MARBET FORCES AND MORE RELEVANT MBA PROGRAMS MEAN NEW OPPORTUNITIES FOR BUSINESS SCHOOLS – IF THEY CAN BECOME RELEVANT!

MBA education industry characteristics, concerns for graduates’ and programs’ real-world relevance, and new AACSBI accreditation standards are described. The new accreditation is seen as a new market force for increased relevance, and we suggest MBA program opportunities and program content, based on different kinds of relevance.

Introduction

The employment market for MBA graduates and schools’ market competitive reputational considerations have dominated the MBA education industry. These factors are drivers for student applications to particular schools (those that prospective students believe will enable them to get a good job) and for resultant student fee income. Since the 1980s until now, two important market realities have continued to be evident: the hiring of MBA graduates has continued even though they have been perceived to be generally lacking in relevant real-world knowledge and skills; and, business school reputations have been largely unaffected by their graduates and programs being perceived generally to be lacking real-world relevance.

In this paper we summarize current concerns for relevance as described by the Association to Advance Collegiate Schools of Business International and its resulting new accreditation standards. We argue that for market competitive reasons accreditation, and therefore the new standards and the real-world relevance that is inherent in them, is becoming important for business schools’ competitive advantage. This is even though there seem to be some confused perspectives on what is management and what are management skills needed to be relevant to the real world. We suggest that new MBA program opportunities are developing, based on different kinds of relevance. We suggest foci of knowledge and skills for these programs.