

AMBA&BGA
**TRANSFORMATION
AND THE EMERGING
BUSINESS MODEL SHIFT IN
BUSINESS EDUCATION**

IN ASSOCIATION WITH
SALESFORCE.ORG





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Introduction

FROM AMBA & BGA

Let's get personal... Because everything in our world is.

Whether you know it (or like it) everything we do leaves a digital trail that creates greater personalisation in our use of technology. When you Google 'coffee shop', your nearest open coffee shop is usually the first result to pop up; and your music streaming platform can almost always play you your new favourite song, based on your listening habits.

We have become used to the apps and websites we use being tailored to our needs, but when it comes to higher management education, are there the same consumer expectations?

This report draws from a survey of 144 global Business School leaders, and found that 72% of this group believe their institution provides a personalised experience for their students. This trend is only set to advance with 88% of the same sample of School decision-makers agreeing that personalising the learning experience of their students is something that will grow in importance over the next five years.

It's not just how learning is delivered. What we learn is also becoming more personalised. Digital credentials offer short courses on trending topics, meaning learners can pick and choose what they need to learn for their professional and personal learning, in real time. Will these short courses – which give participants the knowledge they need, when they need it – take over from the one-to-four-year degrees that have been so established in our institutions for so long?

A quarter (25%) of the Business School leaders who took part in the survey believe that microcredentials represent the future of postgraduate business education, and 35% see microcredentials provided by companies, such as LinkedIn, as a threat to how their Business School will operate in the next five years.

A staggering 80% of these Business School leaders also believe that their Schools are under pressure to change their value propositions and business models. This finding suggests that the sector may experience further changes in the short term as Business School models shift to enhance the personalisation of learning offered.

We would like to express our gratitude to our report sponsor, Salesforce.org, for its generous support and insight in bringing this project together, along with the 144 individuals who took the time and effort to complete the survey.

**Ellen Buchan, Insight and Communications Executive,
AMBA & BGA**

**David Woods-Hale, Director of Marketing and Communications,
AMBA & BGA**



Introduction

FROM SALESFORCE.ORG

Business Schools have a critical role to play in empowering the organisational leaders of tomorrow to address societal, economic and environmental changes. In 2022, Business Schools are faced with significant challenges, largely due to the consequences of a global pandemic, civil unrest and war, climate change, and other macroeconomic changes. Although these global challenges may curb international study and cross-border collaboration, they have also inspired transformation and new possibilities across the sector in order to stay relevant to students' needs across a lifetime of careers. Business Schools are therefore bravely expanding their scope and reach to respond to the ever-evolving needs of their students, staff, alumni, and community stakeholders.

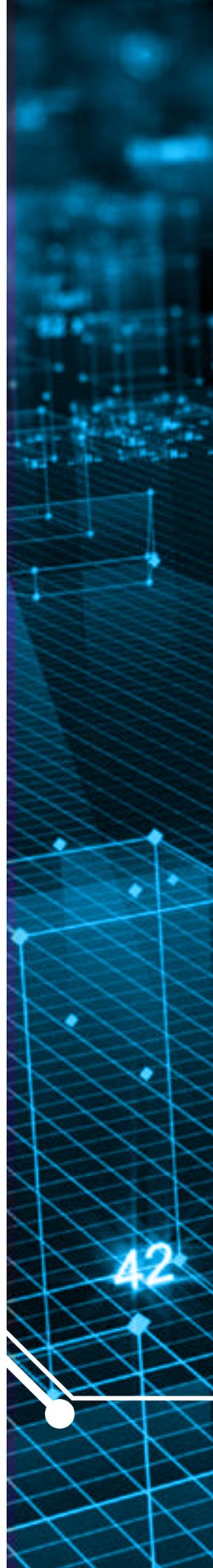
Transformation is exciting. A new wave of how, what and when learning will take place creates opportunities for Business Schools to identify their priorities and support students' entire educational and leadership journey by remaining relevant, competitive and agile. The findings from the research show that 80% of respondents believe they are under pressure to change their value proposition and business model. What does this mean for the traditional Business School educational model? Do new models require different approaches to engaging and retaining students? Is a consumer-like experience expected from Business Schools today? How is your institution set up, operationally and technologically, to deliver on a lifelong learning agenda? These questions are merely thought-starters that will help institutional leaders draw conclusions from the research on how to navigate the new horizons ahead.

Empowering Business Schools to lead through this emerging change and deliver a connected experience for students, staff and alumni is a key goal of our partnership with several leading institutions here at Salesforce.org. This research has been conducted during a pivotal moment in time for higher education, and specifically, Business Schools. The findings demonstrate that while many Business Schools are embracing new business model transformation, there is still uncertainty on whether this shift will be long term. For example, while the research demonstrates that some Business Schools are moving towards lifelong learning and forms of hybrid learning, the validation of microcredentials requires extra focus in order to ensure quality, trust and recognition in the labour market.

Another key area of this study is personalisation and the important role it plays in accelerating growth and providing a better understanding of prospective and current students. The research found that 88% of respondents think the most important outcome of personalisation is enabling students to achieve the most from their Business School experience. At Salesforce.org, we have witnessed through several of our partner institutions how delivering a connected student experience will improve engagement, accelerate institutional growth and enable insights and tracking.

The nature of the workplace is undergoing a sea of change where job titles and responsibilities are endlessly evolving. Lifelong learning, hybrid models and hyper-personalisation are not only trends, they're also indispensable facets of modern life that are essential for innovation and economic growth. Salesforce.org is delighted to partner with AMBA & BGA to deliver this valuable research to the industry and support those Business School leaders seeking direction while navigating this era of change.

Geshri Gunasekera,
Vice President of Product Marketing, Education Cloud, Salesforce.org

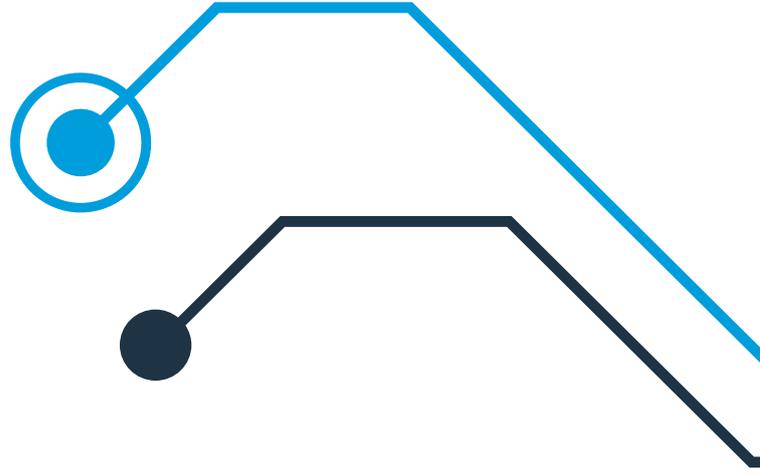




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Executive summary



The purpose of the Business School

- 58% of Business School decision-makers believe their primary customer to be students and 33% think the main customer is society itself
- 65% of Business School leaders said teaching and learning is their priority for students at their institution
- 80% believe Business Schools are under pressure to change their value proposition and business model
- 54% believe the role of Business Schools is to develop and nurture responsible managers

User experience of Business Schools

- 58% of leaders believe their Business School's offering meets student expectations to a great extent
- 29% of Business School Leaders who use a learning management system (LMS) believe the user experience of their online platform should match, to a great extent, those of commercial websites, such as social media platforms or online shopping websites
- 24% of Business School Leaders who use an LMS think that their online platform matches the user experience of these platforms to a great extent

Methodology and participant demographics

Between 4 March and 28 March 2022, AMBA & BGA circulated an online questionnaire, polling its networks of Business School decision-makers on trends in education technology and online learning. A total of 144 Business School decision-makers participated in the quantitative survey.

Throughout the following report, the terms 'participants', 'survey respondents', 'Business School leaders', and 'leaders' are used interchangeably when describing the research sample.

Of those surveyed, 39% represented Business Schools based in Europe (excluding the UK); 15% represented Schools in Latin America; 14% Schools in the UK; 8% Schools in India; 7% Schools in Africa; 7% Schools in Asia and the Middle East (excluding China and India); 6% Schools in China (including Hong Kong, China); 3% Schools in North America and

the Caribbean; and 2% Schools based in the Oceania region.

57% classify themselves as deans or directors at Business Schools; 6% work in designing or delivering management programmes at Business Schools; 10% are management academics; 6% work with management students and graduates (for example, careers and alumni staff); 13% work in another role within a Business School; and 9% work in another role within the business and management education industry.

93% of participants' Schools provide MBA programmes; 74% provide doctorate degrees; 69% provide executive master's degrees (such as EMBA's); 62% provide customised education programmes; 53% provide open programmes; and 51% provide online programmes. A further 12% said they provide other programmes.



Part 1

THE PURPOSE OF THE BUSINESS SCHOOL

The first section of the research sought to garner Business School leaders' opinions on the cultures, strategies, and purposes of their institutions.

Distilling Business School strategy to the fundamentals, respondents were asked who they believed to be the main customer of a Business School. As Figure 1 illustrates, more than half of survey participants (58%) believe their primary customer to be students and a third (33%) think their main customer is society itself.

Other answers included corporations (cited by 7% of respondents), faculty and staff (1%), and the academic community (1%).

Considering students as a primary customer of the Business School, the survey moved on to ascertain Business School leaders' top two priorities for students.

Figure 2 shows the results and reveals that just under two thirds (65%) of Business School leaders that completed the survey deem teaching and learning to be the number one area that should be prioritised for students.

Other areas of priority cited by participants included careers support (selected by 35% of respondents), wellbeing (cited by 28%), and digital experience (cited by 21%).

At the other end of the scale, just 13% of respondents placed alumni relations among their top two priorities for students, while 10% cited onboarding and readiness in their top two and 6% cited tutors and academic support.

Respondents were then asked if they believe that Business Schools are under pressure to change their fundamental value proposition and business model.

The answer to this question was decisive. Eight out of 10 Business School leaders said 'yes' – Schools are under pressure to change their value proposition and business model. Just 13% said 'no' and 7% admitted that they are unsure at this stage.

In the final question of this first section of the questionnaire, Business School leaders were asked to select the role they believe Business Schools must play in society. Their responses are shown in Figure 3.

More than half (54%) of respondents believe Business Schools' role is to develop and nurture responsible managers; 17% said the role of Business Schools is to support the societies in which they're based, 16% said it is to produce world-class leaders to innovate in terms of corporate strategy; and 13% believe it is to help solve the world's greatest problems.

FIGURE 1: Who do you think is the main customer of a Business School?

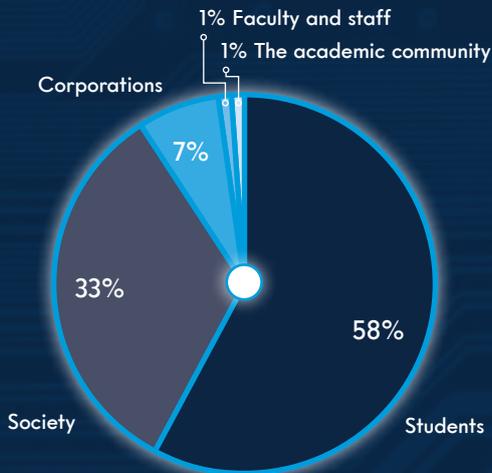


FIGURE 3: Please select the role you most believe that Business Schools must play in society

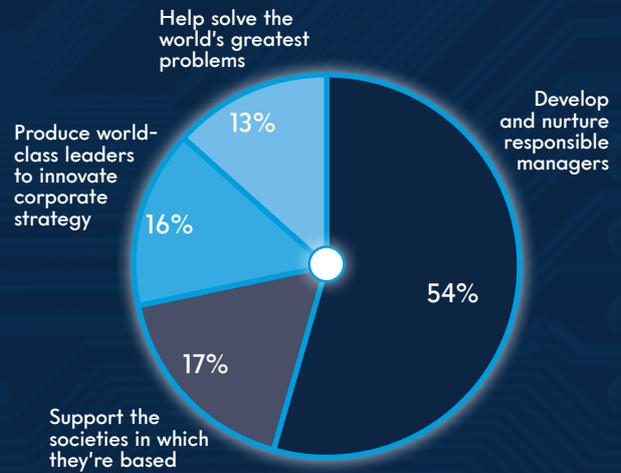
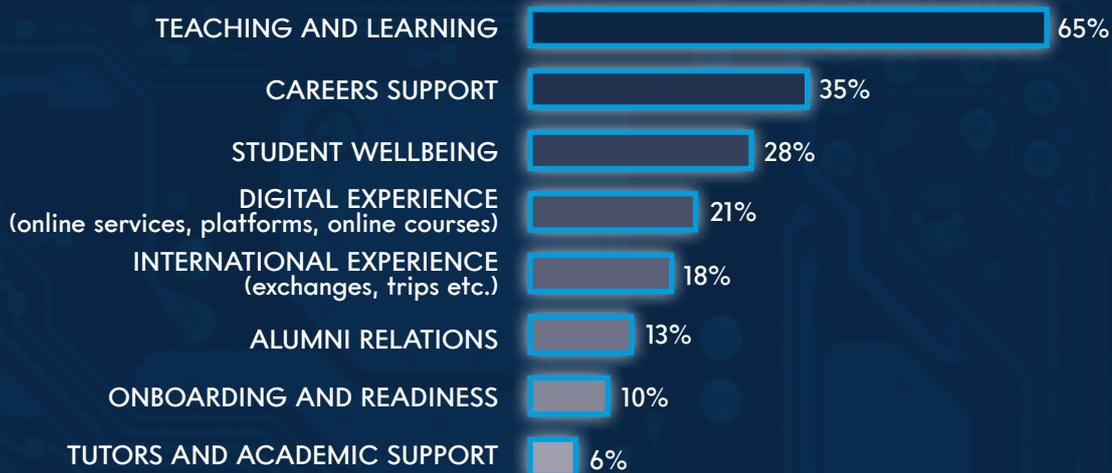


FIGURE 2: Out of the following area(s) choose the two that you think Business Schools should prioritise most for students today?



Part 2

USER EXPERIENCE OF BUSINESS SCHOOLS

The second part of the questionnaire sought to find out more about students' user experience at Business School and the use of digital technologies for teaching and learning.

When asked to what extent Business School leaders believe their Schools' offerings are meeting the needs of their students, 58% of respondents said they are meeting students' needs to a great extent and 40% said their offerings somewhat meet the needs of students.

Just under nine out of 10 respondents (88%) said their Schools offer an online learning management system (LMS). The survey then moved on to explore how successful these systems were performing at these institutions.

First, survey participants were asked to rate their LMS against other platforms their students might be used to using, such as social media platforms or e-commerce websites.

As illustrated in Figure 5, less than a quarter of respondents whose Business Schools use an LMS (24%) think that their online platform matches, to a great extent, the user experience of other platforms their students might be using; 56% said that they believe their LMS somewhat matches the user experience of other platforms.

At the other end of the scale, 4% said that their LMS does not match the user experience of these other platforms.

In saying that, as Figure 6 shows, Business School leaders do not necessarily believe that their LMS needs to compete with mainstream or consumer platforms, in terms of its usability.

Among respondents whose Schools employ an LMS, only 29% thought its user experience should match those of commercial websites 'a great deal' – 56% said, instead, that it should match mainstream websites' user experience either 'just a little' or 'a fair amount'.

And, as Figure 7 shows, Business School leaders are on the fence as to whether they think students expect the user experience of their LMS platforms to match those of more commercial platforms.

Just 29% think that students expect learning management systems to meet the standards of commercial platforms to a great extent; 50% think that students expect LMS platforms to somewhat meet the standards of social media platforms or e-commerce websites.

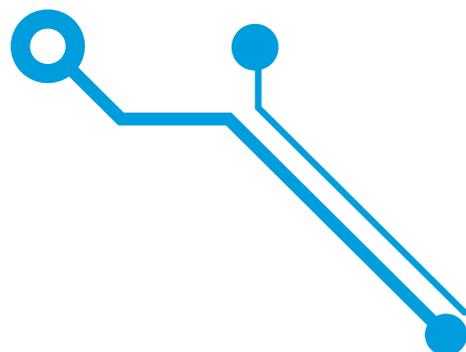


FIGURE 4: To what extent do you believe the experience your Business School offers students meets student expectations?

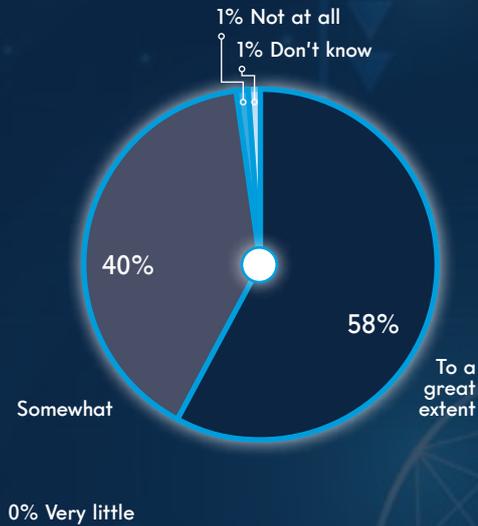


FIGURE 5: In your opinion, to what extent does your Business School's online platform (or LMS) match the user experience of other platforms your students might use?

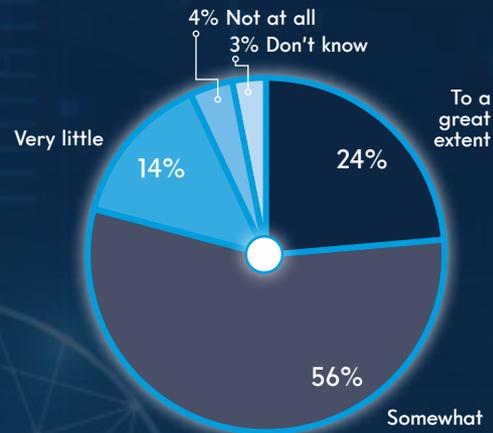


FIGURE 6: Do you think that the usability of your School's online platform (or LMS) should match those of commercial websites, such as social media platforms or e-commerce websites?

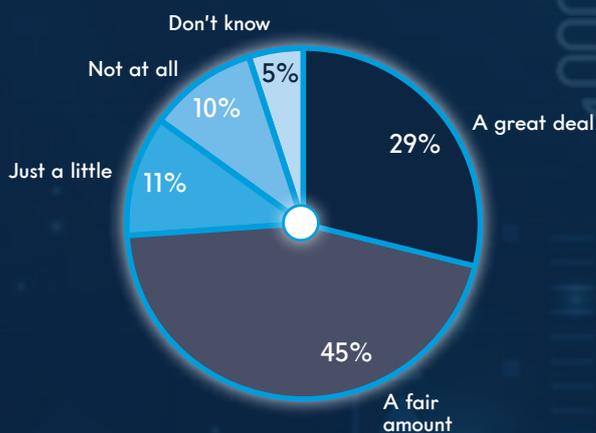
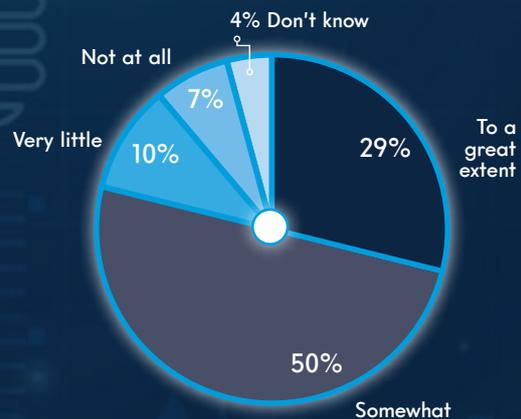


FIGURE 7: To what extent do you think that the students at your Business School expect your online platform (or LMS) to meet the standards of more commercial organisations?



Part 3

PERSONALISATION

With a focus on the digital age and growing consumer expectations, the next part of the survey explored perceptions of 'customer service' and personalisation in business education.

As seen on page 12, 58% of Business School leaders believe students to be the main 'customer' of their Business School. And just under three quarters of this same respondent pool (72%) agreed that their institution provides a personalised experience for their students. However, 25% believe that this is not the case, and 3% are unsure.

Drilling down into these findings, survey participants were asked how their School provides students with a personalised service. The responses are illustrated in Figure 8.

More than two out of five participants (43%) said the most personalisation was provided in teaching and learning, while 21% said the most personalisation was provided in careers support.

Less personalisation is currently deemed to be taken in recruitment (cited by 5% of respondents), assessment (cited by 2%), marketing (cited by 1%), and alumni relations (cited by 1%).

The vast majority of survey participants (88%) however, agree that personalising students' learning experience is something

that will grow in importance over the next five years. Only 6% thought that this area will not become any more important at their School in terms of strategy and delivery in this timeframe.

But why do Business School leaders see personalisation as being so important?

As Figure 9 shows, 88% of those surveyed think personalisation enables students to achieve the most out of their Business School experience; and 20% think it is important in encouraging students to return to some form of learning in the future.

Other answers survey participants gave supporting the importance of personalisation include offering a sense of uniqueness in communication of proposals; meeting the current (supposed) aspirations of prospective students; allowing students to learn at their own pace; and supporting students to achieve the best version of themselves.

These results provide evidence that Business Schools recognise that personalisation is about adding value to the student experience, and is not about generating metrics – just 3% of survey participants cited the opportunity to gather data on students as being a reason why personalisation is important at their institution.

FIGURE 8: At what point in a student's experience at the Business School do you believe your School provides the most personalisation?

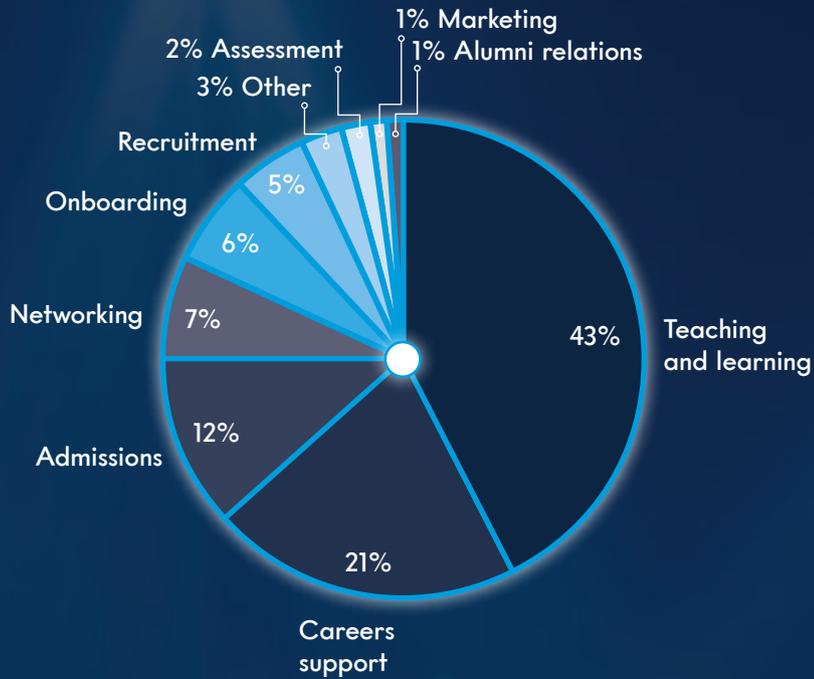
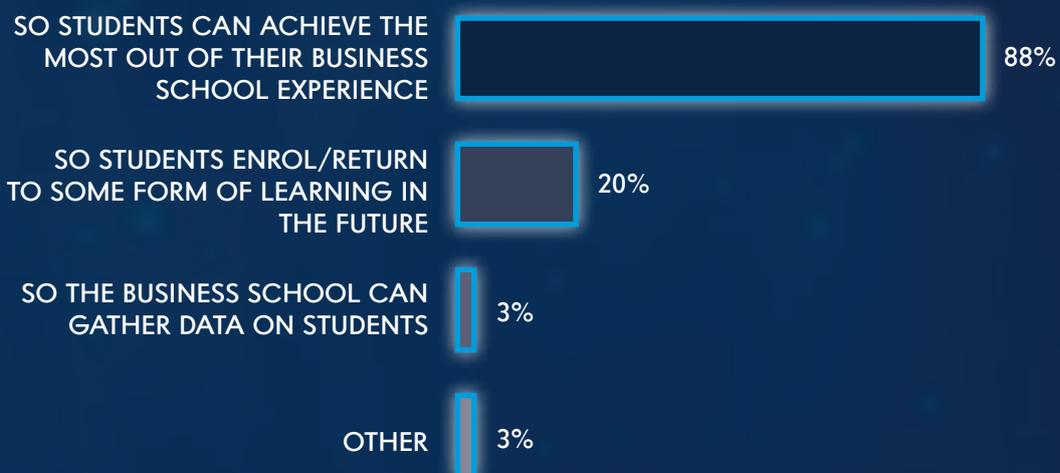


FIGURE 9: Why do you believe personalising a student's experience is important?



Part 4

ONLINE AND HYBRID LEARNING

There has been much debate in the business education landscape as to whether the future of learning delivery will be physical, online, blended or hybrid, so the survey moved on to analyse Business Schools' current delivery of programmes, and participants' plans for the short-to-medium term.

Eight out of 10 Business School leaders who completed the questionnaire (80%) said their institution offers online learning for courses and degrees and 18% said they do not currently offer any online learning.

When asked whether the online delivery of courses or degrees is something their Business School is planning to invest in over the next five years, 50% of participants said it is, 12% said it is not, and 38% said they are unsure.

Participants were asked to what extent they agree that offering online courses and degrees will be the norm in the next five years, Here, the results were split.

Figure 11 shows that 38% of respondents strongly agree that online courses and degrees will be the norm, 44% tend to agree; 10% neither agree nor disagree and 7% disagree.

When asked about the options their Business Schools currently offer as modes of learning (as outlined in Figure 12) 86% of respondents said they are offering a combination of in-person instruction and online instruction (some in-person and some online); 37% are offering in-person only; 27% are offering primarily online instruction enhanced by some in-person events; and 23% are offering fully online courses with no in-person components.

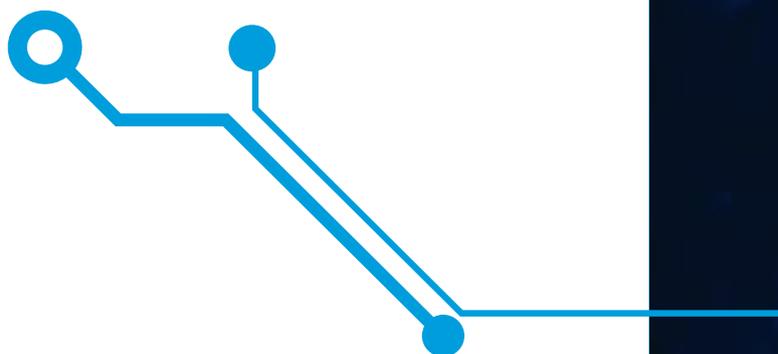


FIGURE 10: Is having online delivery of courses or degrees something your Business School is planning to invest in over the next five years?

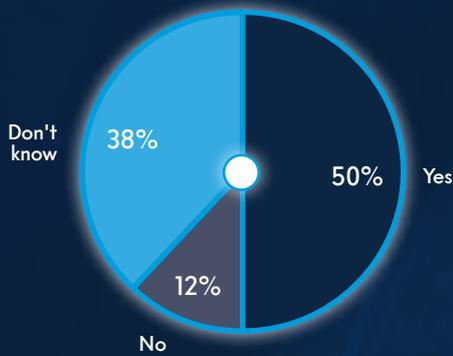


FIGURE 11: To what extent do you agree with the following statement: 'Offering online courses and degrees will be the norm at Business Schools in the next five years'

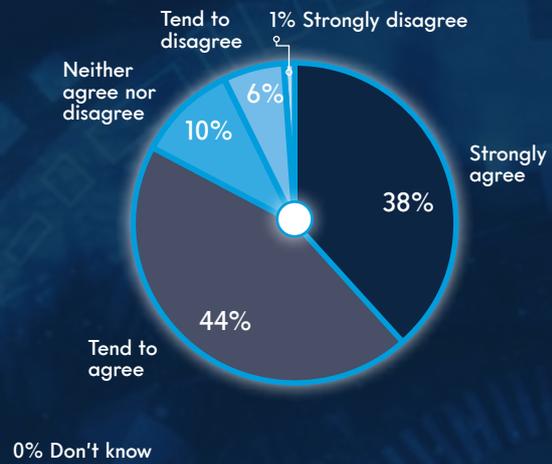
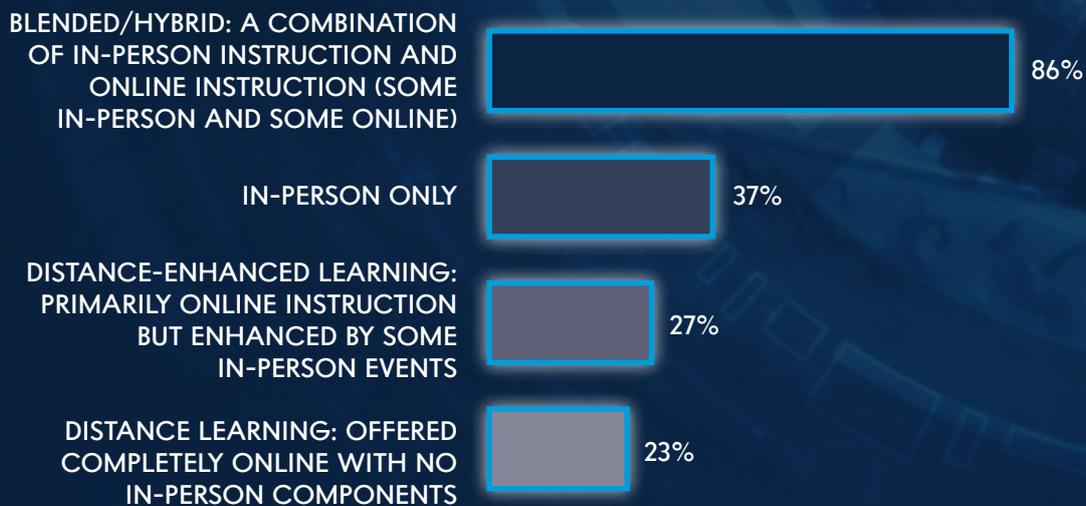


FIGURE 12: Please select the modes of learning that your Business School currently offers in its delivery of programmes



Part 5

MICROCREDENTIALS AND PROFESSIONAL LIFELONG LEARNING

The final section of the research set out to explore Business School leaders' attitudes towards lifelong learning for their alumni.

Microcredentials have gained popularity in higher education in recent years. They are designed to certify the learning outcomes of short-term learning experiences, for example a short course or training. Microcredentials aim to offer a flexible and targeted way to help learners develop the knowledge, skills and competences they need for their personal and professional development.

Business School participants to the survey were asked if their Schools offer microcredentials. Respondents were split down the middle, with 50% saying they do, 44% saying they do not, and 6% admitting that they are not sure.

For those that did indicate that their School offers microcredentials, the survey sought to uncover the types on offer. These are itemised in Figure 13. The chart shows that 79% of respondents said their School offers microcredentials for standalone modules; 39% said they are on offer for stackable modules which lead to a degree, and 32% said they are on offer to those attending events or webinars.

Other reasons suggested by respondents for offering microcredentials include certification for belonging to an industry body, or projects organised for students in collaboration with other universities.

Participants who said that their School did not currently offer microcredentialing were asked whether they thought their School would invest in them in the next five years.

In response, slightly less than half (46%) said their School would be investing in microcredentials, 13% said it does not plan to, and 41% are unsure.

Delving deeper into professional development and lifelong learning, the questionnaire asked participants to outline their thoughts on the function and future microcredentials within the alumni ecosystem.

As Figure 15 shows, 41% think microcredentials are relevant to those who are employed and looking for professional development courses; 25% would go so far as to say microcredentials represent the future of business education; and 21% think they are important for postgraduate students.

In saying that, Business School leaders are not confident that microcredentials will provide a new revenue stream for Business Schools – only 7% of participants share this belief. But most also do not agree that microcredentials are merely a passing phase – just 6% of respondents believe this to be the case.

While School leaders are undecided about the value microcredentials will bring to their Business School, they are equally divided in their opinions of the threat they provide from the wider corporate arena.

When asked if they see microcredentials provided by companies such as LinkedIn as being a threat to how their Business School will operate in the next five years, just under half of those surveyed (47%) said 'no', 35% said 'yes', and 18% are unsure.

FIGURE 13: What types of microcredentials does your Business School offer?

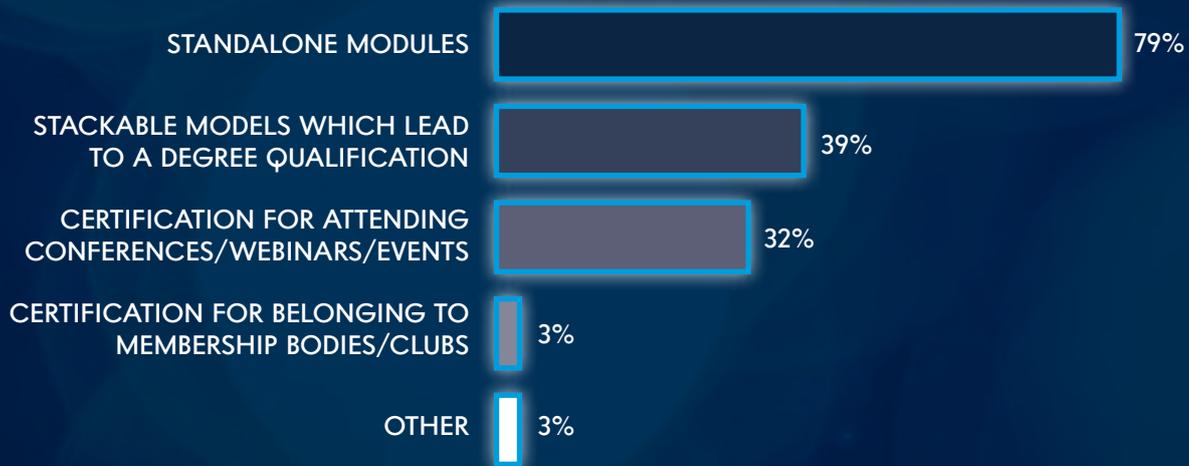


FIGURE 14: Does your Business School plan to invest in microcredentialing in the next five years?

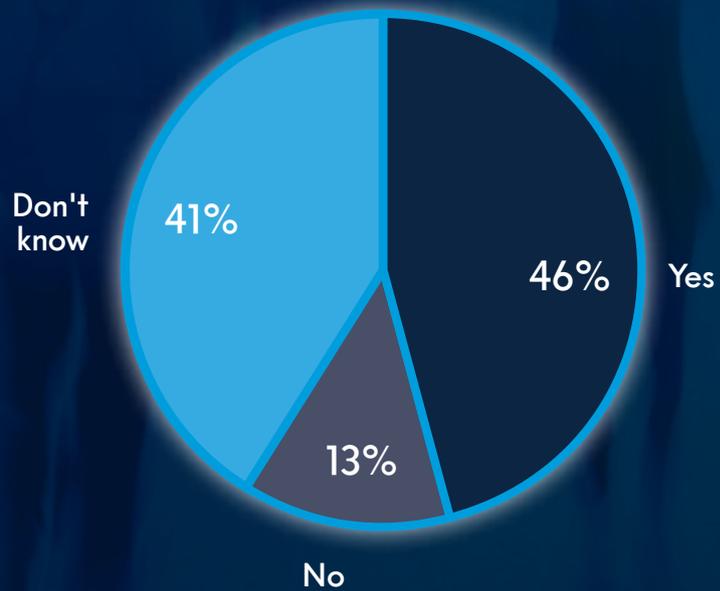


FIGURE 15: Do you believe that professional learning and microcredentialing are:

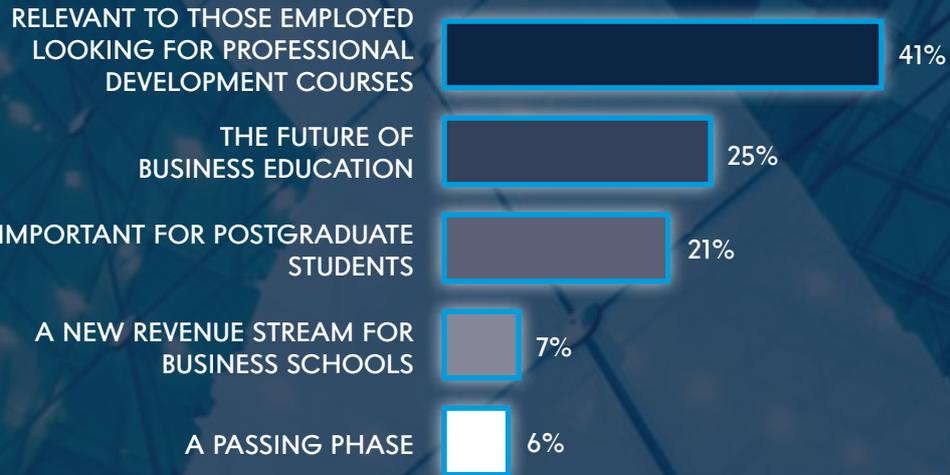
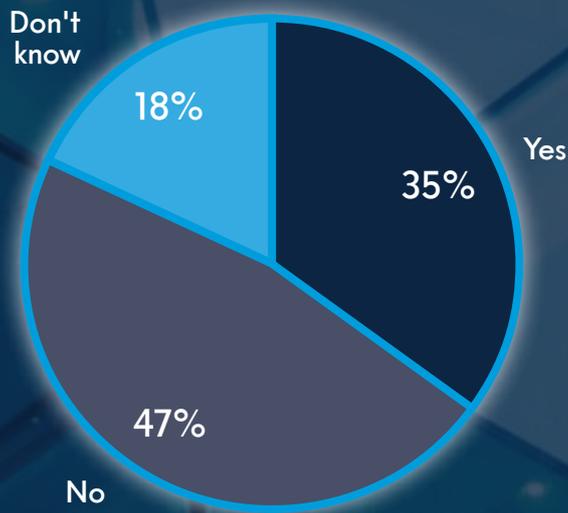


FIGURE 16: Do you see microcredentials provided by companies such as LinkedIn as being a threat to how your Business School operates in the next five years?





The survey's final question was designed to build on the thinking surrounding commercial competition, with a qualitative question asking how Business School leaders planned to respond to the perceived threat of companies, such as LinkedIn or other private institutions that offer professional learning.

Answers put forward by Business School leaders included the following:

- Developing and offering microcredentials and degree-stacking programmes.
- Maximising our participants' knowledge and offering them the opportunity of building their careers with us.
- Emphasising professional development and formation rather than [focusing solely on] trends or technical skills.
- Collaboration with companies offering professional learning.
- Enhancing online programmes.
- Developing in situ experience mixed with locally specific needs.
- Joining professional learning consortia.
- Offering more tailored, specific and in-person microcredential offerings.
- Emphasising the learning that comes from collaboration with fellow students.

Conclusion

There is, for the most part, confidence that Business Schools are addressing the needs of students using the new trends that are emerging in higher education among the School leaders who took part in this research.

More than half (58%), believe their Business Schools are meeting their students' expectations to a great extent and 72% believe that they are offering a personalised experience for their students.

Half of leaders' Schools (50%) have already delved into the world of microcredentialing, and 80% currently offer online learning in courses.

While it seems like these new trends are firmly in place at many Schools, there is an awareness that more change could be brewing.

Nine out of 10 leaders (88%) believe that personalising the learning experience of their students is something that will grow in importance over the next five years.

Additionally, 38% of Business School leaders predict that offering online courses and degrees will become the norm within five years. And a quarter (25%) of those surveyed believe that microcredentials represent the future of business education.

It seems that Business Schools are on the precipice of change and while many have dipped their toes in the water of this transformation and model shift, there is an awareness that things will change to an even greater extent. One of the most enlightening results from the survey is that 80% of Business School leaders believe their institution is under pressure to change their value proposition and business model.

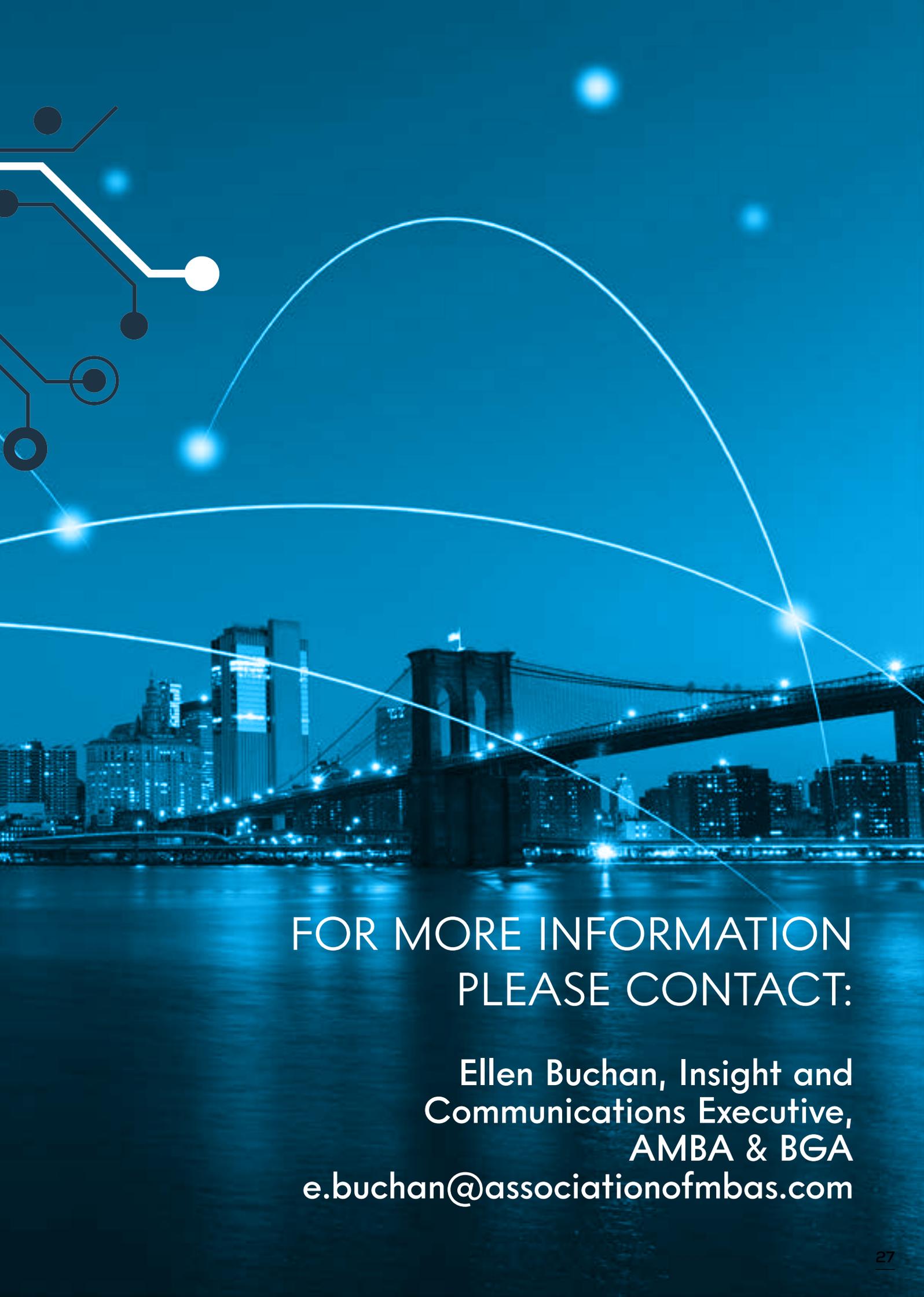
However, Business Schools have shown themselves to be resilient and flexible already in the past two years, when faced with the Covid-19 pandemic, and would appear well placed to respond strongly to this perceived pressure to transform their business models.







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FOR MORE INFORMATION
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