

FT 18 & 19 September 2006
 FINANCIAL TIMES The Dorchester Hotel, London



Click to Print

[EMAIL THIS](#) | [Close](#)

Relevance versus rigour

>By Marc Coleman and Kerwin Smith

>Published: January 30 2006 03:00 | Last updated: January 30 2006 03:00

>>

My decision to do an MBA flew in the face of dire warnings. A career consultant in my previous organisation told me that MBAs were passé.

A leading and respected Irish business figure told me that several business people he knew made a point of not hiring MBAs.

For me, at least, all of those people were wrong.

Traditionally a management learning tool, the MBA became for me a way to navigate a rapidly changing labour market.

I saw it as a corridor with many doors. Through one of them, I just might find my dream career. And that is what happened.

After working as an economist in the European Central Bank in Frankfurt, I decided I wanted to return home to Ireland and switch to the private sector.

The rigour of MBA business training proved to be a pathfinder to explore opportunities. As well as core courses, an excellent MBA elective in media studies - delivered by a leading media figure in Ireland - plus a few freelance articles allowed me to position myself for the job I hold today.

Academic research was largely irrelevant to me and most of my fellow MBAs. We needed theory only as it applied to real world situations. Our project work and networking opportunities were far more relevant than anybody's research fetish.

In fact, my memory of research during the whole year was a negative one. Some top lecturers would not teach on MBA programmes because of research commitments, a problem I believe is common to many institutions. Inertia and resistance to change have created dysfunctional incentive systems for lecturers in most third-level educational institutions. The customer - the student - usually takes second or third place as a result.

That is ironic when putting your customer at the heart of your strategy is a key message of the MBA.

The best lecturers on the course had no interest in research and no PhDs. I remember how one course was started with a PhD student lecturer who was academically brilliant and a good researcher but had poor communications skills. He was replaced by a non-PhD student with good communications skills and good professional contacts in the field he was teaching. For me, at least, the relevance of the course increased dramatically.

Perversely, the latter profile is despised in most universities, which seem to value only lecturers who can write papers no one wants to read. In spite of their best intentions, most MBA course administrators are bound by medieval incentive structures that still prevail in universities. However wrong they were, those people who warned me against the MBA had a point: the MBA is deficient in real world business relevance.

Many lecturers have to pursue useless research if they are to climb the extended hierarchies of the university to which they belong. The quality and relevance of lecturing is the biggest casualty of this.

In spite of recent negativity, in the past year MBA programmes have been given a second chance.

Salaries for graduates and recruitment for MBAs have risen, while applications to programmes have also increased.

But this may be a temporary reprieve and several changes need to be made if it is not to be wasted.

Let us start with customer focus, taking administration as an example. In universities administrative staff are often undervalued, even though their contribution is vital. If such staff are demotivated, MBAs may find themselves spending five hours a week finding and then photocopying material. People do MBAs to become leaders - not clerical assistants.

The overall human experience is an important dimension to this as well. In a highly pressurised environment, the location, standard and technological facilities of accommodation is crucial. So are the social activities organised around the curriculum.

The content of the MBA programme needs to be continually reviewed to cut out duplication. And customers need to be given more choice over electives. A poll revealed that half my classmates were using the programme to change their careers.

A common core knowledge must be built in the first semester, but in the second semester, more customer choice in the selection of subjects is needed so that students can combine theoretical learning, apply project work and start networking to pin down that dream job.

Most importantly the emphasis on research needs to be re-evaluated. In too many universities this emphasis is dysfunctional and demotivating to both lecturer and student. MBAs are goal-oriented people staking their careers, finances and personal lives on the quality of the MBA product. Universities should focus research only on areas where they can add real value to the learning experience. Lecturing skill and real world experience should be given equal weight to research ability. This may be a bitter pill for universities to swallow. But they have no choice: customers will vote with their feet if universities do not adjust to meet their needs.

My MBA experience was, overall, a very positive one. The market for professionals and executives is increasingly change-driven and dynamic. This means that the market for life-long learning can only grow.

The MBA programme has been thrown a lifeline. Universities will have to adapt to new fundamentals if they are to grasp it.

Marc Coleman graduated from the one-year MBA programme at the Smurfit school at University College Dublin in June 2005. He is now the economics editor of The Irish Times.

Theoretical study is a preparation for dealing with the unexpected

The abbreviated mission of the US Military Academy is to educate, train and inspire future military officers for a career of professional excellence, writes Kerwin Smith, who went to NYU Stern.

As a cadet in the late 1990s, I wondered how academic subjects such as thermodynamics and probabilistic models correlated with success in the US army or the private sector. Although I majored in systems engineering, all cadets complete courses in engineering and the physical sciences.

The answer to my question came years after graduation from West Point, when I entered New York University's Stern School of Business to pursue my MBA. As I reflected on my career at Lucent Technologies and on my entrepreneurial endeavours, I realised that knowing the theories for solving engineering and mathematical problems aided me in making difficult decisions logically and with great accuracy. My background in mathematics also enabled me to build quantitative models, which helped in decision making. Lastly, the rigorous curriculum prepared me for a lifetime of continuous learning and personal growth.

But the value of research-based teaching compared with learning from best business practice has come under fire. In their much debated article published by the Harvard Business Review, USC business school professors Warren G. Bennis and James O'Toole argued that "too focused on 'scientific' research, business schools are hiring professors with limited real-world experience and graduating students who are ill-equipped to wrangle with complex, unquantifiable issues - in other words, the stuff of management". I do not intend to set out a comprehensive rebuttal of their argument; in fact, the authors make quite a few valid points.

Yet they fail to recognise the merit of engaging with the thinkers who create knowledge, challenging the status quo and pushing the boundaries of business practice. These professors, through their constant questioning, analyses and probing curiosity, embody the forward-looking mindset business leaders need to succeed. I had the good fortune of taking classes from a number of such professors.

At Stern, strategy is a mandatory core course. In my second semester, I had the privilege of having Adam Brandenburger, JP Valles Professor of Business Economics and Strategy, as my instructor. We had practical lessons such as how to map the business landscape via a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and how to use judo strategy to compete. I will use these tools throughout my career but the most useful part of the course involved game theory.

Grounded in applied mathematics, game theory studies the interactions of players with the goal of maximising their returns in a virtual market setting. To those who do not support research-based education, game theory may sound purely academic. However, after a course with a foremost researcher, who has written a book on the subject, I see game theory as an essential tool for executives.

Corporate managers and entrepreneurs are not expected to prove their strategic decisions mathematically; but game theory does provide an essential tool that helps them see opportunities that competitors may not. By combining game theory and case studies, Prof Brandenburger imparted a valuable, and practical, lesson.

In my entrepreneurial ventures, my primary function has generally involved marketing. My classes at Stern gave me a solid foundation in the subject. From positioning and perceptual maps to segmentation and targeting, academic research was incorporated into each lesson. Peter Golder, Associate Professor of Marketing, taught both the core marketing course and my new product marketing elective. Prof Golder supplemented the textbooks and case studies with insights from his own research.

The other day my business partner and I were discussing potential marketing strategies for a product that we plan to roll out in 2007. We focused on the recent manoeuvres of our three largest competitors. That evening, I pulled out my copy of Prof Golder's *Will and Vision: How Latecomers Grow to Dominate Markets*, selected by Harvard Business Review as one of the 10 best business books of 2001.

The book delves into how companies such as Xerox, Gillette and Microsoft were able to gain market share from competitors who entered the market before them by using effective branding and product placement.

Re-reading highlighted sections of this book and my class notes, I gained confidence in our preliminary marketing plan as well as further insight into ways to improve our product strategy.

Bennis and O'Toole were not totally incorrect. The presence of seasoned business practitioners in the classroom is extremely valuable and I had many opportunities to learn from faculty who served as senior managers or partners at investment banks and from those who started their own successful firms. I also learned from guest speakers who frequently came to campus, or participated in our student-run conferences.

These included Jack Welch and Larry Bossidy of GE and Viacom CEO Tom Freston. As in the case of my own experience at Stern, the watchword in business education should be balance.

Today's business students enter school with several years of professional experience, and some familiarity with "best practice". Business schools must challenge these future leaders to learn not only new systems and ways of conducting business, but also teach them how to analyse problems and make tough decisions over the course of a lifetime.

They must prepare students for the complex situations that they will undoubtedly face throughout their long career - knowledge of "best practice" alone will not suffice.

Let's not undo the evolution of the business school curriculum over the past 50 years. Let's refine and adapt it.

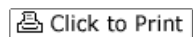
West Point has consistently produced military and private sector leaders for the past 200 years, and its approach has been simple: provide a curriculum that produces "leaders who anticipate and respond effectively to the uncertainties of a changing technological, social, political and economic world" (USMA website). A research-based business education should strive to deliver that same outcome.

Kerwin Smith is managing partner at JL Wesley: Real Estate Investment & Development (Portfolio - New York, New Jersey, International). He graduated from NYU Stern in 2005 with an MBA in marketing & management

>
>
>

Find this article at:

http://news.ft.com/cms/s/7212993a-9135-11da-a628-0000779e2340,dwp_uuid=38b76a2e-8f25-11da-b430-0000779e2340,s01=1.html



[EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.