

# The Future of Business Education & the Needs of Employers

A summary of research conducted by Hult Labs



# MBA Programs Need to Do More

Hult Labs conducted 90 interviews with a globally diverse group of business leaders to understand their perspectives on the current state of business education. In particular, we asked for their thoughts on how MBA programs can improve.

*Our findings were as follows:*

**1**

Many employers held negative views on both the process and the outcomes of traditional business education.

**2**

To succeed in the real world, employers felt graduates need ten critical skills, including self-awareness, cross-cultural competency and critical thinking.

**3**

Employers felt business schools did not measure student progress or ability on these skills accurately or rigorously enough.

**4**

To deliver these skills, employers said schools needed to increase the number of opportunities for students to gain real world experience.

*The ten critical skills employers  
found most valuable:*

- 1. Self-awareness*
- 2. Integrity*
- 3. Cross-cultural  
Competency*
- 4. Team Skills*
- 5. Critical Thinking*
- 6. Communication*
- 7. Comfort with ambiguity  
and uncertainty*
- 8. Creativity*
- 9. Execution*
- 10. Sales*

# Self-awareness

Graduates should know their own strengths and weaknesses, which will build a strong foundation for future leadership.

## *Leaders told us:*

People with high levels of self-awareness are more likely to become successful leaders.

Schools can build greater self-awareness in students by allowing them to fail more often. Schools should give students guidance on how to deal with this adversity.

Schools need to provide more opportunities for students to assess their own abilities and receive feedback from their peers.

*“There is nothing in business schools that helps students to really learn about themselves. And I’ve sent our people to the best programs in the world.”*

Courtney Rogers  
Executive Director Human Resources,  
Amgen

# Integrity

Schools should help students solidify their own moral purpose, as well as stress adherence to ethical principles in the workplace.

## *Leaders told us:*

Companies want to hire graduates with the highest integrity and ethics.

Schools need to place a much greater emphasis on ethics throughout their curricula.

Students need to confront a variety of ethical dilemmas during their education.

*“I need people with a real sense of integrity. Trust is the key to our business – there are so many opportunities for fraud and we can’t control all of those. So we have to rely on individuals who have a deep sense of personal integrity. If I knew one school that did better at instilling that than others, I would hire people from there every year.”*

A. Scott Anderson  
President and CEO,  
Zions First National Bank

# Cross-cultural Competency

Schools should help students learn how to interact successfully with people from different cultures and in different cultural settings.

## *Leaders told us:*

Merely sitting in a classroom with people from different backgrounds is not enough to build a global mindset.

Schools must create multiple opportunities for students to apply what they learn in culturally diverse settings.

Faculty need to ensure their lessons on how to act in diverse settings are clear and explicit.

*“I’m amazed at the lack of sophistication that so many MBAs show about globalization and dealing in an increasingly global economy. [...] They have no concept about the changes that are underway with a billion people here or there consuming and investing in ways that they didn’t in the past. They may understand the numbers, but they sure don’t have an anthropological lens on these issues.”*

Anonymous CEO

# Team Skills

Graduates need to be successful team players in today's increasingly collaborative workplace.

## *Leaders told us:*

Strong people skills are much more important for companies than “hard” skills and functional knowledge (e.g. finance).

Many students graduate not knowing how to work well with others, manage people, or deliver and accept feedback.

Schools should give students many chances to work in teams as well as understand why their teams performed well or poorly.

*“Business is more of a group or team endeavor than an individual one. I know that some schools are trying to do something about teaching MBAs how to work in teams, but I don’t think they are really doing it, or at least they’re not doing it very well. I just don’t find very much about team building or team participation in the general management theory. I figure that academically inclined professors aren’t teaching it.”*

Anonymous CEO

# Critical Thinking

Schools should teach students to think critically about issues, as well as how to analyze problems and formulate solutions.

## *Leaders told us:*

Students who can look at complex issues from multiple perspectives are more effective in the workplace.

Students need to learn basic problem-solving skills before they can solve complex challenges.

Students need multiple opportunities to practice balancing risks and trade-offs in settings that mimic the real world.

*“Students look at data and don’t ask, ‘What’s it telling me; what does it really mean?’ They know the mechanics but not what it really means, or the context.”*

Kevin Wheeler  
Founder and CEO,  
Global Learning Resources

# Communication

Graduates need to exhibit strong communication skills, both written and verbal.

## *Leaders told us:*

Communication is a critical skill, yet most schools do very little to help students improve.

Employers stressed that hiring people with strong writing skills is a priority.

Graduates who can speak concisely and confidently are highly valued.

*“They need to be able to cram 20 minutes of info into five minutes, and focus the room’s attention on the core information.”*

Kerry Hester  
*Senior Vice President,*  
**Customer Experience, US Airways**

# Comfort with Ambiguity and Uncertainty

Graduates need to be able to navigate successfully through situations that don't have clear answers.

## *Leaders told us:*

Traditional classes provide an illusion of certainty and linearity that does not reflect the real world.

Students need to show they can solve complex challenges despite incomplete data.

Students would benefit from more opportunities to grapple with ambiguous problems throughout their education.

*“There are shortcomings of case studies. They don't take into account the way the world really works. The information is so clearly laid out that it doesn't take into account the ambiguities of the world. It leads students to a 'correct' decision. In the real business world, you see lots of ambiguities and uncertainties.”*

Li Chong  
Senior Manager,  
World Economic Forum

# Creativity

Schools should arm graduates with more creative ways to tackle tough challenges.

## *Leaders told us:*

Organizations are looking for graduates with superior creative abilities.

When students are given the chance to apply business principles in creative ways, they can build a number of other important skills simultaneously.

By giving students more opportunities to be creative in their coursework, schools can create more employable graduates.

*“Many of the elite students who go to MBA programs have very high IQs, but that is not what is needed anymore. It is not IQ; it is creative ability that is important. To instill creative capability in people, you also need to get them to be sensitive to the present situation and then to come up with what a better, new future might be. It is very important you come up with a way to teach that kind of sense.”*

Tetsuro Higashi  
Chairman of the Board,  
**Tokyo Electron**

# Execution

Graduates need to be able to make meaningful contributions to their organizations right away.

## *Leaders told us:*

The ability to deliver time and again, even amidst pitfalls and failures, is a major predictor of future success.

Schools should help students learn how to deliver results consistently in the face of unanticipated changes.

Students should avoid getting mired in using models and theories to solve problems. These are means, not ends.

*“In an interview, I’d rather hear a graduate come to me and say, ‘I worked on this and I changed things.’ That is an interesting interview and that is someone that I want to potentially hire. I need people who can change and improve things, not people who can sit around and apply models all day long.”*

Muna Al Gurg  
Director of Retail,  
Al Gurg Group

# Sales

Graduates need strong sales skills, including, but not limited to, the ability to persuade others.

## *Leaders told us:*

Students need to learn how to pitch, persuade, and obtain buy-in from internal and external stakeholders.

Sales is evolving, and schools need to teach students how to integrate this skill into other core business functions.

Students who gain more experience in selling and persuading will be more valuable to employers.

*“We need MBA graduates to be able to identify opportunities and structure solutions. We need real entrepreneurship. Very few people can spot opportunities. They can do slides and business planning and analysis, but they don’t engage enough in the real world with real issues and real opportunities.”*

Yasar Jarrar, PhD  
Partner,  
Bain & Company

# Hult has Redesigned its MBA Program to Meet Employer Needs

As a direct result of this research, Hult redesigned its MBA program for 2014. The new MBA program will include:

**1**

Less time on theoretical concepts, and more time applying those newly-learned concepts.

**2**

More focus on professional skills, such as self-awareness and communication, with the help of professional “navigators.”

**3**

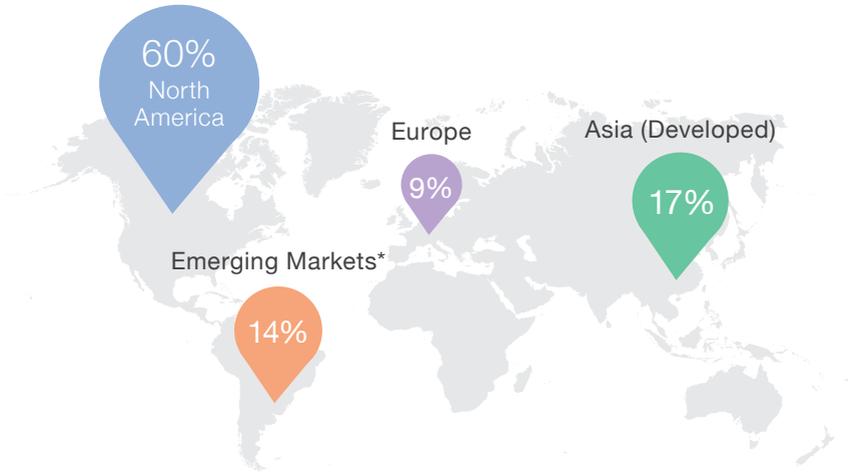
More time simulating what really happens in business, as well as how to react to ambiguous and changing situations.

**4**

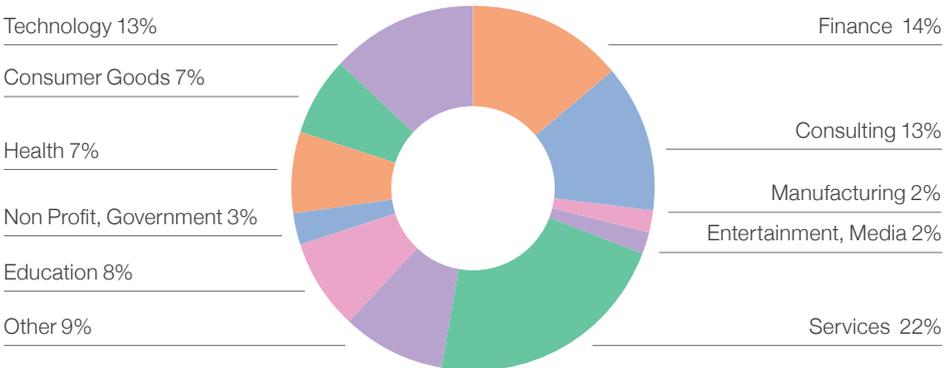
More student opportunities to demonstrate their skills and experience directly to potential employers through experiences like the Hult Impact Challenge and the Hult Prize.

# Interview Statistics

Hult Labs interviewed organizations based in the following regions and industries.



\* The Emerging Markets category includes countries such as Brazil, the United Arab Emirates, China, and South Africa.



*“Business students need to understand what it means to be a 21st century leader. They need social awareness and the ability to build relationships.”*

Jonathan Donner  
*Vice President, Global Learning  
and Capability Development,*  
**Unilever**



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For more information on Hult's new  
MBA program for 2014, please visit: