IT DOESN'T TAKE AN MBA TO understand that innovation is a pre- requisite for competing in today's global economy. Any businessperson knows that lesson well from real-world experience. For students at business schools, it's an education that now begins in the classroom. In the breadth and scope of what's taught, in the delivery of skills and savvy designed to give their graduates an edge, in their very philosophy of business education, B-schools are transforming the way they train tomorrow's leaders of commerce.

"You cannot be a well-educated person in the 21st century without having a global perspective," says Sally Blount-Lyon, PhD, dean of the undergraduate college at New York University's Stern School of Business. "You don't get that by sitting in the U.S."

Most schools offer opportunities to study abroad, but Stern actually requires every undergraduate business
student to spend a minimum of one week studying a foreign company on location, and is encouraging more extensive study abroad. "We're pushing our students out the door," says Blount-Lyon. "We're creating incentives, adding extra financial aid packages, making it part of our culture from day one."

The University of Akron's College of Business Administration imparts a global perspective by teaming up with companies in other countries and creating ways for thechildren of those companies' employees to study at the college. "The result is that 60 percent to 70 percent of our international study program is made up of international students working side by side with U.S. students," says Luis Proenza, PhD, president of the university. "It gives them an immediate sense of the diversity of people they will interact with increasingly in the future."

Proenza's concerns aren't limited to giving his students exposure to the global business world. In our knowledge-based economy, students — bothwithin and outside business programs — need to understand how knowledge is created, and how it's successfully transferred to the business world.

"We have a new collaboration between science, engineering, business, and law that gives our students a sense of how new knowledge is created, applied, and quantified in a market environment," Proenza says. "They learn about the competitive nature of business, about technology transfer — how a discovery in the lab could make for new opportunities in existing companies, as well as how a new technology may be sufficiently unique to warrant starting a new company."

This 'cross-pollination' of education is taking hold at places like Akron and nearby in Cleveland, at Case Western Reserve University's Weatherhead School of Management. "Business education doesn't stop at the schoolhouse door," notes Weatherhead's dean, Myron Roomkin, PhD. "We have a responsibility to reach out to other relevant parts of the university to coordinate with them in trends and initiatives."

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"Traditional frameworks of business as strictly a source of revenue creation are no longer aligned with the larger role that business is now playing on a world stage," says Roomkin. "We have to be increasingly conscious of sustainability, which isn't the same as social responsibility or corporate do-gooding. Sustainability means 'How can I make more money based on the need to function in a more resource-neutral way? How do I factor into my business decisions impacts on community, employees, and stockholders?' — the so-called triple-bottom-line calculation. We have a design team working on that right now, producing course materials that faculty can use."

Weatherhead, through its BAWB, is one of 11 leading graduate schools of business worldwide chosen by the Aspen Institute to be part of the Teaching Innovation Program (TIP), a two-year collaboration with a handful of corporations. The intention of TIP, according to the Aspen Institute, a leadership development think tank, is...
to "create a tipping point in business education to further teaching of corporate citizenship and values-based leadership."

At Stern, a focal point for Blount-Lyon is the need to teach future business leaders how to design and manage not just businesses, but effective organizations. "It's organizations that shape the world, not individuals. And that's true in both the profit and not-for-profit sectors," says Blount-Lyon. "Organizations leverage ideas. They multiply intellectual effectiveness. Creating organizations is how you create wealth and social well-being. It's not about 'How do we make you rich?' but 'What are the roadblocks to healthy organizations?' The result is that students understand the most fundamental building blocks of effective organizations and leave here with an understanding of how organizations fit within society."

Like players in the corporate world, business schools can point to another driving factor in their push to innovate: their customers. At Stern, the number of MBA applications has remained fairly constant, while applications to the undergraduate business program have risen dramatically.

"As white-collar salaries continue to flatten, we're seeing more people choosing undergraduate business education, understanding that they may not have the luxury of going back for an MBA," says Blount-Lyon. Undergraduate applicants increasingly represent "the brightest and most motivated minds of this generation."

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- SALLY BLOUNT-LYON, DEAN OF NEW YORK UNIVERSITY'S STERN SCHOOL OF BUSINESS

she adds, noting that average SAT scores for Stern's incoming students have been rising 10 to 15 points each year for the past five years, with this fall's freshman class boasting average SATs of 1440 in math and verbal skills.

The changing nature of the business student — and the competition to
attract that student — have led universities to think about how best to tailor their programs in both content and delivery. At the University of St. Thomas in Houston, lectures are now available as podcasts, so students can tune in via iPod. Using an “electronic backpack,” students can also download course materials to laptops and PDAs anywhere on the wireless campus and complete and upload assignments remotely.

“We debate whether total electronic delivery of materials is the best way,” says Anne Davis, PhD, director of St. Thomas’ master’s degree program in international business. “It’s part of the interaction because students today demand it. But the evidence is pretty clear that students still need to attend class, because the dynamic of classroom interaction is where a lot of learning happens.”

Davis is also seeing a shift toward more sophisticated packaging of business curricula. “In five to 10 years, I predict that top business schools will come up with a new label for top-level classical business education to distinguish it from the ‘trade school’ approach,” she says. “It will be more than just adding ‘professional’ or ‘executive’ to the MBA title. We’re already seeing master of science in accounting, MS in finance, and master in international business growing in popularity, and these graduates are doing well in the employment market.”

“The trend in graduate business education is toward more experienced individuals,” adds Bill Glick, PhD, dean of Rice University’s Jones Graduate School of Management. “We’re competing for students on a global level as the number of seats available to MBA students has grown dramatically in the last 10 years. We’re now seeing schools in India, Europe, and China that didn’t exist 20 years ago, and in some cases, they’re very credible schools.”

The Jones School now offers an MBA for professionals aimed at working adults who don’t have the work experience required to get an executive MBA or who prefer the night schedule because they work during the day. The new program requires a minimum of two years in the workplace.

Jones applies a “T-shaped” skills construct across its MBA programs: general skills across the top and specialized skills on the bottom. “The notion of T-shaped skills goes back 10-plus years,” says Glick. “What’s been evolving is how much emphasis is put on each [element]. As we look at a more mature audience coming into the classroom, we’re putting more emphasis on general skills.”

At NYU’s Stern School, Blount-Lyon is concerned not only with the mix of business versus general skills, but also with how literate her students are in cultural arts. She relies on New York City’s rich cultural offerings to enhance the classroom education.

“Our students will be solving the next big set of problems in our century,” she says, “and they have to think about problems from multiple angles, multiple levels, and in varying degrees of complexity. There are all kinds of ways to understand. Metaphorical thinking is one way, but you can’t think in metaphors if you haven’t been exposed to visual imaging. Looking at the arts highlights complexity and point of view.”

Whether it’s through an emphasis on cultural education or reinforcing a global perspective, the prevailing notion is the creation of a multidimensional businessperson. “You need to be an interesting person to have dinner with,” Blount-Lyon says. “Like it or not, business is the dominant social institution of our age. The need to graduate interesting and aware people becomes very clear when we talk to recruiters.”

Molly Rose Teuke is a frequent contributor to Continental.