

- The changes discussed previously will require business schools and their individual faculty members to become more innovative and seek ways for continuous improvement in teaching, research, and service – all in order to remain well ahead of their less responsive and change-averse competitors.

# Good governance

- To establish and support a commitment to good governance, business school administrators have to pledge to a radical and systemic change in almost every aspect of business education.
  - A strong commitment to both rigorous and relevant research (based on real life phenomena)
  - A commitment to multi- and cross-disciplinary approaches in both teaching and research, which should also be “translatable” to practicing managers.
  - The removal of departmental barriers in order to allow for more interdisciplinary innovation in teaching, research, executive education, consulting, etc.

# Question? Comments?

- Questions? Comments? Suggestions?
- [vlad@ru.is](mailto:vlad@ru.is)