



Future Trends in Business Education



A presentation of the "voice of the customer" of the economic and technical buyers of services from Management Education Providers from more than 70 large organizations around the world.

A Market Trends Survey Project
Conducted and Reported by
Executive Core, LLC.

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Executive Summary

The Association to Advance Collegiate Schools of Business (AACSB), the Executive MBA Council (EMBAC), and the Executive Education Consortium (UNICON) jointly engaged Executive Core to conduct a market trends study to identify the current and emerging changes in talent management practices in current or potential customers and clients of business schools that may provide new opportunities and new challenges to current business school programs and service offerings. The focus of the data collection was on the perceptions, expectations, and desires of economic buyers (corporate stakeholders who can allocate or commit money to buy programs or services) or technical buyers (such as Chief Learning Officers) who advise corporate economic buyers whether or not to buy specific programs or services, and who may or may not make the final buying decision but strongly influence it. The study did not examine the market of individual, self-funded students or individual end-users of these programs and services.¹ The team collected information from more than 70 large, publicly traded companies and their talent management professionals who had confidential knowledge about talent management budgets and decisions. One private equity human capital partner provided insight into 200 mid-sized companies representing over 40,000 employees.

From a thematic review of the qualitative responses, ten major themes reflecting the predominant and relevant perceptions and expectations of the study participants were identified. Additionally, a number of possible future implications and actions by business schools were identified. While we display the major themes with probable implications for many business schools, there isn't a simple linear relationship between each theme and one recommendation. The recommendations at the conclusion of the study reflect the recognition of patterns among the themes and the most likely constructive alternative responses to them. The overarching theme and associated recommendation across the different specific needs and opportunities are: business schools have a growth opportunity to develop greater ongoing client intimacy with corporate talent management professionals and develop greater value as a designer and deliverer of client-specific, customized learning solutions.

The focus of the report is on identifying current and near future market trends, the challenges they create, and possible responses management education providers may pursue to take advantage of the emerging opportunities inherent in those changes. The information was gathered from the perspective of talent management professionals and senior executives that have insight into such activities and does not necessarily reflect the views of all executives, alumni already working in those companies, or other groups unidentified. However, talent management professionals do typically have significant influence over succession management activities, recruiting, and the budgets for purchasing executive education. As a result, the report focuses more on suggesting what might be done differently for most business

¹ Executive Core professionals have worked alongside large corporations and business schools in executive education and in Executive MBA programs since 2009 and our global team has partnered with business schools in a variety of ways for much longer—each of these report's contributors have served corporations, non-profit organizations, government, and business schools for more than two decades.



schools to take advantage of opportunities to respond to concerns outlined in this summary and to better manage perceptions among talent management professionals.

Key Themes	Possible Implications for Business Schools and Areas for More Research
Theme 1: Take Advantage of the Growing Markets Wanting More Customization.	
<p>The business learning market space for customized solutions is continuing to grow, the needs diversify, and the needs vary significantly by prospective client. In response to these needs, many business schools continue to lose competitively to professional services firms. Investment and change will likely be required for many. Our interviews with senior talent management professionals and other research suggest that business schools will need a radically different strategy to compete with professional service firms—small or large.</p>	<p>Many business schools must either adapt or be relegated to finding revenue from the shrinking markets of more traditional, standardized learning for 1-5 day training and degreed programs. Without broader participation in the development and delivery of talent management programs and processes, some business schools may be left out of succession management activities that involve their students.</p>
Theme 2: Adapt to Changing Market Needs and Expectations to Mitigate Risk of Future Consolidation in Education.	
<p>The challenge facing most business schools is to find ways to aggressively adapt to the changing market trends or become a possible victim of continued program consolidations.</p>	<p>A few elite schools have the opportunity to attract a shrinking pool of corporate spend funding students for more traditional services—both degree and non-degree. Without closer partnerships with corporations and their spend, universities are further pressured to pursue students who self-fund their own development. If this market were under economic pressure, it is possible to imagine that many business schools' executive education services could be consolidated. Business schools who invest and take an entrepreneurial risk to proactively and effectively pursue spend controlled by talent management teams may be in a better position to weather the</p>

economic pressures and growing competition.

Theme 3: Dial Up the Focus on Women and Other Minorities.

Business schools are perceived as investing less time than corporations in finding new ways to increase the representation of women and other minorities.

Data provided by the Executive MBA Council, Unicon, and other sources suggest that many business schools are still attracting fewer women than men into their executive education activities.² Of the corporations we interviewed, over 80% had dedicated programs to accelerate female talent into the top jobs. Most also had initiatives to attract senior talent that better represented their customer base (e.g., several are known to use affinity groups and succession planning to accelerate more Hispanic talent hoping find leaders who have the pulse on this growing affluent demographic). Their proactive environmental scanning and risk taking into innovative programs may be examples for others to follow. Furthermore, there is evidence that many of the U.S. schools have fallen behind universities in other parts of the world on this priority.

² The Changing Landscape. While Women Move Forward, Reaching Top Leadership Positions Remains a Challenge.





Theme 4: Building the Capability to Effectively Partner with Corporate Universities and Corporate Talent Management Centers of Excellence.

The sophistication, adaptability, and opportunities for alignment of corporate universities and centers of excellence with the emerging specific needs of their corporate sponsors are beginning to outstrip the capabilities of many business schools to meet individual corporate client needs. These internal corporate centers of excellence have continued to be allocated increasing power to develop their own executive education and to influence the selection of external resources that will partner with them on talent management strategy. These corporate centers of excellence are being led by professionals who have advanced degrees in Human Performance Technology, Industrial/Organizational Psychology, or other Talent Management-related domains of knowledge and expertise. Their expectations for what can be accomplished with internal resources before bringing in outside partners can be high.

Where the corporation has invested in centers of excellence in talent management or corporate universities, business schools will be hard pressed to compete with these resources. Instead, business schools have an opportunity to pursue deeper partnerships with these internal experts either as design or delivery thought partners based on an intimate knowledge of that client. This may require new major account management roles, capabilities, and practices at each business school for their key "accounts." The schools will also need to continue to offer unique value through the availability and deployment of SMEs (subject matter experts). We did hear many opinions that talent management professionals perceive SMEs from universities as having difficulty effectively tailoring their knowledge seamlessly into the client's frame of reference and that are at times perceived as overly committed and inflexible in advancing their own conceptual frameworks. This theme has been echoed in other research.³

³ Eiter, Marie; Pulcrano, Jim; Stine, Jenny, and Woll, Toby. Same solar system, different orbits. Opportunities and challenges in executive education and corporate university partnerships. Unicon, 2014.

Theme 5: Measure the Transfer and Impact of the New Learning.

Business schools are perceived to have less interest in evaluating and ensuring whether the intended learning from a program or course is being effectively applied back on the job (consistent with the intent, for example, of Kirkpatrick Level 3 Training Evaluation).⁴

Some of our interviews suggested that if business school programs were evaluated on actual transfer of learning back on the job and not primarily on tests, papers, one-off projects, and student satisfaction ratings; they would more closely align themselves with the corporate buyers' definition of value and success.

Theme 6: Enable and Incent Faculty to Design and Facilitate Experiential Learning.

There is a continuing growing demand for designed and facilitated experiential/applied learning opportunities with the intent of developing enterprise-wide perspective, insights, and multicultural sensitivity. The business schools are perceived to be limited in their abilities to serve these needs.

Of the talent management professionals interviewed, more than 90% agreed that traditional classroom learning is offering less utility. There is an increasing emphasis on the relevancy and the direct application of learning within actual important business challenges in the corporate sponsor organization in ways that support the desired culture. Business schools will either have to compete with professional service firms who already possess these capabilities, or learn to partner with them to provide SME-driven conceptual components of these types of learning programs if they cannot provide design and facilitation services.

Theme 7: Prioritize the Customization of Content—Personalize and Make Practical.

Many companies are seeking customized learning interventions to develop specific skill sets, insights, and competencies critical to driving the capabilities of their businesses where learning is seamlessly integrated with performing in the business.

Addressing these needs will require client intimacy, ongoing relationships as a thought leader, the ability to customize content, and the ability to deliver it in digestible amounts tailored to the business' mental models and common conceptual frameworks, not the faculty's. To effectively contribute, faculty must see talent management professionals as colleagues with expertise in enabling learning in managers and executives and want to co-build long-term solutions together. Business schools need to develop capabilities to enable the learning to occur almost any time and any place, sometimes just-in-time.

⁴ Kirkpatrick, D.L., & Kirkpatrick, J.D. (1994). *Evaluating Training Programs*, Berrett-Koehler Publishers

Theme 8: Align Business School Content to Current Initiatives and Learning Modules Already used by Corporations.

The potential for business schools to use their existing SMEs to contribute to the Talent Management processes of large, sophisticated companies will require the faculty's ability to adapt and seamlessly align their content with other internal and external service providers and effectively collaborate with those other designers and providers. Business school faculty have few incentives to adapt their preferred mental models and approaches to unique requirements, spend extra time onsite with corporations developing broad relationships, and understanding the market challenges.

If business schools decide to compete for this business, they will need to examine all of their systems and processes to see if they drive to required behaviors. Rewarding faculty for publishing research and granting tenure to allow academic independence and freedom appears to be in conflict with the needs to reframe insights and concepts to client's frameworks', effectively collaborate and align with others, and frequently customize learning offerings with a focus on effectively transferring learning back on the job. Some business schools may find it more efficient to outsource this function, give it to adjunct faculty, or install a parallel consulting organization into the school that knows how to do this.

Theme 9: Develop Better Customer Intimacy Across the Enterprise.

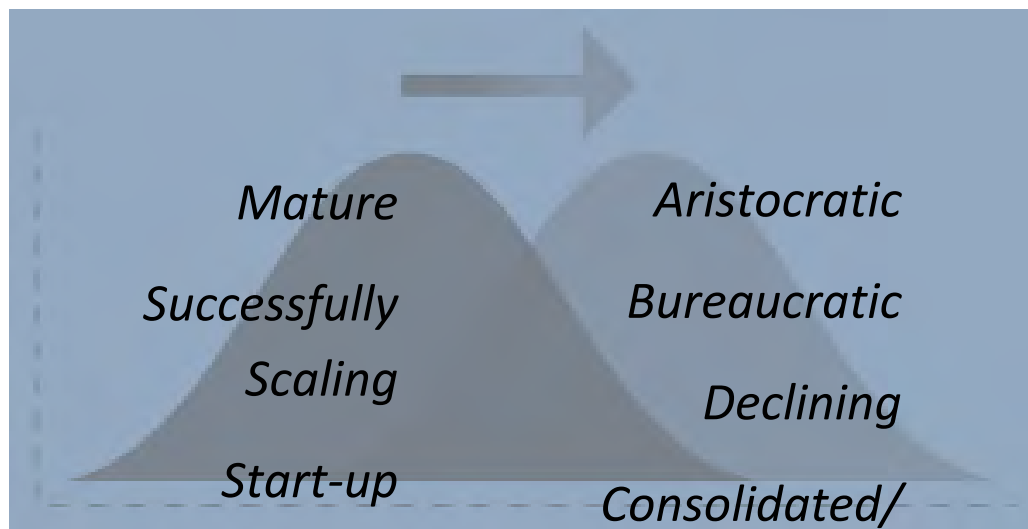
Many key Talent Management stakeholders also want advanced consulting and ongoing attention from the authors of the models they are integrating into their development activities. Some larger, global customers ideally would like the flexibility to customize their common development programs and deliver them through a mixture of learning delivery channels including online, face-to-face (real or virtual), and in-person in regional centralized locations.

To achieve the necessary customer intimacy that would enable the understanding of the emerging needs of the client and allow the orchestration of the right resources at the right time, client relationship managers or account management roles would need to be expanded at the business school or management education provider. Of the people we interviewed, they reported that professional services had larger client management teams and several mentioned that they received more contact and flexibility from these teams. Some talent management professionals believe that the executive education teams from universities and their global delivery presence are too lean to meet their more comprehensive talent management needs.

Theme 10: Decide Where to Invest and Where to Not Compete.

Our respondents believe that most business schools are not deeply connected to the corporations' efforts to develop talent internally or in partnerships with external firms. No one we interviewed reported an intention to spend more money working with business schools but most expected to spend equal amounts if not more on their own internal talent management efforts and partnering with professional services firms.

The overall tone of our interviews and review of the literature suggest that more needs to be done to understand where business schools are in the business lifecycle. Some evidence suggest that business schools are moving from a period of sustaining success to gradual decline in the life cycle of organizations.⁵ According to Greiner's theory, "Business as usual" is the least painful route; requiring little change or disruption of the organization and its power structures. At the very least, academia is sometimes perceived as bureaucratic and often non-adaptive by the respondents in this survey which is evidence of possible decline in the industry. Further research can be done to help business schools explore new ways to pursue the larger talent management market. If the theory applies in this case, business schools would then require leadership, investment, and courage to disrupt the organization and face defensive resistance from those who will be threatened by the changes.



Revolutions are required to reverse the decline. Academic institutions may be in many different stages but seen as mature, aristocratic, often bureaucratic, and in decline by talent management professionals.

⁵ Greiner, L. (1972). Evolution and revolution as organizations grow. Harvard Business Review, p37-46.

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Context for the Study

The Association to Advance Collegiate Schools of Business (AACSB), the Executive MBA Council (EMBAC), and the Executive Education Consortium (Unicon) have sponsored a series of studies with the intent to assist their memberships to anticipate near future changes in demand for executive education services. A previous literature search study was conducted by Jim Pulcrano⁶ in 2013. At the conclusion of his research from the literature of key academically peer-reviewed business publications and the McKinsey Quarterly since 2000, he concluded (restating the declaration by Holtom and Porter⁷: New competitors and products starkly demonstrate that standing still is unlikely to be a sustainable strategy. Schools must proactively demonstrate relevance, value, and reputation, which means rethinking how they conduct research, select and train faculty, design curriculum, engage students, and measure quality. A later study, sponsored by UNICON, explores the opportunities and challenges in executive education and corporate university partnerships.⁸ As a further extension of these studies, the current market trends study collects perceptions and expectations of potential buyers of executive education services from a much broader Talent Management professional corporate, government, and non-for-profit population. The focus of this study was to channel and hear the "voice of the customer."

In the current study, heads of talent management discussed how they are spending their money, which leaders they are striving to develop and why, and where they think business schools fit in the list of activities they fund. Corporations reported they use resources from business schools much less often than small or large professional development firms. However, some felt an affinity for business schools and had good stories to tell about the quality of their programs. Others reported that they would rather spend their entire budget on internal development initiatives and rarely tap business schools. And few actively involved business schools in their succession management activities—almost all articulating a frustration that EMBA students would often leave after completing their degree. The spirit of the feedback suggested that corporations no longer think their future success is dependent on business schools. Many articulated a sense of confidence that corporations and business schools could find new ways to collaborate in productive ways. It is also likely the responsibility will be on business schools to reach out and partner with talent management professionals. Especially in the Executive MBA, there are many opportunities to strengthen the relationship between their students, HR, and the students' supervising leaders while engaged in degreed programs as part of an active succession management process. While some universities do this, very senior talent management leaders do not know about these efforts (unless the university has a large

⁶ Pulcrano, Jim. Serving the Future Needs of Business in Management Development and Retention. Special literature research report for AACSB, EMBAC & Unicon, October 2013, 36..

⁷ Holtom, B. C. and L. W. Porter (2013). The Change Imperative. Disrupt or be Disrupted: A blueprint for change in management education. G. M. A. C. GMAC. San Francisco, Jossey-Bass: 1-20.

⁸ Eiter, Marie; Pulcrano, Jim; Stine, Jenny, and Woll, Toby. Same solar system, different orbits. Opportunities and challenges in executive education and corporate university partnerships. Unicon, 2014.



international consulting firm they run like Duke, Harvard, or INSEAD) nor do they feel as if most business schools excel at partnering with them. This report highlights why the talent management professionals in this sample think this and what business schools and their senior leadership might do differently to create even more viable partnerships to corporations in the future. The following is a list of key themes that we describe in greater detail in the report.

A fundamental hypothesis we attempted to test with the respondents:

There has been some speculation on both sides—corporate and academic—that the divide between the two is growing. Like most mature businesses, the biggest threat to business schools is an internal one - the danger of resting on past laurels and not proactively developing new services that meet the evolving needs in the market place.

Project Overview

Executive Core was engaged jointly by:

- AACSB (The Association to Advance Collegiate Schools of Business)
- EMBAC (Executive MBA Council)
- Unicon (Executive Education Consortium)

To solicit feedback and insights from current and potential future service purchasers in the business community with the intent to better understand their needs from, and their perceptions of, management education providers. The intention was to hear the "voice of the customer" in terms of current perceptions, buying behaviors, and service preferences which could inform the members of these associations on how to continue to adapt effectively to participate in a changing Talent Management landscape.

Executive Core reached out to senior leaders in talent management and executives in organizations around the world to take the pulse on what likely buyers of business school services needed that business schools might offer it in order to meet the anticipated executive needs of their corporate clients and prospects now and in the future. Over a six-month period, Executive Core professionals (using the interview guide shown in Appendix A) completed over 72 interviews to date. A subset of 33 of these 72 interviews was also collected online by adapting the interview guide into a six-point Likert scale. Each of these respondent organizations invests heavily in talent management activities. The results for the essential questions of the online interview appear in the Appendix.

In essence, the research targeted:

1. What services and delivery processes are currently working and creating value for your organization?
2. What do we (business school management education providers) need to start doing, stop doing, or do in a different way to create more value for your organization?
3. What needs do you anticipate for executive development in the next five to ten years where academic-based resources can play a unique and valuable role when compared with other potential service providers?
4. Much is being published about helping leaders acquire a new mindset or more expansive view when they are promoted. Share some innovative ways you see people helping leaders shift successfully into more senior roles.
5. Do you think there is a growing divide between business schools and corporations? Some have said that if business schools and corporations are not interdependent, business schools will become irrelevant. What can be done so that business schools remain relevant in the future?

Project Scope

The commissioning organizations were interested in learning from a series of in-depth interviews with individuals who are responsible for the creation and implementation of leadership development strategies at their organizations (e.g., Chief Learning Officer and other SVP & VP level heads of talent management). The commissioning organizations are interested in learning the following:

- (a) Characterization of how their organizations' talent development needs, and their organizational strategies for meeting these needs, are evolving.
- (b) The degree to which they seek out a portfolio of "partners" and strategies for leadership development, and the rationale driving decisions about which need each component is intended to meet.
- (c) The factors that are most important in such decisions, e.g.: the delivery model, level of customization, reputation, past experience, organizational longevity, comprehensiveness, credentials and/or other evidence of learning, etc.
- (d) In general, the extent to which they feel that these needs are being met or unmet by the range of leadership development providers, including business schools. Where possible for each respondent, we also assessed the level of familiarity with, and positive/negative perceptions of, various types of management education providers, relative to their needs.

The original project scope agreement was for 25 to possibly 30 organizations interviewed. Executive Core voluntarily chose to expand the number of interviews to more than 70.

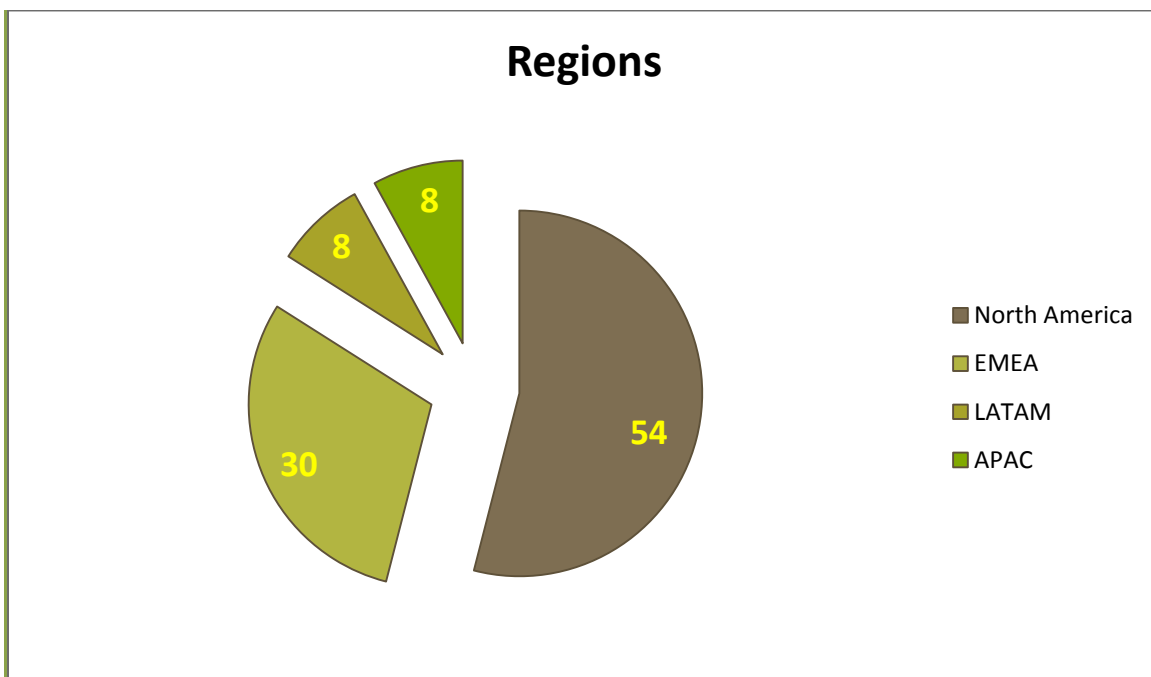
As research participant targets, we selected senior leaders who help set the talent strategy for their organizations and who were likely to be directly or indirectly involved in selecting and



purchasing external executive development services. We targeted Chief Learning Officers, SVPs of HR, and SVP executives who were deeply involved in their talent management activities. We selected companies by industry, region, size, and talent management maturity. Industries represented:

Aerospace & Aviation	Agriculture	Government
Non Profit Organizations	Transportation/Mass Transit	Consumer Goods
Packaged Goods	Pharmaceuticals	Technology
Telecommunications	Retail	Media and Advertising
Financial Services	Professional Services & Global Consulting	Manufacturing & Engineering
Oil and Gas	Utilities	Automotive
Hospitality	Media & Entertainment	Insurance
Food Manufacturing	Publishing	Private Equity & Related Portfolio Companies

Interviews Originated in these Regions N = 72



Organizations Interviewed included:

- Airbus Group, France
- Caterpillar, LATAM
- Lockheed Martin, Washington, D.C., USA
- Coast Guard, Washington, D.C., USA
- FAA, Washington, Washington, D.C., USA
- The Environmental Protection Agency, D.C., USA
- The Association for Global Logistics and Transportation, D.C., USA
- Department of Energy, D.C., USA



- The Partnership for Public Service, D.C. USA
- Levis, Belgium
- Bristol-Myers Squibb, New Jersey, USA*⁹
- B&B Consulting, LATAM
- American Express, New York, USA*
- Verizon, New Jersey, USA
- Mars, Global Interviews Conducted with Regional Leads in Europe, Middle East, APAC, and North America*
- Publicis, France and North America*
- Prudential Insurance
- Razorfish, Illinois, USA
- Rosetta Media Agency, New Jersey, USA*
- PricewaterhouseCoopers, Brussels
- McCormick & Company, Maryland, USA*
- Syngenta (Basel, Switzerland)*
- Schindler, Benelux
- MPW Industrial Services (Small enterprise; Midwest Manufacturing)
- GP Strategies, Pennsylvania, USA
- General Electric, USA*
- LGE, Utilities Colorado, USA
- Alcatel-Lucent, France* & New Jersey, USA
- Southwire Companies, Georgia, USA
- Wallenius Wilhelmsen Logistics, Oslo Norway*
- Marriot International, China
- Manulife Financial, LATAM
- Master Card, LATAM
- Emerson Process Management, LATAM
- HBO, LATAM
- Intel, China*
- Jet Blue, New York, USA
- International Federation of Red Cross and Red Crescent Societies, Geneva Switzerland*
- Avnet, Arizona USA*
- Boyden Executive Search, 70 offices globally*
- Columbia Leadership, New York, USA
- INSEAD Global Leadership Center, France (Six global leaders interviewed)
- U.S. Army
- AT Kearney*
- J.M. Smucker Company, Midwest, USA
- CTC Partners Executive Search
- AgReliant Genetics, Indianapolis, USA
- Oracle, San Francisco, USA*
- Groupon* Illinois, USA

⁹ * Reported talent management activities in multiple geographic locations.

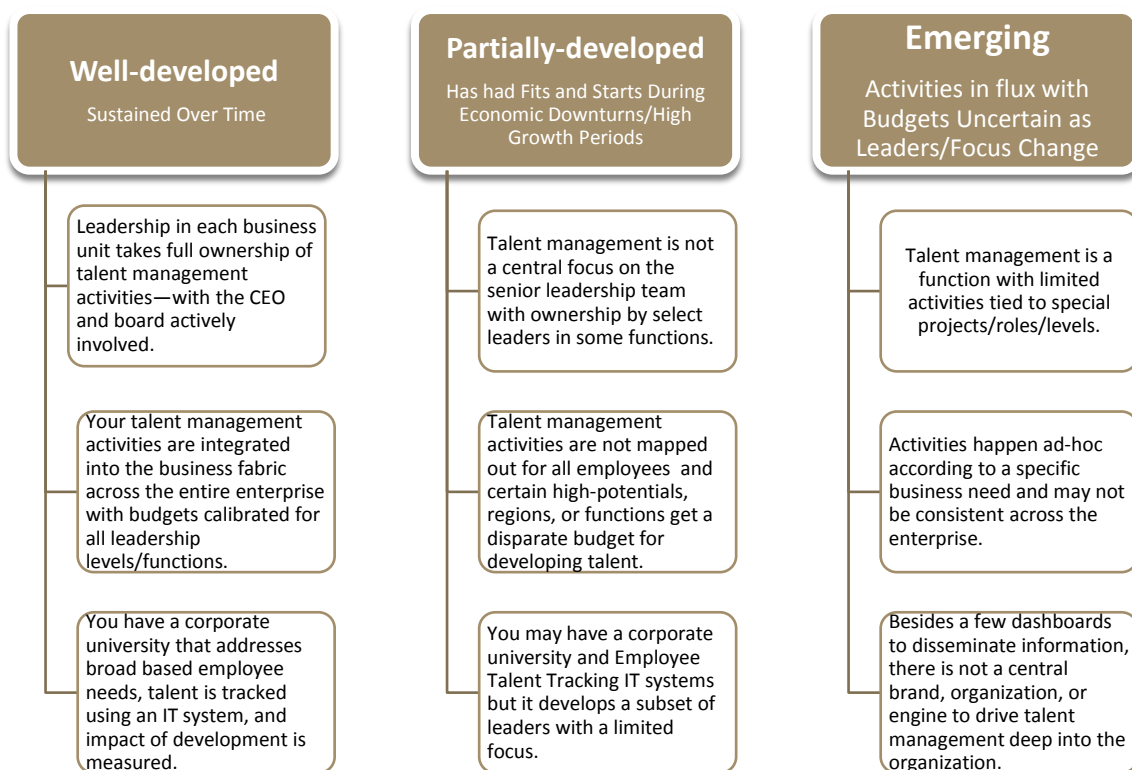
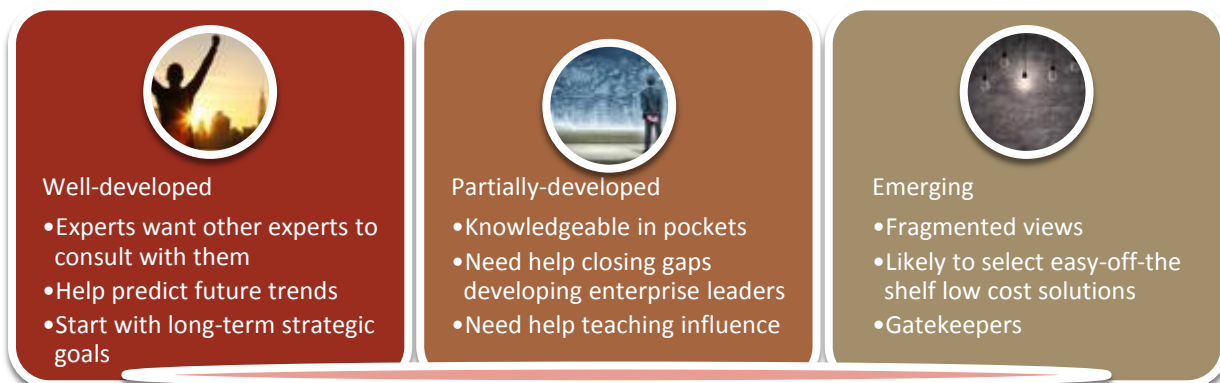


- Equiinti, pension services administration market, London, UK
- Robeco, Benelux
- Blue Cross Blue Shield of Michigan, USA
- Harvard Business School Publishing, Massachusetts, USA
- QuickPivot (formerly Extraprise), Massachusetts, USA
- Metrolinx, Toronto, Canada
- Acacia Learning, UK
- Alcoa, Cleveland, Ohio
- American Securities Private Equity (Representing 200 companies and 5,000 employees globally)*
- BAE Systems, Minneapolis, USA
- Sherwin Williams, Midwest, USA
- Federal Signal Corporation, Illinois, USA
- Ernst & Young, Global Analytics Division, Global*
- Microsoft, Global*
- Companies that asked to remain anonymous but include
 - A CTO of top 5 EMEA Pharmaceutical
 - SVP of top 5 global Pharmaceutical
 - VPHR Top 10 Bank
 - Chief People Officer of optical company (50K employees)
 - SVPHR multinational consumer goods company
 - VP L&D of global Engineering company

The quotations imbedded in this document are a select sample of comments and insights extracted from the 72 interviews, online survey responses, and hundreds of pages of comments. From our review of all of the responses, the Executive Core team extracted comments that best represented respondents' geographic locations, and their maturity in developing and implementing Talent Management processes. The research team selected each quotation to represent the major themes, comments, and insights of the respondents and the underlying emotions with which they were conveyed. Note that many of the respondents wished to remain anonymous, as they were not representing an officially approved point of view from their respective company or organization. In those cases, we have removed all identifying information from the comments or insights while retaining the message they wished to convey.

Current State of Talent Management Maturity

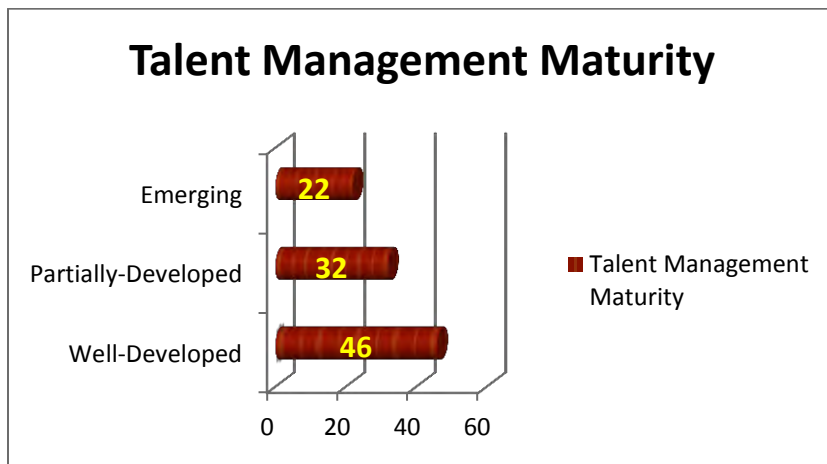
The majority of the organizations we interviewed reported that their talent management function had been severely impacted by the recession. Many of the organizations we interviewed had active strategies to build more robust talent management. We questioned each organization regarding their current level of talent management maturity using the following model.



Interviewers collected demographic information and reported activities that could be matched to a particular stage of talent management maturity. We expected executives who belong to organizations that have a well-developed talent management strategy to be better predictors of future trends. However, our research team hypothesized that all organizations are potential partners with business schools, so we collected everything we could. We suggest that business schools apply different strategies for partnering with companies depending on their talent management maturity level. The graphic above is our working hypothesis of likely interview themes given each organization's state of talent management. We also collected other demographic information: 1) Location and type of industry; 2) Total number of employees; 3) Number of leadership staff; 4) Current budget for developing leaders (has it fluctuated in the past 3 years and if so why?); 5) Title of person being interviewed; 6) Other relevant experience/expertise discussed in this report.

Summary Results of the Talent Management Maturity of the Organizations Represented by the Respondents

Of the qualitative organizations we interviewed, 46% reported that they had a well-developed talent management strategy. 32% said their talent management was partially developed. 22% said their talent management was emerging.



Large organizations are achieving higher levels of talent management maturity than we've seen in a decade. They don't think business schools are as prepared to help them develop their talent as effectively as online programs and other consulting companies. Again, significant investments need to be made to change the perceptions of talent management professionals to predispose them to select business schools over other readily available resources.

Online Survey Results of the Respondents' Current State of Talent Management Maturity

Of the subset of organizations that completed the quantitative survey online, we determined that most observed their organization as "partially developed."

These are the kinds of questions we asked in the online survey:

- ***You have a corporate university that addresses broad based employee needs, talent is tracked using an IT system, and impact of development is measured***
- ***Your leadership in each business unit takes full ownership of talent management activities***
- ***Your talent management efforts involve the CEO and the most senior staff actively and are discussed at most major meetings***
- ***Your talent management activities are integrated into the business fabric across the entire enterprise with budgets calibrated for all leadership levels/functions***



Theme 1: Take Advantage of the Growing Markets Wanting More Customization.

- The markets are ripe. Now is a great time to invest in close partnership with corporate talent management. Business schools are only receiving a small percentage of what corporations are spending on talent development in corporations and non-profits today. Our interviews with senior talent management professionals and other research suggest that business schools will need a radically different strategy to compete with professional service firms—small or large.

Money Spent on Talent Management Activities is on the Rise

Companies have been working hard to rebuild their talent management function following the global recession. Today they report that their spend investing in talent fluctuates and is connected to next generation technology to keep talent data on hand. Today, most companies report that the talent spend for last year was fully funded and many new activities are being fully funded in the coming year beyond existing budget. Some of the companies we interviewed thought their talent development spend would scale based on their rapid growth, or be curtailed as they awaited a potential acquisition. Most also gave us insights about the talent management strategies of close advisors they had in other companies, or insights into the talent management strategies of firms they had served in the past.

Maintaining a Portfolio of Non-Business School Providers to Address Specific, Different Learning Needs is Often Preferred (Respondent Example)

Another organization that spends about \$2.5 million a year on leadership development admitted that they had not partnered with business schools to design, construct or execute Talent Management activities. They did send a few executives to off-the-shelf programs from Stanford, Harvard Business School, and University of Chicago, etc. for strategy formulation. A major oil and gas company maintains a portfolio of providers where most of the development takes place. There are a lot of function-specific partners brought in depending on the immediate contemporary need. After observing partners over 11 years, at least 20 different external firms ran major initiatives. Few, if any of them were business schools.

Inability to Customize and Provide an Aligned but Locally Relevant Learning Experience (Respondent Examples)

If business schools are going to play a more viable role in business, several people suggested they needed a lot of function-specific investment for Marketing (value props/project requirements, marketing analysis tools), and then a lot of leadership type skills (human interaction skills). Every one of the organizations we spoke with had something in place to help senior individual contributors better manage direct reports. Most organizations wanted a 'red thread' globally or a consistent model and way of approaching development in every major business center. Most reported that they lost their global "red thread" if the business school doesn't have international representation. We also heard many stories of failed partnerships with business schools. Partnered with Bond University in Australia to develop a customized EMBA program but didn't materialize due to cost and the fact that Bond lost interest. Explored partnership with University of Maryland and Chinese B-School to develop an Asia-focused EMBA program. Marriott was not impressed by standard sales pitch. Were much more interested in how UM could customize the program to Marriott Asia's unique cultural and business context. Wanted specific tutorial information. The program was not tailored to Marriott's needs. Needed to have professors with Asia experience in program.

While we did try to target smaller companies¹⁰, our network is connected to very large global organizations. With the exception of the 200 small-medium enterprise portfolio companies represented by American Securities, the bulk of our interviews were defined as large enterprises with 500 or more employees. Most of the organizations interviewed had more than 2,000 employees. Their talent management teams tended to be comprised of about a dozen key employees who were SME's at headquarters and some organizations employed extensive global talent management teams (100-400 typical range in organizations with over 20,000 employees) and one organization reporting more than 750 talent management professionals irrespective of the HR function globally. We know that large enterprises spend millions on leadership development activities, rarely track their spend completely, and that the overall industry is estimated to be worth more than \$14 billion in the U.S. alone.¹¹ According to McKinsey:¹²

[W]hen upward of 500 executives were asked to rank their top three human-capital priorities, leadership development was included as both a current and a future priority.

¹⁰ Very small enterprises Fewer than 20 employees Small enterprises 20 to 99 employees Medium enterprises 100 to 499 employees Large enterprises 500 or more employees. Taken from Statistics of U.S. Businesses Administration 2012. <http://www.census.gov/content/dam/Census/library/publications/2015/econ/g12-susb.pdf>

¹¹ O'Leonard, K., and L. Loew. "Leadership development fact book 2012: benchmarks and trends in US leadership development." *Bersin by Deloitte (on-line)*, available at: www.bersin.com/Store/details.aspx (2012).

¹² Gurdjian, Pierre, Thomas Halbeisen, and Kevin Lane. "Why leadership-development programs fail." *McKinsey Quarterly* 1 (2014): 121-126.

Almost two-thirds of the respondents identified leadership development as their number-one concern. Only 7 percent of senior managers polled by a UK business school think that their companies develop global leaders effectively, and around 30 percent of US companies admit that they have failed to exploit their international business opportunities fully because they lack enough leaders with the right capabilities.

We know that organizations spend billions internationally on leadership development and they will likely continue to increase that spend in the coming decade. But annual student surveys conducted by the Executive MBA Council suggests corporate sponsorship of Executive MBA tuition for employees is on a decline, and the percentage of what corporations spend on non-degree corporate education from universities is a small slice of their overall spend.¹³ This study sponsored by Deloitte suggested, "US spending on corporate training grew by 15% last year (the highest growth rate in seven years) to over \$70 Billion in the US and over \$130 Billion worldwide." Almost no corporate leaders we interviewed target Executive MBA programs for talent recruitment. As we work with both business schools around the world and corporations, the authors' impressions are that Presidents, Chancellors, and Deans representing business schools seem to be unfocused strategically or at least inconsistent in their approach to capturing this vast corporate market. In one of the world's largest technology companies:

"The biggest investment is the new manager capability. We are reinvesting in this group and the executive board will sponsor and invest \$30 million in the next five years. We will move back to a central enterprise approach to developing leaders with managers/leaders going through key events (e.g., residential, other designed programs). Ever since we lost a central design, managers have been floating. The organization will also use methodology taken from experts outside of business schools like David Rock, who developed the neuro leadership approach."

Business schools have remained fairly stable over the last few decades and have continued to increase their prices. There is some evidence that the top tier schools may struggle with a sense of aristocracy and almost all struggle with too much bureaucracy. For some, this may require perception management with corporations as they are already innovating but not sharing broadly. Schools that are in decline will need to make space for more risk taking, innovation, and entrepreneurial ventures than the organization may be accustomed to. If not, their bureaucratic structure could threaten their ability to keep pace with the market needs.

¹³ *The Corporate Learning Factbook 2014: Benchmarks, Trends, and Analysis of the U.S. Training Market*, Karen O'Leonard, January 2014. Available at <http://www.berstein.com>

Theme 2: Adapt to Changing Market Needs and Expectations or be Consolidated.

- Those business schools who adapt their offerings to the needs of corporations may be better at producing leaders than those who don't.

European Perspective

There is some evidence that suggests European schools are adapting faster and growing positive impressions with corporations. In many European countries there is a minimum leadership development required by law. In France, for instance, companies with a size of 0/10 employees are expected to spend = 0.55% of their salary spend, companies 10/20= 1.05%, companies +20= 1.6%. Large multinationals take pride in investing well beyond the obligatory minimum and will dedicate 3-4% of their total salary mass to training and education. Other global companies estimate their leadership spend is about 3.5% of total payroll. As a result of this funding focus, in EMEA open enrolment has boomed over the past decade. Open enrolment programs are now shorter and use a greater amount of technology to deliver learning (i.e., 1 to 3 modular components with pre-in-between-and post online integration). Many MBA and EMBA's have become blended – combining face-to-face delivery with tech-enabled distance learning. Corporate universities on the rise include:

Significant number of CU's with France leading the pack:

Alcatel, Axa, Bombardier, EADS / Airbus, EDF, GDF-SUEZ, PSA Peugeot Citroën, Schneider, Thales, Total, Vivendi

Germany: Volkswagen, Lufthansa, DaimlerChrysler, Bertelsmann, and Siemens. UK: BAE, Barclays, BT, EGG, Lloyds, TBS, Unilever

EFMD has been driving a CU accreditation and quality label CLIP and has now accredited 18 CU's

Companies that traditionally have been the customers of business schools are setting up corporate universities, often with the help of some of the elite European business schools and cherry-picked professors. The new generation corporate universities are lower cost / more modular / more virtual – more Learning Management Systems (LMS) / “center of expertise” model and less Bricks and Mortar. The number of CU's is still significantly lower than the 2000 American CU's but the number is growing.

Much like their US counterparts CLO's in EMEA express the need:

"For B schools to become more innovative and customer focused and better utilize the opportunities they have to create cross-cultural and cross-industry platforms of exchange and learning with much more advanced integration of digital capabilities. Communication skills, influence skills, agility, and an intra- or entrepreneurial mindset are needed from the new Generation Z to the older more senior generation X. Most interviewee's stated that there is insufficient integration of these skill sets into MBA and most OpenEd curriculum."

"80/90% of the curriculum of the top 50 MBA's is almost identical. If a US East-Mid- or West coast MBA or EMBA is 90% equivalent in content to a Paris or London based MBA, the schools are obviously missing the mark. The North American market and the European market are almost identical in size, yet within the America's you will find cultural and market differences that are as diverse as we find within Belgium. A European five year post MBA manager will have to understand US corporate culture and market as well as an additional, regional, 28 countries, markets, legislations, languages, etc. Obviously this manager cannot be equipped for it all, and that's where the communication, agility and entrepreneurial mindset become essential."

Currently the gap between non-degreed programs and degree programs is too large and we would like to see more accredited modular certificate programs so that we can offer a degree or diploma option to our employees. Two to four weeks off the job for learning is manageable and we have many HIPO's who receive this. If we can sustain this for periods of 3 to 5 years, it would allow us to continuously develop a potential while on the job and give us the degree of developmental customization we are looking for."

"European schools who have great brand recognition and who develop customer intimacy are taking advantage of partnerships."

Theme 3: Significantly Dial Up the Focus on Women.

- Mirror the market aspirations for 50% representation by women among students, faculty, and deans.



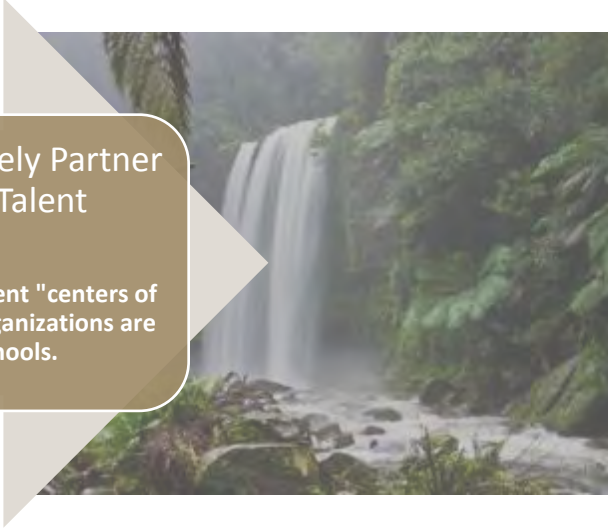
Attracting Women is Paramount

Nearly every corporation we spoke with has an active talent management initiative for developing talented women and to promote more diversity in the workplace. It seemed likely from our interviews and the significant investment in diversity on the corporate side will likely outpace the activities schools are taking to attract and develop women. We are unclear about other forms of diversity. Corporations seem to think that most business schools are also slower than corporations in finding new ways to attract an equal number of women into their programs, faculty, or academic leadership ranks. Many of the corporations with whom we talked have the goal of 50% female by 2020 as part of their talent strategy, and no corporation we interviewed in the U.S. mentioned that local business schools were helping them with meeting the goal directly aside from offering “women’s programs” as an open enrollment option. Canadian and European schools did seem to be at the forefront of helping ensure women were in the top jobs. For those who have taken on the topic rigorously, like Wharton and the University of Toronto’s Rotman Business School, the results are paying off in increased revenue and reputation. The literature seems to suggest that schools from Europe – and one from Hong Kong – dominate the women’s top-ten rankings, while the US, which has traditionally been top of the pile in such lists, only features a handful of schools. The [University of Bath School of Management](#) is second only to Monaco, with 50% of its class female in 2013, while the [Grenoble Graduate School of Business](#) also made the top ten. The worst performer on attracting women is the Indian Institute of Management, Ahmedabad, where just 18% of those who enrolled in 2013 were women.¹⁴

¹⁴ MBA Rankings: Best Business Schools For Women. Business Because.

Written by [Seb Murray](#) | MBA Rankings | Tuesday 2nd September 2014 17:55:00 GMT

MBA rankings show that few business schools are closing the gender gap – but which school has the most female MBAs enrolled? <http://www.businessbecause.com/news/mba-rankings/2764/mba-rankings-best-business-schools-for-women>



Theme 4: Building the Capability to Effectively Partner with Corporate Universities and Corporate Talent Management Centers of Excellence.

- The sophistication of corporate internal Talent Management "centers of excellence" and the evolving breadth of needs in large organizations are beginning to outstrip the capabilities of many business schools.

Talent Management Trends

The challenges for executive education providers to partner with corporate universities has been presented elsewhere for Unicon.¹⁵ This study addresses an even larger potential buyer population by addressing all key stakeholders related to Talent Management, beyond the boundaries typical ascribed to "executive education."

Leadership and talent management development professionals are growing even more skeptical about how business schools develop talent. Many of the people we spoke with think the field of human performance technology is evolving faster than the faculty at business schools. Dozens of people told us that lecture and even interactive training doesn't solve their talent challenges today. They said business schools are slow to find practical business solutions in real time for students that test their skills and knowledge, demonstrate that they have learned to do the work under real-life constraints, provide motivation and incentives to ensure the new skills are being used, or take into account situational or environmental issues that provide barriers to fully demonstrating that they can practice the knowledge. The business schools also don't partner with corporations very often to ensure that there are policies in place to reinforce a standard level of practice in business. They also rarely partner with corporations to ensure that students have the right tools in place to make the job practical. Several of the people we interviewed considered participation in non-degree programs or even the Executive MBA, "learning vacations" and felt very little behavior change could be observed as a result of the investment. There is little utilization of the Kirkpatrick Level 3 training evaluation (where key stakeholders surrounding a leader provide feedback about

¹⁵ Eiter, Marie; Pulcrano, Jim; Stine, Jenny, and Woll, Toby. Same solar system, different orbits. Opportunities and challenges in executive education and corporate university partnerships. UNICON, 2014.

performance improvement over time) measuring the degree to which participants apply what they learned back on the job.

For medium and small companies, the organization's focus is on making sure they have talent management basics down:

1. Talent reviews are conducted on a regular interval.
2. Basic succession planning is implemented with regular discussions and activities designed to prep successors.
3. There is an intact top management team, and the team and the CEO function well.
4. Senior leaders are open to outside help and learning new ideas new ways of doing business so that they can get to the next level.
5. The organization is able to recruit, develop, and promote the right people who will get business results and create an enjoyable work atmosphere for others.
6. There is a consistent approach to measuring leadership behaviors linked to the strategy and then monitoring developmental progress effectively. Simple areas to measure include the degree to which their leaders can:
 - Collaborate well across the enterprise
 - Build trust at all levels of the organization
 - Collect varied input and make timely decisions
 - Accomplish goals effectively through others without micromanaging

For larger organizations, the themes are similar.

“Examining the growth of leaders at American Express, we look for a leader’s ability to build followership. We continuously try to emphasize to leaders that how you show up every day as a leader is important. It goes beyond your individual IQ; it’s about how you’re able to set an inspiring agenda to make an impact, collaborate and influence others and continuously push each other to drive more innovative ideas and solutions.

–Mayra Garcia, VP of Global Talent Management American Express

Though many schools have put such experiential courses in their MBA programs, Darden's approach will be somewhat different. Instead of having different projects for all of the student teams, Darden will assign five or six teams the same challenge, effectively putting them in competition with each other. All told, the school expects to sign up 10 to 15 organizations for the global projects that will be undertaken next year. The new requirement, says Rodriguez, will increase the amount of experiential learning at Darden to about 20% from an average of 15% currently. Case study learning will fall to 70% from 75% of the Darden program as a result. “In the past, someone might have zero experiential because it was voluntary,” says Rodriguez. “Now no one will have that going forward.”

Corporations are also evolving in their use of case study learning. The use of case study analysis seems to be evolving faster in corporations. Several heads of talent management suggested it wasn't enough to simply analyze a case, especially in regions like Asia. Employees can easily analyze the case as pre-work but facilitating the cases can be done in a much more dynamic way where facilitators **do more storytelling, role playing, and team presentations** to the top management team as if they were living the case and acting as leaders who needed to solve the challenges directly. Most admitted that online learning has its limits. Employees still enjoy interaction; online is more for technical and compliance interventions, not so much for behavioral change. Corporate universities are using technology (especially through the use of smart phones) to **capture video of leaders in action** and provide learning moments and feedback. Several media companies and several financial services companies we interviewed required their employees to be more savvy using social media to promote their brands online. Dozens of people discussed the strategic importance of better mining digital data related to their markets and customers. When partnering with faculty and business schools, **digital backgrounds and experience are critical**. Faculty must understand the Internet. Nearly everyone we spoke with also said that faculty were often too regionally focused and needed a bigger global perspective and mindset.

Another element: Many of the people we interviewed wanted more and better onboarding 90+ days' resources for employees at all levels. Not only did they want business schools to provide better integration with their succession management activities, there is much that can be done to help them attract the right kind of talent. Most of the people we interviewed did not actively use executive education to onboard new leaders or recruit directly from EMBA programs.

Recruiting Talent From Business Schools

Most of the Schools Do Not Deliver their Portion of the 70/20/10 Model for Learning and Development (Center for Creative Leadership model)

Some organizations were also moving away from business schools to find recruits. Business schools are good feeders of management trainees. However the education is too narrow academically. Manulife is considering recruiting more from arts schools for people who can work more conceptually in areas of predictive analytics and innovation and creativity. They have moved to a cascaded approach to leadership development and because of their high cost structure, business schools are not well suited to meeting their leadership development needs. Many of the people we interviewed thought that business school costs are not scalable. They also thought B-schools sometimes showed a lack of flexibility. Nearly everyone we talked to cited: "We employ a 70, 20, 10 strategy for development. The straight answer is that most of the development has to land on employees hands; they have to deliver results and learn as they go."

"When candidates come from the top tier schools, they think all about themselves and those are not the candidates we need. We want global executives and they need to be better collaborators, with cultural flexibility. "

“Some universities are getting it and others not so much. They spend time teaching the talent but then we have to spend 2 – 3 years nurturing them.”

“In this way, business schools could be stronger and today are not as strong as we would like. Led from Purchase/HQ we are attending job fairs, but we are also deciding to work with others, others that have the vision to drive the company forward. The reality is that the consumer markets are completely changing and we need schools that have candidates that are truly ready for this new world.”

“We need more global professionals and more flexible people.”

“We need candidates that can function with many stakeholders, are mature, and interested in growing.”

“Most of all we need flexible candidates because of the transitions that companies go through, when we reorganize and in that reorg, professionals have to move from one domain of work to another.”

“I think they should get closer to companies. Students are making a large investment in their education and we as recruiters and talent management executives have to take a leap of faith. We typically recruit for leadership positions and general management positions, but we need more connection with schools.”

“Currently we do have summer internships with them and in those programs interns work with business cases and become internal consultants to Emerson. We’ve done this for example with Virginia tech.”

Why Organizations Lose Key Talent—Regrettable Losses and the Help They Need to Prevent This

Based on employee turnover in the last 3 years, what percentage of these losses would you attribute to a lack of management skills?

“75% at least -it's a major factor in retention. Part of the reason people leave is that feel they are not given the training that they need. Probably 50% is due to performers not getting development they want/feel they need.”

“40% could have been avoided if we had better management skills either in the performer, their manager or wider in the business. A lot of attrition is due to business process and bureaucracy getting in the way of work.”

"1/3 - 35%" "~30% due to lack of management skills from their direct manage" "As high as 50% (secondary issue; lack of skills) indirectly; taking into consideration the drivers."

"We find that there are good applicants that can't spend the 80K on the MBA but do have the skills to meet our needs. Lynda.com for example provides a great deal of resources to people we hire that helps them to advance their knowledge in the job."

"The reality is that rules are changing, and because there is no true loyalty between companies and employees, employees need to keep their skills up."

"We recruit locally from Full Sail in Orlando, a school that is dedicated specifically to our industry."

Business Professors: In a Separate Reality - Not Qualified to Deal with the Realities of Running A Business

"People are failing because they are failing to manage a business, especially how to manage people and get people to work together. They do a lot of projects and they create team proxy. Working together on a team project in an EMBA is nothing like work; you're not really evaluated; there is no performance rating; if you do a crappy job you might get a talking to by the professor and it might even impact your grade slightly . . . Why are the professors in MBA programs? They teach because they have to. They love focusing on their research and their supporting their livelihood, consulting, and writing books; and because they have to (and it's the least lucrative--oh, yes teach). There are so many intellectual nerds that couldn't manage or run anything. Many famous professors can't achieve anything, so they go to academia. It's about academic pursuing knowledge; it's not about helping students be more successful performers in organizations. It's really weird. In archeology, you are doing the practice. We don't do business in business school. You have to do more fieldwork. We have to do more fieldwork! We do exactly the opposite (not team project--just helps you get along with your neighbors). Individuals need to get stuff done."

Multiple Needs to Help Businesses Support Key Internal Advancements Are Often Unmet

“We have a big attrition problem; it is cliché; people are leaving because we are conservative when it comes to talent; at the senior levels we would rather take a risk on an external talent that has done the job before because we see their warts as well as their strengths; they've done it before and they can do it again. If I elevate someone it would take more work. We don't prepare people to make those big jumps. There was a belief that I wasn't put in the big job; she hasn't done it before. They brought in someone in theory who had run an organization and who could not navigate the complexity of the organization; disconnect between developing people and take risks on people and put them in these really big jobs and don't put support mechanisms. We just don't trust that people will be okay and be successful. Don't focus enough on the positive; we criticize too much. People who here are talented; they had no idea that they were talented as they were leaving. They felt appreciated.”

An MBA curriculum that is all about getting a grade and hitting the mark every single time sometimes teaches leaders the wrong message and goes against demonstrating an ability to embrace and learn from mistakes, persevere through challenges, and find a new way. We like to see our leaders not shy from tackling tough challenges, starting over or from scratch if necessary.”

Too Generic

“MBA/Exec Ed programs that are genericized across industries don't work as well for us. I would like to see focus on industrial/manufacturing environments and nuances in them. We would want a plant manager or a director of manufacturing to go through a program that provided industry/function specific needs (Maximizing profitability, JIT supply chain, etc.). Our choices are restricted by the industrial environment we operate in - generic programs don't address these needs.”

Theme 5: Measure the Transfer and Impact of the New Learning.

- Corporations want trusted advisors who show keen interest in evaluating or ensuring whether the intended learning from a program or course is being effectively applied back on the job (Kirkpatrick Level 3 Training Evaluation)

Little Perceived Transfer of Learning to the Sponsoring Business

In one Nordic firm, the global head of HR and communications said, “We have very selective criteria to elect to sponsor, but very substantial self-financing. We have not been largely successful in yielding the new learnings from the EMBA into the organization. People enter the EMBA with no or little background when started. By the time they finish, these people now believe they have the ability to be promoted. Yet we see no linkage to the organizational impact. We may sponsor 2 people per year to attend EMBA programs, but very limited. However, there are exceptions. One of our trade managers had no academic background, so we sent her to an EMBA program. This person had worked her way from customer service to operations; but with the paradigm shifts, her need for a more academic approach, the investment was well warranted.”

MBA Accelerates Development Early in the Career, Questionable EMBA Outcomes Later in the Career

“As a partner in private equity, I get asked a lot if a senior leader should do the EMBA. I have my MBA, but I think the EMBA is just expensive outplacement. I have not seen a person come out of an EMBA perform better or perform higher. And on a person’s CV, I don’t care about all the non-degree education references. The MBA is different. The MBA signals that a person wants to fast track in their career at a young age. I would have never gotten an interview with GE if I didn’t have an MBA after I got out of the peace corp. It signaled to GE that I was viable and there is a certain rigor in the top MBA programs. There is a certain amount of consistency in strategy, accounting, finance, statistics, operations - all the core functions and the language of finance. You have a technical capability you didn’t have

that before. But if you're sixteen years into your career and you haven't acquired that same knowledge on the job, I ask myself why."

"Probably: efficiency and globalization working on a worldwide basis...being able to deliver globally... protocols that would allow for some kind of results across different cultures and geographies. The ability to quantitatively measure shift/success."

Learning as an Event. Lack of Follow Up.

Some things can't be taught that way. When you buy a new car there is a commitment to regular or interval check-up's. There should also be the same tune-up mentality for EMBA graduates.

"You need to measure them on how well they achieve financial success, make ethical/law-abiding decisions, increase employee engagement, and create an enjoyable workplace for others. You also need to evaluate ways they are helping to improve their communities and the environment". – LATAM CLO

Measuring impact of learning is critical to be seen as a viable talent partner with corporations and NPO's. Talent management reported that anyone they partner with must demonstrate that their work can be measured through results and change. Beyond just hitting revenue metrics, preventing regrettable loss of key talent, and employee engagement; most of the organizations we interviewed were measuring success using proprietary 360° feedback reviews at regular intervals, qualitative interviews, and direct stakeholder and manager feedback to demonstrate a progression of skills. One person said, *"Participants will forget a substantial part of course and or training content, it's about what they do with it afterwards."* Professional service firms and business schools are being selected when an organization can make a clear match between talent gaps they have for desired leadership traits, what they can't do themselves, and what external expertise to drive pragmatically certain leadership behaviors. Corporations and universities also want closer links to leadership and innovation. They want partners who can connect them with entrepreneurs that might be interesting for the industry. Because many business schools have incubators and resources for innovation, this seems a logical area for even more outreach and connection. Many find the field of social learning intriguing but are looking for practical help with help to make it actionable in their organization. This is perhaps another opportunity for business schools to become connectors of innovation and people inside and outside of the corporation.

More companies want business schools to help their students make ethical decisions, engage employees well, and create an enjoyable place to work. An employee's ability to collaborate and influence to get this done is highlighted. And talent management efforts should do even Executive Core, LLC



more to foster understanding and collaboration outside of one's function. Deans might also test their curriculum to make sure faculty are current on the strategic priorities of each student's firm, know their senior leaders, and have an idea about market trends. Faculty may also find that corporations have more interest in partnering with them when they show practical ways employees can improve time management skills, use strategic agility back on the job, demonstrate operational excellence in ways that can be measured, apply technical learning to innovate profitable ideas for their customers, and demonstrate the mindset to understand functions other than their own and make smart decisions for their organization.

Furthermore, it is the opinion of the authors that many business schools in both degree and non-degree programs engage in many forms of rich development. Measuring the impact of this development may be the key to unlock the perception gap between talent management professionals and universities. More research and exploration could be done to demonstrate that the innovative types of learning universities are engaged in have a direct link back to the organization's bottom line.

Theme 6: Enable and Incent Faculty to Design and Facilitate Experiential Learning.

- There is a continuing growing demand for designed and facilitated experiential learning opportunities in the service of developing enterprise-wide perspective / insights and multicultural sensitivity. The business schools are perceived to be limited in their abilities to serve these needs.

Several firms we interviewed also cited the importance of having their employees go through common development experiences and have a consistent shared framework and language for how they discussed leadership.

Tapping different business schools in each of our respective regions doesn't work for us because we need the development approaches and models to be consistent globally so we reinforce a one-firm culture.

Of the organizations we interviewed, most also cited a preference for developing and promoted their own talent from within—many shared the philosophy that 80% of their leaders should come from internal ranks and 20% of their leaders from outside hires. Cedric Bacherrie, who is the Mars University regional director for the Middle East, Turkey and Africa at Mars Incorporated, says “Business schools should teach how trust has replaced money as the currency of business success.” Another packaged goods company is making bigger investments in sending their leaders on international assignments, again to help grow new

markets. Their head of talent management would rather spend money on an ex-patriot assignment that gives a leader an intimate look at getting results in a market radically different than their own. Many of the people we spoke with thought business schools should do more to move their students around and have them practicing getting results in new cultures on real assignments. Schools must also be careful to ensure that corporations see what they are doing as innovative. Professional services firms have been running interactive projects that have teams competing with each other for results while learning a new skill set for decades, yet in academia this approach is considered somewhat revolutionary. According to a recent article in "Poets and Quants"¹⁶

It was an almost unanimous perception that the pendulum had swung too far toward the academic focus and less from the practical focus that businesses needed. Most everyone we interviewed said they prefer to hire outside people to develop their talent who are involved in business on a daily basis. Even the physical separation between a company's business offices to campus was mentioned as a contributing factor that tenured faculty especially were becoming increasingly disconnected from the fast-pace of business today.

One leader we met said, "You would never hire a doctor who had not practiced medicine in a learning hospital. You would never respect an archeologist who did not conduct field research or digs. Why would you want business professionals developed solely in a classroom by faculty who are not participating in the operations of business on site almost daily?" You want key talent running real businesses and being supervised the entire time with constant experimentation, coaching, feedback, and each of the major business functions represented. You want them solving real business challenges in brand new regional markets, too. If they were born and educated in Europe, you want them learning how to motivate teams in the U.S. If they were born and educated in Asia, you want them succeeding on projects in LATAM. This cannot be a short simulation but something that lasts for the entire length of the program.

¹⁶ Darden's New Refresh To Its MBA Program by John A. Byrne on June 14, 2015 **DARDEN WILL MAKE EXPERIENTIAL LEARNING REQUIRED FOR THIS YEAR'S INCOMING MBAS**
<http://poetsandquants.com/2015/06/14/dardens-new-refresh-to-its-mba-program/>

Theme 7: Prioritize the Customization of Content— Personalize and Make Practical.

- Companies expect customized learning to develop specific skill sets, insights, and competencies critical to driving the capabilities of their business where learning is seamlessly integrated with performance.

Most of the companies we spoke with are looking for partners who can develop highly customized content tied to their **strategic priorities** and have teams working together on projects while learning. Many are being more careful to pre-vet selected leaders into the programs. In general, people think programs need a higher degree of integration and emphasis on pre- and post-work to ensure capabilities are truly integrated into the business. Companies will likely make even **greater investments in technology** to allow better networking and virtual connection between leaders in the development process.

The following table presents the range of learning topics that the study respondents identified as receiving specific budget allocations in their companies.

Accountability	Execution	Management
Decision Making	Metrics	Measured growth toward goals
Feedback	Coaching	Making tough decisions
Ways to align with the performance management process	Managing complexity - local and global	Sustainability
Safety	Innovation	Ownership
Service & Integrity	Developing your successors (2 tiers below)	Growth Mindset - Taking Initiative
Speed	Simplicity	Trust & Authenticity
Company First	Leading the Business	Performance Aligned to Strategy
Corrective action	Leading Change	Driving Collaboration
Management Basics	Enterprise leaders in the entire industry	Functionally astute - performs well
Global mindset	Effectively manages through complexity	Talent acumen/ displays high respect and concern for people
Self-awareness/ Authenticity - knows their strengths and how to use them for success, not afraid to be vulnerable and human	Delivery/Getting Results	Engaging and inspiring employees: identifying and developing the right talent and knowing HOW to do this vs. sole reliance on HR
Judgment and decision making	"Game Changing Leadership" and developing precisely what this means, how to define etc.	Interpersonal and communication/collaboration skills - focus on ability to influence others in a positive not coercive way,

Long range strategic planning coupled with <i>unflappability</i> for crisis management	Business Management skills obviously must be there too. Virtual leadership will continue to grow as technology advances	interpersonal savvy need to be much stronger Flexibility in thinking, say, "yes" without throwing up roadblocks - remaining objective
Flexibility: Manage change and transition, from people perspective; Lead, inspire and motivate people remotely	Inspirational leaders who know how to capture the hearts and minds of their organizations to achieve success	High Emotional Intelligence
Ambitious Courageous	Broad-Minded Cooperative	Caring Competent
Dependable	Determined	Fair-Minded
Forward-Looking	Honest	Imaginative
Independent	Inspiring	Intelligent
Loyal	Mature	Self-Controlled
Straightforward	Supportive*	Appreciation for Diversity

Two of our team members, Ed Cohen, former CLO for Booz Allen and former CLO for Mahindra Satyam, and Pris Nelson were conducting a parallel study during the same time as this study. They did a brief survey online asking leaders from 2800 companies in 122 countries to rank a short list of competencies they thought critical for leaders in the future.¹⁷ A primary theme that emerged is the need for collaboration. Most executives think collaboration and the ability to collaborate will become a primary role for leaders. Responses such as “*more collaboration and less dictatorship*,” “*a change from top-down to team-based and collaboration*,” and “*a need for much more flexibility and collaboration*” were prevalent in the results. They also indicated that leadership roles will shift away from functional leadership to more team-based collaboration. Leaders will need to lead through influence and inspiration. One person states that the future leader will have to be “*imaginative, foster innovation, use disruptive thinking, and be inspirational*. These skills will be necessary to keep up with the ‘do more with less’ mantra.”

In addition to people and team-oriented skills, future leaders need to be able to leverage the power of technology. Technology permeates almost every aspect of the workforce in almost every industry. Leaders will need to “*leverage technology*,” “*understand technology*,” or

¹⁷ Cohen, Ed & Nelson, Priscella. Leadership Traits: Insights for Today/Pathways for the future. White Paper. Cohen-Nelson Consulting. June, 2015.



“combine advanced technology with taking care of people.” The role of leadership will shift to accommodate the continuous changes technology brings. Truly successful leaders will need to balance the advancement of technology with the leadership needs of the organization. Other themes worth exploring are the need for more flexibility, accountability, ethics, and diversity. Leaders will have “greater responsibility,” and need to be “more flexible and collaborative” in order to be successful. Many from our interviews mentioned that a leader has to be technically savvy,

“An airline CEO should have an aviation background; S/he should have more knowledge of the inner workings of an industry and industry background and needs to understand the nature of the work and the people who do the work. Otherwise it’s too challenging to figure out how to motivate your people.”
Another person said, “I want to look at the head of a government agency that has street credibility and not just a political appointee; too often this happens in government.”

Nearly everyone we interviewed globally cited the need to attract, retain, and develop specific skills sets critical to their industry. One shipping corporation in Europe is looking for talent management partners who can help find and develop leaders with exceptional operational and planning tools to better allocate cargo to vessels. Nearly everyone we interviewed said that diversity is critical. One person said, “*That an Indian running India, is critical; our leaders have to develop both regional and organizational credibility. Our organization doesn’t know how to do that well.*” Today they are hiring both management consultants and search firms to attract that type of talent for the future.

One of the heads of global talent management of a company with more than 70,000 employees described talent management strategy in this way:

1. Cascade the strategy from the top 200. *Our top 200 leaders were evaluated annually on performance, competencies, leadership potential, “citizenship,” and attrition risk. All the results were reviewed (along with compensation) by the CEO and his directs. Then we made strategic staffing and development decisions as a result. All top 200 attended a session called Leader SHIFT that was specifically designed to be integrated with an overall company SHIFT plan for reorganization and operational excellence. All top 200 participate in Leadership Index - an upward evaluation from their direct reports on 12 leadership attributes, which are expectations of all leaders at this level. (Speed, Simplicity, Accountability, Trust, Authenticity, Company First, Leading the Business, Performance Aligned to Strategy, Corrective action, Leading Change, and Driving Collaboration). Individual Leadership Index (LI) results shared in Leader SHIFT sessions with leader. Recently LI was tied to performance to build accountability.*

2. Focus on High Potentials - their leadership evaluation was/is based on specific criteria - Emerging Talents to - "Ready Now." This assigns a person into one of three levels of High Potential Talent. Comprehensive structured development for each HiPO group- development includes 360° feedback, coaching, virtual and face-to-face workshops followed by action learning. Until 2013 (unclear if this still takes place) An annual Organization People Review (OPR) occurs between Head of each Business, SVP of HR and Talent Management (TM) Lead to review succession plans for key positions, top tier of HiPos + Top women. OPR is led by the business Leader, in partnership with HR. Since the emphasis on top 200, the formal OPR with the SVP of HR does not consistently occur. However the focus on HiPos and Successors of top 200 is still a key part of the TM strategy.

3. Focus on People Managers - (greater investments are being made here) LeaderSHIFT concept expanded to incorporate all People Managers, emphasis on basic people Manager skills. Currently completing initial round of People Management training for nearly 4000 people managers. Next step is design and delivery of Workshops for Managers of Managers. People Manager index (similar to the Leadership Index) is also being introduced.

We will always need business strategy skills, acumen, financials, etc. But what also is needed is a focus on global savviness - culture, politics etc. Business skills obviously are always needed, but learning institutions seems to be very out of touch with business realities. How many professors actually worked in a business before? How many actually have done what they are teaching leaders and future leaders to do? Very few. And there doesn't seem to be much of an interest on the part of learning institutions in changing this."

Missing - Help the Client Actually Anticipate and Proactively Manage Change

"Be sure that they provide their students with more than just the theory; they have to show people how to do it and how to achieve real goals. Stay relevant; play a role see around the corner and see what the future holds; be less reactive and more creative about what might be coming. How do you get ready about the now and get ready for what is next that would be next. Be relevant and build future business leaders; it's not about strategy it's about people. Take a holistic view of people. Not just walking heads and folks that will think about strategy and think about the impact on people as that strategy is rolled out. Ask people to think about capabilities to deliver on the business; the inability of our very senior business partners to articulate what leaders they will need to deliver in the future; biologics; what

does that mean? Process technology; ability to think strategically and think in traditional enterprise whole think whole person.”

“Business schools need to add more leading change; change management and agility aspect is hugely important. Disruptive innovation; getting them ready for change before anyone has even anticipated it; how you reset priorities based on changes. Headwinds change things. And find people who remain creative, even under extreme pressure. People also need to be able to lead the creative people. We have an opportunity to do things differently. Think about our business model in a totally different way. Learn the basics of people leadership; not organically through teamwork etc. Replicate what it’s like to lead real business teams and demonstrate excellent leadership; we don’t have time for them to make people mistakes when they come in. Influence the organization is important. If influence isn’t part of the curriculum it should be! Having difficult conversations; being comfortable debating a situation; constructive debate; suspending judgment and being comfortable in that space. The ability to tackle this topic forcing people to debate through it. Debate it without destroying relationships. Respectful debates; suspend any personal judgment. A lot of situations that you have to deal with very difficult people and you’ll have to deal with it; difficult peers are the hardest. How can you manage those relationships? People leadership. The softer side of things.”

“Managing/leading a team remotely.”

“Cultural, historical, political savviness across the globe. How the world is changing, what changes can we anticipate etc. more emphasis on interpersonal and communications skills needed to build strong, meaningful business relationships be relevant to us, make your programs relevant for what our business needs, customize what we need, we respect your knowledge academically but it needs to be married with first hand, practical business experience. Show us a ROI - otherwise you have no skin into the game, and the big learning institutions will end up being replaced but learning consultancy groups who DO give us the customization and who DO provide the right mix of academic and real life experience.”



Theme 8: Align Business School Content to Current Initiatives and Learning Modules Already used by Corporations.

- **The potential for business schools to use their existing SMEs to contribute to the Talent Management processes of large, sophisticated companies will require the faculty's ability to adapt and seamlessly align their content with other internal and external service providers and effectively collaborate with those other designers and providers. Business school faculty do not have a reputation for subordinating or adapting their preferred mental models and approaches to the unique requirements of each situation.**

There may be opportunities for business schools to develop deep consulting capabilities to assist corporations at each step of talent management based on a particular skill set:

- New ways to help them with talent acquisition by helping to match undergraduate, graduate, EMBA, and experienced alumni network candidates to their pressing recruitment needs
- Input on performance management and goal setting. Universities offer a unique perspective on benchmarking talent, sharing best practices, working collaboratively in the assessment of talent, and by more carefully understanding corporate themes around goals.
- Even more customized executive education, leadership development/organizational effectiveness
- Proactively sharing trends around work structures and employee engagement
- Knowing traits and corporate values that a company wants their leaders to demonstrate is useful for universities because it can reinforce the values in a myriad of ways, through instruction, projects, examples, assessment, observation, feedback, and research.
- Providing assessment options or help with analysis of assessment data by faculty. Administer 360° survey assessments tied to a corporations key competencies pre- and post-learning events to measure that progress has been made.
- Well-developed talent management organizations often create a pack of written documents describing the "Role of the Company Leader." This pack includes competencies, team management processes, a leader's desired characteristics, the company's expectations of a leader, and ethical issues, among others. Universities can help spread those messages, so the report consequently will be a very good aid in designing and providing consistency to the content of the "Role of the Company Leader" especially as they lead across generations and in different parts of the world. Developing custom non-degree and custom EMBA programs for corporations and sponsorship for EMBA programs will likely happen more frequently.

Business Professors: In a Separate Reality - Not Qualified to Deal with the Realities of Running A Business

People are failing because they are failing to manage a business - especially how to manage people and get people to work together. They do a lot of projects and they create team proxy. Working together on a team project in an EMBA is nothing like work; you're not really evaluated; there is no performance rating; if you do a crappy job you might get a talking to by the professor and it might even impact your grade slightly. People in my MBA were (sometimes jerks); although they were intellectually brilliant. If you really want to do something; why are the professors in MBA programs?They teach because they have to. They live (to perpetuate) research and (this in turns) supports their livelihood, consulting, and writing books; and because they have to (and it's the least lucrative - oh, yes teach). There are so many intellectual nerds that couldn't manage or run anything. One million dollar consultant I worked with was this way, and as a professor it didn't make sense. What was the practical application of it all? It is overly complicated and not practical. Many famous professors can't achieve anything; so they go to academia. It's about the academic pursuit of knowledge; it's not about helping students be more successful performers in organizations. It's really weird. In archeology; you are doing the practice. We don't do business in business school. In business schools, we have to do more fieldwork! We do exactly the opposite (not team project - just helps you get along with your neighbors). Individuals need to get stuff done.

Ways Larger Organizations Prefer to Develop Leaders

- Lecture on Business Acumen, e.g., accounting, finance, regulatory, strategy, HR, organizational development, marketing, economic trends, supply chain, legal
- Social Learning Environment/online collaboration/crowd sourcing
- Executive coaching
- Stretch assignments into new functions and geographies
- Onboarding 90 days +
- Cross-functional teams working on special projects
- 360° assessment internally developed
- 360° assessment externally developed
- Other self-assessments
- Simulations
- Business games
- Case study analysis
- Role play practice with feedback
- Action learning

- Global task force to share best practices across regions
- Programs for select high potentials
- Programs for people of diverse backgrounds/genders
- Affinity groups
- Executive storytelling
- Researched best-practices
- Mentoring
- Sponsored executive MBA degree programs
- Part-time MBA programs
- Online MBA programs
- Sponsored open enrollment programs in academic institutions
- Online learning
- Digital video recordings of leadership practice with review/feedback/replay
- Key note speakers
- Customized executive education programs designed by a professional services firms not affiliated with a primary academic institution
 - Customized executive education programs designed by a primary academic institution (often business school)
 - Research collaborations with academic institutions
 - Panel discussions with outside experts
 - Leaders teaching others what they have learned
 - Creative experiments like Improvisation
 - Memorable experiences like attending a sporting event, symphony, sailing, etc. that is then related to business
 - Meditation, journaling, other forms of reflection
 - Examinations/Tests of Content Mastery
- Others mentioned but not on our original list
 - **Multiple Management Boards** - high potentials and high performers at lower levels nominated to different board (Sales, Regional, Corp etc.) and develop projects to present to Senior Leaders, peer evaluations at end of board term, minimum of 5 terms served by each Hi Pot, people involvement is very culturally engrained process, developed by Charles McCormick with roots in his book, The Power of People (1952).
 - **Diversity and Inclusion** programs/approach - needs to be reignited.
 - **Emp Engagement survey** (90% participation) includes Leadership related questions - higher level leaders get feedback on their leadership
 - **Strategic Succession Planning** - with vertical and horizontal planned movement.
 - **LMS** for on line learning.
 - **Job rotations**

The highlighted items were most critical. For those organizations that have well-developed talent management maturity and more than 20,000 employees, as we expected, they used all of the strategies above to develop talent. Most of these organizations also grow their learning initiatives from a proprietary competency model they link to regular 360° survey evaluation. Business schools have an opportunity to tailor their offerings more closely to the proprietary competency models developed by corporations.

“Airbus has its own psychometrics and 360° feedback instruments - They are currently rationalizing all LD external provider & B school offerings – The (corporate) University will constantly research and develop state-of-the-art solutions, both for individuals and teams. These include modular programs, blended learning, coaching, self-taught solutions, conferences, team workshops, mentoring and think tanks. Partnerships with other companies and universities will ensure that leaders stay connected with latest business practices.”

–Jane Basson, SVP Leadership Development & Culture Change Airbus Group

Everyone we spoke with expressed a proclivity for internal development programs. The following quotation was very typical:

“We have classroom based programs for all levels of leaders; we have 2-day leadership courses that all are required; we have a 2-day orientation process for all, which we run every 2 weeks at our main campus; we hire senior leaders in a 2-week cycle; for senior leaders, we have 5 days training in different locations, following key stakeholders (pilot, etc.); exec coaching; hipo programs (mini MBA)=6 mo program for top 20 managers; we have online learning (skillsoft) and creating our own internal content; we have innovation programs onsite; custom workshops on vision/strategy.”

Customize and Provide An Aligned but Locally Relevant Learning Experience

“If they could study what the best of the best leadership consultants are doing combined with their deep knowledge, research, credentials....partner and deliver in a much more impactful manner.”

“Probably: efficiency and globalization working on a worldwide basis...being able to deliver globally... protocols that would allow for some kind of results across different cultures and geographies. The ability to quantitatively measure shift/success.”

“Much more customer / market focus, less risk mitigation, more interactive learning.”

Theme 9: Develop Better Customer Intimacy Across the Enterprise.

- Prospective service buyers are demanding client intimacy from their service providers. They also want advanced consulting and ongoing attention from the authors of the models they are integrating into their development activities. For most business schools, this will require a change in faculty focus and/or the development of additional learning consulting capabilities of dedicated key account managers or client relationship managers if the schools decide to compete in the emerging talent management space.

Talent management professionals seem to question whether deans and tenured faculty will develop a new mindset or have incentive/compensation structures that reward deep partnership with corporations akin to the partnership that exists between learning hospitals and medical schools. One thought suggested by the authors was that Deans consider new ways to become trusted advisors championing the success of these corporations. Changing the incentive/compensation structures might revolutionize the way faculty conduct their research and interact with business on a daily basis. New faculty can also be groomed who have more relevant business work experience that remains fresh as they spend a portion of their day actively involved in timely business challenges.

Typical Business School Faculty Are Not Rewarded for Client Intimacy - So it's Missing

"Yes, there is a growing divide; a lot of pressure on faculty to work on research and publish books; Companies want to read the new books, but they need to translate this into something actionable, which is why Caterpillar developed an internal university to try to apply the new knowledge; never translatable to practical application; orgs are built to deliver the numbers, not create . . . now, leaders need to be more critical and analytical thinkers! Faculty don't take the time to truly understand the journey of organizations; consulting firms are taking over the roles of the schools . . . schools should offer initial 'free' opportunities to become acquainted with specialties."

Without a close tie to the corporate strategic direction and buy-in for senior leaders, it is difficult to make a case for any spend related to talent development. Outside training, an especially open-enrollment training is often administered in a vacuum without engagement from the sponsoring line-manager. It's difficult to cement new knowledge and skills when back in the workplace without this support.

*One leader said, “Where EMBA’s are concerned it is essential to have a succession plan in place right from the get go. Without a succession plan / promotion / increased challenges and responsibility the EMBA often becomes disappointed within 9 to 18 months and eventually leaves. In our org survey, two key issues that came out were trust and career development (from manager level); that is why **trust building is critical and how they foster career development**. People are generally staying when they see there is a future.”*

Most of the organizations that we spoke with agreed that they like their business schools partners and other talent providers to have a **best in class reputation and track record**. However, several we spoke with were proud of their smaller local colleges and disappointed that they did not have more outreach from local business schools near them. Several of the executives we spoke with were adjunct faculty from time-to-time at local schools yet did not have a close relationship with the dean or other senior administrators. One head of talent management who was an occasional adjunct faculty was also responsible for a talent spend of millions. Yet he did not work extensively with business schools in his own organization. He wasn’t opposed to the idea but no one had approached him. Another leader who held prominent roles both at Levi’s and Mars could not remember a time when he was asked by business schools, “What can we do for you, how can we help you?”

MBA Not Viewed as the Holy Grail

“The business landscape is changing so much that at times an MBA is important but at other times it is not. The reality is that there are many good candidates that choose a non-traditional career path because innovation can occur anywhere. So I do not think that business schools and corporations are in close alignment. Today the leadership is younger and younger and no longer has to go get their MBA’s. Look at the CEO’s of major companies today like Facebook, they aren’t MBA’s.”

During the interviews, one frequent complaint among talent management professionals was that Business schools are losing ground developing strategic partnerships with corporations as they continue to focus on self-funded students and open-enrollment programs that are off-the-shelf and not tailored to the industry and needs of a specific corporation. Some talent management professionals worried schools did not have the resources to scale large initiatives across an enterprise globally. Business schools tend to focus on a smaller key group of leaders when they do work with an intact corporate team. Only a few of the top business schools having large non-degree programs and/or those using online learning in creative ways have infrastructures to help large corporations cascade learning to their thousands of leaders spread across diverse regions.

Theme 10: Decide Where to Invest and Where to Not Compete.

- Business schools, sooner or later, will be forced to make strategic decisions about where they will compete and frequently win and where they will not compete, even though they could, because they have little long-term chance of winning. Either they will define and pursue their unique sweet spot and niches for success, or the markets will make those decisions for them, and not kindly. For most, continuing "business as usual" will be a recipe for continued decline and ultimate limited relevance.

Deans of business schools and senior faculty may also want to consider:

- **Seeking out companies headquartered near you or involved with your business school. Organize meetings with the CEO and board to actively discuss their talent management needs now and in the future. Discovering together new ways the university can help their business succeed.**
- **Cascading these meetings down to the heads of each business unit to discuss their talent management needs now and in the future**
- **Deans and senior faculty can act as a connector between the corporation and resources available at the university to support their strategic goals.**
- **Deans and senior faculty can offer to help build corporate university activities, provide needed space for meetings, and develop online content to address broad based employee needs.**
- **Faculty can also be tasked to ensure that development impact is measured and integrated into streams of research.**
- **Deans can establish internal consulting functions to help corporations solve complex problems using faculty, staff, and students as auxiliary support.**
- **Deans and faculty understand the generations perhaps better than corporations. Help organizations understand that the generation gap is smaller than people think. There are commonalities that translate across the generations and cultures. Help organizations see that thanks to technology, business (and the world) is becoming more inclusive over time in a way that can transcend differences.**

Who are the Trusted Partners?

The people we interviewed said they wanted **collaborative and influential thought partners**. They want someone that knows who to work with, who understands the informal and formal structures of organization. They have to be constantly thinking about the greater good of the company, not thinking about their own self-gain. Many worked with the technical/scientific departments at universities to innovate. Many needed **expertise in certain methodology**, wanted **positive references, fair price**, and the **ability to build a strong relationship**. One European leader said they were often turned off by pompous vendors. *“If your entire team can't develop good working relationships with our leaders, it's probably not a good fit.”*

Most discussed how they tend to turn to technology/subject matter experts at universities depending on the issue. One person we interviewed said, “

We find specialists. When it comes to human development... we haven't used many external providers, other than grabbing content that we then customize ourselves and deliver ourselves. We lean very heavily on our own IP in developing people.”

Nearly everyone we spoke with in talent management had a preference for boutique firms and independent contractors when partnering to develop talent. One leader in government said that executive coaching has helped more than anything guide leaders through difficult changes. *“This is a target rich environment for executive coaching.”* Most wanted sophisticated and collaborative consultants. They may not want “faculty” but prefer facilitators who have backgrounds in their industry or sector. At U.S. Airways one leader said, *“It was critical for partners to understand human behavior, organizational behavior, and politics and have a clear sense of what the value can be added plus motivation.”* In some highly specialized industries and even in government agencies, the organization has too many vacancies and can't find the right people to fill them.

Caterpillar often prefers to partner with premier consulting firms like McKinsey, IBM, and Booz Allen. They have also partnered with the University of Illinois (on the technical side); Kellogg on the leadership and marketing side; UNC, Chapel Hill (still a contributor in our collaboration); Stanford also a partner. They selected each on specific criteria needed to execute the strategy of the company and what those premier schools and firms could do for Caterpillar. McKinsey and Booz Allen got involved in strategic development or operational/structures/system implementation. IBM was involved later as a consultant company to try to identify their critical growth opportunities and how to bring other partners into the field. The University of Illinois was selected because of the engineering funding that supports them, in terms of resources, engineering design, etc. With leadership and executive development, Stanford was their choice when a department head demonstrated deep collaboration with the team (options also included Kellogg and Wharton - depending on Marketing, Finance, or Strategy).

Yet Some Say Projected Image is Out of Sync with the Current Challenging Business Environment

“Branding perception issues post downturn -seen as being too premium/expensive/rarefied in a world of squeezed margins and downsized. Hard to send people to elitist environments to Wharton or HBS when simultaneously RIFFING employees. Help clients overcome these perceptions - come down from the ivory tower and don't look lavish.”

“Overall I do think that MBA schools provide value but the persons themselves also have to become qualified.”

“The school does not make the professional.”

“When candidates come from the top tier schools, they think all about themselves and those are not the leaders we need. We want global executives and they need to be better collaborators, with cultural flexibility.”

Can the Content Match the Specific Client's Need and Be Relevant?

One person said that when partnering with a business school the selection criteria included:

Targeted to need. The starting point would be the nature of the content, and that the nature of the curriculum being offered is a perfect match to the client need.

Relevance. Second point would be the openness of the business school to work with us and let us use their IP to be relevant.

Firms that got mentioned as thought partners in our interviews

Ram Charan - TM strategy aligned with business strategy, conducts classes related to talent/leadership	Executive Core— Executive Coaching and top management team work (not surprisingly since we conducted the interviews)	RHR International - executive selection and executive coaching. (E.g. all 7 members of SLT have an external coach)
Right Management & CCL - Leadership/management training	Success Factors HRIS platform - Performance management, Goal setting, Succession Planning, LMS	Towers Watson. I was just with UCLA in partnership with Towers Watson...I really valued the fact that UCLA brought a rich domain of teaching lessons and leadership, along with great references where best practices are occurring.
IMD - primarily on LD programs	INSEAD and Selection based primarily on historical relationships with learning	Accenture



	institutions.	
Thunderbird is our strategic partner for leadership development. But we cannot deploy Thunderbird resources globally; Thunderbird is one (developed certificates together);	Wilhelmsen Academy for competence mapping and needs assessment, program development	A global consultancy who is helping build an accelerated assessment center to fast track our talent
Sydney School in Australia	David Rock's company: his neuro leadership institute	Bain
McKinsey	Deloitte & Touche	Jhana
Harvard being one; workday rising partnership	University of Illinois	Kellogg
Institute of Humanitarian Affairs (NYC), part of Fordham University; sometimes we are invited to lecture; or a professor or former staff is now working at one of the universities; relationship is down at the technical level before it goes to the HR team; we build on establishing good relationships.	Also the Committee of the Red Cross has a management school (we are invited to use some of their resources, out of Geneva)	Manchester U (for the health side)
TaTa Institute out of India	OxfordBrooks University (for the shelter-out of UK-Center for development and emergency practice);	Korn Ferry
DDI	CCL	IESE
Wharton	Ashridge	Insead
Solvay Business Schools at managerial and director level.	Independent executive coaches	Lominger have helped us map out leadership behavioral traits to Lominger competencies;
Skillsoft for LMS; we have a bias for in person learning solidified/reinforced by online/remote sessions.	Herman Brain Dominance instrument used too.	Roche Martin emotional capital assessment tool.
Hogan also looking at some cognitive assessments.	Stanford for strategy formulation	Harvard Business School for strategy formulation
University of Chicago for strategy formulation	Korean University Business School	Cambria for executive coaching
Vlerick	IMD	London Business School at C-Level

Every company is different. Small to medium companies might try all options but in small amounts and in an ad-hoc fashion.

Areas for Exploration and Experimentation

Business schools need to develop more collaborative and influential thought partners to work with corporations.

- Forward thinking people know that organizations (private and public alike) need to move away from training as a solution. Training doesn't always lead to behavior change. Instead, focus on performance. People need to use and be measured on new skills and knowledge, learn to do the work, motivation and incentives, and environmental issues; are their policies in place; are the right tools there to make the job practical. Business schools need to be involved in the corporation's succession management activities. They also need to promote stronger relationships between the student and his/her supervisor. More students leave a current job due to poor relations with a boss than any other reason.

Help organizations build a climate using every tool at your disposal to facilitate behavior and mindset change.

- Business schools don't stay in close enough contact with many leaders across an enterprise in any real coordinated way. Consider zippering relationships with alumni who are employees, the senior leadership team, and talent management professionals in a coordinated way to help the enterprise succeed.
- For organizations that are highly mature and have employees around the globe, make sure your faculty is prepared to use all forms of learning strategies.
- Business schools need to become connectors of innovation and people inside and outside of the corporation.
- Position learning around leading change. Change management and agility is hugely important.
- Disruptive innovation is here; get them ready for change before anyone has even anticipated it. How do you reset priorities based on changes? Headwinds change things.
- Find people who remain creative, even under extreme pressure.
- People also need to be able to lead the creative people. We have an opportunity to do things differently. Think about our business model in a totally different way. Learn the basics of people leadership, not organically through teamwork etc.
- Replicate what it's like to lead real business teams and demonstrate excellent leadership; we don't have time for them to make people mistakes when they come in.

Measure the impact of learning

- Measuring the impact of learning is critical to be seen as a viable talent partner with corporations and non-profit organizations
- Beyond just hitting revenue metrics, preventing regrettable loss of key talent, and employee engagement. Most of the organizations we interviewed were measuring success using proprietary 360° feedback reviews at regular intervals, qualitative interviews, and direct stakeholder and manager feedback to demonstrate a progression of skills.
- Build off the investment mindset. Whenever we talk about leadership development it should be about the business needs. It's not always done that way. How much am I picking up the phone to see what the

businesses needs are?

Heroic leadership is moving toward leadership by the crowd

- How do we develop crowds of people who can work together in this way?
- Classrooms are just not set up to do this. How can business schools help corporations build coalitions of leaders who work together for the good of the organization?
- In the end, we must not stop at developing just a good leader but pods of great leaders who are effective at creating even more leaders.
- Influence across the organization is important.

Mindset shifts are more important than skill acquisition

- Global mindset and managing through complexity are even more important going forward, including strong strategic and analytical skills, with the ability to sort through complex information and notice trends in industry that will have a business impact and to influence the business to prepare for them
- Mindset changes are so important when your level changes in an organization. I don't think business schools have even begun to touch that. We consciously created a piece on mindset. What mindset do you have to have as a front line manager?
- There's a core mindset. Differentiating things as you go higher up in the ranks. You can't be in the weeds anymore. We're trying to be more explicit so we can have better conversations with people.

Listen to corporations deeply and adapt more quickly to their needs

- Nearly everyone we spoke with urged business schools to listen better for understanding and know their organization better.
- Business schools need to simulate the running of actual business like medical schools do to learn how to practice medicine.
- Either the wall comes down or business schools will be consolidated to provide niche-learning experiences with the elite schools leading the pack.
- Deans at business schools think they are doing a great job if they shake three CEO's hands in their region once a quarter. Instead, Deans need to be talking with six CEO's a day. Deans need to be deeply connected to the business and what's going on in their regions. They need to be a trusted advisor to the senior executives in their area.

“At Levis Straus, with the Professional Development Plans of our leaders, we try to forget about 'the functional stuff' it's all about the people, communication, influence skills, being global, digital.”

—Hubert van Huvel, SVP of HR

“Legacies and privileged relationships from the past are 'out of the door' all providers are up for review.”

—Anonymous, Fortune 100 firm

Nearly everyone we spoke with in the public and private sector are using employee affinity groups to help employees communicate, exchange ideas, and feel connected to the organization. They bring in executives in to share stories, best practices, and help employees find a place for mentoring, reciprocal mentoring (both people are expected to bring a valuable skill set to the table to teach the other), and micro-mentoring (short bursts of ad-hoc mentoring in conjunction with an event or affinity group mentoring). Many of these activities are enhanced using online meetings, webinars, internal dashboards, or social media. Some organizations are integrating affinity groups to help close the gap between a new employee and someone who has successfully been on the job 3 years +. Talent management professionals need firms that will stick with their talent over a period of time as they grow and evolve in their skills sets and mindset. Many mentioned that learning needed to be logically mapped and made available at just the right moment in the business or timing in one's career. Business schools have their own calendar and may not adapt as readily to the more fluid calendar of the markets.

“How might business schools be more relevant? They need to overcome the bifurcated/bicameral nature of their existence. They need to figure out how they overcome this schizophrenic need in the market they will encounter (academic third party validated IP, but please adjust everything to suit our environment).” –Fraser Marlow, Head of Leadership Practice - GP Strategies

“My personal opinion is that business schools will need to focus on the application of what they are espousing - a best in breed consultant can connect the dots better, can speak to what has worked for them and what hasn't in the real world, and move from the abstract to the concrete. If I am going to send my people somewhere to get some learning, I need to be confident that they will get more than the a mention of a top 10 school on their resume, and get insight into some emergent competency or its application over conceptual knowledge.”

There is a new style of leadership evolving where a coalition of like-minded people decide what direction the organization should go. There are two different types of development—horizontal and vertical. A great deal of time has been spent on “horizontal” development (competencies), but very little time on “vertical” development (developmental stages). The methods for horizontal and vertical development are very different. Horizontal development can be “transmitted” (from an expert), but vertical development must be earned (for oneself). Horizontal development is the development of new skills, abilities, and behaviors. It is technical learning. Horizontal development is most useful when a problem is clearly defined (and there are known techniques for solving it). Vertical development refers to the “stages” that people progress through in regard to how they “make sense” of their world with each new level of promotion.

We're seeing examples of this historically as groups of crowds come together almost instantaneously through social media to support a common cause or idea. In the future, we need to accept that **decisions will be made holistically**. How do we develop crowds of

people who can work together in this way? Classrooms are just not set up to do this. How can business schools help corporations build coalitions of leaders who work together for the good of the organization? This is a global virtual world and business schools need to ignite pods of people who are networked with unique skill sets. In the future, ideas will move around globe at light speed to solve complex problems. Organizations may lead in teams. Individual heroic leaders may still blaze the way for a while, but eventually this style of leadership will become obsolete. This is not a leadership skill we will develop; through various downsizing; etc., corporations need help giving people those holistic and digital team experiences to prepare them for what is coming. Corporations want help filling those gaps and experiences.

Looking for Self-Starters Who Can Learn, Engage, and Align With Others Horizontally Across the Enterprise

"We are not developing leaders who are mavericks in a hero culture. We need people who actually know how to work across the enterprise with their colleagues from other functions; and who can find greater synergies that have high impact to the end customer. They need stretch experiences the earlier the better. If they get it from business schools early, that's great. We need a go getter; someone who doesn't expect the company to hand their career on a perfect career map but someone who makes the effort and this is what I need to do and self-initiative. I can't expect everyone to hand us everything on silver platter. We have MBA'ers here are complaining that we're not doing enough for them."

They want help conducting enterprise-wide business problem solving. Many of the people we spoke with thought this could be done at the university level. Their talent hasn't been recognized or rewarded for collaborating and reaching across the functions to do creative problem solving. This will change in the future. Holistic vs. vertical leaders in working efficiently in groups/tribes/pods are people will be the leaders of the future.

Global mindset and managing through complexity will be even more important going forward, as well as strong strategic and analytical skills. People need to have the ability to sort through complex information and notice trends in the industry that will have a business impact and to influence the business to prepare for them. Talent savviness will be even more key as organizations get larger and responsibilities increase. Specifically:

1. Global Innovation - sense of responsibility locally vs. globally
2. Global sustainability - care for the planet, society etc.
3. Providing global solutions with local flexibility
4. Changing leadership styles to adapt to needs
5. Making the company more than the sum of its parts - creating a sense of the corporate mindset

6. Value creation & capture
7. Achieving global agility & leveraging

Developmental Rotations Are More Relevant, Cost Effective, and Keep Participant Advancement Expectations Real

“We like to hire HIPO's with top science degrees, have them on the job for a few years and then have them participate in Management Acceleration Program's. This way they will be equip you with the perspectives and skills to work effectively across functions and cultures and will broaden your business expertise and strengthen your competence in key functional disciplines, 18-24 months thereafter they can follow up with, for instance, a leadership skill program. Less time away from the job compared to the EMBA programs (6 weeks). An added advantage is that this requires less investment (30K VS 80+K) and the participants stay more grounded and do not have the expectations and acquisition value an EMBA will give them.” (Quotation from a pharmaceutical professional)

Most of the professionals we interviewed agreed that there is not a single profile for an ideal leader but rather different profiles for different contexts. For those organizations that had to operate in volatile business markets or unstable regions, they needed to scale up or down according to situational needs. When the global needs decreased in one part of the world they needed to move people around the globe to the next place that had clear needs. There is a need for a more global/mobile leadership work force that is flexible and adaptable in ways we've never seen before. There are also tensions between the generations. Too many of the world's youth are unemployed. Many talent professionals were worried about how we get these youth ready for the big jobs.

Every one of the organizations we spoke with had something in place to help senior individual contributors better manage direct reports. Most organizations wanted a 'red thread' globally or a consistent model and way of approaching development in every major business center. Most reported that they lost their global “red thread” if the business school doesn't have international representation. We also heard many stories of failed partnerships with business schools.

“We partnered with Bond University in Australia to develop a customized EMBA program but didn't materialize due to cost and the fact that Bond lost interest. Then we explored a partnership with University of Maryland and Chinese B-School to develop an Asia focused EMBA program. Marriott was not impressed by standard sales pitch. Were much more interested in how UM could customize the program to Marriott Asia's unique cultural and business context. We wanted specific tutorial information. The program was

not tailored to Marriott's needs. We needed to have professors with Asian experience in program."

Business schools and providers should evolve beyond content expertise to becoming experts in learning, understanding how we learn. Content will continue to become more accessible and universally available, thus the relevance of the B schools is to truly become best in class in **HOW WE LEARN**. More radical choices will be imposed. Professors want buy in to THEIR content, which is counterproductive to innovate learning and creates a singular focus. Even in the future many things will remain stable. Currently, we look at key competencies that matter the most; the highest level leader we expect to see: people who lead at an enterprise level; strategic agility; operate in a global environment; developing the next level of global executives; enterprise understanding; making sure people are committed to their own personal development; a compelling visionary who can articulate and inspire. In next 5-10 years...this is the point of light on the horizon...these will not change. The focus on people's development WILL change.

In the end, we must not stop at developing a good leader, but expand our efforts to pods of great leaders who are effective at creating even more leaders.

American Express asks their leaders to demonstrate a spirit of continuously learning embracing challenges, persevering through them, learning from mistakes; and demonstrating a learning agility to quickly change when something is not working and not being a perfectionist. More often than not, it's these key traits that will determine your success.

—Mayra Garcia, VP of Global Talent Management American Express

"At a critical jump you are no longer seen as successful for just your work and your ideas. At this crossroads, you must lead a team and grow and develop them. Leaders must foster people's ideas. It's more about how you influence, remove barriers, and get buy-in. If you can't make that jump or you are not comfortable with that jump; that's where people leave. Pay is a factor; other companies pay more but you make certain sacrifices. AXP tries to instill a great work-life balance. We've been tested on that front. There is a war for talent and if they don't see opportunities and they start exploring. The millennial generation is not about loyalty. The first chapter of your career is about building skill sets and capabilities. We may not expect people to stay for 20 years; you are here for a chapter; make the most of it while you are here."

—Mayra Garcia, Head of Global Talent Management American Express

Nearly everyone we spoke with urged business schools to **listen better for understanding** and **know their organization better**. One person said, "I don't want business schools coming and

telling me their solution before listening to my issue. It's like going to the doctor and they prescribe A, B, C, and D. It wasn't the root cause. They didn't take the time to figure out what was really wrong before making a recommendation." Business schools have a tremendous opportunity to benchmark. We all need to get better. We want business schools to be relevant. We want them to be more proactive in sharing new ideas that help everyone get better. But we want to know they understand us and listen before sharing. Much was said about business schools raising the bar on ethics in business and actively working to get more diversity into the most senior positions.

"It's the integrated learning aspect.... the business can learn from the school as much as the school can learn from the business; genuine ability to learn and bring back into their academic references and learnings across other programs; for someone who is devoted to learning and teaching, academics have very little interest to learn from the businesses; they are too anxious to return to their books/articles. Can immediately qualify/or disqualify without really truly understanding, with a willingness to be open and grow themselves."

Overarching Recommendations

Obviously, business schools and related academically-based management education providers vary in their core offerings of programs, classes, and services as well as in their willingness and ability to innovate and offer development services in novel ways and through non-traditional channels.

Prospective and current large corporate and government organizations also vary in their level of maturity and internal sophistication in talent management capabilities, processes, programs, and internal professional expertise. The two overarching themes are client intimacy and customization. The first challenge of increasing client intimacy is to possess dedicated staff that can represent the executive education provider and proactively reach out to prospective large buyers of the current products and services. Pursuing larger prospective buyers is much more efficient than actively pursuing small budget buyers.

Thoughtful client intimacy is needed - with multiple "key account representatives" or "lead consultants" who work hard to understand the needs of the enterprise. While teams like this typically start with small assignments, with credible experience demonstrating that they can be a value-added thought partner; these teams can grow over time into delivering comprehensive global projects that can have profound impact on the company. The Deans and Presidents will need to understand that providing the client with the best advice and becoming a trusted advisor requires relinquishing the imperative to exclusively promote and sell only the executive education provider's services. At times, they may direct a company to select other services that are superior to the business school's capabilities. In addition, Deans and other business school leaders will also come to serve as an advocate for the client - guiding the school's executive education function to adapt and customize to the company's needs.

Throughout the interviews, there were many questions about whether more traditional faculty can provide the kinds of services as SMEs and in other roles as required by the economic buyers. Part of this challenge is determined by the personality and temperament of the individual faculty member. The other part of the challenge is the academic system that rewards research over customized delivery of services. As evidenced by a recent publication on top management teams that confirmed that CEOs do, in fact, have an inner circle of powerful decision-makers;¹⁸ the research needs to offer new insights to actual business practices and not just advance a line of research testing conceptual frameworks. If the appropriate faculty cannot be found, the school may decide to either build a parallel service organization (at the risk of creating sibling rivalry) or commit to a small core permanent staff that vet and manage external contractors to represent the program. Strategically, the schools will have to decide where their sweet spot is, not dilute their efforts by trying to compete in other areas, and invest thoughtfully in building the requisite capabilities.

The Courage to Change

Just from the three studies referenced early in this report (including this study), there is ample evidence that the market is changing, and changing quickly. Business schools are needed and they teach critical skills. Some of their deepest critics may not understand how quickly they are innovating as the gap in communications widens between corporate talent management functions and business schools. Whether it is time to change, perception management is needed. It is clear that the trends in this report are essentially an extension of similar market trends and implications reported previously by others. The patterns described here also confirm that many university-based programs and service offerings are perceived to be highly mature and typically in decline. If true, the major challenges facing organizations in decline in the business maturity cycle is that they first begin to rest on past laurels and become increasingly internally focused. They barely notice that outside competitors are insidiously and increasingly replacing them in the marketplace. They tend to behave in ways that made them successful in the past, as if driving the car by looking in the rear view mirror works. And they have multiple internal systems, processes, selection and reward practices, and metrics of success that are barriers to adapting nimbly to the changes in the marketplace. The negative effects of the growing disconnect with the marketplace can be artificially minimized or delayed by influxes of government grants and corporate project-specific engagements, which are outside of the market forces and the delivery of learning services. But unless changes are made to better align with real changing market needs, these externalities are simply slowly delaying the inevitable demise and marginalization of the academically based programs. The market is demanding client intimacy and customization - two organizational capabilities not associated with University-based programs by the potential economic buyers of their services.

¹⁸ Carpenter, Mason A. (Ed) *The Handbook of Research on Top Management Teams*, Elgar Elger Publishing, 2011, p 127.



We seem to be approaching a tipping point in many of these programs: either find the courage to dramatically shift how learning services are provided to a rapidly changing marketplace and meet or beat the competition; or be displaced by increasingly favored and powerful competitors and be relegated to a much more narrow purpose or mission, focused more on academic research, theory, topic-specific just-in-time learning, and occasional consulting contingent on achieving real business outcomes.

Areas to Collect Further Information and Research

More data needs to be collected about where schools are innovating and actively partnering with professional services firms to cascade learning development across the entire enterprise globally. This report is a call to action among Presidents, Chancellors, and Deans of business schools. Interestingly, we often see very large schools innovate, and smaller schools may also innovate faster than mid-size business schools because they can mobilize either a subset of faculty or a smaller group of faculty more quickly. More needs to be done to study this in the future as well.

Many of the organizations we interviewed are also served by Executive Core. It is likely that there is a favorable bias for our services. Others can also replicate this type of information without prior relationships if they can gain access to similar groups of talent management professionals. Organizations like the conference board, ASTD, and Chief Learning Officer may be a useful partner in this work.

Finally, many talent management professionals interviewed may see their budgets to develop leaders internally in competition with business schools. Business schools must find ways to partner and make the talent management professional a hero in their own organization for the purse strings to loosen again. Examples of this should be collected and shared to help the industry understand the benefits of interdependence between corporations and business schools in the development of talent.

About Executive Core

Executive Core serves top publically traded companies and fast-growing mid-sized companies through our more than 135 renowned talent management professionals located all over the globe. We were selected because of our unique work in directly serving both corporations as well as business schools around the world. Unlike many professional service firms, we believe there is a critical and future role for both talent professional firms and top business schools in the role of developing future business leaders.



Appendix A: Interview Guide and Protocols

Interview Guide	Variations to Ensure Deeper Intelligence is Gathered
<p>Comment on your current stage of talent management.</p> <p><i>Describe your talent management strategy over the next couple of years. For instance, do you have a cascaded talent development strategy for leaders at different levels of the organization (individual contributor, team leader, manager, director, VP, SVP, C-suite)?</i></p> <ul style="list-style-type: none"> <i>Then, if they haven't shared any of the following in their talent management strategy, probe more deeply using the following sequence:</i> 	<ul style="list-style-type: none"> <i>In the future, what new ways do you think you will be developing your leaders?</i> <i>Within your organization what are the most difficult leadership skills to develop?</i> <i>Where do you intend to make greater investments in developing talent?</i> <i>Where do you think your organization will be in 5 years? 10 years? Why?</i> <i>What momentum or lack of momentum do you have for talent management at present?</i>
<p>Who are your most trusted partners outside of the organization that help you develop your talent and solve complex business problems?</p>	<ul style="list-style-type: none"> <i>Who approves the budget for leadership development? Who selects thought partners? What factors are used to make this decision?</i> <i>Do you typically partner with business schools before you an issue an RFP to set expectations for future executive education projects? If not, why not?</i> <i>What is the spread of external management development providers/partners in developing managerial talent (university- degree non degree on line degrees, open educational resources, seminars, consulting companies)?</i> <i>Which kind of provider(s) have you utilized in the past 3 years?</i> <i>What were the criteria/factors used for selection of the various providers?</i> <i>What were the decisions about which needs would be best met by which provider and why?</i> <i>Which partners exceeded your expectations, and how? Which providers did not? Why?</i>
<p>How do you want to see business schools evolve in the future to be more relevant and viable thought partners with your leaders across the enterprise?</p>	<ul style="list-style-type: none"> <i>Do you think there is a growing divide between business schools and corporations? Some have said that if business schools and corporations are not interdependent, business schools will become irrelevant. What can be done so that business schools remain relevant in the future?</i> <i>In an ideal world, what would business schools be able to do for your</i>

	<p>corporation?</p> <ul style="list-style-type: none"> • What gaps do you have developing managers, directors, VPs, and SVPs? • Where might business schools attract and develop experts/or certain types of leaders that could help you in your industry going forward?
<p>What are all the ways you develop leaders actively now? Which of these strategies do you think are most useful and least useful?</p>	<ul style="list-style-type: none"> • Lecture on Business Acumen, e.g., accounting, finance, regulatory, strategy, HR, organizational development, marketing, economic trends, supply chain, legal • Social Learning Environment/online collaboration/crowd sourcing • Executive Coaching • Stretch assignments into new functions and geographies • Onboarding 90 days + • Cross-functional teams working on special projects • 360-degree Assessment Internally developed • 360-assessment externally developed • Other self-assessments • Simulations • Business games • Case study analysis • Role play practice with feedback • Action learning • Global task force to share best practices across regions • Programs for select high potentials • Programs for people of diverse backgrounds/genders • Affinity groups • Executive storytelling • Researched best-practices • Mentoring • Sponsored executive MBA degree programs • Part-time MBA programs • Online MBA programs • Sponsored open enrollment programs in academic institutions • Online learning • Digital video recordings of leadership practice with review/ feedback/replay • Key note speakers • Customized executive education programs designed by a professional services firms not affiliated with a primary academic institution • Customized executive education



	<p><i>programs designed by a primary academic institution (often business school)</i></p> <ul style="list-style-type: none"> • <i>Research collaborations with academic institutions</i> • <i>Panel discussions with outside experts</i> • <i>Leaders teaching others what they have learned</i> • <i>Creative experiments like Improvisation</i> • <i>Memorable experiences like attending a sporting event, symphony, sailing, etc. that is then related to business</i> • <i>Meditation, journaling, other forms of reflection</i> • <i>Examinations/Tests of Content Mastery</i> • <i>Other_____</i>
<p>In a perfect world, describe the ideal leader for this organization (attributes, skills, talents, etc.). How do you anticipate this leadership profile changing 5 years from now? 10 years from now?</p>	
<p>In the future, if you were to utilize external educational resources/partners to meet the needs of developing managerial talent:</p>	<ul style="list-style-type: none"> • <i>How would you select these resources?</i> • <i>What criteria would you use in your selection process?</i> • <i>How would you measure success?</i> • <i>What would you need more from academia if they were to be a relevant and reliable development partner more often?</i> • <i>What factors would promote your organization in partnering with external resources, such as universities, on line programs, consulting companies?</i> • <i>What factors, if any would prevent you from utilizing external resources, such as Universities, on line programs, consulting companies?</i> • <i>Where do you intend to make greater investments in developing talent? In an ideal world, what would business schools be able to do for your corporation to help you remain competitive in your industry?</i>
<p>Based on employee turnover in the last 3 years, what percentage of these losses would you attribute to a lack of management skills?</p>	
<p>The tides are changing in leadership development. What do you see as the key challenges for future leaders? How are we going to develop people differently in the future?</p>	<ul style="list-style-type: none"> • <i>Are you moving toward more vertical development* to help leaders make a mental shift at each critical stage of their career to retool and think differently?</i> • <i>Some organizations invest in innovation in thinking, growth mindset, risk taking,</i>



crucial conversations, creativity, mindfulness, holistic leadership, and/or social responsibility. What do you predict the next big wave of learning will be? Why?

- *It's been said leaders who get promoted are struggling more with time management, strategic agility, business acumen, operational excellence, technical learning, and thinking outside of their respective functions? Do you anticipate growing more development initiatives focused on these areas?*
- *A future made up of complex, chaotic environments is less suited to the problem solving of lone, decisive authority figures than it is to the distributed efforts of smart, flexible leadership networks. What are you doing in your organization to foster groups that will help the organization evolve?*
- *We've seen trends that suggest directors, VPs, and SVPs who are effective often work effectively across the enterprise with colleagues and senior leaders from different functions. What, if anything, do you think needs to be done to help foster collaboration outside of one's function?*

Business schools are designed to produce future leaders with deep cross-functional interdisciplinary expertise (finance, accounting, marketing, sales, organizational development, human relations, strategy, legal, and leadership) and interpersonal breadth. They want to produce leaders you want to recruit. They want to develop experiences your corporation will buy to develop your leaders. What should they keep doing?

- *Many organizations are focusing on developing leaders who innovate/ have a growth mindset, are self-aware intellectually and emotionally, focus on the greater good, influence positive results across the enterprise well and have extensive networks both inside and outside the organization, are perceived as competent in many areas and are well-liked, and who can adapt quickly with a global mindset. What is your organization's greatest priority in developing future leaders?*
- *Where might business schools attract and develop experts/or certain types of leaders that could help you in your industry going forward?*
- *Describe the ideal outside faculty/leadership development professional for your director and VP level leaders?*

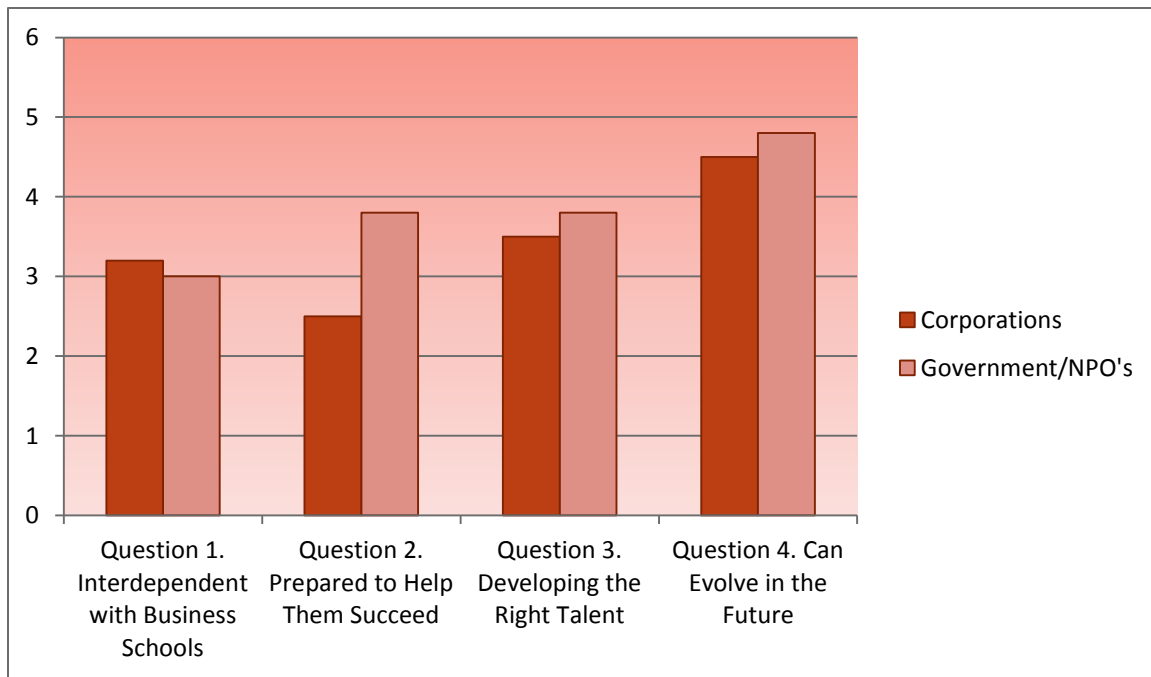
- **In summary, tell the leaders of business schools (degree and non-degree programs) one thing you want them to do differently for the future to be even more relevant in your world.**

Appendix B: Summary of the Responses to Select On-Line Survey Questions

Using the following scale, we asked our subset of 33 interviewees to rate their thoughts on future trends and the effectiveness of business schools. All were from large publically traded and government institutions and about 1/4 of them were outside of the North America including Asia, LATAM, and Europe. Seven of them were prominent CLOs, and the rest senior talent management professionals.

Scale score:

0	1	2	3	4	5	6
Not Observed	Never	Almost Never	Sometimes	Frequently	Almost Always	Always



NOTE: Two different versions of the online assessment were given. The government version had slightly different language to ensure that the vernacular was appropriate. Our consultant who has worked in the government/military sector for 20 years made the very slight adjustments. There were 8 government/military responses and 25 corporate responses.

Primary Online Survey Questions

Question 1: Business schools and your corporation are **sometimes** interdependent for their success? (3.2)

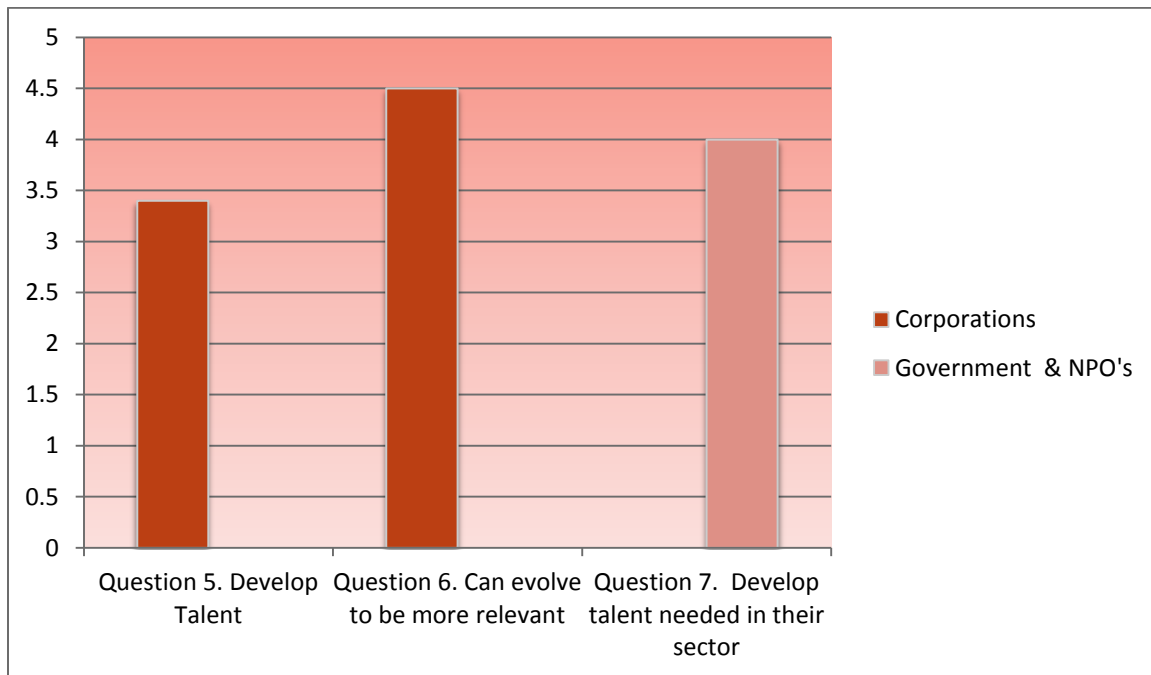
Question 2: Business schools are **almost never/sometimes** prepared to help organizations meet talent management needs compared with external resources like online programs and other



consulting companies (3.3)

Question 3: Business schools are *sometimes/frequently* developing the kind of talent corporations need to succeed in your industry (3.5 and 3.4, corporations only)

Question 4: Business schools are better prepared to help you meet your talent

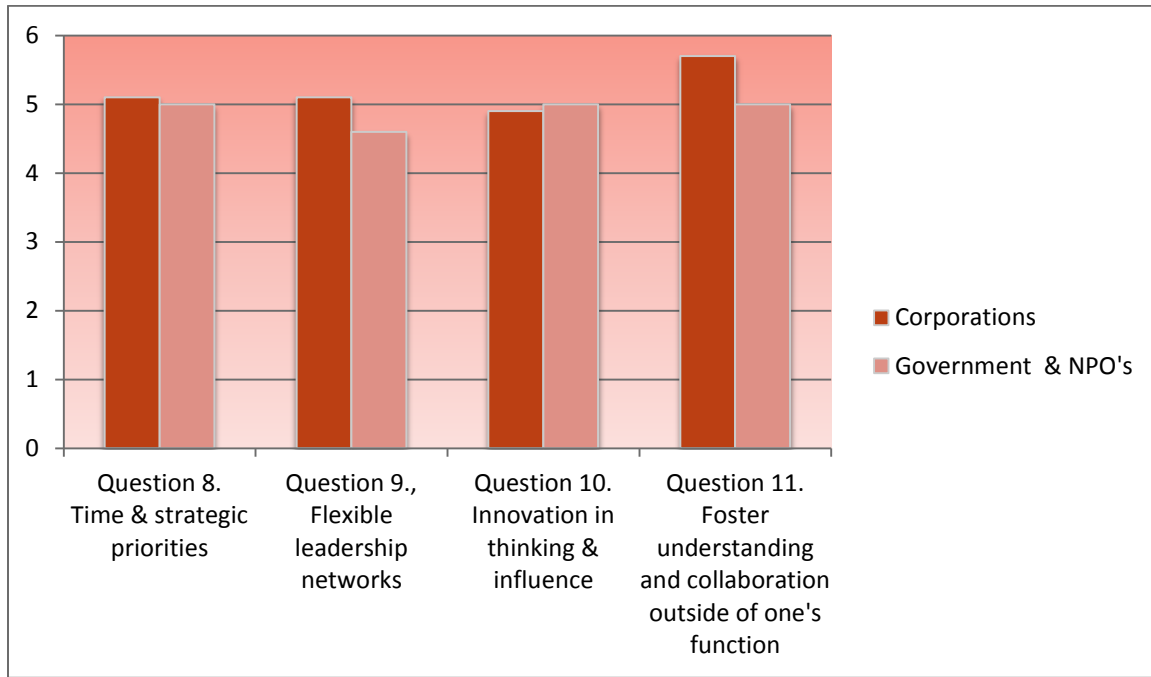


Question 5: Business schools *sometimes* excel at developing the kind of talent you need to succeed in your industry (3.4) (corporate only)

Question 6: Business schools can *frequently/almost always* evolve in the future to be more relevant and viable thought partners with their organizations leaders across the enterprise (4.5)

Question 7: However, government did report that Business schools (4.0) *frequently* developed the kind of talent they needed to succeed in their sector.





Question 8: Several major studies suggest that leaders who are promoted beyond director levels are struggling more with time management, strategic agility, business acumen, operational excellence, technical learning, and thinking outside of their respective functions? You also think this will be important in your organization over the next five years. (5.1)

Question 9: It has become extremely important for your organization to develop smart, flexible leadership networks rather than individual heroic leaders (known for being problem solvers, lone, decisive authority figures). (5.1)

Question 10: Some organizations are making major investments in innovation in thinking, growth mindset, influence, innovation, risk taking, crucial conversations, creativity, mindfulness, holistic leadership; social responsibility . . . This list reflects what you need to accomplish to grow the right leaders for your organization in the next five years. (4.9)

Question 11: Some trends suggest that directors, VPs, and SVPs who get results (and engage people well) work effectively across the enterprise with colleagues and senior leaders from different functions. Talent management efforts should do even more too foster understanding and collaboration outside of one's function. (5.7 average)

