

## The Business School of the Future: Digital, Transformative, Agile

*Dr. Christiane Prange*

Business schools today, nationally and internationally, are no longer a source of efficient knowledge management and learning. Instead, they have largely turned into a credit points-producing industry, measuring performance by exam grades of mediocre importance. Consequently, experts have required universities to transform and to become an integrated part of the network-centric reality of the 21st century, focusing on self-organised and responsible learning directed at entrepreneurial thinking. “Agile Education“, as a concept and a methodology, can both meet this request and, once applied, is likely to increase productivity.

**Why is action needed?** A 2012 McKinsey study<sup>1</sup> found only 49% of employers considered graduates to be adequately prepared for the job market. In addition to missing industry knowledge, employers have been observing a lack of critical soft skills—such as communication, cooperation, creativity, and critical thinking—in today’s workforce. When it comes to research as one of the driving forces of an innovation economy, the situation is no less dramatic. There is a trend today toward more patents being awarded to overseas innovators. And it is no coincidence that support for education and research has dropped as well. In addition, universities, including business schools, face increasing compliance and reporting requirements, dealing with structural reforms and changes.

Several initiatives have been launched that address these issues, like innovation initiatives, or internal reforms, from measures and benchmarks for efficiency and productivity, to organisational structure, and changes in administrative approaches. However, many reforms of formal education are still using methods that prepare students for working practices of the past. Recognising and responding to increasing changes and complexity requires a mind shift in the way we allocate responsibility for learning to teams and individuals.

**What is required?** A business school that responds to current changes in society and business needs to reflect, above all, the trend towards digitisation. Digital education has entered the classroom. It encompasses blended learning, flipped classrooms, and, at the higher education level, massive open online courses (MOOCs), provides self-paced instruction, allows students to instantly review course material, provides the option to review lessons as often as necessary, and gives students the opportunity to explore related topics to guarantee a broader knowledge base. Most importantly, the digital business school is more productive through different business models, asynchronous learning, and higher degrees of self-organised learning.

The digital move, in turn, requires change. However, the education industry, which is supposed to prepare us for the future, has been among the slowest to adopt technological innovation. That has to change. But business schools do not only need to be at the cutting edge of IT and technology, they also require a different understanding of hierarchy, from supply-driven to demand-driven content and with respect to learning processes. Students today require more and more entrepreneurial content, which can only rarely be taught by

following pre-defined curricula developed from within academia, or worse, by professors who have never seen a company from the inside. In order to meet these challenges, business schools will be required to engage in self-transformation by questioning their underlying structures of knowledge and power.

**How can a more productive business school be achieved?** Solving the above-mentioned problems can be achieved by reverting to the concept of agility. Agility in essence means responding to change, and change is the thing that we in education fear most. But change might not scare us so much if we had proven principles to help us manage it. The idea of agile organisations and methods dates back to 2001 and was originally used in software development<sup>2</sup>. “Agile” is a set of values and principles, guided by self-directed, low-risk, and adaptable step-by-step-development for the delivery of IT projects. Instead of suffering from time-consuming, inflexible, highly complex and inefficient procedures, agile methods (such as SCRUM or extreme programming) provide more flexibility to adapt to changes over time. An agile approach is different from traditional processes, such as the “waterfall approach” which follows a step-wise linear planning sequence; it is more iterative, focused on interaction, collaboration, and continuous responses to change.

Agile methods can be a powerful heuristic to transform universities into agile organisations that are better able to cope with the challenges of external stakeholders<sup>3</sup>. Moreover, agile as a doctrine reverts back to research on education and self-organised learning proposed mainly in the 1970s and 1980.<sup>4</sup> While business schools are not centrally about developing software, principles of agile development fit to the context of an educational institution<sup>5</sup>. For example, agile in education treats every learning project like a real world project and uses authentic skills; provides a mechanism for autonomous working; monitors the quality of outputs or learning outcomes; and assesses both team performance and individual contributions.<sup>6</sup>

Most of these suggestions are derived from *The Agile School Manifesto*:<sup>7</sup>

- *Individuals and interactions over processes and tools*: human needs are rarely prioritised; a technocratic style of school management insulates school leaders from having direct personal responsibility for decisions; there is a lack of a human-centric approach; what should be done instead: return to human principles.
- *Meaningful learning over the measurement of learning*: too focused on learning technologies and curriculum materials rather than on clients’ needs. Under the pressure to raise student performance, many educators have made fear-based decisions to prioritise the needs of students. Deciding to change practices and programs is a lot easier emotionally than deciding to change the way people act and react to government mandates.
- *Stakeholder collaboration over complex negotiation*: education culture is highly conflict-averse. We end up with lowest common-denominator effects, or at best, a form of regression to the mean; virtually everything is negotiated and the best elements of collaboration are over-shadowed.
- *Responding to change over following a plan*: culture is deeply embedded in planning and highly resistant to change. To maintain an antiquated system, educators have tried to maintain control through detailed planning. Bigger and better plans offer more control. As we know from chaotic systems, just the opposite is true: the more

we plan, the more likely our plans are to go awry. We confuse predicting the future with influencing it. The result is a lot of time wasted up front and extraordinary degrees of frustration and inefficiency encountered later on as we execute formal government-mandated improvement plans and watch them fail.

**How can agile education be implemented?** Adopting patterns from agile software development can help the transformation of business schools to increase productivity.

- Some of these patterns include „*running sprints*“ instead of end-year evaluation. These sprints are clearly defined time slots in which tasks need to be achieved. Among other things, sprints would solve the problem of students failing classes and of teachers wasting time on ill-conceived units of study that run for months at a time without any significant assessment of learning.
- Sprints require *stand-up meetings* with clients (companies) or coaches (teachers), when problems occur and should discuss how problems can be redefined. Stand-up meetings would help team communication and solve some of the problems of balancing freedom and structure.
- *Paired teaching* is the preferred knowledge transfer solution rather than lectures or teacher-oriented content development. Instead, teachers do not only share company with other experts (“team teaching”), but also learn from students.
- *User stories* help to share practically relevant content and make it applicable to specific contexts. Most importantly, and contradictory to school practices, learning activities (and business tasks) are started before the outcome – and often before the problem is fully understood. That is, content can be adjusted more quickly, and through up-to-date problem solving. Thereby, business schools can become more efficient and performing.

Overall, agile education requires alignment behind the agile values and principles that signify a change toward an agile culture. Agile is not limited to teaching processes but involves everybody in an organisation, from director to teacher and student. It requires changing hierarchies and educating people to take responsibility. In fact, agile means an investment in educating people who need to pick up the helm for responsibility, though this may be the least convenient road for some them.

**How agile education needs to be embedded in agile government and agile leadership:**

Governments can accelerate agile business schools by improved service delivery, e.g., through investments in technological infrastructures, by orchestrating potential partner networks, or by reducing laborious bureaucratic processes that impede flexibility and speed. There may also be scope for modifying accreditation catalogues to include processes that yield uncertain or emerging outcomes of learning. Being more open and embarking on new initiatives also requires changes in leadership, not only in governments but also in business and education alike (Figure 1). However, agility cannot be expected without investing in the required leadership skills. As PWC<sup>8</sup> notes in a recent study, agile leaders will have vision and a pathway for success, but will also be flexible to adapt to changing circumstances. Transferring this idea to business schools implies an educational scenario that reverts back to original idea of universities as hatching space for creativity and innovation. The associated risks are low while the output is promising.

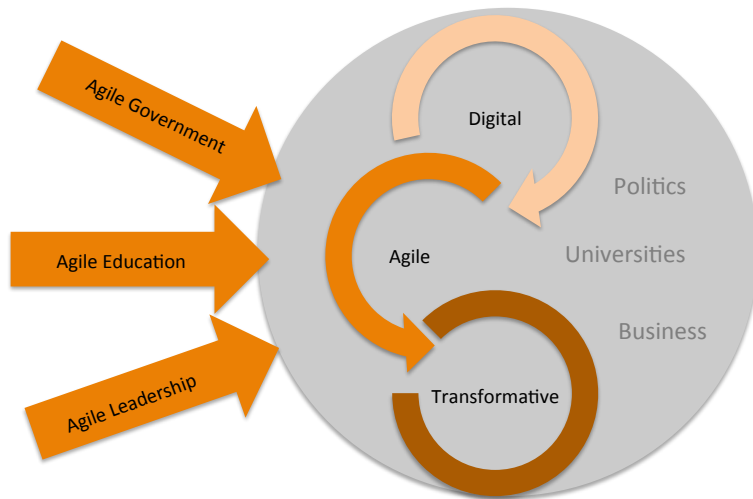


Figure 1: A Systems View of Agile Education

**The future of agile business schools:** The promises of agile software development have already been well documented,<sup>9</sup> and include higher quality, improved time to market, higher productivity, cost reductions, and higher employee satisfaction. There is no reason why these benefits should not apply to business schools once they implement agile thinking and practices. However, switching to agile will involve a huge mind shift and cultural change that builds on responsibility, self-organization, and interaction. If exercised properly, everybody will see the results and should be enabled to work towards increasing productivity - a challenge worth pursuing.

### About the Author

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