



Comparing Lenses: Business Schools and Employers on Leadership Development



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AACSB International and SHRM partnered on a study to better understand how business schools and employers are approaching leadership development. The study aimed to uncover how the two entities define and prioritize leadership-related qualities and competencies, whether priorities are aligned, and what opportunities may exist for greater collaboration in developing the leadership skills business and society need. The study consisted of two surveys—one positioned for business schools and the other for human resource professionals—that were conducted prior to the global onset of COVID-19. Although some of the findings may have differed had the surveys been conducted in today’s environment, the findings and insights shared here are expected to remain relevant, regardless of shifts caused by the pandemic.¹



¹ Please see Survey Demographics and Methodology section at the end of the report to learn about the study’s methodology.

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Introduction

Effective leadership has been and continues to be necessary for a well-functioning society—within businesses, organizations, and governments. Sixty-four percent of employers who participated in the study said that leadership development is extremely important or very important to their organization’s strategic plan. Employers also indicated that “developing the next generation of organizational leaders” was one of the top three human capital challenges facing their organizations, both currently and in the next 10 years.

But understanding what effective leadership represents for business schools and for industry remains a challenge; are business schools and employers speaking the same “language” when it comes to leadership? Are they aligned in their priorities, effective practices, and development needs? To better understand these questions, AACSB and SHRM partnered to learn how the supply side of leadership (business schools) is meeting the expectations of the demand side (business).

The following brief explores three questions that the findings suggest business schools should be asking themselves about their effectiveness as partners to business for leadership development:

1. Are business schools and industry partners speaking the same language regarding leadership development?
2. Who are business schools’ competitors in leadership development?
3. Are business schools bringing enough personalization and relevancy into their offerings?

Although this study began prior to the COVID-19 pandemic, the unprecedented nature of the crisis has highlighted the criticality of effective leadership in organizations. Leaders all over the world have been navigating uncharted territories, where effective leadership skills and development opportunities carry even more value than before.

Exploring the above three questions allows business schools and employers to leverage this unique time to find opportunities for partnering and identifying areas where leaders are needed to help organizations stay adaptive and continue to thrive.

64%

of employees who participated said **leadership development is extremely important or very important** to their organization’s strategic plan.



Are Business Schools and Industry Partners Speaking the Same Language Regarding Leadership Development?

Business schools and employers share the goal of developing effective leaders in their organizations. Leadership itself is a term often used broadly, but an individual must have several unique qualities and competencies to be an effective leader.

In our study we aimed to better understand whether business schools and employers are working toward the same goal: Are they prioritizing the same set of competencies or even defining effective leadership in the same way? Business school respondents were presented with the following question:

What characterizes effective leadership development at your business school?

In their own words, respondents answered the above question, generally interpreting it in two ways: What does effective leadership development as a learning experience look like at your school, or what are the qualities of effective leadership that your school aims to nurture through its learning experience? The following responses exemplify comments that were echoed across the survey pool:



Leadership development begins with two core elements[:] who are you, and what are your values; we seek to develop values-centered leaders who know their strengths and liabilities and are exceptionally capable of managing themselves. Who you are as a person informs who you are as a leader, [and] we coach our students toward a virtuous and ethical alignment between these two.

In addition to the basic skills and theory of managing an organization (e.g., accounting, finance, marketing, economics, etc.), we do a lot to develop personal awareness and an ability to understand the experience of others.

Ability to make timely data-driven decisions that are ethical, inclusive, and globally minded.

Human sense, global perspective, entrepreneurial mindset, and conscious of [their] social and environmental impact.

We teach our students to be critical thinker[s] who can analyze a situation and apply the relevant evidence for the context.

Teaching our students to be able to influence and mobilize others to work toward a shared goal.

1. Strong self-organization 2. Ability to deliver results 3. Ability to “scan” people and develop their talents in or out [of] your organization.

Respondents also shared actual characteristics that encompass effective leadership development, which largely centered on soft skill development, such as empathy, an ethical mindset, social acumen, and self-awareness. How does this compare to the ways employers characterize effective leadership development?

What characterizes effective leadership development at your organization?

Industry leaders also briefly described what characterizes effective leadership development at their organizations. Several themes emerged from the responses:

- **Continuous learning and emphasis on growth** that promotes development throughout an employee's career.
- **Customizable programs** created through collaboration with local higher education institutions, focusing on leadership development and career advancement.
- **A safe work environment and culture** that allows leaders to experiment, develop, and potentially even fail. Getting buy-in from everyone in the organization is key to fostering a healthy learning environment.
- **Mentoring and networking opportunities** within the organization that allow leaders to develop skills, share new ideas, and obtain feedback about their leadership performance.

While business schools seemed to focus more on the types of leaders they aim to produce, from the employer perspective, effective leadership development largely consists of creating a culture that supports development experiences that are continuous, personalized, and buildable. Business schools appear to be paying more attention to skills and competencies, while organizations focus more on the processes and experiences used for developing those competencies.

Finding Gaps in Competency Priorities

We asked both business schools and employers to name three competencies prioritized within their leadership development activities so we could gauge the degree of alignment among both groups as well as find potential differences in competency language between the two. In analyzing the qualitative data, we grouped responses into several broader competency areas.

On the employer side, the types of competencies that emerged most strongly focused on management skills, competence, and business development.



Employer Top 5 Areas for Leadership Competency

1. People management
2. Business acumen
3. Communication
4. Coaching/training
5. Knowledge/innovation



Business schools showed a greater focus on soft skills, as seen in the competencies they mentioned most frequently.

Business School Top 5 Areas for Leadership Competency

1. Communication
2. Strategic thinking/
problem-solving
3. Values/work ethic
4. Teamwork/collaboration
5. Integrity/ethics



Competencies related to financial/quantitative skills were identified just sparingly by employers, and not at all by business schools. Further, competencies related to coaching/training and people management (which includes skills such as conflict management, performance management, engagement, relationship-building, and delegation) were not nearly as popular in business school responses as they were among employer responses. Competencies related to accountability and compliance were more frequently mentioned by employers; however, competencies related to global mindset, self-awareness/motivations, and social impact/sustainability/responsibility were more widely identified by business schools.

Consider This



Questions my business school should be exploring with our business partners about how we define effective leadership:

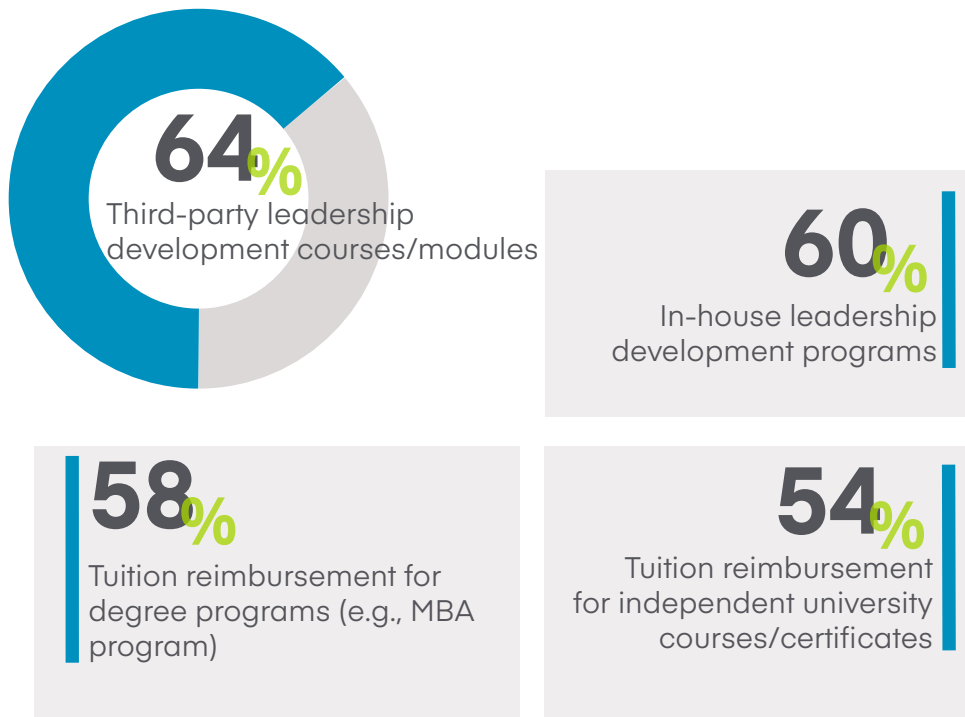
- What are the specific qualities/competencies that we prioritize in our leadership development offerings?
- Are these prioritized qualities/competencies shared across all faculty who deliver these learning experiences?
- Are students aware of what our business school prioritizes or characterizes as effective leadership?
- How do our qualities/competencies compare to those of our business stakeholders? Do we even know what competencies they are focused on?
- Are we also considering the processes and experiences needed for developing those shared qualities/competencies? For example, how are we approaching skill development in a continuous and personalized way?

Who Are Business Schools' Competitors in Leadership Development?

When it comes to leadership development offerings, the landscape of suppliers continues to grow and diversify, especially among non-degree-providing organizations. How do companies and their employees value business schools as leadership development partners, and could some of these newer entrants present competition to business schools in the leadership development space?

Employers were asked to select from a list of leadership development activities that were used in their organizations, as well as to identify up to three of those that they considered most effective.

Top Leadership Development Activities Rated by Employers²



² Percentages do not equal 100, as the question allowed respondents to choose all that apply.

Most Effective Leadership Development Activities Rated by Employers³



Although employers cited using *tuition reimbursement activities for degree programs or for independent university courses/certificates* as within their top four activities, they did not most frequently cite these activities as the most effective (29 percent of employers cited *tuition reimbursement for university degree programs, e.g., MBA programs*, as most effective, and 16 percent of employers cited *tuition reimbursement for independent university courses/certificates* as most effective).

Among the activities employers commonly cited as most effective were those that use in-house or third-party providers. It is worth noting that third-party leadership development courses or modules can include business school courses such as those in the executive education space.

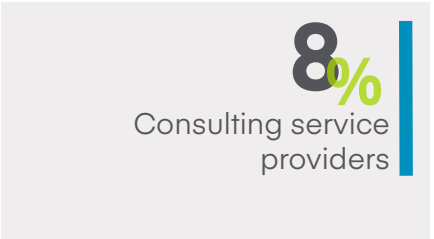
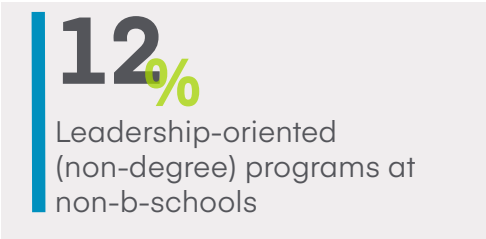
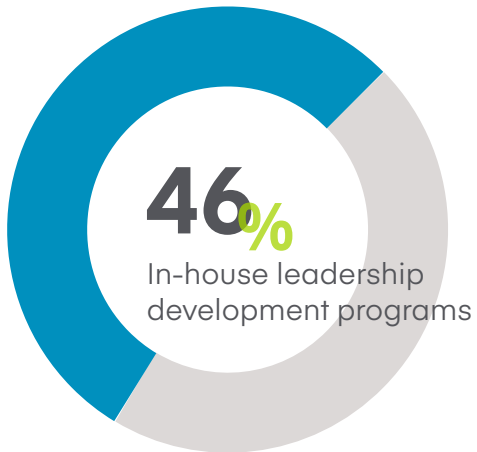
Some respondents from the employer survey mentioned that leadership development should be continuous and not a one-time event. Therefore, if organizations were to provide development activities in house or through an on-demand model, for instance, employees could more easily integrate learning into their workdays or access it at their convenience.

³ Percentages do not equal 100, as the question allowed respondents to select up to three activities they considered most effective.

Although a majority of employers (75 percent) and business school leaders (74 percent) believe business schools are *very effective* or *somewhat effective* as partners for organizations' leadership development needs, over half (52 percent) of employers responded that *few or none* of their employees utilize business schools to meet their leadership development needs.

So which platforms and educational providers do present attractive options for employees as they look to develop their leadership skills? Industry respondents were asked to select the top three platforms or educational providers that were most appealing to their employees.

Top Platforms/Educational Providers Most Appealing to Employees for Leadership Development



Interestingly, employees did not identify platforms provided by business schools (e.g., leadership-oriented programs, degree programs at business schools) as within their top three providers. The top competitors of business schools appear a bit different from those of their industry counterparts.

Platforms/Educational Providers Identified by Business Schools as Their Greatest Competition for Leadership Development⁴

53%

Companies (i.e., employer leadership development activities)

48%

Degree programs at other business schools

42%

Increased availability of information (i.e., internet, personal development resources, etc.)

30%

One-off leadership courses, seminars (non-degree)

24%

Online, non-degree providers (e.g., MOOCs)

23%

Professional development conferences/events

22%

Non-degree programs at other business schools

21%

Leadership coaches/mentors

16%

Leadership-oriented programs offered by other units at my university

14%

Consulting firms



⁴ Percentages do not equal 100, as the question allowed respondents to select up to three activities they believe present greatest competition.

Business schools consider *companies*, *degree programs at other business schools*, and *self-directed information/resources* as their top three competitors for leadership development. These three competitors remain the same for respondents who said they focus their leadership development offerings on career levels including *individual contributors and mid-level management*, as well as for schools that focus on career levels including *senior-level management and executive level*.⁵



Consider This

Questions my business school should be exploring with our business partners about how we differentiate and enhance our unique value proposition in the leadership development provider space:

- Which leadership development activities do we find most effective, and which do our business partners find most effective?
- Are our offerings among the activities considered most effective by our business partners?
- What are some of the defining qualities or characteristics of the platforms or learning providers that employers find most appealing for developing employee leadership skills?
- What can we learn from those providers (particularly non-business schools) that our business partners value, and how can we implement the attractive features they offer, but with our own competitive advantage?

⁵ Both industry and business school respondents were asked to select all that apply among four options for the question, “For which career level(s) are you most directly involved in your school’s leadership development offerings?” All options are shared in the Survey Demographics and Methodology section of this report.

Are Business Schools Bringing Enough Personalization and Relevancy Into Their Offerings?

Although employers largely consider business schools to be effective partners in their organizational leadership development needs, they and their employees value certain activities that provide insight for pathways business schools may want to prioritize.

Like their employer counterparts, business schools were asked to select up to three leadership development activities at their school that they found to be most effective. The top three that emerged include:

58%

Coaching/mentoring

46%

Internships/
apprenticeships

43%

Standalone course(s) on
leadership

Respondents also shared why those particular activities were noteworthy or effective. Overall, the sentiments suggest that coaching/mentoring as well as internships/apprenticeships allow for students to have more personalized, one-on-one experiences that aid in the professional, and personal, development of the individual—something greatly valued by students and conducive to the development of crucial soft skills.

Experience-driven learning opportunities, such as internships and apprenticeships, help bring to life the types of leadership challenges future leaders may face. Additionally, by receiving mentoring from an experienced professional, learners can raise specific questions or challenges, and schools can then create opportunities for tailoring content and learning activities to those specific issues.

Activities that focus on personalization, adaptability, and customization surfaced as points of pride for several business schools, typically accomplished through activities that fall under the top three listed earlier in this section.

Business School Perspective: What Business Schools Do Well and Where They Can Improve

Respondents also cited standalone courses as effective leadership development tools, particularly in their ability to enhance learners' objectivity toward and foundational understanding of leadership:



...a course provides the basic terminology and principles that are the foundation of leadership.

Our stand-alone leadership courses enable students to focus entirely on the development of leadership skills rather than courses that integrate one or more leadership modules.

Students need to learn leadership principles (via a stand-alone course), have those principles reinforced through modules in other courses, then apply them and have them externally validated by internship opportunities.

One business school respondent nicely summarized what many other schools and even employers shared as areas where business schools excel and where there may be gaps in how they approach leadership development:

Business schools and their faculty are adept at explaining theories, research, business advantages, and sociological factors of leadership and its strategic business impact. We can tell you all the forms that research has identified as “good” leadership practices. The knowing/doing gap then emerges. We can’t mentor people back on the job to apply the ideas, theories, research—because we aren’t there. But an excellent first step in developing leaders is exploring and unpacking leadership—and we do very well at that.

Several schools highlighted their executive-level offerings and activities as an area of pride or particular effectiveness, especially for the tailored experiences they provide:

We have a dedicated team who works with organizations (for-profit, not-for-profit, and government) to design and deliver leadership and management programs tailored to meet their needs. These services include: executive education, executive coaching, and consulting. Business school faculty work with the team to design and deliver these services.

Even at the undergraduate level, leadership development activities that are created through partnerships with business are considered highly effective. One respondent shared their school’s niche approach to leadership development, specifically in the nonprofit space:

Our partnerships involve developing an undergraduate leadership curriculum with a nonprofit focus and strong ethical leadership and leading change components in order to provide well-qualified candidates for internships and full-time positions. In addition, we are partnering with these organizations to provide executive education leadership programs with a nonprofit focus for their current mid-level executives.

Several other schools shared how some of their more customized approaches to leadership development have served their students, partners, and themselves well; however, business schools are recognizing certain areas where they could be doing a better job. One respondent shared that business schools are adept at having the necessary knowledge for acquiring a desired set of leadership skills, but they fall short in actively practicing those acquired skills through coaching, and in creating opportunities for maintaining skills through refresher experiences and ongoing enhancement.



Industry Perspective: What Business Schools Do Well and Where They Can Improve

Similar to the input business school respondents shared, employers noted that business schools are effective leadership development partners because they engage in a holistic approach to leadership rather than offering a narrow perspective of a specific company. Business schools are able to provide the foundational knowledge, skills, and best practices of leadership.

Further, employers value the unique networking opportunities business schools can provide, especially at the graduate level, that allow individuals to learn with other leaders and obtain a diverse range of perspectives and experiences. For smaller to mid-sized companies that may not have the resources to develop or invest in in-house leadership development opportunities, business schools may prove to be an even more attractive partner for developing employee leadership skills.

However, some industry leaders noted that although business schools provide access to objective, research-driven knowledge on leadership, those insights often don't translate to the unique needs of an organization and may not be applicable across industries. Additionally, the holistic approach to leadership that is valued by industry can also be viewed as a weakness at times, as the learning experiences are not tailored enough to specific needs.

For instance, many employers mentioned that their organizations and industries have unique constraints, regulations, and cultures, which means that the general business and leadership development content offered by business schools may not be easily transferrable. Some industry leaders also lamented that not all of the content in business school courses is current or practical and therefore does not align with industry needs.

The following responses provide a glimpse of industry leaders' views on business schools' effectiveness in leadership development.

Industry Leaders Share What Business Schools Do Well



Of the mid-level leaders in our organization who have been promoted in the last five years, almost all have gone through a program that was offered through a partnering school. They have learned the necessary skills to be successful in our roles and also learn transferable skills they can take elsewhere should they ever choose.

Business schools provide the technical education background that you may not be able to [offer] as easily in a fast-paced organization.

[Business schools] allow employees to learn in classroom settings with diverse audiences and provide them with opportunities to learn from others.

Utilizing a business school is an effective way to address an organization's leadership development needs, especially if the organization doesn't have the resources to offer in-house leadership development.

Industry Leaders Share Where Business Schools Can Improve

Business schools can provide a broad and biased spectrum (depending on the school), but these are not always tailored to the unique needs of an organization. Showing how leadership qualities can be transferred to different situations would be more effective.

Business schools can be an effective partner for leadership development, but it truly just depends on the individual. Not everyone learns best with this type of structure/setting, but there is a high external value that is placed on business schools that isn't always appropriate. Business schools would have a higher value for leaders if they catered more towards different types of certifications and not just degree plans. In some cases, leaders need to brush up on just one small area and need to be able to learn at their own pace.

There is no intentional connection between the company and the employee to assist them in applying what they have learned. Often it is just "great, you got your degree."

I have attended business conferences at universities, and in many cases find there is a gap between what the university offers, and the latest in the business arena. Depending on what is being taught, sometimes it is effective but other times not. Universities need to choose courses and speakers more carefully and use the right criteria for evaluation.

Consider This

Questions my business school should be considering with our business partners about how we address individual needs through our learning development offerings:

- What are the leadership skills we should be focusing on that are foundational and that everybody should master, taking into consideration the level of the leader?
- What is our balance of providing foundational leadership knowledge versus experiential and individualized learning experiences? Does this ratio align with what our business stakeholders value or need?
- Are there opportunities for creating more personalized, individualized learning experiences, for example, through the use of coaches/mentors, internships, new technologies, etc.?
- Do we have a process or mechanism in place to individually track the progress of our learners, both within their study and within their career growth? If so, how are we using this data? If not, whom should we engage to accomplish this goal?
- How can we engage with and continue the leadership development journey of learners once they have left the business school and are in their careers?

Closing Reflections

Calls for strong leadership have been louder than ever in 2020. Just as the 2008 global financial crisis resulted in a wave of demands for ethical and responsible business practices among managers and organizational leaders, responses to the global pandemic may soon provoke an additional set of needs for tomorrow's leaders. As our study did not capture impacts of COVID-19 on leadership needs, it may still be too early to determine where the true gaps will exist going forward. However, what our study does accomplish is to reinforce the important relationship that business schools and their business partners must nurture and continue to grow for business schools to truly be leaders on leadership.

The insights shared in this brief underscore the important questions that business schools should be asking themselves on a continual basis as well as the types of conversations they ought to be engaging in. Although the study asked that all respondents select career levels they most targeted in their leadership development offerings, it did not allow for parsing out the leadership development needs, preferences, and techniques across those different career levels. Such distinctions will likely be of further interest to schools and organizations so they can better understand the unique needs of individuals at different points in their careers, something that we learned employers greatly value.

We also learned that business schools continue to hold a respected place among employers as partners for leadership development, but with some room to accomplish more. Notably, business schools' holistic approach and foundational development of knowledge are elements that fast-paced companies cannot effectively embed within their in-house offerings, nor are many mentors or other third-party providers able to compete with business school faculty's body of knowledge on the topic. However, the pace of change in business only continues to grow, resulting in new needs for knowledge and skills among leaders and requiring new methods for developing those desired skill sets.

Discussions on desired competencies should continue to be an area that business schools and their business partners consistently engage in. A more complex conversation should center on how business schools can better attract future learners based on the features that appeal to them, for example, by offering learning and development options that are customized to specific needs, flexible, and continuous.

Nearly half of business schools considered degree programs at other business schools to be within their top three greatest competitors in the area of leadership development, while only 17 percent of employers included degree programs at business schools among their top three most appealing providers and platforms to employees. This incongruence suggests an opportunity for business schools to look beyond what their business school peers are doing and aim to better understand and learn from what other providers are offering learners that make those options attractive.

In the end, the authors hope that this brief can support and spearhead some of those exploratory discussions between industry and business school leaders and challenge business schools to think innovatively about how they can help sculpt the types of leaders the world needs today, and in the future.

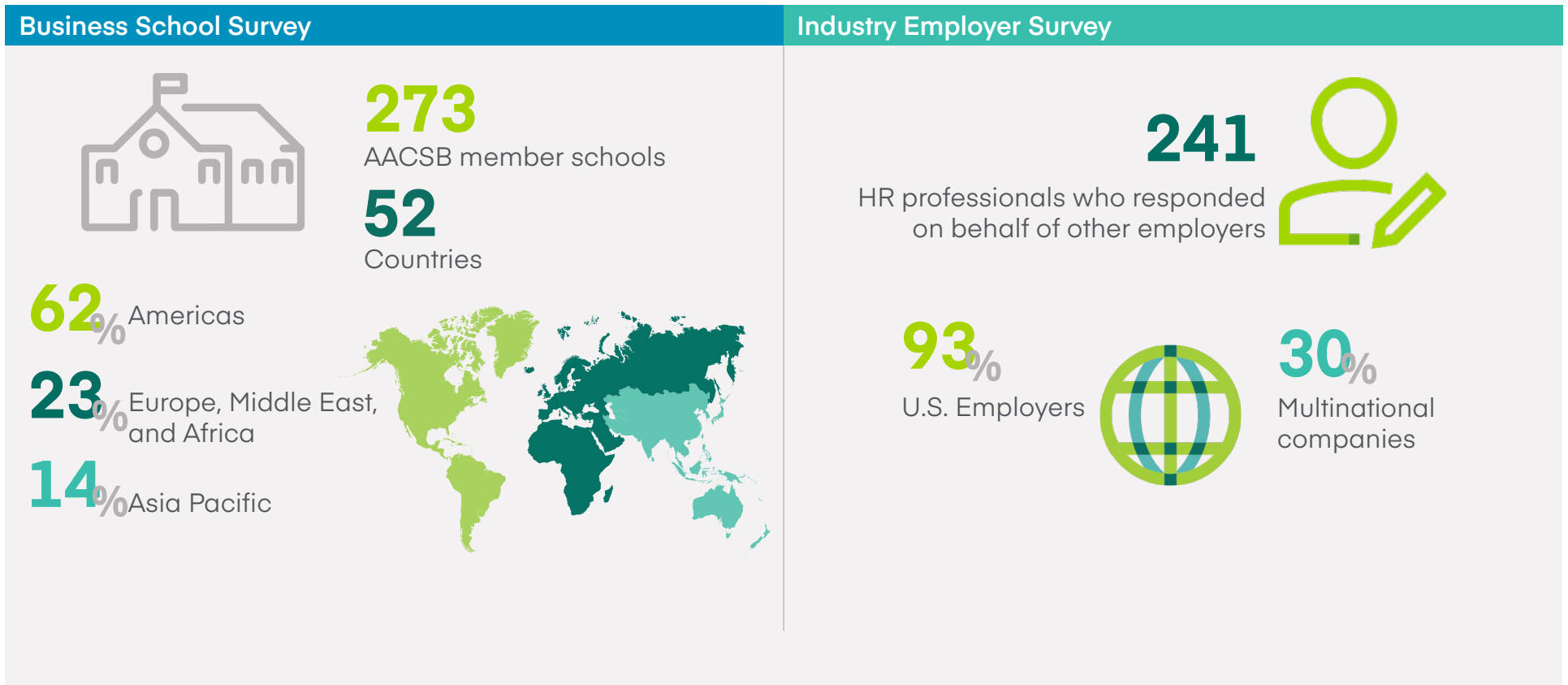
Survey Demographics and Methodology

AACSB and SHRM research teams jointly created two survey tools, one for business schools and one for employers, asking mirroring questions related to organizational leadership development activities and priorities. The business school survey was launched in December 2019 and the employer survey was launched in January 2020. Both surveys closed by mid-February 2020.

The surveys asked that respondents identify which career level(s) they were most directly involved with in their business school's/organization's leadership development offerings, and to select all that apply. Therefore, respondents may have answered the survey questions with more than one career level in mind.

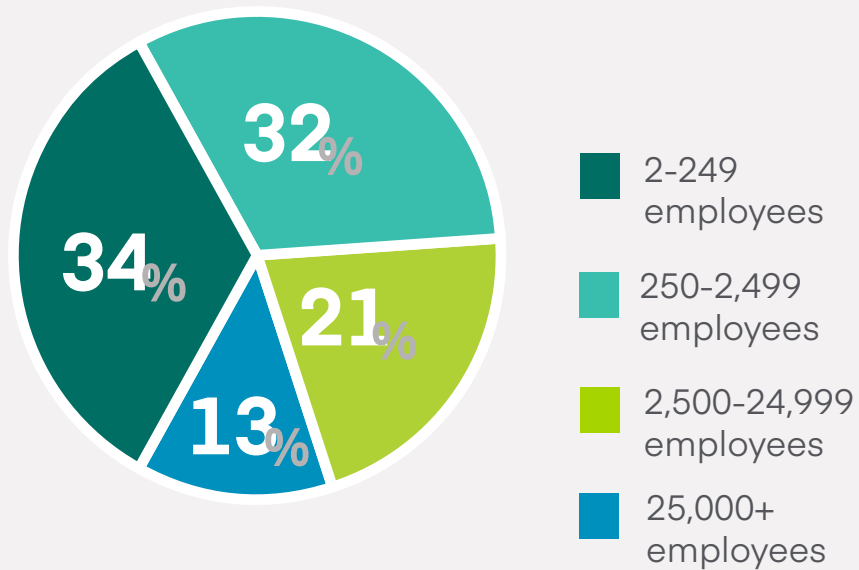
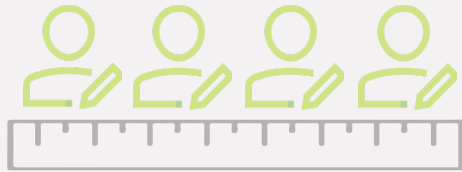
AACSB and SHRM researchers analyzed results and reviewed open-ended responses, identifying overarching themes that helped frame the questions presented within this brief.

Survey Participation Overview

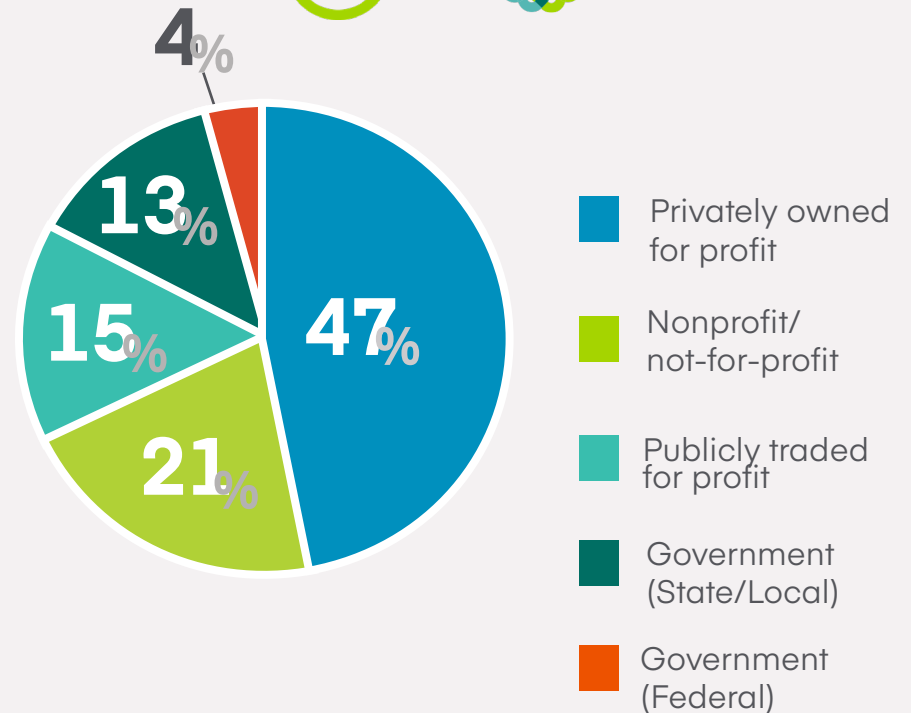


Industry Employer Survey

Organization Size Breakdown

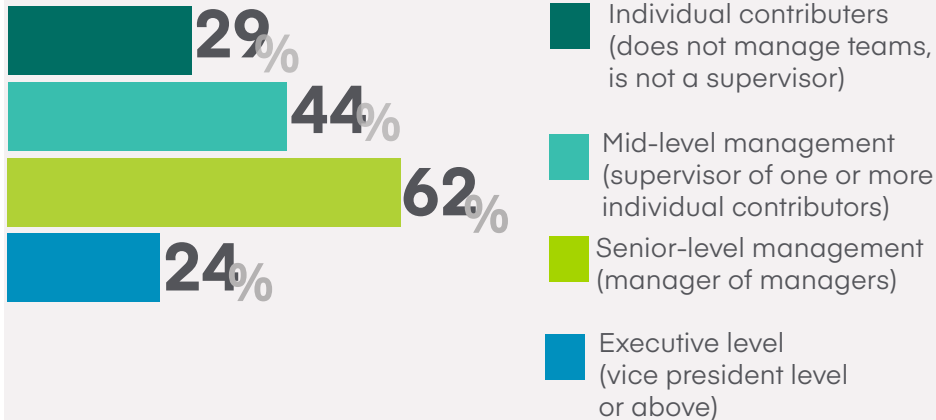


Sector Breakdown



Business School Survey

Participants are directly involved in leadership development offerings at the school for the following career levels:⁶



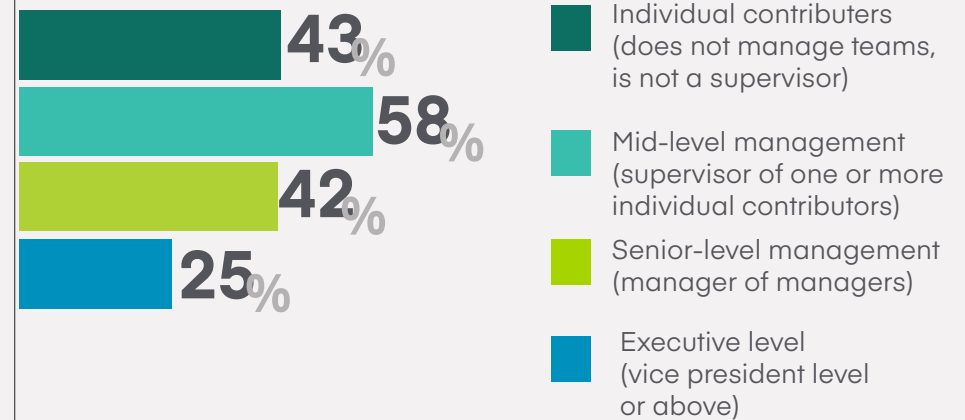
32% indicated granting leadership certificate(s)

20% indicated having a dedicated leadership center

⁶ Percentages do not equal 100, as employer could select more than one career level.

Industry Employer Survey

Participants are directly involved in leadership development offerings for the following career levels at their organization:⁷



70% of organizations offer in-house leadership development program(s) for their employees (e.g., workshops, seminars, assessments, etc.)

67% of organizations offer third-party leadership development program(s) for their employees (e.g., consulting services, leadership coaches, partnering or covering cost at university, etc.)

⁷ Percentages do not equal 100, as schools could select more than one career level.

Contributors

The following individuals from the AACSB Business Education Intelligence team and SHRM research team contributed to the development of this report:

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The insights and information shared through a series of exploratory interviews with individuals responsible for leadership development efforts at several business schools and organizations also contributed to the development and framing of the joint study.

For questions or comments about study findings, methodology, or data, please contact us at research@aacsb.edu.

