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Remember Icarus! Seven Risks that Threaten Business Schools

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Abstract

Business schools, according to certain measures, have been a major success story in the recent past of the university, enjoying significant demand growth. We suggest that their future may be more problematic. We offer different possible scenarios for business schools and identify seven key risks that they face. We argue that the most significant challenge business schools must negotiate is to redefine and clarify their mission and redesign themselves to meet these risks. We conclude that the business schools best able to survive and prosper in the future are likely to be very different from those that currently exist.

Key words: Business schools, scenarios, risks, hubris

Introduction

The Global Challenges Foundation and Oxford University's Future of Humanity Institute (2015) recently published its report, *Global Challenges: 12 risks that threaten human civilisation*. In this paper we review the risks that threaten business schools. The Global Challenges Foundation and the Future of Humanity Institute is concerned with the ultimate risk of human extinction. In the chilling words of it the Institute's Director: 'Putting the risk of extinction below 5 per cent would be wildly overconfident' (Financial Times, 16 February 2015). In our opinion it would also be 'wildly overconfident' to predict the survival of business schools as inevitable.

Business schools, in their current size and scope, and in the importance universities attach to them as a key source of revenue generation, are a recent phenomenon and student tastes change, as do the priorities of universities and their stakeholders. As leading sociologist Laurie Taylor pointed out, in a discussion of the role of business schools in the modern university in a radio interview with one of the authors of this paper, it is not so long ago that UK universities were graduating large numbers of sociology students and nowadays it is management students studying for management degrees, MBA programmes, postgraduate programmes or executive education (BBC Radio 4, 2015)! We think it unlikely that the business school sector can survive in its current bloated form. Business school growth has been driven by demand that is a reflection of a particular period of history when a particular idea of business, of management education and the rewards accruing to it were prevalent.

While we believe that the business school is an important educational institution, we certainly do believe that in an effective education system, we have to look at the balance of the different disciplines that constitute the university. We are concerned that the current system is already out of balance with too many business and management students. In the UK, for example, more than 20% of postgraduates are studying for business and management degrees and the majority of these are international students. In the USA in 2012-13, the greatest number of undergraduate degrees (361,000) and masters level degrees (189,000) conferred were in business (National Center for Education Statistics, 2016). This only makes sense to those who see higher education as an export commodity. Nor is it, in our opinion, particularly conducive to national or international competitive advantage in the long run (Porter, 1980).

Three scenarios

We argue that the current business school model is too dependent on traditional and increasingly dysfunctional assumptions, thus rendering business schools increasingly vulnerable to the winds of change. The same forces that are challenging the viability of the traditional business school model also apply to universities, institutions which analysts suggest faces the risk of major potential disruption with the danger of a fundamental dislocation of its role and significance. This has obvious implications for business schools. The danger has been most interestingly discussed in terms of ‘creative destruction’ (Economist, 2014). The creative destruction argument suggests that new entrants have the power to create more effective and efficient forms of education than many traditional universities which may well sink beneath the waves of history. Indeed, Peter Drucker, the doyen of modern management theory, argued in the late twentieth century that the university could not survive as it is essentially a nineteenth century institution!

The disruptive innovation challenge in higher education is highlighted by Christensen and Eyring (2011). Universities have tended to survive because there has been a dearth of real competition and technology has remained traditional until recently. Rising demand for business school education fuelled by globalisation has created a false sense of well-being. The rules of competition have been set by the elite US and European Schools which many schools try to mimic in accreditations, league tables, and performance according to journal lists. This is fast becoming a zero-sum game with the likelihood of increasing numbers of losers and fewer winners. In our age of austerity, state support for and regulation of the sector are declining, allowing new entrants to make inroads, with strong political support, resulting in new entrants globally and market fragmentation. Significant falls in demand at the institutional level are being experienced in the mature MBA market, which now look more and more like a ‘burning platform’. New developments in technology mediated learning enable the elite schools to market themselves internationally via ‘free’ MOOCs, WIKIs etc. which provide a supply line of target students into credit bearing programmes and contacts for more ‘bespoke’ executive education programmes targeted at experienced and highly qualified managers. Christensen himself is offering a new model of executive education in Harvard's new on-line program HBX and he predicts that half of US universities could face bankruptcy within 15 years while others suggest half of US business schools could be out of business by 2020.

Analysts and commentators vie for the most telling metaphor to capture the university's and the business school's predicament. Rizvi et al (2013) tell us 'an avalanche is coming' and the *New York Times* (May 3, 2012) warns of a 'campus tsunami'. Disruptive forces facing the sector include: a cost crisis as students and their families struggle to find ever rising fees at undergraduate, post graduate and PhD levels; changing labour markets that devalue the graduate premium; new technology that breeds new competition (for example, from publishers and for-profit providers able to provide cheaper tuition, funded by aggressive investors such as venture capital firms); changing 'consumer' expectations, not least in terms of quality of service; and the global competition for students and faculty. Some wonder if the traditional bricks and mortar model of the university can survive in a world of social media and 24/7 connectivity. Faculty look on in frustration as they struggle to capture the interest of their students besotted with their smartphones and the lure of the virtual world.

There have been a variety of attempts to describe future scenarios for business schools, one of the most interesting of which is that of Thomas et al. (2014). These authors predict a possible positive scenario which they entitle 'Thrive and Prosper'. This involves a renewal of the historical purpose of business schools and involves emulating elite US schools such as Harvard in two particular regards. Business schools become very good at management education that produces effective business leaders. They also overcome the criticism of irrelevance to produce research that has a positive impact on the practice of management. This seems to us a tall order for deans of aspiring elite schools trying to enter the small group of the very top schools. Very few have any realistic hope of achieving this goal, lacking the reputational and the resource (including world-class faculty) base to do so. To become more like the very best schools (Harvard et al.) business schools would need a new and more sustainable business model, underpinned by the large endowments that characterise top US universities and that non-US schools look at with incredulity and envy. A context where public policy favours an emphasis on STEM (Science, Technology, Engineering, Mathematics) subjects with business schools often treated as little more than cash cows is unlikely to be attractive to major benefactors if business schools are valued by their host institutions for income rather than academic prowess. It will be an unusual dean who can convince his/her university to take the business school more seriously.

Thomas et al. (2014) also suggest a negative scenario for business schools entitled 'Race to the Bottom'. This seems to us more likely in our current situation as schools struggle to maintain their cash cow status in an increasingly difficult environment. As 'profit' margins decline, the danger is that universities ratchet up the pressure to lower standards, for example, by 'flexing' entry requirements to maintain student numbers on large volume based undergraduate and postgraduate programmes. Staff costs come under increasing scrutiny as more cost-effective providers enter the market. We recognise the potential role of technology to offer efficiencies via technology mediated teaching via for example blended learning, distance learning, MOOCs, VLEs, WIKIs etc but the adoption of such technology mediated learning techniques remains in its infancy in many traditional institutions. Even where technology is mobilised new methods of delivery still require considerable tutor support. For example, the business education provided globally by providers such as Laureate Online Education relies on a significant tutor support in partnership with existing universities. History suggests a level of hubris surrounds the scope and impact of many new technologies in the future studies literature. For example in the 20th Century it was predicted that we would be living in a leisure age by the 21st century but this prediction has yet to be realised (BBC, 2014). Staff motivation suffers and a downward spiral sets in with declining faculty and student satisfaction (class sizes increase as staff-student ratios are squeezed) and dwindling financial returns. We would add to this scenario shakeout in the sector which is arguably over-provided anyway, but this does not improve the situation of those schools that do survive. In the UK, The Higher Education Funding Council describes the current strategic imperative as 'doing more with less' and argues for a major change in academic working cultures. This is driving Schools to diversify their income sources. For some US Schools (Boston, Anderson at UCLA etc.) philanthropy has helped. For others in the US and Europe diversification of programmes via specialised masters or short courses such as education are key (Bradshaw, 2015).

We propose a third scenario ('Back down to earth') in which *doing more with less* and the managerial pressure on academic faculty to change their ways of working throws the sector into terminal decline. The major reasons that drew staff to the sector – the urge to do a PhD, contribute to knowledge through research, to publish, and become a valued member of a community of scholars – becomes increasingly difficult to sustain faced with the irresistible drive to deliver revenue in a situation of declining demand. It is made very clear to business school deans that their main task is to run a business. The pendulum has finally and definitively shifted in the business school from 'school' to 'business' (Starkey & Tiratsoo, 2007).

In this paper we proceed in the spirit of the Global Challenges Foundation and Oxford University's Future of Humanity Institute (2015) report, *Global Challenges*, and identify seven major threats facing business schools. This project is based, first, on more than a decade of research into the nature and management of business schools (Navarro, 2008; Pfeffer & Fong, 2002; Romme et al., 2015; Starkey & Tiratsoo, 2007). Second, for two decades one of the authors has worked in the field of future studies, with a particular focus both inside and outside of academia on the wider implications of future global challenges and new technologies (Barnatt, 1995; Barnatt, 2012; Barnatt, 2015). Thirdly, between us we have c80 years of experience/participant observation as business school faculty and in various senior roles, nationally and internationally. Two of the authors have worked as Dean or Associate Dean of a large business school and collectively the authors have considerable experience of working with companies to develop and deliver programmes from undergraduate to executive education levels.

Risk 1 - Hubris

The term *hubris* derives from the ancient Greeks and describes the phenomenon of excessive pride in one's own ability and accomplishments leading to over-confidence then a spectacular fall. Think Icarus, whose father Daedalus was an inventor who became convinced that he could fulfill the age-old aspiration of humans to fly by designing wings of wax. Unfortunately when Icarus flew too high and too close to the sun, his wings melted and he plunged to his death. In ancient Greek mythology, the gods punish those who get above themselves, literally in Icarus's case. Hubris therefore suggests that too much pride in one's ability and the belief that you have the power to control your environment can lead to over-extension in aspiration and, eventually, to a fall.

Applying this dynamic to business schools suggests that a major danger is that business schools become victims of their own success. According to one crude measure, student demand, business schools have been very successful. Applying the concept of hubris suggests that they have been fooled by their own success, and in particular, the exponential rise in student numbers during the last twenty years, into thinking that this is a trend without limits (Pfeffer & Fong, 2002). This applies not just to business schools but to their university parents. Business schools 'enjoy' a complex love-hate relationship with their universities, 'loved' because they have been a source of much needed revenue when other sources of income, particularly from the public purse, have been reduced, and in some quarters 'loathed' as cuckoos in the academic nest by other faculty who see them as absorbing too many resources (which, ironically, they sometimes generate and distribute their largess to other non-revenue-generating departments). There is often a waiting list of non-business school people seeking to use their conference facilities and, more importantly, as academically inferior. One only has to recall the debates at places like Harvard when the business school was established just over 100 years ago and, more recently, the opposition at Oxford to the establishment of its business school from other faculties. The argument was that business was not a real discipline. When business schools falter, they are likely to find themselves in a very exposed position as other faculties are unlikely to rush to their aid. *Hubris* will be reinforced by *schadenfreude*!

Supporting the *hubris* argument that business schools may become victims of their own success is influential research that suggests that business schools are guilty of thinking that they are more successful than they are. The actual success of business schools, beyond the increase in student numbers doing management degrees, has been challenged from within the profession by a range of critical commentators. Pfeffer and Fong (2002) for example sent shock waves through the community. Pfeffer and Fong's argument is simple. Although business school enrollments have soared and business education has itself become big business, they argue that when one actually evaluates the impact of business schools on their graduates' careers and on the shaping of the profession of management exists there is little strong evidence of success (Pfeffer & Fong, 2002). In reality, and despite their success in attracting student numbers, business schools have not been very effective in preparing their graduates for careers (Mintzberg & Gosling, 2002; Pfeffer & Fong, 2004). Also, there is very little evidence that business school research is influential on management practice (Davenport et al., 2003; Starkey & Madan, 2001). This is a growing complaint from end-users of management research, the vast majority of which is judged irrelevant to professional practice (The Economist, 2007; Hambrick, 1994). Such criticisms are encouraging the development of syllabus in areas such as behavioural economics and business analytics.

Risk 2 – Supply and Demand

There are a number of supply problems facing business schools. The first is their proliferation. For example, there are 761 AACSB accredited schools worldwide and this number is rising (AACSB, 2016). Additionally there are many more Business Schools that are not accredited in more mature markets such as the US and Europe and growing competition from new schools developing in emerging markets such as Asia. All business schools now seek to compete in both home and overseas markets. Indeed in the UK alone in 2014-15 over 100,000 non EU overseas students were studying business and management across all levels of programmes (Undergraduate, Postgraduate taught and Postgraduate research) (CABS, 2016, p.3) This is clearly too many, not least because the supply of faculty is limited by the number of PhDs graduating in business schools. The demographics of the profession suggest a major problem in filling senior posts and fulfilling the 'grandiose' quality claims institutions make. There are simply not enough 'world-class', 'excellent' faculty to go around. Some have highlighted the revenue potential of online courses delivered by leading gurus in their field who perform as 'Hollywood actors' to a global audience enabling institutions to leverage their scarce gurus (Useem, 2014). A range of leading Schools such as MIT, Harvard, and Stanford are moving into this arena using various business models. The emphasis on research has dysfunctional consequences. We suspect that nobody does a PhD to just become a university teacher. They do a PhD out of an interest in research and, all too often, teaching is the price faculty pay for taking up an academic role. In an era when the student is increasingly placed at the heart of the university, this produces increasing dissatisfaction among staff whose prime interest is research and in students who want a faculty committed to and good at education. At the very least programme based undergraduate and postgraduate students want staff they can see on a regular basis and to not feel being an insignificant part of a mass production factory (business schools are often a university's biggest faculty with many hundreds, even thousands of students), especially as their fees, and the debt levels they will face after university, continue to rise.

In the past, Western universities, particularly in the USA and UK, have enjoyed something of a monopoly in business school matriculation. Other countries are now fast catching up. European schools are now increasingly offering English-language based courses. Developing nations are building their own business schools, with China becoming a significant provider of management research. But demand conditions are changing. International students, perhaps the most important attraction to university management in establishing business schools, can now find equivalent educational opportunities without relocating to the West. Western universities are increasingly setting up campuses in the Far East and elsewhere. Chinese students, for example, can now do undergraduate, postgraduate, MBAs and executive education in China and do not need to travel to the West for an 'international' education. Indeed to counter the competitive threat of new Schools in emerging markets some institutions (particularly from the US and UK) are developing flagship campus colonies in countries such as Dubai, Korea and Singapore. This reflects the fact that the number of Chinese students enrolling in full-time taught master's courses in England has grown to all but match the number of home students, and has resulted in postgraduate courses showing an 'over-reliance' on China with implications for class diversity (HEFCE, 2015).

HEFCE (Higher Education Funding Council for England) (2015) recently published a report analysing Higher Education Statistics Agency data which suggests that international students now make up the majority of postgraduate course intake, with Chinese students making up 25 per cent of this, and rising, while home students make up only 26 per cent of the intake to full-time taught master's courses. The latter figure is dropping fast. HEFCE warns that UK universities are becoming over-dependent on international students, particularly from China, for their viability. Will China and other countries continue to finance UK higher education into the foreseeable future when they are fast developing their own higher education infrastructure and, in the case of China, even questioning the relevance of Western education to their situation? Recently the Chinese Minister of Education announced that there was no room for Western values in Chinese universities! Watch this space! To use a zoological metaphor the day of the golden goose of the international student may soon reach its zenith and as it declines business schools' strategic cash cow role in universities will become increasingly challenged. We are already seeing a decline in applications for what used to be its most emblematic product, the MBA. Whilst demand for the 2 year MBA may have been hit there is some evidence of management education demand shifting to some extent to taught masters and executive education (Boyde, 2013) And, alongside the uncertainties of international demand, governments, for example in the UK, are deregulating the higher education sector and encouraging new entrants such as corporate universities, private universities and internet providers (with venture capital increasingly interested in this part of the sector). Another interesting development is management education being offered beyond the 'business school'. For example more art and design courses are offering management and entrepreneurship education. Thus far this has been on a limited basis. For example, the internationally renowned Central Saint Martin's School of Art and design part of the University of the Arts London is to launch an MBA programme for those in the creative industries suggesting that more management educators may be working beyond the business school in future (Central Saint Martins, 2016).

Risk 3: Loss of focus

The marketization of higher education has introduced a widening range of priorities for business schools. There is a threat to the focus of the business school as its mission becomes more fragmented. One of the most significant emerging priorities in recent years has been the rise in fees paid by students and government policy to frame students as 'customers'. This policy has fundamentally altered the nature of the implicit learning contact between business schools and their students. A growing focus by universities on maximising the student experience is particularly challenging in the large, mass-produced educational context that many business schools exemplify because of their 'cash cow' role in many universities. The results of student experience surveys which drive rankings highlight that business schools often struggle to compete with the results enjoyed by some other subject areas because of this high volume context, particularly in undergraduate but increasingly in post graduate provision. As business schools try to address these experience disparities inevitably less time and focus can be placed on academic research and discipline development. A significant proportion of academics are on temporary contracts or teaching only contracts as the emphasis on teaching grows. Those colleagues employed on teaching and research contracts are increasingly stretched by the proliferating demands to deliver engaging teaching, offer higher levels of support to students who are seeking to achieve, whilst securing research grants to deliver impactful research.

Students have been empowered by their status as customers and their expectations are rising in terms of what they demand from teaching, the syllabus, employability and the wider extra-curricular environment of the university (Armstrong, 2003). Business schools increasingly market themselves on the basis of their architecture or an ever growing list of incentives on admissions from 'free' laptops to holiday vouchers. Such marketing is symptomatic of higher education moving towards a commoditised service model. For some this is a 'new paradigm of shared governance' for others the 'student as customer' perspective 'has created an underworked and overindulged group of future national leaders' (New York Times, 2011). The risk here is that the more enduring value of higher education as a process of 'learning how to learn' driven by curiosity and scholarship may be under threat by this commercialisation. This is especially challenging in a context where students are often motivated to study business or management for largely instrumental motivations rather than genuine subject interest (Pfeffer & Fong, 2004). If scholarship is threatened too much by this fragmenting mission, in future, we may undermine our talent pipe line of future PhDs, already over-stretched, and the sustainability of our business schools.

Risk 4: The STEM agenda

The growth of the STEM (Science, Technology, Engineering and Mathematics) agenda in education is driven by a political agenda as governments struggle to reconfigure the higher education system to promote an economy based on scientific and technological opportunities to enable their economies to compete in a digital age. This follows educational prioritisation shifts in the US, where the social sciences, the arts and the humanities have ceded ground to a growing techno-scientific agenda as we arguably move towards a more scientific and technological society. In part this is about following the success of economic development models built around concentrations of science and technology in regional or city clusters of commercial activity and business development – for example, Silicon Valley in the US - and to transplant that success to develop new knowledge clusters that combine university research with enterprise opportunities for innovation (McWilliams, 2015; Porter, 1998; PWC, 2015). So in the UK, we see the Cambridge cluster known as 'Silicon Fen' a science and technology eco-system which has grown out of the Cambridge University Science Park established in the 1970s. Today about 1,500 firms and 50,000 jobs, focused on software and bio-technology, exist in and around Cambridge (Silicon Fen, 2015). There is also a growing digital industries cluster emerging in SE London known as Tech City and another in Manchester (McWilliams, 2015). PWC (2015) in a recent report highlight emerging industry clusters in developing countries such as the pharmaceuticals cluster emerging in Shanghai. The STEM agenda stresses the talent pipeline necessary to secure longer-term competiveness in the science and technology based industries. For example, in the UK, universities have been incentivised to prioritise the STEM agenda by the allocation of teaching money and the prioritising of the science based research councils with an extra with increased STEM teaching capital funding of over £400 million in 2015-16 (HEFCE, 2016).

Business schools are excluded from this subject prioritisation agenda but these changes have implications for business schools. Firstly, as more students are encouraged and incentivised to follow STEM subjects, business schools have to work harder to attract the best students. Those students coming to business school, at either undergraduate or post-graduate levels, are more likely to have specialties in science and technology leading to a narrower, and potentially homogenised, classroom experience. This STEM focus in schools has encouraged business schools to shift their offerings from BA/MA to BSc/MSc degrees. Arguably one of the reasons for the credit crunch was the hubris of conceiving of management as a science of finance able to predict and control markets to maximise wealth, of individuals if not of nations. Indeed, Michael Lewis' account of working as a trader in New York and London highlights most of the recruits had PhDs in maths, economics or physics (Lewis, 1989). However, research suggests that complementary and balanced top management teams with more than financial acumen are more effective, especially when financial acumen is revealed as a poisoned chalice. In future we need to encourage thinkers with diverse and complementary skills to enter business and that means encouraging both those students with arts and those with science backgrounds into management. Or as Dame Vivienne Westwood (in Westwood & Kelly, 2014, 318) the renowned fashion designer behind the commercially successful global fashion brand notes: 'We all say we love art. And some of us claim to be artists. Well, without judges there is no art. Art only exists when we know her. Does art exist? The answer to this question is of vital importance, because only if art is alive in the world will there be change. No art, no progress.'

Badging business and management degrees to attract science specialists may have long-term implications for business practice. Finally, as funding moves away from the non-STEM subjects, we contend that business schools risk losing control of their mission and strategic direction. University administrators expect their business schools to become service providers for the STEM schools by offering business and management modules on an ad hoc basis for their programmes especially in the areas of entrepreneurship and innovation. The danger is that business school faculty become alienated by such developments raising staff turnover and at the extremes encouraging career change. Business schools also dissipate their increasingly stretched resources pursuing university wide agenda's at the expense of defining their own mission and vision.

Risk 5: The threat of managerialism

As higher education (HE), has become more globally competitive universities have had to become more focused on their strategic and operational management. Arguably academics with teaching and research expertise do not automatically have the wide variety of skills crucial to compete in a global HE market. We have seen a rise in a variety of functional and general management roles within universities from marketing and communications specialists to more general management roles such as school managers. Whilst these roles are a significant development in their own right, more fundamentally, they have shifted the balance of personnel working within universities in recent years with consequences for the agendas and priorities of universities, as the numbers and range of such workers has grown (Deem et al., 2008; Hyde et al., 2012). Whilst once the priority of a university was scholarship, in the form of knowledge development and dissemination through teaching and learning, there is now a growing focus on competition, 'USPs' and diversifying income streams. Ginsberg (2011) critiques the rise to power and positions of authority of bureaucrats, with little understanding of knowledge development or teaching, within universities. He argues that this had led to 'administrative blight' whereby more and more university decisions are being shaped by career managers whose priorities are distinct from and even at odds with those of the academy.

Universities are arguably subject to 'managerialism', whereby they have succumbed to belief that more reliance on management practices will lead to more effective universities (Deem et al., 2008; Hyde et al., 2012). This has altered the priorities in business schools from focusing on knowledge development to focusing on developing new income streams and the analysis of a growing range of overlapping performance metrics. For business schools managerialism results in a focus on a better return on the resources or doing 'more with less'. This manifests itself in various ways – business schools being under pressure to achieve high income levels via volume admissions at the expense of student quality; business schools being invited to input to other degrees and programmes to meet employability goals; business schools having to compete in tougher international markets to meet university internationalisation goals. Some business schools have so succumbed to managerialist agendas that they have appointed business managers who may understand business but not always the mission of business schools. Business schools through the triple accreditation crown of AACSB, EQUIS, and AMBA also find themselves spending significant resources seeking to obtain multiple accreditations. Each of these offers a badge of quality and relevance but the process to achieve each is subtly different, highly resource intensive and often requires ceding autonomy to the diverse agendas of these organisations. It has been suggested that accreditation may restrict the ability of incumbent university based business schools to respond flexibly to emerging threats posed by private providers and emergent global competitors (Julian & Ofori-Dankwa, 2006).

Arguably the only 'USP' the university has is its scholarship and if this is compromised there may be no future. As more of the academic job becomes about replying to emails from managers, meetings, and consultation exercises the time and space to think is being eroded. There is evidence that some subject areas are struggling as a result. For example, arguably there has been little novel thinking in strategic management in recent years. Some commentators suggest that ideas helpful to managers seeking to integrate theory to practice remain elusive despite considerable research in the field (Hafsi & Thomas, 2005). There may well be trouble ahead. As the mission of the university changes, the 2015 Times Higher Education Best University Workplace Survey highlights the falling satisfaction of academic staff working in universities relative to their administrative and managerial (APM) colleagues. Yiannis Gabriel, of the University of Bath School of Management, who helped develop the survey highlights that 'one could almost go as far as to say that higher education is becoming a 'two-nation state', with academics having consistently darker and more negative views and outlooks than the professional/support staff' (Gabriel cited in Parr, 2015).

Risk 6 - The Broadening Competitive Landscape

A reasonable proportion of the world's most successful entrepreneurs and business leaders still claim to have studied at the 'university of life'. Even so, in recent decades, it has been heavily advocated by governments that studying for a degree provides the most appropriate route to a successful career. This is framed from two perspectives. Firstly, evidence suggests that that on average graduates enjoy a lifetime earnings premium and secondly there is a social benefit in that graduates pay higher taxation and have enhanced knowledge (Walker & Zhu, 2013). In an era of knowledge based competition and pressure on public spending governments have been keen to encourage higher participation rates in higher education. For example, the UK government in recent years had a target to send 50 per cent of its citizens to university. Typically participation rates in higher education are between 30-40% in European countries and the US (Usher & Medow, 2010). In turn, this has led to 14% of students in the UK studying for a degree in business or management (HESA, 2016). Given the nature of the business school curricula (which focuses almost entirely on the potential activities of senior managers), this raises significant questions about what is the bottom line of business school education (Starkey & Tiratsoo, 2007).

Society is becoming far more questioning and less trusting of the assumptions of professionals. It is also becoming far more open to the broadening spectrum of far less costly educational options in an era of concerns about two contradictory issues: namely the affordability of higher education and broadening access. At the same time universities are no longer the bastions of knowledge that they were even two decades ago as new competition enters the management education market. Not least, just as the communication and review of cutting-edge human knowledge now happens far more significantly on the public Internet than on the seldom-read pages of academic journals, so the online world has become the go-to resource for management education. One of this paper's authors has three times the number of views on their educational video content than attracted by their entire institution's YouTube channel, and this is hardly unusual. Especially online, people learn from people, not organizations. Hence, while business schools or professional bodies will continue to be required to distribute credentials, for those seeking knowledge primarily for interest or application, it is becoming possible to gain a business education while avoiding even a virtual ivory tower. Government deregulation of the sector can only hasten this process.

Potentially, business schools could seek to exploit their brands by launching online content, and indeed major players like Harvard are doing just that (see http://www.hbx.hbs.edu/). But many institutions do not harbour academics with the skill sets to create successful online content. Indeed a cursory review of videos on most business school websites and YouTube channels very rapidly attests to this fact. Most good educational content on the web comes from outside universities. Quite why those few academics skilled in the ways of modern online education will want in the future to work for business schools is unclear. The timeframe of the online world is hours and days, not months and years, with materials often eliciting critical feedback and peer review in minutes, and an income stream very rapidly associating with successful online content. For many years, while star researchers became big names and could name their price, star teachers have remained nameless also-rans with little potential for fame save for writing a successful textbook (for which most of the income went to their publisher). But times have changed, with YouTube, Google Helpouts, Createspace, Kindle Direct Publishing and similar internet tools allowing star teachers to successfully engage with a global audience, if they are willing to upgrade their online capabilities.

Risk 7 – Changes in fashion and the failure of the 'One Best Way'

One of the most influential management pioneers of Western civilization was Frederick Winslow Taylor. In the first half of the 20th century, Taylor conducted some famous studies at the Bethlehem Steel Corporation in which he developed methods of 'scientific management' to determine the 'one best way' for tasks to be achieved (Taylor, 1947). As a consequence of Taylor's methods, significant efficiency gains were made and his ideas became a mainstay of management education. Even so, as long ago as 1911, a Special Committee of the US House of Representatives was established to investigate Taylor's methods after they resulted in worker unrest following their introduction into a government arsenal. This highlights that business and management education remains a social science where context matters and human agency is influential to outcomes in practice.

Since Taylor created scientific management, the approaches to management taught by business schools have become far more sophisticated. Taylorism has encouraged important and critical debates around the organisation of work, manufacturing and professional relationships as reflected in work on human relations and industrial relations in organisations, and manufacturing methods in terms of Total Quality Management, Lean Production and Six Sigma. And yet, it is still reasonable to contend that business schools remain caught in the blinkered trap of teaching the 'one best way'. For several decades, business schools have been responsible for spreading the idea that 'business is business', with 'management' – and in particular 'strategic management' -- being somehow fixed concepts that can be learned and successfully applied in any company and any industry with little or no contextual knowledge. This fact is also clearly evidenced by the way in which CEOs and other senior managers now frequently hop between quite diverse industries in which they clearly have no experience, and often with dire long-term consequences. As a relative of one of the authors once commented, the UK chemical industry was doing fine until the 1980s when it 'stopped being run by chemists' and it became impossible to discuss the structure of a polymer in the board room.

Business schools continue to teach 'business' and 'management' as subjects somehow isolated from the conduct and technical operation of any particular industry or technology. This simply makes no sense. Most people, let alone most graduates, will spend their lives working in 'business' – or in comparable public sector occupations – and most are only likely to be successful in the long-term when they have developed a deep knowledge of the sector in which they work. The fairly recent idea that business is a subject – let alone a subject that can be meaningfully taught to graduates or even postgraduates – is hence starting to be questioned. For example, in UK higher education, a decade ago the focus was on STEM and business, the focus – not least in terms of funding – has today shifted to STEM alone. Certain professional business disciplines – and most notably accounting – remain and are likely to remain in market demand. However, the quaint educational idea of learning 'business' as a one-best-way universal tool for success in the labour market is looking increasingly outdated. As a consequence, many university business schools may decrease in size, or become service departments for the delivery of business modules to in-demand courses in STEM and other subject areas, or indeed to cease to exist as demand declines.

Conclusion

Business schools became a global force in higher education at a time when the worship of money and neo-liberal economics was at its height (Khurana, 2007). They have demonstrated little responsiveness to the major challenges the world faces, for example, in terms of internationalisation and our environmental crisis. The banking crisis of 2008, combined with the environmental damage driven by consumerism and rapidly growing emerging markets is encouraging debate about the sustainability of business practice and thus what should be taught in business schools. However, economics and finance agendas remain dominant within business school curricula. Ethics remains a minority issue in the still pervasive world of rational market efficiency and inconvenient "externalities". There is also a growing reaction to the increasing inequality we see all around us and there is a growing dissatisfaction with the status *quo*. Yet business schools continue to repeat the old mantra of globalization and competitive advantage rather than a more sustainable mode of being, thinking and doing (Starkey & Hall, 2013) without a change of focus.

Icarus's father Daedalus was an inventor who built the labyrinth on Crete for king Minos. He designed and built wings for himself and his son to escape the king after a falling out. Before their fateful flight Daedalus warned Icarus: 'Icarus, my son, I charge you to keep at a moderate height, for if you fly too low the damp will clog your wings, and if too high the heat will melt them. Keep near me and you will be safe' (Bullfinch, 1979, 187-8). Carried away by the joy of flight and the inexperience of youth, Icarus forgot his father's advice. Business schools are relatively young institutions. Despite their successes they face significant risks, as outlined in this paper. They cannot all aspire to the sun of Harvard, even if, to judge by the rhetoric of the promotional materials, hundreds of them aspire to this.

Beyond the elite – the top 20/25 world-class schools – business schools face a significant challenge in redefining and redesigning themselves if they are to survive. In this context we expect a small minority of schools, probably those with exceptional and imaginative Deans, to survive and prosper. These will be schools that come up with innovative ways of responding to the risks we have identified. Those that attempt to cling to the *status quo* are likely to struggle. In this context three things seem to us almost axiomatic: (1) There are more business schools than the world needs. (2) The sector is ripe for a mix of rationalization and new forms of provision. (3) A significant number of existing schools are unlikely to survive beyond the medium term. The business schools that will survive and prosper will be those that envisage a future and a business offering very different from the present.

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