

# THE DEAN AND THE BUSINESS SCHOOL: A QUEST FOR RELEVANCE IN TIMES OF DISRUPTION\*

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## **Summary**

The roles of the Dean within the business school are determined by the specific challenges that the business school faces in today's volatile world. The Dean's mission is to ensure that the school is relevant to those challenges and is able to adapt to disruptive drivers of change. In order to accomplish this mission, however, the Dean has to play different roles, from architect of the school business model to salesman, but the major role is to serve as an ambassador building a bridge between the school and society. Understanding the challenges that the business is facing, being ready to offer an adequate response to them and adapting the school's offerings and model are the Dean's major objectives.

Disruptions in the education industry evoke many scenarios for the future. It is impossible to count the number of possible models that a business school could adapt in order to stay competitive in turbulent times. However, the key functions of the school will remain unchanged: It has to develop leaders who are capable of facing the challenges of tomorrow, and it has to create the knowledge base that will strengthen the school's position and help business and society to progress.

## **Background and global context**

The world is changing rapidly, bringing disruption to the way business operates and is managed. Rapid technological progress, demographic changes, shifts in economic power and educational innovations pose a threat to the established

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educational system. Not only schools in emerging markets, but also many leading global educational leaders are not fully ready to respond to the challenges of the future. Addressing these challenges will require a concerted effort from all stakeholders.

After decades of exponential growth, the global market for business education has entered its maturity stage with sales reaching a plateau and competition intensifying. Many experts claim that the period of rapid economic growth is over, and that recession is the “new normal.” The price of education in leading universities has skyrocketed while, at the same time, global mobility and connectivity are bringing us closer to the point where educational content becomes a commodity.

The challenge is exacerbated by the changing nature of today’s world. Fast-paced technological progress and shifting global dynamics demand that organizations are run in a different way. As a result, business education will experience pressures on both ends - not only it will have to adapt its offering to evolving market needs but also it will have to redefine itself as an industry.

### **Challenges for business education**

The business education industry and traditional business schools emerged during the late 19<sup>th</sup> and early 20<sup>th</sup> century as a response to the challenge of preparing professional managers for an increasing number of commercial firms. Management was seen as a discipline and schools produced managers who were capable of operating businesses efficiently. With time the model evolved with the emergence of the MBA as a global brand, the development of management as a science, and the establishment of the widely accepted U.S. model of business education, copied by national champions all over the world.

In the 1990s and early 2000s, after a number of economic crises, growing criticism of business education led to the widespread emergence of new models of business education, with European and Asian models on the rise. Business school was seen as a place that develops leaders who are capable of facing the challenges of globalization, rather than just managers or business executives. Schools embraced

the executive education model, fostered the growth of regional specifics and re-thought the practice of management.

In the second decade of the 21<sup>st</sup> century, the business education model is again facing a new set of challenges. With the rise of the global digital economy and the far-reaching connectivity brought about by the Internet, the educational system is passing through a radical transformation. Content is becoming a commodity, and educational institutions have to re-think their established model. The educational system is gradually transforming into an educational network, and business schools will have to respond to this challenge as well. The question becomes: Where lies the biggest disruption for the business school and how is each school positioned to face it?

The business school today is a complex system that performs many social functions. Starting from generating and bringing knowledge to society, the business school expanded its portfolio into several other domains. Today it is the place where program participants shape their leadership skills, pass through memorable life experience, acquire an effective business network and change their careers. It is also the place where companies find the best talent and look for solutions for their most urgent business dilemmas.

Looking at disruptive drivers of change, we can see that the biggest disruption lies in the fields of knowledge transfer and career management. The former is impacted by the democratization of access to knowledge through MOOCs and other open source platforms. The latter is impacted by the slowing global economy, the commoditization of the MBA brand and the irrelevance of certain aspects of business education for current business needs. However, there are domains where business schools will keep their strong position. So far there is no alternative to the holistic experience that is provided by a business education in terms of leadership and personal development, as well as for the intellectual capital accumulated in management education institutions.

In order to stay competitive tomorrow, business schools have to appreciate the fact that there is no longer any monopoly on knowledge, and they have to compete

not only with each other within strict boundaries of a well-understood rankings system, but also with many educational offerings outside of the system. In order to win this battle, business schools will have to change their model and become more adaptive, responsive and client facing. Most importantly, they have to be relevant, and this relevance comes from a deep understanding of the global environment, local challenges and modern business needs.

### **The Dean's mission and roles**

In today's turbulent environment, the Dean is no longer primarily the academic leader of the school. His or her major mission today is to make the school relevant to the challenges of society and of business. In order to accomplish this mission, the Dean has to play various roles. First of all, the Dean is a Visionary, who imagines and champions the mindset, vision and need for change.

Second, the Dean is the Architect, who builds the rational architecture and structure of change for the institution. The structure has to be flexible and responsive, as there is a significant chance that it will be disrupted multiple times in the immediate future.

Third, the Dean is the Conductor, who orchestrates efficient operations.

Fourth, the Dean is the Mediator, who ensures alignment of various stakeholders (business, government, academia, sponsors, program participants and many others).

Fifth, the Dean is the Salesman, whose objective is to acquire clients and achieve a stable revenue stream. In order to do this, the Dean has to clearly understand requirements of the clients and have an intuitive sense of prevailing challenges and trends.

Finally, the sixth- and major role - is that of Ambassador, who represents the school in society.

The Dean today is the person who spends most of his or her time and efforts outside the school: Up to 70 percent of his or her time is spent on speaking with various stakeholders in order to understand their challenges and needs.

Without such understanding the Dean will not be able to make the school relevant, and if the school is not relevant, it will lose in a competition with its peers. Therefore the role of the Dean shifts from being a manager and an academic supervisor to being an entrepreneurial leader who considers the business school as a living and constantly developing organization.

### **Challenges for business education in Russia**

Leaders are shaped by challenge, and today Russia and the Russian economy face a number of challenges of extreme complexity and importance. Re-launch economic growth, normalize external relations, re-integrating into the global economy, diversify GDP and foreign trade, develop human capital, empower entrepreneurship, foster institutional development, bridge the technological gap – these are just few of the most important tasks on the agenda. It is important to note that this agenda is very different from the one in other parts of the world, including in other BRICS countries. Local challenges in emerging markets are more important for business and business education than global ones, and business schools have to shape their offering, curriculum and model keeping in mind these regional specifics.

The current landscape of business education in Russia is still very fragmented and not yet formed into an established ecosystem. On one hand, most Russian business schools are not integrated into a global business education system; the country does not have a single full-time MBA program, and international business schools do not have a viable presence. On the other hand, Russian business schools have a very strong regional focus, and are able to quickly adapt their programs to local needs.

The question of relevance is very important in the Russian educational system. Due to the fact that business education came to the country only in the 1990s after the collapse of the Soviet Union, national business schools still have to learn themselves before teaching others. At the same time, this gap opens a set of exciting opportunities, as national schools do not have a long entrenched legacy and can quickly transform their model. However, in order to succeed, Russian business schools have to find responses to a set of questions that they are facing today.

First of all, it is important to understand how Russian business schools can become respected centers of expertise on Russia-specific business and management issues. Developing unique intellectual capital would legitimate business schools in the industry and differentiate them from both international rivals and from emerging non-systemic educational solutions.

Second, schools have to find the most efficient ways of developing entrepreneurial leaders through implementation of world-class educational programs. Russia needs entrepreneurs, and developing an entrepreneurial mindset might become an adequate response to the country's challenges and the foundation stone of a national business education philosophy.

Third, business schools need to solve the problem of bridging different worlds - teaching local specifics to global companies while helping national companies globalize by bringing global knowledge and best practices to Russia. In order to succeed in this area, it is critically important to strengthen international partnerships, as we have to study together in order to work together. How can BRICS countries jointly develop an agenda for the business education of the future?

Finally, a business school in Russia has to respond to society's need to raise and discuss the most important issues of the country's development and serve as a networking and debating platform. In addition to that, the school has to find ways to promote business education and the entrepreneurial mindset within business society and effectively link interests of various stakeholders, including governmental institutions.

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## **Conclusion**

Today is a decisive moment for the business education industry - not only in Russia, but also all over the world. Each school and each program has to make many difficult choices. How much does it need and want to be online? What are the areas of expertise to focus on? What are the prevailing challenges of local society? What competencies should the leader of tomorrow possess? There are plenty of

questions, and there is no doubt that each school will answer them in its unique way.

What will differentiate the winning schools is the relevance of their research and educational agendas to prevailing challenges of the environment in which they will operate in the future. This relevance is brought by the dean whose major task is to build a strong connection between the school and business society in order to match business needs and the school's educational offering. The dean is the one who navigates the school through the volatile, uncertain, complex and ambiguous world of today in order to develop leaders who will positively change the future.

### **About Moscow School of Management SKOLKOVO**

Moscow School of Management SKOLKOVO is the largest private business school in Russia, established in 2006 and focused on developing Russian global leaders. In providing practical knowledge, SKOLKOVO trains business leaders who will apply their professional skills in dynamically developing markets, who will set up and run their own businesses and lead the development of the Russian economy. Over the past 8 years, the school has developed more than 10,000 participants. More than 130 world-class professors teach at SKOLKOVO programs, which include MBA, Executive MBA, Startup Academy, programs for large corporations and medium-size business owners.

### **About SKOLKOVO Institute for Emerging Market Studies (IEMS)**

IEMS is one of the key competency centers at Moscow School of Management SKOLKOVO. IEMS' mission is to promote full-scale and fair integration of Russia into the global economy by helping the international business community to better understand Russia as a market and as a global player and by developing Russia's business capability to attract investors and access international markets. IEMS' agenda includes research, communication and outreach in the fields of entrepreneurship, innovation, sustainable development and regional studies.

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