Is business education a good preparation for a business career?

Improving the link between business education and the requirements of business practice has received a lot of research attention recently. We believe it is probably now time to discover business leaders’ own expectations of graduates. In a recent such study we asked 16 business leaders several key questions such as:

- How valuable is a generic business education for a career in business?
- What is the relative importance of competences attained by academic business graduates?
- What are the developments in the business world that demand different competences of business graduates?

Our interviewees differed in gender, educational background, tenure and function and covered a wide range of service and production companies from airlines to semi-governmental organisations.

Value of a generic business education

Opinion among business leaders on how business education should be targeted is divided. Some think that business administration programmes must be specialised, since “Companies are tired of having only generically educated graduates.” Other interviewees think that the generic programme is actually very valuable and is the key strength of a business administration education. As one of the interviewees said: “A car manufacturer would never say: ‘Do you know what is important for a good car? The engine, the bumper and the tyres. How about the lights? Without headlights I am not allowed to drive. It is about the complete image instead of knowledge of separate details’.”

For business schools this simply means that finding a good balance remains as important as it was before. Businesses value a generic business administration degree but raise questions whether such graduates can perform specialised job tasks.

Importance of competences

All our interviewees express an opinion that they prefer to hire young graduates with strongly developed skills: “You have to understand the content but afterwards skills are of decisive importance within business administration”.

It is difficult to disagree with this view. Indeed, knowledge has two practical functions being able to choose between options and a tool to learn analytical skills. The fact that a student succeeds in graduating from a business school programme provides business with expectations that he or she is able to handle analytical knowledge: “Getting your university diploma proves that you are able to deal with a specific way of thinking”.

Probably it may be time for business schools to consider introducing specialist, challenging knowledge-integrating subjects/courses into their curricula.

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Most interviewees agree that cognitive and intellectual skills are the most important ones for academic graduates. “Analytical skills are the most important as these can be developed in courses during the study programme. There are two kinds of analytical skills: from engineers (exact and computed), and from businessmen (approximate, flexible). Two different analytical methods, both are good and you should be able to apply both. Learning by understanding each other and how the other thinks is very important for this.”

Interestingly, we observed that some of our interviewees assumed that people who study business administration already have natural personal and interpersonal skills so, in their view, it is a waste of time to invest much in training such skills. Other interviewees feel that these skills could very easily be taught to the graduates employed by the company by letting them follow some onboarding training courses.

One of our interviewees thought that “university programmes do not need to teach employees skills like presenting or team management…that is not the role of the university.”

Organisational sensitivity

Many of our interviewees talked about difficulties that some business graduates experience in finding their way and reaching their goals, especially in bigger organisations.

We call this competence organisational sensitivity, abilities mingled with feelings for organisational structures and how organisations really work. “They lack some kind of street smarts. How do organisations work, what is the difference between the front and back of the organisation, what is the difference between the formal connections in the organogram, and the one taking the real decisions? They still think they can implement changes via the front and back of the organisation, what is the difference between being right and being proved wrong.”

We heard many voices advocating introducing ‘good old’ internship practices and/or practical case studies into the business curriculum. We are aware that not all curriculum structures allow for internships in the master programmes. The introduction of internships was not the only solution the interviewees came up with. They suggested changing the method of selecting lecturers: The universities could consider asking people from the business world to give a course of lectures, not just the occasional guest lecture, and become part of a grading system.

One interviewee mentioned that it would be useful to integrate management training in the business administration curriculum in which students focus on practical management skills. Another possible solution mentioned was attracting business coaches for all students throughout the programme.

Possible solutions

The interviewees also suggested some possible solutions to solve the lack of practice in the business curriculum. The decision to change the curriculum must of course be made by every university individually and we do not suggest that we have found the Holy Grail on how to close the gaps.

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