

Business School 5.0: Continuously Rewired, Boundary-Spanning

It has become somewhat commonplace to argue that business schools need to transform themselves. That they should adopt a more flexible, possibly a multi-modal business model; should become more agile, more interdisciplinary; better aligned with the principles of a liberal education; more technology-embracing; more conscious of their impact and so forth. All true, but in **Ulrich Hommel** and **Martin Meyer's** view, too limiting to chart the trajectory ahead

It is not about adjusting the institutional objective or adjusting a school's activity portfolio, it is rather about deliberately developing and cultivating new organisational capabilities. In this article, we focus on two such capabilities that in our view will have game-changing importance for the future of business schools, they need to engage in continuous rewiring and become more boundary-spanning. But before explaining these concepts further, let us first focus on the Business School 5.0 framework that will serve as a backdrop to our investigation.

Moving from 4.0 to 5.0

It seems only yesterday that the business school community was discussing how Industry 4.0 would impact management education. The focus was on how technology would make people obsolete, be it, for example, in production by assembly robots, in logistics with self-driving vehicles or in accounting with AI-enabled processing and approval of documents. Change and disruption was accepted as the new normal with everybody operating in a VUCA world (with volatility, uncertainty, complexity and ambiguity as the new cornerstones of decision-making), including business schools.

Industry 5.0 is a step forward and business schools will inevitably need to follow in lockstep with the corporate ecosystem surrounding them. Driven by the impact of the Covid pandemic and enforced by geopolitical tension and conflict (e.g., Russia-Ukraine war), the focus has shifted to making organisations more sustainable and resilient, and to putting people more at the centre again. Business schools in 5.0 mode will therefore seek to become more long-term focused with regards to their development actions and will adopt a posture that enables them to easily recover or even benefit from disruption. And they will have to treat faculty and staff as a critical resource to make these adjustments happen.

The Continuously Rewired Business School

The transformational challenge facing business schools must be understood as a movement into a regime where key parameters of operations are becoming more unsettled and unstable. A school's ability to change and reinvent itself assumes key importance which, in earlier work, we referred to as neural-plasticity or the capability of continuous rewiring. Using the analogy of the human brain, it can be described as the capacity of forming and reorganising







synaptic connections, for instance following a pathological event involving brain injury. Just like the human brain loses this ability with age, so do business schools get caught up in administrative rituals that have matured in more stable times and may now serve as a source of gridlock. For business schools to become continuously rewired, they need to agglomerate innovation capacity in so-called consensus spaces and to develop synaptic connections for meaningful transmission with new and existing stakeholders of the school.

The Boundary-Spanning Business School

Global Focus Supplement 15(2), titled *Business Schools + Ecosystems = ?*, combines a wide range of perspectives that describe the business schools' journey from being integrated providers to unbundling their value chains and, ultimately, to becoming embedded in ecosystems with a diverse set of collaborators and co-creators of education and knowledge. Realising the upsides of ecosystems requires absorptive capacity that facilitates engagement with external organisations as relational actors of typically considerable diversity. This can be described as mirroring the ecosystem with all its complementarities and redundancies which, among other things, necessitates the creation of

intermediary functions that ascertain ecosystem connectivity. It follows that boundary-spanning business schools emphasizing multi/interdisciplinarity as a design attribute will have an edge over their mono-disciplinary, more traditional counterparts. Their institutional boundaries are more widely set, more porous and more fluid.

Business School 5.0: A "Broad Church"

Martin Parker's suggestion to "Shut Down the Business School" (Pluto Press, 2018), prompted a long overdue and healthy debate about the future form and shape of the business school. It culminated in a ground-breaking workshop that called for schools to engage in dialogue beyond business to include other stakeholders – local, national, international – and argued for "more imaginative and entrepreneurial business schools that combine four qualities: philosophical; political; managerial; and technical" and for a rediscovery of liberal arts education (Ken Starkey and Howard Thomas, *The future of business schools: shut them down or broaden our horizons?* Global Focus 13(2), 2019). We contend that there is a bigger opportunity for business schools to become real and true boundary spanners.





An even more radical approach is being pursued by MCI Innsbruck (Austria) which labels itself as an entrepreneurial school, having set up departments and offering programmes in areas as diverse as biotechnology, food technology & nutrition, mechatronics, medical & health technologies, smart building technologies, alongside social work in addition to more traditional business and management areas. Loosely defined and porous boundaries between these areas ensure that this small but internationally accredited school generates comprehensive internal stimuli for continuous rewiring.

Business School 5.0: Using the Ecosystem as a Learning 'Playground'

Extant research has shown that dynamic capabilities go hand in hand with absorptive capacity. This means in practice that business schools should focus on two aspects: (1) to become more boundary spanning which, first of all, aims for enhancing the *connectability* with the surrounding ecosystem, and second, for establishing intermediaries as adapters that enhance the *connectivity*, and (2) to bring new talent on board that collectively drives the rewiring project forward by using the ecosystem as a *learning* 'playground'. 'Broad' business schools are clearly at an advantage on both levels.

The University of Vaasa illustrates the general concept. As a specialised provider of higher education, it drives innovation and seeks sustainable impact by integrating business and technology and thereby driving innovation for sustainable impact. As part of an institution-wide restructuring, the university recently adopted a new structure to enlarge its absorptive capacity. It now consists of four multidisciplinary schools (Technology & Innovations, Marketing & Communication, Management including Administrative Sciences, Accounting & Finance including Law) which are complemented by three research platforms which focus on boundary-spanning core themes (Vaasa Energy Business Innovation Center or VEBIC, Digital Economy, Innovation and Entrepreneurship Innolab).



Aarhus BSS (Denmark) is a case in point, created in 2011 by a merger of Aarhus School of Business and the Faculty of Social Sciences. It nowadays encompasses nearly 15,000 students and over 1,000 staff, including approximately 600 academics. Upon its formation, it defined itself as a "broad business school" including an eclectic number of departments (e.g., Law, Political Science, Psychology & Behavioural Sciences; Business Development & Technology, Management) and interdisciplinary centres (e.g., Crown Prince Frederik Center for Public Leadership, Center for Integrative Business Psychology (CIBP), Platform for Inequality Research, Center for Energy Technologies). As an early challenger of conventional business school boundaries, Aarhus BSS has since developed into a boundary-spanning multidisciplinary community that is a "broad church" in terms of academic foci and stakeholder engagement.

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The University's team science approach formulates the expectation that faculty members are engaged both in their school and an adopted platform which affords multiple entry points for stakeholder engagement. In the case of VEBIC, they can act as boundary-spanning innovators within the Nordic's largest energy tech cluster. It is set up as a living lab that integrates multiple external stakeholders (from local to international) with different facets (large and small industry, government, societal bodies) to conduct challenge-driven multidisciplinary research on future-proof resilient energy systems and energy transition management.

Business School 5.0: Enabling Governance

Business School 5.0 will need to be activated with non-traditional governance mechanisms, to be supplanted onto established structures by facilitating and enabling leadership. A continuously rewired school has two catalytic roles, knowledge integration and network building. The knowledge integration role is conducive to exploratory innovation, whereas network building contributes to exploitative innovation. Both are necessarily person-centred.

For this ambition to be realised, Chris Ernst and Jeffrey Yip (in: T. Pittinski, *Crossing the Divide*, Boston: HBS Press, 2009) as well as others have advocated for boundary-spanning leadership approaches that encompass four tactics: (1) Creation of a third space to facilitate person-based (rather than identity group-based) social interactions, (2) activation of a shared identity, (3) embedding groups of changemakers within a larger whole, (4) cross-cutting roles and identities.

Traditional mechanisms (e.g., advisory boards, institutes with non-academic partners, faculty release for impact work) are still necessary but



no longer sufficient. The key is to give boundary spanners a sense of ownership and space for experimentation, ideally by allowing them to interact with other actors dispersed throughout the school's ecosystem. Much less bureaucratic control and accountability should therefore be an objective of the future.

Business School 5.0: Sustainable at Heart

A thematic orientation or initiative that is widely shared within the school can provide focus for becoming more boundary spanning and connected. In our view, attention to sustainability can be the glue that brings everybody together. Debduitta Choudhury cites the push of India's Woxsen University to become green as such a unifying project (*Creating a green school* Global Focus 16(2), 2022). It starts with following up on the ambition of becoming net zero carbon neutral by 2030 which exceeds the ambition of more than 1000 other universities to achieve this goal by 2050. Next to infusing the sustainability agenda into research and education delivery, it is also undertaking tangible efforts to change community practice in their vicinity. The project is becoming all-encompassing.





Another example is EBS University of Business & Law in Germany. As a pioneering signatory of UN's Principles of Responsible Management Education (PRME), it is nowadays broadly engaging with its business stakeholders on how to improve ESG (ethics, social, governance) performance which acts as an umbrella framework for enhancing enterprise value by including the identification, assessment and management of sustainability-related risks and opportunities. ESG is one of six focus areas in research and is closely tied to the EBS's mission of educating leaders who can make a difference in the world. The school's footprint has by now expanded to comprehensive ESG coverage that include topics as diverse as social impact investing, sustainable logistics and supply chain, startup management and fundraising or social business engagement.

What's Next?

To quote Simon Sinek, leadership is not about the next election, it's about the next generation. Business School 5.0 will ultimately be created by a new set of leaders who will demonstrate greater readiness in making the sacrifices necessary to make their schools more boundary-spanning and continuously rewired. This is after all the natural course of history, but the ground speed is likely to be faster going forward.



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