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Chapter

Renewing Management Education with Action Learning

Daniel Belet

Abstract

The mainstream management education is still based on the MBA concept invented in the USA more than half a century ago. Its recent revamping with IT and IA applied to the traditional management disciplines, presented as the new management panacea, has not really changed the traditional profiles of the graduated managers (even those from the most prestigious business schools) which are too often exhibiting poor human and interpersonal competences as well as weak creativity and real innovative capabilities especially in the area of leadership practices. A new management education model is needed in order to far better answer to present and future managerial and organizational challenges of the corporate world. We advocate an alternative action learning-based model. This approach deals with real and complex business issues and proceeds with a powerful questioning process in small groups or teams of diverse persons. It allows to much better develop the individual competences or soft skills required today to become a great effective manager-leader. Some very positive experiences of this action learning-based management education model already exist, such as the Finnish Team Academy that we mention to illustrate this new model.

Keywords: management education, education model, action learning, creative solutions

1. Why does the mainstream management education model needs an in depth transformation to better answer to the present and future managerial challenges?

Most organizations and especially the larger ones in the corporate world are encountering very serious people management issues and are suffering from weak or bad human management skills coupled with poor leadership qualities on the part of their executives. These executives are focused primarily on short-term quantitative results that show a surprising “myopia” about these major and growing human management problems that are now jeopardizing the companies’ attractiveness for real talents, image, and also global performances at least in the medium term [1–3]. The present supposed “panacea” for most management problems and performance improvement, focused on the digitalization revolution and artificial intelligence, is not only often making matters worse in these areas of human management and good leadership but also will not efficiently contribute to the enhancement of the organization’s and companies’ global and sustainable performances.

One of the main reasons and responsibilities behind these serious people management issues (and their very high associated “hidden cost”) lies to a large extent in the
mainstream model of management education still based on an old MBA concept. We will see in this chapter not only why this model is outdated and does not adequately answer the organizational world’s present and future human management and leadership challenges but also why this model exhibits a strong resistance to any real profound change.

Today, it has become necessary to develop and to promote new approaches and models of management education more capable of bringing about adequate answers to the twenty-first century’s present and real people management and leadership challenges [4].

The action learning approach ([5–7]) appears as a very promising pathway to effectively and extensively renew and revamp the traditional management education model and to open quite attractive perspectives. The action learning approach helps not only to boost the learning of the needed human and leadership competences of the future “managers-leaders” but also to facilitate the design of new types of less hierarchical organizations and more efficient operating modes based on collaborative intelligence that fosters creativity, initiatives, autonomy, and responsibility of both individual employees and work teams.

After briefly reviewing the limits of the mainstream management education model and analyzing the main factors of its resistance to profound changes, we will take on the main managerial challenges encountered today in the organizational world—challenges for which the current model is not bringing about adequate human skills. Then we will see how an alternative management education model based on action learning can be a much better response to most of these people management and leadership challenges and can also better suit the aspirations of present and future generations’ new work habits.

2. The serious limits of the mainstream management education model offered by business schools

As already emphasized and criticized by [8, 9]), more than 15 years ago, the mainstream management education model is still based on the American MBA concept designed more than half a century ago. This model was elaborated in a very different context with an emphasis on the management disciplines corresponding to the main managerial functions such as described by Fayol at the beginning of the twentieth century. Paradoxically, this model has not changed much since the “Industrial Age” while everything else has been changing for one century!

It turns out that the mainstream management education is mainly composed of theoretical courses focused on each main management discipline (accounting, marketing, finance, logistics, data analysis, human resources, supply chain, sales, etc.) without many links between each subject. These courses are illustrated by pedagogical cases or exercises with a deductive pedagogical approach. Even the courses on strategy are essentially focused on products/markets/technologies/finance with pure quantitative goals. Employees are only considered as “human resources” with necessary professional skills and the priority to fulfill short-term economic and financial objectives.

Instructors or professors who deliver these courses tend to be highly specialized in their respective management discipline with an emphasis put on their theoretical research works which appears to be the most important factor for their academic career.

Very often students feel frustrated with management courses which appear to them as too theoretical and not preparing them well for their future necessary operational expertise. In addition, this type of “toolkit” management education
mainly based on the learning of techniques in each management discipline has an inadequate outcome: formatting super management disciplined technicians but not preparing them well for the very core of their manager-leader job which is mainly people management and leadership responsibilities [10, 11].

This outcome is due to the very approach of this MBA type of management education for which employees are merely considered as “human resources” that can be tapped to primarily serve the interests of the business at the lowest possible cost!

The MBA philosophy and priority (even if it is a bit hidden today) are to maximize, in the short term, owner (shareholder) profit more than to meet the interests of the main stakeholders despite, for some years now, the increasing trendy talks and courses about CSR and sustainability.

The profound changes that are transforming our present developed societies can no longer be satisfied with this only shortsighted, purely financial goal. Today, sustainability with environmental and social challenges cannot be overlooked. The triple bottom line (economic, environmental, and social) tends—and will be more and more—to become the new mantra of the premium corporate world. Indeed, most MBAs are today trying to offer a better image by incorporating, to various degrees, sustainability issues but are generally much more shy about social and human matters.

The very basic model of most mainstream business schools still remains the same even if these schools have tried to improve their attractiveness in a very competitive market by playing with their image and putting forward the fashionable digitalization of their programs and exercises in their communication strategy as well as the applications of artificial intelligence in the teaching of their various management disciplines and techniques!

One can be struck by the confusion that exists between the modernization of the management education only based on the incorporation of the new information and communication technologies within the same MBA model and the much needed real modernization of the manager-leader function which should be more based on the learning and the development of human skills such as interpersonal communication, listening, sharing informations and reflections with coworkers which create the adequate conditions for individual motivation for each person, delegating responsibilities, empowering individuals and teams, coaching and mentoring the less experienced members, etc.

An important sign of the corporate world in this area is its growing demand and stress put on the “soft skills” of their future managers and the requirement to innovate for people management and leadership practices [12].

Preparing future “managers-leaders” adequately can no longer be only about training management disciplines to technicians but accompanying the learning processes of human competences which make up 80% of the real job of an efficient and intelligent “manager-leader”! So we can wonder why is the old and increasingly obsolete MBA model showing so much resistance to the profound changes that would better answer executive profile needs of the corporate world? What are the main reasons of its surprisingly long life despite its increasing inadequacy?

3. Some main factors explaining the survival and the difficult overhaul of this mainstream management education model

The first one must emphasize a strong business issue for most education institutions offering MBAs (or similar management education degrees) as they are usually quite expensive and thus quite profitable [13]. This is clear with the major marketing efforts made by these institutions including a lot of advertising in business and
economic newspapers and magazines, as well as their participation in many educational trade fairs and shows in order to lure candidates.

One can see that this is a very competitive market with major profit stakes for most of the institutions. So as long as the market is there and they can convince enough paying candidates to apply with promises such as “the real booster for your career” or “the best investment to double your salary,” they are not eager to change the present winning formula, even if the real outcomes no longer meet the promises and the studies do not match the true real people management and leadership challenges.

The second major factor that prevents the present management education system from changing in depth is linked to the profiles, training, and selection process of the professors. Academic profiles with doctorates are requested with research capabilities (as their academic publications are the major criteria for their selection and nomination) with a strong discipline-based specialization such as finance, marketing, supply chain, accounting, human resources, etc. Their record of publication is considered to be more important than their pedagogical performances. The academic profiles of most professors usually exhibit only a weak or often no business or organizational experience, which is paradoxical to adequately train future “managers-leaders”!

Their main pedagogical function is to deliver specialized discipline management courses to students and to evaluate their results with quizzes and exams.

So the very academic nature and profile of these instructors appear as a major obstacle to broad transformations of the mainstream management education system, as they would need other instructor profiles as we will see further. We can also notice that the students often criticize the overly theoretical courses which are not very useful for their future management responsibilities. They often feel frustrated by the lack of practical and field experience of the pure academic profiles of these professors, and conversely they much appreciate the interventions and testimonies of practitioners who are fewer and fewer in most business schools because of the requirements of the accreditation norms and audits linked to their priority focus on rankings!

In addition to such a discipline-based management education, students tend to believe that to become a high-performing manager, they only need to master tools and techniques in each main management discipline, as they have to demonstrate in their quizzes and exams to get their degree.

But the instrumental approach of the managerial functions derived from this system is not only deceiving but quite inadequate as generally the students have neither learned nor mastered the very human management and leadership competences which are at the very heart of good and praised “manager-leader” roles.

Another major factor of the surprising resistance of the mainstream management education model is tied to its dominant rational and quantitative orientations relying essentially on figures.

This trend has prevailed for approximately 30 years with a strong finance- and profit-based focus of most top corporate management on answering the often greedy and shortsighted shareholders. This trend has been strengthened by digitalization, big data technologies, and the growing use of artificial intelligence. These trends have emphasized a kind of “engineering approach” to management education exemplified by the growing collaboration with engineering schools.

And at the same time, we can notice that the human side of management and leadership has been marginalized in many business schools with even some of them abolishing their human resources courses and human resources department!

As far as we know in France, none of the business schools have tried, for example, to develop some links and joint programs with the Human behavioral sciences
department of the specialized universities in order to strengthen the human competences of their future “managers-leaders” despite the major importance recognized today by the corporate recruiters for the human competences or “soft skills” for their executives.

Another powerful brake factor that we will mention about any real far-reaching change in the present mainstream management education model is tied to the ranking and to the international accreditation systems. Because of marketing concerns in a very competitive market, most business schools are very eagerly taking care of their image and their good ranking as they think it is a major criterion for their attractiveness and the choice of the candidates. Most of these rankings are linked to national and international standards defined by the accreditation systems such as AACSB, EQUIS, and AMBA. These accreditation labels are supposed to define excellent criteria which are in fact quite aligned with the mainstream management education model and are focusing to a large extent on academic performances with the traditional discipline-based approach.

So this is clearly not an encouragement to experience profound changes and alternative models that will not meet these accreditation requirements. This normative system is in fact not pushing toward major and broad changes in the traditional management education model. Despite the fact that today these changes are necessary to allow managers to better face the real human management and leadership challenges that most corporations and organizations, especially the larger ones, already encounter and are likely to see more of in the future.

These challenges have to be more accurately analyzed and clarified in order to be able to design more adequate management and leadership education systems which can bring about better human, organizational, and leadership competences to the managers-leaders of tomorrow.

4. The main challenges of the present organizational contexts and of the new generations

To be able to redesign the right management education system, it is necessary to do an adequate analysis of both the internal and the external challenges that most organizations are—and will be—confronted with. This is a logical requirement in a fast-changing organizational world instead of maintaining an old management education system and only adding the modern information and communication technologies as most specialized institutions are presently doing.

We will briefly quote some major organizational and managerial challenges that should question the present mainstream management education and should argue for profound changes.

The first is the growing complexity of organizations, especially the larger ones, with heavy multilayer hierarchies, a lot of bureaucracy, and constraints of many regulations and standards that are limiting their agility, creativity, and global performances and creating many employee frustrations and demotivation [2, 3, 14].

The traditional hierarchical and pyramidal organizational structures and operating modes are increasingly criticized in agreed and widespread talks but indeed are still dominant in most organizations and companies, reflecting the strong resistance of the old top-down management model (as well as its power distribution model) dating from the “Industrial Age,” a century ago! This way of operating and managing is no longer tolerated by the new generation of employees.

The second big managerial challenge is linked to the work behavior of these new generations of millennials used to collaborative and informal work relationships, critical of getting orders from senior executives whose positions are more tied to
their status than to their actual competences. They are very reluctant about the traditional hierarchical pyramidal model, and they are yearning for sharing information and reflections and participating in the decisions that have an impact on them.

They praise new collective intelligence methods of teamworks and simple direct relationships. This is why they quite appreciate new leadership models such as the servant leadership, learning organizations, liberation management, etc. that all support new ways of managing people and of leading with far less hierarchy, flatter organizational structures, simpler operating modes, more individual and team autonomy, more possibilities for initiative, and more employee participation in decision-making (at least the operational decisions).

All these new people management and leadership models are fostering another type of power sharing and leadership philosophy within the organizations and other ways of working that requires new competences, new responsibilities, and new roles for “managers-leaders” than those still taught in most mainstream business schools.

The third great managerial challenge has to do with the organization’s so-called “digital revolution” of organizations and the digital relationship processes as well as the development of the “artificial intelligence” approaches which in fact means the use of algorithms to make decisions and to perform various tasks which are supposed to cost less, be faster, and have better solutions.

A lot of excitement and literature have been devoted to these issues for some years focusing mainly on their advantages. This technological phenomenon appears as a necessary modernization to remain efficient and competitive in the markets. It reflects the present fascination for these technologies and their instrumental capabilities which are considered as the new panacea for business success!

But far less analysis and reflections have been devoted to its “human” impacts and the related drawbacks which are often far less positive. It leads to a very risky “dehumanization” of the managerial and leadership relationships with putting more stress and more constraints on employees that generate frustrations and professional illnesses.

In addition, one can notice that these information and communication technologies are making a virtual world that tends to reinforce a kind of “neo-Taylorism” with less real human contacts and direct person-to-person exchanges and with more pressure put on employees who are often “prisoners” of their screen and software with less freedom, less initiative, and more real-time control on their performances. The drawbacks of the “digitalization revolution” are in fact very serious and too often overlooked in the present management education system which also tends to focus on these technologies as the new requirement to be modern without having enough critical view on its serious human limits and risks.

This is especially important to adequately prepare the present and future “managers-leaders” to their new roles, real added values, and human responsibilities. One can already notice a weak point of the mainstream business schools which always emphasize a discipline based, instrumental, tools and techniques oriented management education with poor studies in the field of the human behavioral sciences, innovative people management and leadership models, and corresponding operational practices.

This is a paradox in the present organizational and corporate world where the most cutting edge managerial mantra is to put the people first, as exemplified by the famous and praised book of Nayar [15] that emphasizes the needs of enhancing people initiative at all hierarchical levels with more trust, encouraging creativity and innovation and improving social responsibility and real human managerial ethics that is also very inspired by the “servant leadership” model [16].

The fourth major challenge for the corporate and organizational world is the growing importance of CSR and sustainability. This new business philosophy requires
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a change in the focus on the outcome from only shareholders to the main stakeholders. It is often summarized by the pursuit of the triple bottom line (economic, environmental, and social performances) instead of the purely traditional economic and financial goals of maximizing the profit for the shareholders in the short term.

This is a drastic change that many top managements still have many difficulties to integrate and to implement. One main reason is that most top managers are still nominated and thus very dependent on Boards of directors essentially made up of shareholder representatives.

But new CSR standards are increasingly considered as a major importance for the image and the global sustainable performances of a business. Besides the obvious environmental concerns to which the present society is made aware, one must also look at the social sides of the business which includes managerial aspects.

Even if mainstream management education has been developing its CSR teachings for about a decade, one can notice that the social aspects of CSR are still far less developed, and especially its people management and governance principles such as specified, for example, in the ISO 26000 international standard.

Why? Because this standard implies profound changes in most present managerial, organizational, and governance principles.

Another major educational challenge for the mainstream management education system would be to much better incorporate this social and managerial aspects of CSR in their curricula, not only in their human resources management courses but also in their own management processes in order to become a living example for the students of this new approach of people management and leadership practices.

To overcome these main challenges and to much better prepare the students to handle the adequate skills and the best people management and leadership principles and practices, it appears necessary to design new models of management education with new and more efficient learning principles and modes [17, 18]. This task is facilitated by looking at an alternative management education model (which has already existed for many years) and at its very positive results: the remarkable example of the “Team Academy” in Finland.

But may be the most needed field of progress for the present management education system and the mainstream business schools to better face the previous challenges is to put much greater emphasis on student’s learning of the human and leadership competences or “soft skills.” This appears as quite necessary not only because it is a major weak point in mainstream management education delivered by most business schools but also because it has become a top priority and requirement for hiring and promoting managers-leaders as clearly shown in most recent studies [19].

Last but not the least, another major effort needed to better develop managerial human and leadership competences of the managers is linked to the process of change in their actual role and the added value that can be summarized as follows: from a hierarchical status and function to a true people leader capable of creating the motivation and the free adhesion of his/her employees or partners to their work and mission. New leadership models will become the right and the best way to manage people in the twenty-first century. One of the main goals of future management education will be to develop current “managers-leaders” instead of training traditional discipline-specialized managers as most business schools are still doing.

5. Toward alternative management education models based on action learning

To efficiently face the previously mentioned main management education challenges, it appears necessary to profoundly change the mainstream management
education model of the business schools still inspired by the old concept of the American MBA.

These changes must take place both at the learning processes level and at the content level of the management education curricula.

We will only lay down some specifications of an alternative management education model and show why action learning principles are especially well adapted to its operational implementation [20, 21].

First, we must look at the mainstream learning processes and be aware of their capabilities and also of their limits. As already mentioned the traditional management education system is based on specialized discipline courses with an emphasis put on management theories and concepts, with the relevant tools and techniques practiced with exercises and cases. The learning processes are of a cognitive and instrumental nature and proceed with a deductive approach. The instructors or professors are delivering courses and theoretical knowledge supposedly learned by the students and controlled by tests and exams in each management discipline. This kind of teaching leads to the idea that once your “box” is full of the main tools and techniques for each main management discipline evaluated by successful exams, you will then supposed to become a good manager!

This mainly cognitive approach of management education is misleading and does not respond adequately to the actual human management and leadership competences that a good manager-leader’s role involves that are also based on experience [22]. Although some basic knowledge of the main management disciplines is of course necessary, this approach lacks the most important part of the manager-leader’s job that is for 80% for mastering human relations and thus of a behavioral nature. As already mentioned, this is a very serious weak point of the mainstream management education that must be much more efficiently dealt with.

Another feature of this traditional management education model is the very role and main functions of the instructors who are delivering their specialized discipline knowledge with their courses. Today the knowledge related to the basic management disciplines is everywhere on the net, and the roles of these instructors have to dramatically change! They must become coaches and mentors to accompany and to facilitate the learning processes of their students rather than being in the position of a “knower” or expert who delivers their knowledge with slides and PowerPoints!

If efforts are made in some business schools to develop some behavioral competences of the future managers with some coaching, team exercises, videos, theater, etc., this behavioral learning of the current manager’s job remains the weak point of mainstream management education.

Not enough efforts and focus of business schools’ mainstream curricula are devoted to the learning and the development of human and relationship competences which are at the very heart of the manager-leader’s job and roles.

This kind of behavioral learning and training can only be achieved with small groups and in a real setting when dealing with real business issues [23]. This is exactly what action learning approach can offer very efficiently. When we mention the Action Learning method, we are referring to the version of Action Learning developed by the World Institute for Action Learning (WIAL) which is the most complete and sophisticated version of action learning. This collaborative intelligence method is a work process in small teams with short sessions based on questioning that allows its participants to quickly find operational solutions to complex and important issues (about two thirds of the topics that organizations have to solve) and at the same time gives participants the opportunity to develop their personal communication and leadership skills as well as their teamwork capabilities. This version of action learning even allows corporate or organizational cultures to change to a more collaborative and reflective spirit.
The main principles of this action learning method could very well inspire a new kind of alternative management education model because they have the capacity to much better develop the human relationship and leadership skills needed to become a good and successful “manager-leader” than the mainstream business school model. This innovative action learning-based management education model has very distinctive features. These ideas are inspired by a very interesting and powerful model from the Finnish Team Academy that is very successfully training business students ([24]; Team Academy, 2010; [25]).

Their students are very much in demand by the organizational and corporate world because of the very operational business and people management competences that they have acquired with this alternative action learning-based management education. We can briefly quote some of the main features of this very innovative management education model based on an action learning philosophy and principles:

- No entry exam based on cognitive matters and knowledge but a selection process with candidate interviews to identify their personality, ability to understand innovative kinds of business studies and their capacity and motivations to work in teams.

- Students work in small teams with specific and changing responsibilities, and they create their own business company within the first months of their first year of studies with an actual and profitable business goal. The real business issues that they will come across will become business learning opportunities with the help of the instructors/coaches.

- This management learning model is mainly based on an inductive approach starting from real business issues instead of the deductive approach of mainstream business schools with first specialized discipline theories and then applications with cases and exercises.

- No more discipline-based professors with academic profiles delivering specialized courses and knowledge but instructors with various profiles (and mainly with real business experience). These instructors are especially trained by the Team Academy to practice a specific coaching mode of the students.

The main role of these instructors/coaches is to accompany the student’s learning processes of the students, asking the right questions and possibly completing and specifying their knowledge and know-how on some issues always with a very operational and real business approach. It is not to deliver a theoretical management course for a specific business discipline.

- The basic management knowledge for each business discipline is learned with MOOCs, e-books, and e-learning with a list of compulsory readings. The instructors/coaches are also in a mentor role. Instructors check that the basic concepts are understood well and also discuss links with the real business issues and concrete business decisions to be made by each team.

- No exams or quizzes but reports on adequately and efficiently solving real business problems performed by the team and regular evaluations of student take-away by the coaches/instructors.

- Each team prepares several week-long trips around the world at the end of their 3 years of studies to study specific business topics they want to explore at
an international level. This journey is financed by the revenues earned by their company during their business studies. Then they make a report about this learning journey to their school that is shared with the students and coaches.

With this alternative action learning-based management education model, the students are equipped with very operational managerial competencies and very good human management and leadership capabilities [26]. This explains why they are very pursued by the corporate world and why about one third of these students create successfully their own businesses when they finish their action learning-based business school as they were really trained as entrepreneurs.

6. Conclusion

The mainstream management educational system based on the old MBA model has become obsolete and inadequate to best prepare the business students for their future people management and leadership responsibilities. It mainly produces good management discipline technicians but poor managers-leaders with a lack of people management and leadership competences or soft skills.

Mainstream business school endeavors to modernize their offers (and their image) are focused on the development of the information and communication technologies in each management discipline through distance learning, MOOCs, serious games, business simulations, big data analysis, artificial intelligence, etc. But this new input is not only not changing the basic mainstream management education model but tends to strengthen the technical orientation of the present discipline-based management training. There is a big confusion between really modernizing and adapting the management education model to the new challenges of the organizational world and only introducing more trendy new information technologies without changing the basic training and learning model!

As previously described, the action learning-based model of management education which brings about better answers to the present challenges of the new “manager-leader’s” roles requires a completely different educational approach than those offered by the mainstream business schools.

The only realistic approach for this innovative management education model is to set up and to develop a new kind of business schools operating with alternative action learning-based models more capable of equipping students with the needed leadership and human management skills to better face the main managerial challenges of today and tomorrow.

This implies many differences and very profound changes from the present mainstream business school model. This cannot be considered and implemented as a simple revamping or modernizing of the present model with only more sophisticated information and communication technologies. This requires new top management leadership profiles, new school organizations, new student selection processes, new instructor’s profiles, new learning processes based on real business issues, new student’s and instructor’s evaluation systems, etc.

As briefly introduced, this action learning-based management education model has evolved to a very relevant alternative learning philosophy that has already proved its better efficiency and effectiveness in preparing good and smart “managers-leaders,” as demonstrated with the very convincing example from the Finnish Team Academy.

The action learning-based management education model clearly appears as a better approach to develop and prepare the “manager-leaders” of tomorrow who will need to be much more equipped with adequate human management and
leadership competences than the present graduates of most traditional business schools or universities. This is a major condition to achieve impressive and long-lasting global and responsible performance and to better respond to the interest and well-being of the company’s main stakeholders.

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