

Alignment between Supply and Demand for Leadership Development Programs

Hanna McLeod

Senior Manager
Research

Susan Zhu, Ph.D.

Senior Research Fellow
Dept of Research and Insights



Session Agenda

Introduction & Study Design

Main Findings from the Research

Questions and Discussion



Introduction & Study Design



Business Education.
Connected.



The mission of AACSB International is to foster engagement, accelerate innovation, and amplify impact in business education.



The vision of AACSB International is to transform business education for global prosperity.

1700+
member organizations

840+
business-accredited
schools

Serving
3mm+
enrolled students.

Supporting
10,000+
full-time faculty.

A COLLECTIVE VISION FOR BUSINESS EDUCATION



300,000+ HR and
business executive
members in
165 countries

Our mission is to
create better
workplaces, elevate
HR, and be the
voice of all things
work.

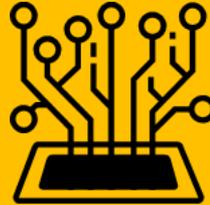
SHRM Research:
-Training & upskilling
-External workforce
-Employing under-utilized
talent pools

Why did we decide to do this study?



Leadership development continues to be a priority area for B-Schools & employers.

What LD represents for either side remains challenging.



**AACSB and SHRM
partnered to better
understand
whether both
perspectives align**

Research Questions



Does LD mean different things for business schools and employers?



What are the types of qualities and desired outcomes of leaders?



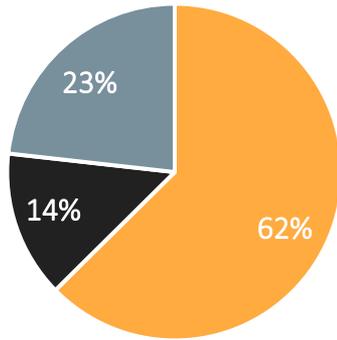
How are business schools developing leaders?
Is it in line with what employers need?

Business School and Employers Overview

Business School Survey

273 b-schools across 52 countries

- Americas
- Asia Pacific
- Europe, Middle East & Africa



Industry Employers Survey

241 HR professionals representing their employers



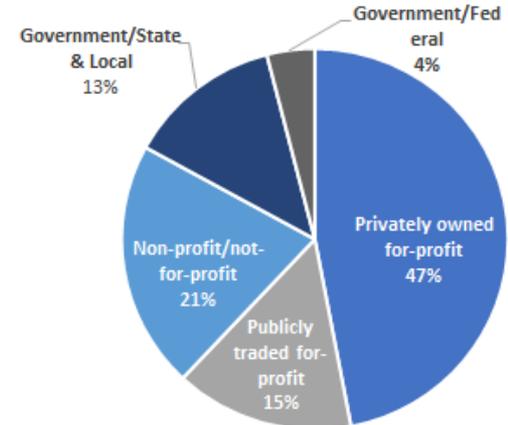
93% US employers

Org Size:

- 34% 2-249 employees
- 32% 250-2,499 employees
- 21% 2,500-24,999 employees
- 13% 25,000 + employees



Employer Sectors





Main Findings from the Research

How are B-Schools & Employers developing leadership skills?



Top 3 LD Activities at B-Schools

- Stand-alone courses (80%)
- Internships/apprenticeships (79%)
- Coaching/mentoring (78%)

Bottom 3 LD Activities at B-Schools

- Other (12%)
- Dedicated leadership center (20%)
- Leadership certificate(s) (32%)



Top 3 LD Activities for Employers

- Third-party leadership development courses (64%)
- In-house leadership development programs (60%)
- Tuition reimbursement for degree programs (58%); independent university courses/certificates (54%)

Bottom 3 LD Activities for Employers

- Other (5%)
- Implements leadership assessments (37%)
- In-house leadership mentoring/executive coaching (50%)

Which seem to be particularly effective?



Most Effective LD Activities at B-Schools

- Coaching/mentoring (58%) **Top 2 across all regions**
- Internships/apprenticeships (46%)
- Stand-alone courses (22%)

Leadership certificates rated as least effective, with only 8% of schools



Most Effective LD Activities Rated by Employers

- In-house leadership mentoring/executive coaching (46%)
- In-house leadership development program (42%)
- Offering third-party leadership development courses/modules (40%)

University-related Activities

- Tuition reimbursement for university degree programs such as MBA programs (29%)
- Tuition reimbursement for independent university courses/certificates (16%)

Effective practices at B-Schools

Students are paired with executives in leading organizations in the region. This has been particularly successful.

These activities provide the most "hands on" interaction for students, and opportunities to observe leadership in action and practice leadership techniques on their own and commensurate with their comfort level and development.

Under close supervision, these experiential learning opportunities enable students to grasp the complexities and nuances of real-world organizations.

Each of these provides opportunities for students to get individualized attention.

The application during internships and apprenticeships are critical for them to retain what they learn. It also brings legitimacy to students about what they learn.

Coaching is leading by example and mentoring reinforces leadership qualities that are learned through coaching. Internships provide avenues for our students to apply learned leadership qualities.

Each graduate student is required to work with an executive coach as part of a leadership development course. In addition, we have approximately 85 mentors working with graduate students through a formalized, structured program. The students find both of these particularly impactful as they learn about themselves, link theory and practice, develop their careers, etc.

Our Executive MBAs for example are provided with dedicated executive coaching - this is a significant development opportunity and requires commitment and resources.

What are the important competencies for leadership development?



A focus on soft skills dominates among
B-schools:

1. Communication
2. Strategic Thinking/Problem Solving
3. Values/ Work Ethic
4. Teamwork/Collaboration
5. Integrity/Ethics



A focus on management skills, competence, and business
development among employers:

1. People Management
2. Business Acumen
3. Communication
4. Coaching/Training
5. Knowledge/Innovation

Where do they align and what are the gaps?

- Although not highly ranked within industry, competencies related to **Financial/Quantitative Skills** were not mentioned by any schools; competencies related to **Coaching/Training** and **People Management** were not nearly as popular as they were among industry
- Competencies related to **Accountability and Compliance** were more frequently mentioned by industry than among b-schools
- Competencies related to **Global Mindset, Self-Awareness/Motivations, and Social Impact/Sustainability/Responsibility** were more widely identified by b-schools
- Interestingly, **Diversity and Inclusion, Strategic Thinking, and Change Management** were only mentioned a handful of times by employers. But these are popular B-School course topics.

Are business schools perceived as effective leadership development partners?



A majority (**75%**) of employers and (**74%**) business school leader believe business schools are *very effective or somewhat effective* partners for organizations' LD needs

However, over half (**52%**) of employers say *few or none* of their employees utilize business schools to meet their LD needs.

Are business schools perceived as effective leadership development partners?



B-Schools Do Well

- Provide foundational knowledge on leadership, backed by research

Some Do Well, Some Could Do Better

- Custom LD programs for companies
- Engaging industry members on advisory boards
- Partnering with business to combine the theoretical with the practical

B-Schools Could Do Better

- Not enough focus on individual development
- Struggle to keep up with changing business landscape (esp. technology)
 - More systematic ways for measuring effectiveness of LD
 - Diversify platforms for LD offerings

Are business schools perceived as effective leadership development partners?



Very Effective

- Focuses on a holistic approach to leadership rather than a narrow perspective of one organization
- Provides the foundational knowledge, skills, and best practices of leadership
- **Offers networking opportunities with other leaders**

Somewhat Effective

- Fresh perspectives but difficult to translate to the **unique needs of an organization**
- Access to best practices & scholarly research, but based on limited interaction with industry and real organizational situations

Are business schools perceived as effective leadership development partners?



Less Effective

- Contents are not current or practical. Don't align with the latest industry needs
- Some organizations have **unique industry constraints, regulations, and culture**
- Their organizations are **not supportive of applying LD knowledge** from B-Schools
- Sometimes **only applicable to senior leaders**. But people management and leadership skills are extremely **necessary for mid-level or front-line managers**

Top platforms/educational providers most appealing to employees



1. In-house leadership development programs (63%)
2. Leadership mentors/executive coaches (58%)
3. Professional development conferences/events (54%)
4. Leadership-oriented (non-degree) programs at B-schools (27%)
5. One-time leadership courses, seminars outside of B-schools (19%)
6. Degree programs at b-schools (MBAs, Master's) (17%)
7. On-line, non-degree providers (Coursera) (15%)
8. Leadership-oriented (non-degree) programs at non-B-schools (12%)
9. Consulting service providers (8%)

Greatest competition for attracting students for leadership development offerings



1. Companies (i.e., employer leadership development activities) (53%)
2. Degree programs at other business schools (48%)
3. Increased availability of information (i.e., internet, personal development resources, etc.) (42%)
4. One-off leadership courses, seminars (non-degree) (30%)
5. Online, non-degree providers (e.g., MOOCs) (24%)
6. Professional development conferences/events (23%)
7. Non-degree programs at other business school (22%)
8. Leadership coaches/mentors (21%)
9. Leadership-oriented programs offered by other units at my university (16%)
10. Consulting firms (14%)
11. Other (6%)

Where is the competition for leadership development platforms/providers?



- Alignment among employers and b-schools that LD activities within companies are viewed as a top provider for employees and greatest competition for b-schools
- Also, that LD offerings provided by other units within the university are not as attractive to employees or pose significant competition to b-schools
- However, only 17% of employers identified degree programs at b-schools as a top provider; while nearly half of schools identified degree programs at other b-schools as a top competitor
- Are b-schools paying too much attention to what other b-schools are doing, rather than learning about what other providers of LD are doing that makes them more attractive to employees?



Conclusions: Takeaways for Business School Leaders

Major Takeaways for B-Schools

Content & Delivery:

- Combine the theoretical/research with the practical
- Find opportunities to include individualized/personalized learning experiences
- Coaching/mentoring and other experiential experiences

Partnerships:

- Include industry leaders in your advisory boards – inform schools/curriculum on business priorities and competency needs; secure coaches/mentors
- Encourage greater collaboration among faculty and industry
 - *B-schools have the opportunity to be a solid critic to industry on leadership*

Major Takeaways for B-Schools

Metrics:

- Explore better/new methods for measuring outcomes/effectiveness (partner with organizations; alumni relations; data collection)

Offerings:

- **Diversify offerings** – leverage technology; non-degree options; customized options; on-the-job options; self-motivated options
- **Lifelong Learning**
 - Leadership development should be continuous and not one-off
 - Need to be able to react to organizational or industry issues that come up
- **Leading companies** are already doing this with training in general
 - Turning to other training vendors



Q&A

Contact Information:

Hanna McLeod:
hanna.mcleod@aacsb.edu

Susan Zhu:
susan.zhu@shrm.org

Your Perspectives

How can business schools compete to help address employers' leadership development or training needs?

Is your school already doing it? What are some opportunities and challenges thus far?