Traditional MBA skill set is no longer enough

By Bettina von Stamm

Are you thinking about a future in business and envisaging an MBA as a vehicle to get you there? Think again. The MBA as most commonly taught today is outdated, and does not provide its students with the skills and mindset that is required to succeed in business today, let alone tomorrow.

In fact, Henry Mintzberg first pointed this out about 25 years ago, but none of the players – business schools, industry, students – were willing to listen as all were comfortable with existing arrangements. Perhaps it was also that no one could quite see what was wrong with the fact that traditional MBA programmes produce “managers who are excessively analytical and detached”. After all, we are all rational beings, making rational decisions which are then communicated down the line of command. So where is the problem?

The world of work my father knew was pretty much as follows: a job was for life, career progression depended on deep, often technical expertise, on time served and “working the hierarchy”; the career itself, was often linear within one particular profession. Communication was one way: top-down, there was a strong sense of right and wrong and organisations were internally focused. That was the world of work for which the MBA was developed and for which the skills it supplied were appropriate.

That world no longer exists. If you are an American male in his mid-40s, you are likely to have had 10.8 jobs to date. In general the idea of a job for life has long gone and there are plenty of other changes as well. Many now work outside the office, or leave large organisations to pursue independent careers via small networks, or have multiple careers. It has become less about what we know, but more about how and where we apply our knowledge – the much cited knowledge economy. Throw instant communication and global reach, crowd sourcing, open source and open innovation into the mix and you end up in a world of work that is distinctly different from the one my father knew.
Uncertainty and complexity are the result. In such a world there is neither enough nor the right kind of data for traditional analysis, and no one person can understand all aspects of the puzzle. Instead of black and white we find shades of grey, and learning takes place through exploration and experimentation rather than handed down knowledge. Analysis and rationality, the traditional domain of the MBA programme are no longer enough. To operate in such a world we need softer skills, we need leadership and skills that support decision-making in uncertain and ambiguous circumstances. At the heart of the new skill set has to be integrative, systemic thinking, emotional intelligence, self-awareness and a deep commitment to a bedrock of business ethics.

In addition we need courses on business models and social innovation, design and design thinking, on complexity and systems thinking, on understanding and embracing diversity (of mind as much as anything else), as well as greater emphasis on interpersonal, team and communication skills.

This is not to say that traditional business skills have become redundant, but they are no longer enough to succeed. In certain conditions rational arguments are sufficient to espouse action. In uncertain conditions such as the current global climate we need something more, something that allows buy-in with hearts as well as minds. Only those who demonstrate the necessary range of emotional skills as well as traditional business skills will find followers; possessing emotional and rational skills might set you apart today, but in tomorrow’s world it will be the only way to survive.

Who will start the journey? Business schools? Industry? Students? It cannot be done by any of them alone. If we are to see results soon, these three parties have to work together to create the business education of the future. This is where the understanding of the new world of work starts:
understanding it as an emerging, adaptive system in which one part cannot be changed without affecting the others.

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