

MANAGER

2010

WHAT WILL THE MANAGER OF THE YEAR 2010 LOOK LIKE? What skills and knowledge will be required for success? Although we have no crystal ball to tell us what the future holds, we do have the insights of three men very involved in the education of tomorrow's managers. They represent three of the leading business schools in this country:

- **ROBERT HAMADA**, dean of the University of Chicago Graduate School of Business;
- **DONALD JACOBS**, dean of the Kellogg Graduate School of Management at Northwestern University; and
- **WILLIAM PIERSKALLA**, dean of the Graduate School of Management at UCLA.

SLC Consultants spoke with these executive educators about what kind of marketplace today's MBAs will face 15 years down the road. Their wide-ranging discussion yielded provocative views on the future of management education and the continuing evolution of the business world.

SLC QUARTERLY: Let's start by painting a portrait of the corporate world in the year 2010—what will business managers need to know to succeed?

JACOBS: Well, to set the stage, let's look

back. Since World War II there have been two great events. The first was the competition between two economic models: the planned economy and the market economy. Clearly, the market economy won and, because of that, we're seeing an enormous amount of privatization all over the world. The second event was the movement toward globalization, caused by the building of new institutions like GATT and technological change with computers, telecommunications, and containerization, which reduces the cost of transportation.

The result is a worldwide market with capital and goods moving freely and quickly across national borders. We've created a one-market world, and that accelerates the rate of change, making competitive advantages short-lived and the world a more competitive place. Now to succeed in that environment, managers need to be open to change.

HAMADA: The natural business consequences of those trends are the internationalization of technology, receiving information at an accelerated pace and a continuation of downsizing as well as decision-making at lower levels. There are a lot more data available and the volume is growing, even in emerging countries. Managers, up to the very highest levels, are going to have to be a lot more facile in using and managing it. They will need to know what data are available, and from what sources, so they can punch the numbers up—or be smart enough to ask for the right analysis.

PIERSKALLA: The challenge for every company—and us as business schools—will be to better use all of the information that flows into a company to enable generalist managers to make more effective decisions.

SLC: Will there be more outsourcing and temporary employees?

JACOBS: The notion of a stable career is probably gone. That means you'll see real dramatic changes in careers—five, six, seven switches over a working lifetime.

PIERSKALLA: I agree—you'll see even more of a short-term orientation. Companies require a flexible workforce to respond to the rapidly changing environment. If managers have the security of long-term employment, they may not grow fast enough to function effectively in the projected environment.

HAMADA: We're even seeing the trend toward shorter term employment in Japan.



DONALD JACOBS

*Kellogg Graduate
School of Management*

SLC: That seems at odds with all we heard about the Japanese in the 1980s—training a worker for life.

PIERSKALLA: The Japanese are finding that lifetime employment impairs their flexibility and competitiveness. In the eighties, they dominated all of the industries that they were in. In the nineties they're not so dominant because U.S. and European organizations are leaner and have more flexibility in hiring as well as moving people.

It's true, however, that the Japanese do invest a lot more in workers' training and do a better job at it than most countries. But it's not clear if, in the long run, the investment in lifetime employment and training is more effective than being flexible, bringing people on board just for the time you need them and living with the resulting turnover. I lean toward the flexibility side.

SLC: Will the trend towards shorter tenure hold true for higher management levels as well?



ROBERT HAMADA
*University of Chicago
Graduate School
of Business*

PIERSKALLA: The incentive in most countries is for general managers to move in order to accelerate and enhance their careers. When they graduate from business school, they decide the way to go is to make a move every five to ten years.

HAMADA: Certainly at very high levels there is something called a company that is different from a collection of individuals haphazardly put together. There is a firm culture and there has to be, at some point, a buy into that. Otherwise, everybody would effectively be a rent-a-person and that will never happen all of the way to the top.

JACOBS: I'm not *at all* sure what the structure of the company of the future is going to be, maybe it *will* have a moving core. What Kellogg tries to do is train people who are flexible enough to go with the flow in whatever kind of structure develops.

SLC: What does that mean for traditional career paths?

HAMADA: Well, people will have less job security, but my guess is they will probably end up with higher total compensation.

SLC: Let's turn to education—does this mean the MBA will be obsolete?

PIERSKALLA: On the contrary—what you're going to see is a proliferation of MBA-type programs. At UCLA, we already have three programs with quite

HAMADA: THE HARVARD BUSINESS SCHOOL APPROACH OF ASSUMING EVERYBODY TO BE A CEO FROM DAY ONE MAY ACTUALLY BE NOT TOO BAD OF A MODEL.

different age profiles. And I see a growth of new programs—actually, they’re not new, they go back 50 years, it’s just that they were eliminated by most business schools. Masters’ programs in finance and accounting. One-year programs for people in their early twenties to get deeper functional specialty training. We’re already thinking about putting in programs like that.

JACOBS: The notion that you can get an education, let’s say a BA, an MBA or any other degree, and that’s the end of your education—now you learn by observing the people ahead of you—is just dead. At graduation, I no longer say to students, “Good-bye,” I say “So long, I’ll see you.”

We have a lifelong educational system at Kellogg. Our goal is to bring back alumni after five, eight, ten years. Or, after they get promoted into managerial positions and broaden their perspectives. We have executive education courses that provide for that training.

HAMADA: As I see it, there are 700 institutions that give out MBA degrees, just in the United States. Obviously, the 700 schools do it differently; there is no one magic pattern that’s going to be the optimum for everybody. It’s futile for any school to think they’ve got the magic formula for everyone. Or, even to be seeking the “optimal MBA.” Different people have different needs that can’t be easily tied up into neat packages.

SLC: How will students be taught in the future?

JACOBS: It’s increasingly difficult to make the connections among disciplines, which is what students want. But, the CEO can’t say “Listen, I only know one thing.” He or she has got to integrate and subsidiary managers have to learn to integrate. So the students have a broader perspective than the faculty members who teach them. To accomplish this, schools need to pursue several strategies, including flexible curricula and the use of practitioners as teachers.

SLC: What about the case method? Is it dead?

HAMADA: At some level people have to make decisions, so the Harvard Business School approach of assuming everybody to be a CEO from day one in

JACOBS: ONE OF THE LIMITATIONS OF THE CASE APPROACH IS THAT IT DISCUSSES WHAT WAS WRONG IN THE PAST AND WHAT MAY WORK TODAY. THE CASES CAN’T TEACH WHAT WILL WORK IN THE FUTURE.

PIERSKALLA: WHAT I SEE COMING ALONG IN THE FUTURE IS MORE EMPHASIS ON EXPERIENTIAL LEARNING SUCH AS FIELD STUDIES AND COOPERATIVE INTERNSHIPS. CASES ALONE CAN’T DO IT.

all of their courses may actually be not too bad of a model.

With downsized businesses, some of our MBAs are making pretty big decisions, not necessarily in terms of dollars and cents, but in terms of their impact at the plant or division level. So, our graduates must be more adept at coordinating and making decisions as opposed to being in the back room and analyzing them.

JACOBS: One of the limitations of the case approach is that it discusses what was wrong in the past and what may work today.

The cases can't teach what will work in the future. We need to prepare students for the future by providing them with the theory and the framework to allow them to manage change.



WILLIAM PIERSKALLA

*Graduate School
of Management
at UCLA*

PIERSKALLA: What I see coming along in the future is more emphasis on experiential learning such as field studies and cooperative internships. Cases alone can't do it. You really do need to get out and work in the context of an industry, but you can't just work in one—you've got to have some variety.

SLC: In the sixties, many companies had in-house middle and advanced management training programs. Do you see these coming back?

JACOBS: Well, the truth is, we do that for a lot of companies. We call them custom programs. A company comes to us with their concerns, we develop a curriculum, they critique it and then we present it for their managers.

PIERSKALLA: The only way that in-house corporate programs can be really effective is if they can draw leading faculty from universities to come in and teach them. If they're done internally or if they're developed by a single firm, without the research focus of faculty, they tend to have built-in limitations.

But they are good for training. If you're talking below middle management, the in-house programs can do a better job than any business school I know. If you're talking middle management and up, you really have to go into a research-oriented university environment to get state-of-the-art thinking. ♦