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A zero-based cultural perspective on dealing with the hybrid reality of teaching in business schools

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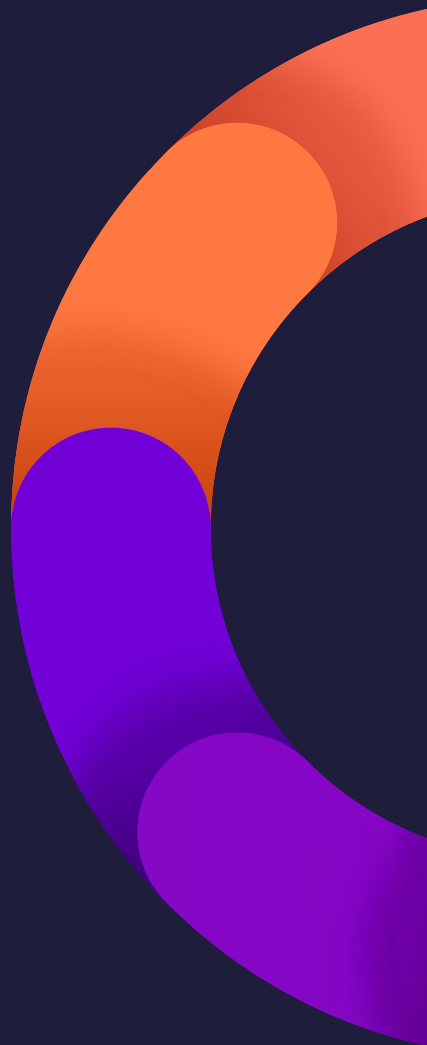
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A zero-based cultural perspective on dealing with the hybrid reality of teaching in business schools

Susan Fournier and **Howard Thomas** explore a new business school future, question existing approaches and identify and examine five core issues





Environmental, political and social disturbances large and small shape the history of the world and the conduct and evolution of business schools operating in that world. The imposition of business school rankings in the 1980s created a competitive, planning-oriented structure focused on KPI improvements in student quality, career outcomes and overall perceptions among peers. The global financial crisis of 2008 exposed risky and unethical managerial behaviours that served as a wake-up call for an ethics-centred business curriculum. Increased pay inequities and social disparities highlighted in the wake of recent political and social unrest have called into question foundational notions of capitalism, competition and free markets, mandating shifts in the primacy of shareholders versus stakeholders as well as collaborations with governments and societies when driving value creation at the hands of businesses.

While these forces impacted, disrupted and influenced the strategic thinking and decisions of business schools and their deans, none have had the tectonic, disruptive jolt on the processes and practices of management education like the Covid-19 pandemic. In the grips of the Covid-19 crisis, the design of radically innovative strategies for curricular design and delivery became an essential requirement for management educators.

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Taken to the extreme, we risk losing our very identities as vibrant residential hubs for teaching, research and learning

What became apparent very quickly was that existing models of face-to-face, residential learning would need to be aligned with and augmented by models of online technology-enabled learning. In the first wave, business professors and their universities shifted to 100% remote learning to protect the health of their populations. With public health protocols, vaccinations and testing eventually in place, universities then brought their faculty and students back to campus, and the opportunity for blended, hybrid learning was born.

Hybrid teaching models offered the opportunity for deans to examine and re-evaluate their assumptions about the place and form of learning. The focal concern quickly became one of identifying the optimal balance between online technology-enabled and face-to-face learning models to fulfil learning goals and inspire students across the range of business school educational programmes, from undergraduates through to practising managers.

It is clear that management educators have accepted the mandate that both online and hybrid forms of instruction will be required as management education moves forward. The critical implementation question is how we, as leaders, confront and solve the complex set of managerial issues and challenges associated with students and faculty adapting to new, redesigned business school models and organisational cultures as we proceed forward into that future.



Zero-based culture

It is important to examine these new existential realities using the concept of a 'zero-based culture' for reshaping management education. This means exploring a new business school future without being encumbered by incremental changes to existing knowledge, practices and approaches: in essence, a 'clean slate' approach. The zero-based culture allows deans and senior managers to reinvent and rethink their frameworks with a new set of refreshing insights and with an openness to question existing approaches.

Given the background landscape of where management education might be heading and the canvas of opportunity offered by our concept of 'zero-based culture', we identify and examine five core issues, some larger in their existential impact than others, but all important in moving forward into the hybrid reality that our world of higher education has become.





Culture of the business school

The quote attributed to Peter Drucker, “culture eats strategy for breakfast”, highlights the problems brought on by the new hybrid reality and its attendant need for cultural re-examination. The shift of faculty to online learning and the increased opportunities of delivering programme experiences remotely by definition changes, and potentially degrades, the residential culture on which virtually all business schools have been historically based. Taken to the extreme, we risk losing our very identities as vibrant residential hubs for teaching, research and learning. Will the business school simply become a ‘technology platform’ organisation without need any longer for well-endowed and furnished buildings?

Evidence already exists of newly emergent habits that dilute known positives from ‘water cooler’ conversations, individual and group lunches and serendipitous coffee meetings on collaboration, relationships and innovation. In Zoom, we now subsist with ‘appointment-only TV’ (and we know what happened to that!). The Zoom culture, with highlighted yellow squares for every star, the perilous ‘leave button’ at everyone’s fingertips and active side-bar chats erodes the collective identity that binds us together. Multitasking has risen to new heights in the ‘video-off’ world of Zoom; meetings have become podcasts that serve as background for other, more important goings-on.

As research productivity rises, we see faculty increasingly ‘absent’ from servicing collective activities in, for example, doctoral student mentorship, faculty meetings, student events and work groups. Teaching faculty, more likely to be in their offices for reasons of increased teaching loads, and the staff who are mandated to be there, confront daily the visible status signals of empty tenure-track offices. The cultural divide widens.



The result? Transactional cultures. The prioritisation of the individual over the collective. The rise of the 'egosystem' (the omnipotent, entitled) among faculty in place of communal cultures that orient us towards service, the collective, a team-oriented, shared vision and culture, the overall greater, common good.

The cultural problem exacerbates when hiring for online teaching shifts to part-time professionals who have less, and maybe, little, connection to the school.

Building a strong culture in this hybrid environment won't work via zoom games, virtual cocktail hours, and 'Wednesdays in the Office'. Good business schools rely on steady staff-student interactions, hands-on project-based learning and the inspirational moments that occur in a serendipitous fashion in face-to-face interaction.

Academic integrity and learning assessments

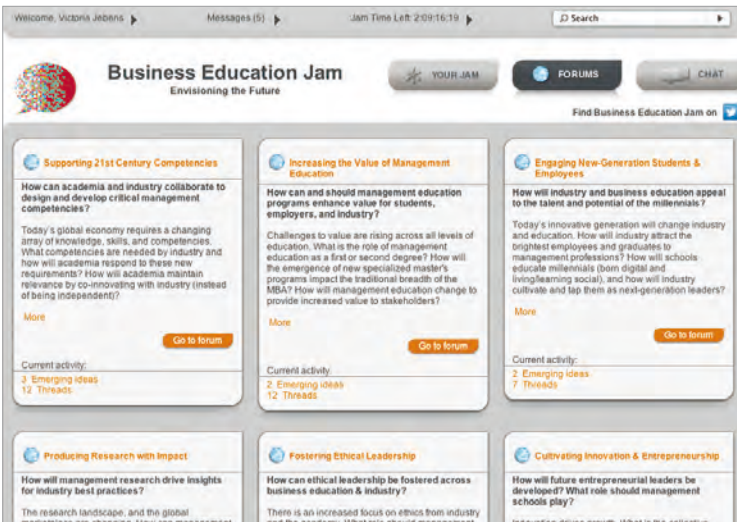
Online teaching has clearly disrupted our traditional approaches for controlling integrity and providing feedback to students on their attainment of learning goals and skills development. The system is failing, or at least challenged significantly, particularly as we move to online learning models at scale where competencies cannot easily be assessed. The key question is whether online learning can ever come close to the benefits of one-to-one interactions that occur from immersive learning via case discussion and experiential project collaborations. These interaction-based benefits are also enhanced by students' participation in extracurricular activities such as case competitions, finance investment clubs and career treks. Can we validate that online programmes achieve the same learning goals? Do we see the same grade distributions in online and residential degree environments? Is cheating more rampant in online environments (the answer is yes)? How do we achieve grading at scale while remaining true to the value of depth and application and context? It is not yet clear that online programmes deliver the same learning as their full-time residential degree counterparts. Are we bold enough to find out the truth?





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The MBA degree is arguably the most coveted postgraduate degree in the world, and demand for it, while counter-cyclical, remains very strong



In 2019/2020, before the pandemic, and using insights drawn from the BU Jams and as well as market evidence from Questrom’s MicroMasters™ programmes, Dean Susan Fournier and Senior Associate Dean Paul Carlile worked with colleagues to develop, produce and launch a fully online MBA (OMBA) at a cost of \$24,000, in partnership with edX. Demand was so strong (in a segment with an average age of 37, and 12 years’ working experience) and the programme of such quality (*Chronicle of Higher Ed* 2019) that aggressive enrolment targets were doubled. Subsequent cohorts also overdelivered (with current enrolment at over 1700). The underlying programme design was innovative, high-quality, carefully designed and powerful: a hybrid-learning model delivered jointly at scale by edX and BU.

According to sound marketing logic, all products – academic programmes included – should address defined segments with tailored value propositions, and managers should draw meaningful and sharp lines between these segments in terms of the products and augmented services provided. This was the clear logic that guided BU’s development of the Questrom OMBA.

The MBA degree is arguably the most coveted postgraduate degree in the world, and demand for it, while counter-cyclical, remains very strong. Online MBAs added to the portfolio can help hedge these risks. How should a dean analyse the facts when even though there exists latent pent-up demand for the MBA degree, portfolio management challenges arise in relation to other segments of the MBA market, namely, the full-time MBA (FT MBA) and the part-time MBA (PT MBA, offered in the evening or weekends for working professionals) when lower-priced online MBAs are in play.

\$24k

The cost to develop, produce and launch a fully online MBA (OMBA), in partnership with edX

Market segmentation particularly in the MBA market (and the erosion of the part-time market)

The Boston University Questrom School of Business has a proud history in reimagining management education. Iterations of the Questrom Jam (Jam 1.0, 2015) with a Global Remote Learning Jam, and Jam 2.0 (2015-2019), which focused on critical issues in ten developing/emerging market locations, highlighted ongoing challenges and generated clear ideas from crowdsourcing (*Global Focus*, Freeman et al., Volume 9, 2015) and Open Innovation (*Global Focus*, Carlile et al., Volume 14, 2020).



Technology-enabled learning can undoubtedly advance global society by developing low-cost learning models

These challenges become most stark where online MBAs challenge the PT MBA in the MBA portfolio of degrees. Exacerbated by Covid-19 and a migration to online teaching in part-time residential programmes, flexibility and cost benefits for busy part-time professionals have become more recognised, salient, and coveted. As online MBAs derive more credibility and cost advantages, the fundamental value proposition of the PT MBA weakens. While cannibalisation of PEMBA at the hands of OMBA has been held at bay at BU through careful product and service differentiation, at what point does the PT market collapse and migrate to flexible and cheaper online degrees?

There are, in some schools, clear signs that the PT MBA market may be shrinking as students migrate online. This can also sound the death knell for the FT MBA offering. In most business schools, such as those in thriving urban areas, PT MBAs are typically built on the backs of healthy FT MBA programmes, with students merged in year-two night time electives that can be run at scale. FT MBA programmes are already under tremendous pressure, with heightened competition, threats from declining international enrolments and the mandate to offer students sizeable scholarship stipends. Further, with the pandemic's dictate for companies to offer employees remote work options, PT MBA students are likely not only to lose their strong connections to their full-time employers, but also the habits that get them out of their homes and into the business school to engage in their evening PT MBA classes.

The 'house of cards' may be crumbling. Some schools have already shuttered their FT MBA programmes and with them, their associated part-time cohorts. The challenge is how to craft these market segments creatively so that they coexist with the online MBA.



Degree programmes as a core product

Again, following from the Jam experience, Questrom explored and launched in 2017 with edX a MicroMasters™ programme in digital business. The programme involves completion of four online modules with an exam structure that leads to the award of an online credential and credits toward residential degree programmes. This early exploration, together with the entry of other players from the world of tech into the market, such as Coursera, Google and LinkedIn, opened our eyes to look beyond formal degree programmes as the core product of business schools. New attention focuses on so-called badges, micro-credentials and 'stackables'. The new model is one of lifelong learning via bite-sized, online continuing education modules for adult learners; content delivered as and when needed to inform the career journey over time.





Two problems linger. One is the tendency to remain driven by degree thinking despite a shift to a new model of learning. Despite the embrace of new product offerings, the degree remains the ultimate credential, as with the concept of ‘stackables’ that can add up to a degree. Some degree territory has been identified as sacred ground but maybe it should not be. Lifelong learning micro-credentials have barely taken hold in the undergraduate space, where the majority of business school students are found. Is the undergraduate degree as ‘rite of passage’ needed by and relevant to everyone, or is there significant growth potential in a certificate approach to this hallmark of higher education?

The second problem is the current failure to identify a profitable business model for lifelong learning and continuing adult education in general. What strategies are needed to fill this gap – a gap which is particularly relevant to the development of management education in emerging markets in Africa and Asia. Technology-enabled learning can undoubtedly advance global society by developing low-cost learning models. Skills-mapping platforms – the Air BnBs of higher education – comprehensive learner records and alumni-based models that live not in the university’s development office but rather in continuing adult education, are needed if we are to achieve these goals. A majority of US business schools have dismantled their executive education arms for lack of enrolment. How do we pivot these practices to embrace lifelong learning goals?

Education costs and the 'tuition bubble'

Management education is largely a premium product, and tuition and fees remain the dominant funding source for most business schools. This funding model presents major risks and remains a central challenge to the sustainability of our business models in business schools.

Business schools claim an advantage versus many other colleges at the university: the robust popularity and demonstrated ROI of business degrees remains strong. Indeed, well-ranked business schools are currently experiencing increased demand for both undergraduate and masters programmes. However, at the same time, there exists growing pressure from students, parents and policy makers about the unsustainable cost of business education and escalating levels of student debt. Cultural critique about the magnitude and nature of costs in higher education is at all-time highs. Student dissatisfaction with the career outcomes derived from their significant investments is not inconsequential and increased disconnects from business partners at research intensive universities exacerbates this charge. Still, tuition and fees continue to rise to cover increased costs, even in challenging global economic environments, and the premium price of college tuition deserves a reckoning.

The tuition calculation should of course be based on the 'customers' willingness to pay' for the programme. A business school's competitive advantage relative to another school occurs when the value spread between the 'willingness to sell' (i.e. the lowest point at which the school can offer a programme) and the 'willingness to pay' is large. Moves to online programmes at scale provide solid economic logic for lower tuition fees. It remains unclear, however, whether business schools are willing to invest the significant funds required to build the technological, human and marketing infrastructures required to deliver 'online@scale'.

A wave of hundreds of class action lawsuits requesting refunds of tuition dollars in US schools and colleges that shifted to online and hybrid education during the pandemic presents strong evidence of a changing perception of the value of the business school product and consumers' willingness to pay. One question begs an answer: is the product simply the business degree credential, or does the residential experience provide tangible and significant value beyond the credential?

Concluding Thoughts

In this paper, we have outlined how technological changes, notably those that involve hybrid (blended) technologically-enabled learning, present real, ongoing, fundamental challenges for business schools as they emerge from Covid-19.

However, there exist other forces of change that confront business schools today and which require careful consideration and immediate action. Indeed, for the first time in our history, five macro-economic and geopolitical factors are colliding, creating a ripe environment for transformative change: the digital transformation of business and the rise of data as competitive advantage; the global pandemic and consequential changes in the future of work and the workplace; calls for social justice in relation to movements such as Black Lives Matter and general societal unrest, including a mandate for social impact and; political and geopolitical unrest, exemplified in the Russian invasion of Ukraine and the attempted takeover of the US Capitol Building and entrenched in increased nationalism and de-globalisation in the world economy. Add to this various micro-cultural challenges to the higher education landscape, including student access to and affordability of education, anti-business sentiment and charges to reimagine capitalism, pressures against free speech on college campuses, and questions about the relevancy and impact of our academic research. Serious questions have been posed about the purpose of business and the quality/value of higher education and these questions deserve answers.





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The siloed nature of the business school landscape and the inherently interdisciplinary nature of our problems and the business/governmental ecosystems that can solve them require us to collaborate and interact more closely as business school leaders. This will inevitably change our missions, values, purposes and responsibilities to society and our key stakeholders.

There is little doubt that these are interesting, exciting and challenging times. It is a privilege to lead business schools in such relentless, high-pressure environments.

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