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## **MBA world needs to broaden its horizons**

By Roger Martin

It has been a tough year to be in the business school business. The global meltdown in the financial markets has meant fewer jobs, deeply anxious students and greater scrutiny of the role of business education in precipitating the crisis. We have been found wanting.

One publication, *The Economist*, went so far as to characterise MBA graduates as "jargon-spewing economic vandals". It is not easy to mount a compelling defence.

For too long, MBA programmes have produced shallow, narrow and static thinkers - some of whom have gone on to vandalise, not enhance, our world. We need a better approach - an MBA that produces thinkers who are deep rather than shallow, broad rather than narrow and dynamic rather than static.

MBA education specialises in teaching models that help us price an option, value a company or understand customer segments. While students accumulate a robust toolset, they do not develop a deep understanding about how to choose among and adapt those tools to ambiguous, complex and fast-changing contexts. Hence, students leave MBA programmes with an overdeveloped sense of the power of their models and an underdeveloped sense of their limitations. As a result, their models get stretched and stressed, overapplied and underexamined.

MBA students need to understand thoroughly the assumptions and limitations of the models we teach. They need to learn how to examine the models they are taught, testing, refining and deepening them. They must be encouraged to view the models from finance, economics, marketing and strategy, not as distinct, complete and unquestioned frameworks, but as tools that have better and worse uses, specific limitations and opportunities for refinement. They need to become sophisticated users of their models.

It is easier to perform research, create models and teach courses within individual functional disciplines. But the world is a messy place, not tidy and compartmentalised. Our students need to understand that the narrower the territory a model covers, the less relevant that model is to informing productive action in a messy world. Finance theory is extremely rigorous and quantitative, as long as we assume that all actors are utterly

rational. But it faces real challenges when we acknowledge that people can be flawed, emotional creatures.

To broaden the MBA, we must broaden the dialogue, exposing our students to a multiplicity of views that they do not receive at most business schools today. And we must reinforce the view that while it would be handy for solutions to lie within the boundaries of narrow disciplines, they almost never do. The more territory our view of the world can encompass, the better chance we have of using ideas from across that diverse terrain to generate better decisions.

True value in business comes not from applying quantitative analytical techniques to choose from among existing options but from creating options that do not yet exist. Yet, business education has precious little to say on the subject of developing new-to-the-world ideas.

The vast majority of the average MBA student's time is invested in learning tools for analysing existing options relative to learning tools for the creation of new options. Subjects such as social enterprise, creativity and innovation are barely considered to be legitimate fields of business research and this keeps MBA education focused on the static rather than dynamic aspects of business.

We must work diligently to develop students capable of generating new ideas from the models in front of them, through the use of different kinds of reasoning, the application of design thinking and the exploration of wicked business problems.

Business schools need to embark on this journey of change, a journey that I believe is essential to the revivification of the reputation of MBA education and its application in the world.

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