



**BUSINESS SCHOOL LEADERS RESEARCH:  
THE BUSINESS  
OF BUSINESS SCHOOLS**

## Introducing AMBA & BGA's Business School leaders research

This report explores the strategies that Business Schools are employing within the management education landscape, looking at how School decision makers view their institutions' operations and stakeholders.

The findings from this report have been generated from AMBA & BGA's Business School leaders research series, which outlines the views, experiences and visions of these senior decision makers. This is the final instalment of three reports that investigate key metrics and operational facets of Business Schools, helping practitioners to better understand the nature of their own business.

To understand the context behind these results, it's worth discussing first the economic environment in which Schools now operate. The global economy is going through a period of rapid evolution, with businesses progressively more routed in digital delivery. This has the potential to

impact how students study, how programmes are provided and the ways in which programmes are marketed.

At the same time, the ways in which workforces are evolving, especially in terms of communication methods and employee contracts, which are progressing towards more agile and fluid mechanisms.

**'The global economy is going through a period of rapid evolution, with businesses progressively more routed in digital delivery'**

AMBA & BGA's Business School leaders study into the business of Business Schools aims to provide fresh insight into how Business Schools are currently operating, their

programme offering and how they are seeking to generate demand.

The first report in this research series, *The future of technology in management education*, found that more than three quarters (77%) of leaders believe that the fundamentals of the MBA will change in the next 10 years and two in five (40%) think this is 'very likely'.

This report analyses how some of these changes might be shaped by the ways in which Business Schools are run in the future.

We know that AMBA & BGA's Business Schools have been resilient, and indeed grown, as the world around them has changed. Our most recent *MBA Application and Enrolment Report* has shown that AMBA-accredited Business Schools grew their applications and enrolments between 2017 and 2018 (by 9% and 10% respectively) during a time of global

economic and geopolitical uncertainty. It is now a timely point in which to explore the impact of this growth and how leaders see their own institutions operating in the current environment.

Considering the growth in MBA cohorts, this report also provides insight into how Schools are positioning their business for the future, shaping their operations and delivering high-quality programmes which leverage the technological opportunities available.

I would like to thank Ellen Buchan for her analytical skills in pulling together the findings, as well as everyone within AMBA & BGA's networks who took the time to complete the survey. We hope you find this report informative.

**David Woods-Hale**  
**Director of Marketing and**  
**Communications, AMBA & BGA**

## Methodology and profile of Business Schools

AMBA & BGA contacted leaders from within its Business School networks to invite them to participate in an online survey between 14 August and 30 September 2019.

The resulting study forms a three-part series of reports that seek to understand how Business Schools are planning for the future.

In total, 433 of leading Business School professionals globally participated in this study. In instances where a survey participant did not complete the survey fully, responses to questions they did complete are included. Where figures do not sum to 100, or to a combined figure, this is due to numerical rounding. The data is unweighted as the country profile of participants broadly matches that of AMBA & BGA Schools. Participants in the report are referred to as 'Business School leaders' or 'leaders'.

Business School leaders that participated in the survey work at institutions that serve a range of cohort sizes. Approximately two in

five (41%) are from Schools with 0-500 students and almost a quarter (23%) are from institutions with 501 to 1,000 students.

Smaller proportions of leaders are from Schools enrolled at larger institutions, with 16% working at Schools that enrol between 1,001 and 3,000 students and 19% enrolling more than 3,001 students.

The regional composition of participants is broadly comparable with the geographical coverage of AMBA & BGA Schools. More than two in five Business School leaders (46%) are based in Europe, approximately one in six (16%) are based in the UK and more than one in 10 (12%) are based in Latin America.

The remainder of the sample was from Africa (7%), China (including Hong Kong, China) (6%), Asia and the Middle East (excluding China and India) (5%), India (4%), North America and Caribbean (3%) and Oceania (1%).



# The structure of Business Schools and the qualifications they offer

This section of the report looks to assess the overall structure of Business Schools and the qualifications they offer. Approximately half of leaders responding to the survey (51%) work at public Business Schools, just under two in five (39%) represent private non-profit Business Schools and 8% are from private for-profit Business Schools. The remaining 2% define their School in another way.

Leaders were asked about the types of qualifications their Schools provide to students. The most commonly provided qualification cited by leaders is the MBA (82%). Meanwhile, seven in 10 leaders say that their School provides other master's degrees (71%) and executive education (70%), while three in five (59%) provide doctorates and slightly more than half (55%) offer undergraduate degrees. Meanwhile, one in seven (15%) offer Massive Online Open Courses (MOOCs).

For each of the qualifications offered, leaders were asked which subjects they covered. General management, which includes leadership, strategy, corporate governance and supply chains, was

the most frequent topic covered within each of the qualifications. It was also most frequently mentioned for MBA qualifications (74%).

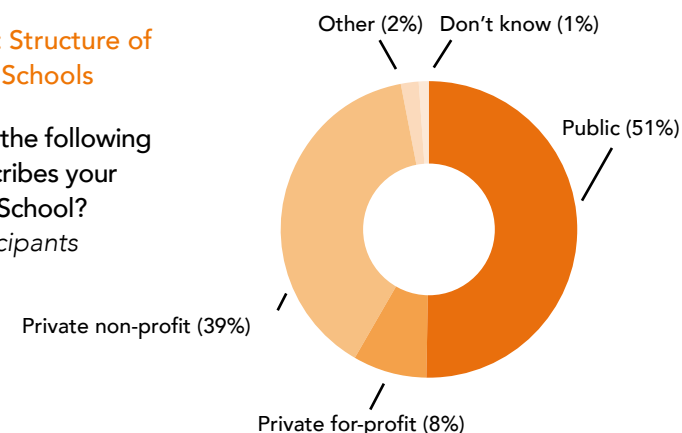
Of course, all MBAs include core management elements within them. However, respondents citing MBA programmes also highlighted other specialist areas covered. These include finance and accounting (60%), marketing (58%), economics and business (55%), human resources (53%), IT and digital transformation, such as big data and AI (36%), and business law (30%). One in five participants (21%) mentioned other topic areas.

Figure 3 (on page 6) outlines the spread of topic areas cited by respondents for the MBA and each of the non-MBA qualifications.

Each of these qualifications have slightly different patterns of topic areas, as outlined in Figure 3. Doctorates show lower levels for each topic across the board, most likely due to the nature of the qualification that allows individual students a high degree of specialisation.

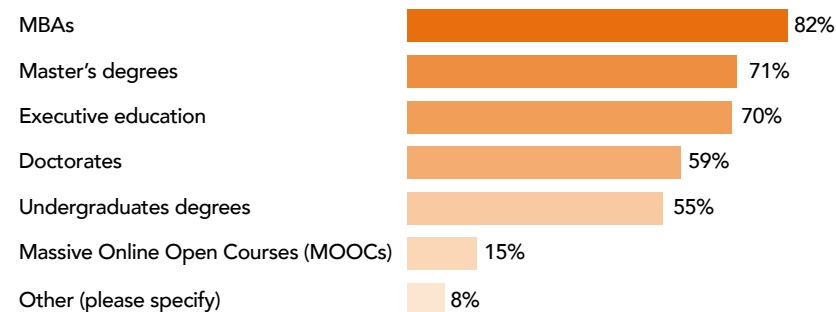
**Figure 1: Structure of Business Schools**

Which of the following best describes your Business School?  
366 participants



**Figure 2: Qualifications offered by Business Schools**

Which of the following types of business education does your Business School provide?  
433 participants

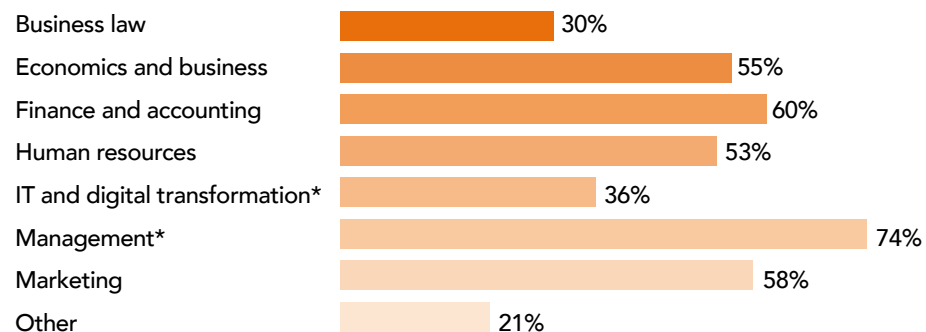


### Figure 3: Subjects offered by each qualification

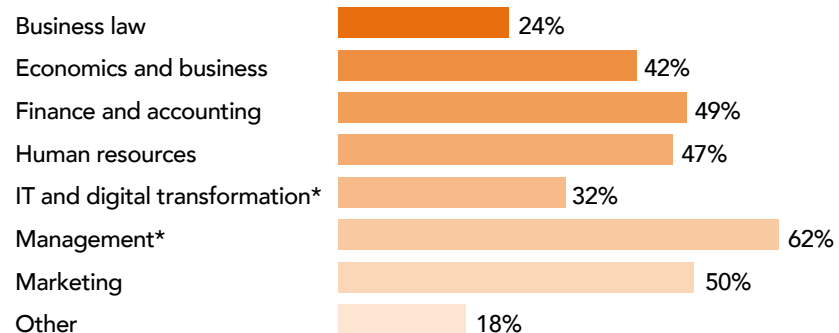
For each type of qualification you mentioned, can you select the disciplines they cover?

433 participants

#### MBA



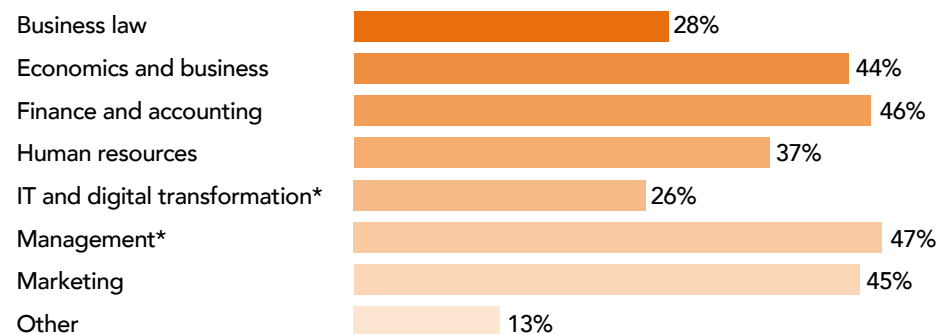
#### Executive education



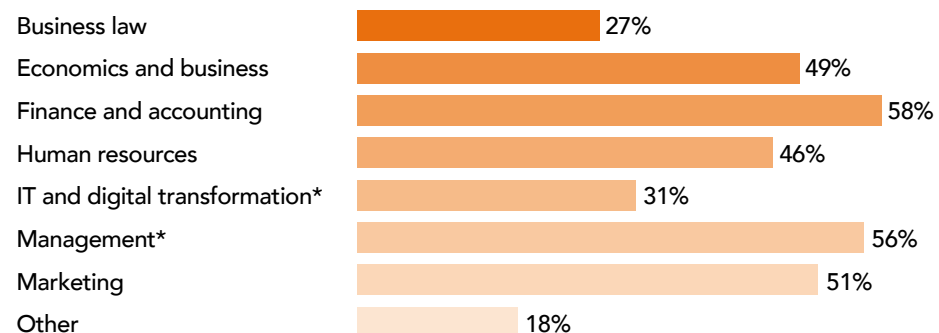
\*Management (including leadership, strategy, corporate governance and supply chain)

\*IT and digital transformation (including big data and AI)

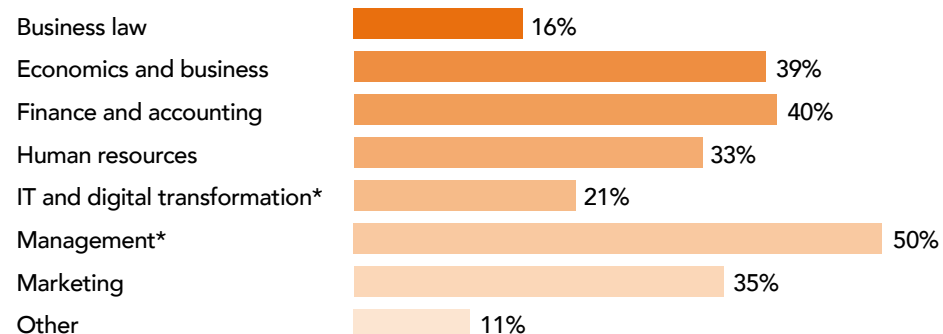
#### Undergraduate degrees



#### Master's degrees



#### Doctorates



# Business School programme delivery

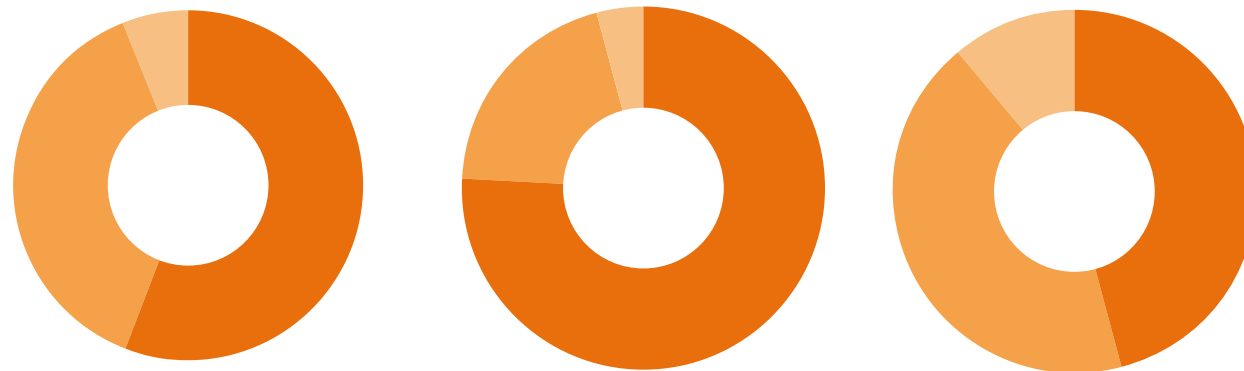
This section explores how Business Schools are delivering their programmes and their use of agile methods.

## MBA programme delivery

Three in 10 leaders (30%) say that their Business School offers an industry-specific MBA programme (e.g. oil and gas, luxury management, or finance), and 6% say they have plans to develop industry-specific courses in the future. Just under two thirds (64%) say they do not have such specialist programmes. Healthcare was the most frequently mentioned specialist programme.

Leaders were asked whether their Business Schools use external faculty, from outside their own organisations, to help deliver their programmes. More than three quarters of leaders (76%) say that they use external faculty from other institutions to teach elements of modules and more than half (56%) have external faculty delivering complete modules. Meanwhile, almost half (46%) have the support of external faculty to help supervise dissertations.

**Figure 4: How do Business Schools use external faculty to deliver programmes?**  
 Does your Business School regularly use external faculty from other institutions to deliver each of the following?  
 252 participants



### Provide complete modules

Yes	56%
No	38%
Don't know	6%

### Teach elements of modules

Yes	76%
No	20%
Don't know	4%

### Supervise dissertations

Yes	46%
No	43%
Don't know	11%

In terms of faculty, leaders also report that approximately a third (34%) of lecturers are active practitioners in a management discipline while two thirds (66%) are not.

### Flipped learning

Business School leaders were asked about the suitability of flipped learning as a method of teaching. Flipped learning involves traditional classroom

activities being conducted online, while thinking time, which traditionally takes place away from the classroom, is conducted in the classroom.

Almost three quarters of leaders (72%) think flipped learning is a suitable teaching method, with almost a third (32%) saying it is 'very suitable'. Meanwhile 7% do not think it is suitable. However, the actual use of

flipped learning is not particularly prevalent. Slightly more than a quarter (27%) say they use flipped learning at least 'often', although a similar proportion say they use it 'rarely' or 'not at all' (28%).

Leaders were also asked whether they provide blended learning (by which at least 35% of the programme is delivered online). A third (33%) say that

they do, six in 10 (60%) say they do not and 8% say they do not know. Those who say that their School conducts blended learning were asked what percentage of these programmes are conducted online. On average, leaders stated that 38% of the programme content of blended programmes is conducted in this way, signalling the importance of digital learning in these offerings.

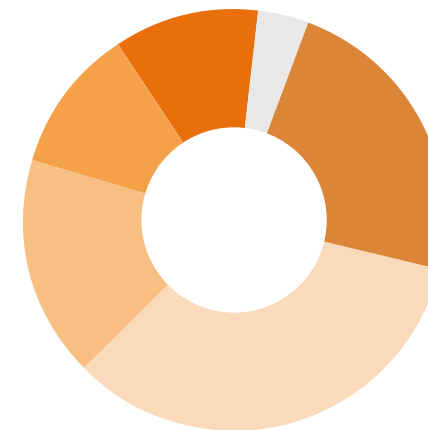


**Figure 5: Use of 'flipped learning' in MBA programmes**

How often is your Business School currently conducting 'flipped learning' as part of MBA programmes?

248 participants

● Always	4%
● Often	23%
● Sometimes	34%
● Rarely	17%
● Not at all	11%
● Don't know	11%



## Delivery of, and demand for, Business School programmes

### Programme delivery

Leaders were asked how well their Business School delivers its programmes, across a range of measures. The results show that they are confident that their programmes are updated to reflect the latest trends in business (85% of leaders believe that their School does this well). Meanwhile seven in 10 (70%) feel that their School is doing well at 'delivering MBA programmes which reflect the specific industry needs of the student'. In saying that, a quarter (25%) believe they do not do this very or at all well.

'Providing flexible learning' is one area in which leaders do not believe

their Schools are particularly strong. Although almost two thirds (63%) think they are doing well in this area, just a quarter (23%) believe they are doing 'very well', and almost a third (32%) do not think they are doing well.

Leaders were then asked to rate their Business School on additional factors relating to programme delivery using a scale of 0-10. Results here indicate that, in general, leaders rate the quality of core delivery within their Business Schools highly. Areas which received the highest ratings, with scores of at least eight out of 10 from the majority of those polled, included 'the standard of teaching' (68%), closely followed by 'the

quality of programme cohorts' (67%). However, the perceived impact of research could be higher. Only 31% rate 'the application of new research within programmes' as at least eight out of 10. There may also be scope to improve 'enhancing knowledge of poverty-alleviating business practices' (39% gave this a rating of eight out of 10 or higher).

### Programme innovation

Leaders were asked about the ways in which their Business Schools have innovated in terms of programme delivery in the past year. Positively, some of the measures Schools are taking relate to areas of improvement around flexible learning. One in five say that their School has 'increased the amount of digital and online learning opportunities' (22%) and 'offered flexible timings for delivering programmes' (19%).

Other frequently mentioned innovations include that they 'collaborated with industry to deliver programmes' (18%) and 'increased capacity of teaching related to new technology and innovations (e.g. AI, big data)' (17%).

### Demand for Business School programmes

Business School leaders were asked, on a scale of 0-10, to what extent a range of internal and external factors affect demand for the MBA programmes their institution delivers. These results were then analysed by exploring the proportion of leaders who felt that each factor has an influence on demand of at least seven out of 10.

*NB: The survey was carried out just before a large number of countries imposed lockdown restrictions in early 2020 due to the Covid-19 pandemic, so this was not included as a factor in the questionnaire.*

Leaders typically believe that factors relating to the reputation of their MBA (cited by 89%) and quality of their MBA (87%) have the greatest impact on demand for their programmes. MBA rankings, which are a product of both internal and external factors, are also seen to have a substantial influence on demand. Seven in 10 deem both rankings (71%) and the marketing of their MBAs (67%) as influential factors.





The external factor deemed to have the greatest impact on demand is levels of economic growth in participants' home countries (59% gave this a significance of at least seven out of 10). In addition, 51% gave a rating of at least seven out of 10 for economic growth within their domestic region and 33% for levels of growth outside their domestic region.

Political issues are seen to have less impact on Business School demand. Three in 10 (30%) gave at least seven out of 10 for domestic political issues and geopolitical issues (27%) as having an impact on demand. This low level of perceived impact may reflect the relative stability of the regions within which responding Business Schools are based.

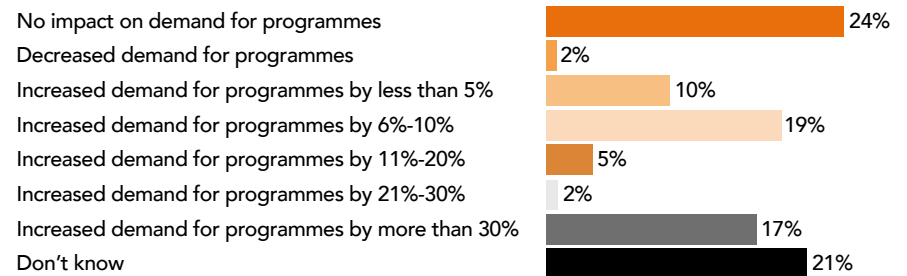
Leaders in the UK were asked about the impact of the country's apprenticeship funding system has had on demand for their Business School's programmes since it was introduced in 2017. More than half

(53%) think that the apprenticeship funding has contributed to an increase in demand for Business School programmes. Almost one in three (29%) say it has contributed to an increase in demand of up to 10%, while 24% say it has contributed to an increase in demand of more than 10%. However, 24% do not feel there has been a change and 21% were unsure if the apprenticeship funding changes had affected demand. Only 2% feel it has contributed to a decrease in demand.

The changes in demand from the UK's apprenticeship funding were seen to be greater when asked about the impact on a Business School's MBA programmes. Nearly a third of leaders (31%) say that the apprenticeship funding had led to an increase in demand of more than 20%, while two in five (21%) say it has increased demand for their School's MBA by up to 10%. A quarter (26%) say that there has been no impact and one in five (21%) do not know.

**Figure 6: Impact of the UK Government's apprenticeship funding system on demand for Business School programmes**

What impact, if any, do you estimate that the UK Government's apprenticeship funding system contributed to demand for your Business School's programmes since it was introduced in 2017?  
42 participants



**'Political issues have less impact on Business School demand ... This low level of perceived impact may reflect the stability of the regions in which Schools are based'**

**'More than half of leaders in the UK think that apprenticeship funding has contributed to an increase in demand for Business School programmes'**

# MBA applications

Leaders were asked to what extent various characteristics of an application are important when recruiting MBA students.

Prior experience of leadership or business tops the list – 96% of respondents say it is ‘fairly important’, ‘very important’ or ‘essential’. Oral and written communication is deemed to be the next most important (75% say it’s ‘important’ or ‘essential’), followed by interpersonal skills (72%) and academic achievement (62%).

A commitment to social impact was also regarded as being important, with 51% saying it was very ‘important’ or ‘essential’. Exam attainment is deemed to be less important.

**‘Prior experience of leadership or business tops the list – 96% of respondents say it is ‘fairly important’, ‘very important’ or ‘essential’**

More than two in five (44%) cited quantitative skills as being at least ‘very important’ and just over a third (36%) mentioned other examination scores,, while, specifically, 27% think GMAT scores and 13% think GRE scores are at least ‘very important’.

## International students

Leaders were asked to state what proportion of their Business School cohort is international. On average, 46% of cohorts are made up of overseas students, illustrating the importance of international demand on the overall health of Business Schools.

## The calibre of MBA graduates

Leaders were asked whether the calibre of graduates had increased, decreased or remained the same, as compared to five years ago, across the suite of qualifications available.

This gives some perceptual measure of the calibre of students going to Business Schools and the value of

Schools’ peep-to-peer learning environment for students. Across each of the qualifications, leaders are most likely to report that the calibre of graduates has increased, ‘a little’ compared to five years ago.

Approximately two thirds (66%) think the calibre of MBA graduates has increased, six in 10 (62%) leaders think that the calibre of undergraduate qualification graduates has increased and 52% think doctorate graduates’ calibre has increased. Meanwhile, half (57%) think the calibre of master’s graduates (excluding MBAs) has increased.

**‘Across each of the qualifications, leaders are most likely to report that the calibre of graduates has increased ‘a little’ compared to five years ago’**



# The internal operation of Business Schools

The next issue this report explores is the internal functions of the Business School, including their finances and advertising spend.

### Business School finances

Leaders were asked questions about their Business School's finances. They were first asked what percentage of their Business School's revenue

comes from its MBA programme(s). In response, leaders provided a wide range of figures, from almost all income to less than 5%. On average, MBA programmes account for 25.8% of a Business School's total income among our respondents.

The subsequent question explored a Business School's funding channels.

Tuition and course fees represent the largest proportional source of income, on average among responding leaders, at 68% of all income received. This is followed by state funding (18%), corporate sponsorship (4%), foundation donations (2%), alumni contributions (1%), and non-alumni individual donations (1%).

**'On average, MBA programmes account for 25.8% of a Business School's total income'**

**Figure 7: Sources of Business School funding**

Approximately what proportion of your Business School's funding comes from sources listed below?  
287 participants



# Advertising spend in Business Schools

Leaders were asked how much money their Business School spent on advertising in US dollars over the past year across a range of channels.

**Social media:** the average across 130 leaders who reported spending on social media was \$224,769. If you include all 227 leaders who reported a zero spend, the average spend becomes \$107,882. Additionally, if you exclude the three highest and three lowest spends among those who did spend on social media, the average translates to \$51,774.

**Online advertisements with newspapers, or other publications:** of the 101 leaders who gave a substantive figure on advertising in this area, the average spend was \$90,672. When widened to encompass leaders who reported a zero spend in the past year, the average becomes \$33,668. Among those who did spend, meanwhile, the average translates to \$58,836 when adjusting to take out the three highest and the three lowest figures supplied by our respondents.

'The average across 130 leaders who reported spending on social media was \$224,769'

'Careers websites attracted an average spend of \$25,414, among 55 leaders who said their School spent money in this area'

**Print advertisements:** the average spend was \$97,203 among those citing a spend on print advertisements. However, this falls to an average of \$35,375 if the three highest and three lowest amounts are omitted from the calculation. When including leaders who reported zero spends, the average spend on print advertisements is \$32,637.

**Paid-for content (e.g. sponsored articles):** a total of 60 leaders reported spending an average of \$33,962 on paid-for content, or \$23,073 if the three highest and three lowest spends are excluded. When including leaders who reported spending nothing at all on paid-for content, the average figure becomes a mere \$7,430.

**Careers websites:** Careers websites attracted an average spend of \$25,414, among 55 leaders who said their School spent money in this area over the past year. This figure drops to \$17,245 when adjusting to remove the top three and bottom three figures. When including leaders who reported

spending nothing at all on careers websites, the average figure is \$5,120.

**Open days:** By far the highest average spend in our survey, at \$1,219,400, came from School leaders reporting an advertising spend on open days. However, this figure is heavily skewed by the highest-spend Schools. When adjusting to exclude the top three and bottom three amounts reported, the average falls drastically, to \$17,718. If respondents citing a zero spend on open days are included, the average is \$373,851, but again this figure is skewed by the highest-spend Schools.

**Careers fairs and MBA fairs:** among the 93 leaders who stated that their School spent money on careers fairs, the average was \$35,124, decreasing to \$30,650 when adjusting to exclude the top three and bottom three figures. When including all School leader respondents, the figure decreases substantially, to \$11,922, as a result of many Schools reporting not spending on advertising at all in this area over the past year.

## Summary and conclusions

This report throws a spotlight on how Business School leaders view the institutions for which they work, along with offering substantive data on Business School operations and their priorities for 2020 and beyond.

Something which comes across strongly in the findings is the high regard leaders have for the core elements of their Business School, such as the quality of its teaching and the calibre of its graduates. Without these strong building blocks of educational institutions, and what they deliver to their core customers – the students – Business Schools would be unable to thrive and produce the kind of research and insight which can help shape the world.

As the study highlights, 68% of all Business School income is understood to be derived from student course and tuition fees, on average. It is interesting to note, therefore, that leaders highlight

the role of programme quality and reputation in shaping the future demand for its programmes more than they point to the role of external factors, such as local economic growth. Nevertheless, leaders are fully aware that the world they live in does impact on the demand for business students, which is perhaps most obviously highlighted by the high number of students who come from overseas.

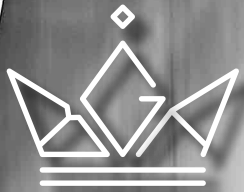
The study also shows that Business Schools are evolving in how they deliver their programmes, with a substantial proportion of offerings now being delivered either fully or partially online. But leaders are also aware that more needs to be done to implement flexible working methods – and many report that their Schools have recently been innovating in terms of digital learning packages, or operating new ways of teaching methods such as flipped learning. In these areas there remains scope for further growth.

On the whole, this report should be a source of optimism for the industry, as Business School leaders report great breadth and depth to their Schools' differing programmes and topics, funding arrangements, and forms of practice.

This variety provides the prospective management education student with a range of options from which to select a high-class degree that suits their ambitions best. In this light, the business of Business Schools looks well prepared to take on the challenges that will arise over the next decade.

**'Business School leaders report great breadth and depth to their differing programmes and topics, funding arrangements, and forms of practice'**





BUSINESS  
GRADUATES  
ASSOCIATION



ASSOCIATION  
OF  
**AMBA**  
S