New Customer Demands: Executive Education

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New Performance Challenges for Management Development Institutions

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UNIVERSITY OF EXETER BUSINESS SCHOOL

Key Points

- The Business landscape and Market Trends
- The Pressure on Time
- Particular Pressures for SMEs
- Skills in Demand: Transfer of Learning is Key
- Broader Personal Development Needs
- Personal and institutional agendas
- Holistic development
- Sustainability
- International
- Exec Ed and MBA - Blurring the boundaries
- Risks for Business Schools

Business landscape and Market Trends

A new landscape as companies cut budgets, and costs (or defer) and want to tailor programmes more explicitly.

Open Programmes (2009 v 2008)

- 17% fall in number of participants
- Enrolment down in 2010 but now signs of upward trend

Customised programmes

- 12% fewer programmes commissioned
- 22% fewer programmes commissioned for new clients
- Average decrease in income 15%

Source: FT Business Education: 2010

Business landscape and Market Trends

- Signs of upward trend: among the business school clients surveyed by the FT, more than 42 per cent expected an increase in spending on executive education over the next three years.

  Say they need to:
  - Respond to new challenges
  - Do more for less
  - Reach more people with the same expenditure

Executive Education Market trends

- Drop-off in participation, while exacerbated by the economic crisis, may form part of a broader trend.

- *"In the longer term, we expect to see a move away from open programmes. Increasingly, individuals seek a programme that offers a recognised qualification, such as an MBA, EMBA or Masters degree, while business clients prefer a more customised option for their delegates."*

- Open offerings are well suited to a local audience but customised programmes enable a more global approach.

Source: ABS UK; 2009

Pressure on time

- Interest in shorter courses: employees not away for so long (including more local programmes to reduce travel).
- Finding time to attend modules – need for meaningful directed-study that can still deliver the learning and benefits.
- Supportive e-learning often preferred
- Action Learning – something of a resurgence

Particular pressures for SMEs

- Need management development but costs are a problem
- Need bite-sized, flexible training e.g. learning sets, coaching etc.
- High demand from small businesses for training and development but they can’t afford “normal” options

Skills in demand

- Top 5 (in order)= Execution; Adaptability; Risk management and mitigation; Communication; Planning
- Next 5 (in order) = Organisational skills; Motivational; Team building; Interpersonal; Analytic

Source: PMI, EIU 2008

“Transfer of learning is key”

- Post-programme follow-up increasingly important
- Blended learning to reinforce learning when back at work
- Trend towards ongoing support (e.g. coaching) in workplace
- Shift away from ROI as measure of effectiveness; greater emphasis on qualitative changes e.g “more able to lead”

Source: Ashridge 2009

Broader personal development needs

- Companies still need to change (transformational change); what they can do differently and ensure they have the right leaders to take them forward.

- Particular interest in courses on leadership (e.g. helping engineers and scientists progress to leadership), leading change/change management, innovation (how to survive) and entrepreneurship.

Personal and institutional agendas remain contradictory

Personal needs:

- Executives more mobile (moving between jobs)
- Interested in independent (of company) executive education
- Managers often have an 'eye' on other job opportunities after their course (even if funded!)
- Pleasure, prestige, promotion

Organizational needs:

- Really tailored for the particular market, sector, context.
- International perspectives – especially when moving towards more global teams.
- No published evidence linking management education with organizational performance (Burgoyne et al, 2004).

Holistic development

- Leadership developers are urged to attend to both human capital (individuals) and social capital (interpersonal networks)

- For individuals this means developing
  - intrapersonal skills (e.g. self-awareness)
  - interpersonal skills
  - cognitive abilities
  - communication skills
  - task-specific skills

Bennis was right all along "…*there is no difference between becoming and effective leader and becoming a fully integrated human being*." (Bennis, 1999)

Sustainability

- Embedding in curriculum and wider Business School activities
- Adoption of emerging standards, e.g. PRME
- Triple bottom line coming of age (People, Profit, Planet)
- Executive Education and Executive MBAs still don't fully address sustainability – needs to change
- New "One Planet" context

International

- Western perspectives waning – BRIC cultures to the fore
- "Eastern holistic thinking" (EFMD 2010) combines practical and intuitive:

  - Recognising patterns
  - Pragmatic action
  - Razor sharp focus
  - Emphasis on relationships & community
  - Deeply connected
  - Reflective – on a regular basis

- Bi-lingual programmes increasingly necessary

Exec Ed and MBA - Blurring the boundaries

- Growth in one-to-one coaching on Executive MBAs - challenge for faculties - time, cost.
- Coaching encroaches on traditional exec education as it can be customised for individuals.
- Demand for coaching has spawned massive industry in 'independent coaching consultants' - trading on focused expertise

Risks for Business Schools

- **Trust**: "Perhaps schools are partly to blame?"
  (FT Business Education, January 2009)

- **Expertise**: New job roles and organisational structures: are Business Schools sufficiently knowledgeable to respond and to train leaders in these areas?

- **Priorities**: Businesses want top quality academics who combine theoretical knowledge with practical insight – gurus who can help solve problems (not 'regular' academics). Difficult for Business Schools to get this expertise together.

- **Price**: Executive Education providers outside research-led environments have very different business model and resources more available to serve corporate needs

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