



The Sue Fenton Interview

Your guide to becoming even better at business

Can being good at business be taught? Isn't an entrepreneur studying to learn how to formally run a business something of an oxymoron?

Yes and not necessarily would be the likely reply of Professor John Board, Dean of Henley Business School.

How do you respond to the suggestion that no amount of book learning can replace common sense and innate aptitude, that success in business comes through instinct and personality?

“My view is that what you call book learning is a complement to those qualities, not a substitute. It's not either ‘I'm a dynamic entrepreneur’ or ‘I'm a practical manager’; you need a balance. I don't think

it's possible to be a good entrepreneur – or manager – if you don't have common sense and innate aptitude. The question is how to channel and manage that, moulding text-book learning to the exigencies of the moment to obtain an understanding of the world you work in.

“I can't tell you what the next great business idea is. If I knew that I would be a very rich entrepreneur. But I can take bright, motivated people and help them develop new ways of thinking about business pitfalls

and issues. Problems never recur in the same way, so although I can tell you about the solution to problem x, only an idiot would think that alone is the complete answer; it's how you deal with other problems.

"It's not a question of students reading a shelf of text books, learning formulas, and passing exams. I completely reject the idea that business schools are a place to come to have knowledge put into you. If you come here with that expectation you will be disappointed, and so you should be. The role of a good business school is personal development: guiding discussions and facilitating learning, helping you look at the issues and guide yourself through them, helping you understand the way you respond to a situation and the way other people do; helping you understand yourself. That sounds incredibly right-on but it matters hugely."

To what extent is academic theory applicable to, or useful in, hands-on business management?

"It's easy to believe the false and artificial stereotype about the distinction between theory and experience. Theories have value; they are ideas that come from the real world. We have them because someone has thought through a real-world problem. Good business people say 'here's a theory; how do we adapt it to fit our real-world circumstances', rather than saying 'it's a theory, therefore I reject it'. There are any number of good theories that could help you manage a business, but very few where we would say 'here is a theory; take it, follow it and you will be a better business person'.

"But saying all theory is pointless would be a huge mistake; you would spend your life reinventing things. It's about identifying the limitations of theory, understanding where it doesn't apply or might be applied. The problem comes with thoughtless application of theory. Reading something in a book and blindly applying it is a good way to go bankrupt. The world's full of companies that have gone bust for that reason."

What can high-level business training do for the individual and the employer?

"At other business schools people say 'I'm an x and I'm here because I want to be a better x'. But we attract many senior, mature, experienced people who come here as part of a deliberate plan of changing direction. They want to do something different but they don't know what it is - that's why they take a really positive, personal decision to come here. These are

intelligent, motivated and successful people who are prepared to question what they're doing. Studying here is not a career-changing activity in itself but it enhances people's ability to change - if they want to. They might be at a point in their career where they are wanting to move out of professional and into leadership roles. An accountant, for example, might want to stop worrying about tax planning and start worrying about how to run a firm that employs tax specialists.

"People who have been through a good MBA will say it was a life-changing experience, that it changed something about them and helped them develop. Just after I took over at Henley, I met our oldest alumnus, who was in his 80s. He said he had been a biochemist running a sugar plantation in Trinidad. They sent him here and at first he thought it would be a waste of time, but he told me it was life-changing and transformed his business career by changing the way he thought about things.

"The bulk of students are not phenomenally successful entrepreneurs or running FTSE 100 companies. Take a large corporate: there's only one CEO, say 15-20 board members and then 100 people at the level below the board. The vast majority of people who come through business schools won't reach the top table; they're doing a really good job at a lower level - in senior and middle management. That's where the skills gap is, not with the guy or woman at the top, so our involvement is really useful.

"What's interesting is that in the past HR directors didn't want their people to do MBAs as they thought they would be able to leave more readily with the qualification. Now they see an MBA course as a way of attracting and retaining good people. There's a 'proof of the pudding' aspect to all this. We have been running for seventy years and a Henley MBA is seen as a rite of passage. If we were not useful, people would have stopped coming."

What's better: an MBA or work-based training?

"Work-based training has an important place but it is almost always geared towards professional competencies - here's a task you have to do, how can you do it better? That applies to anything from an apprenticeship to Law Society exams. A business school course is more about leadership and responsibility, for very motivated people, probably with several years' professional experience. I can't imagine anyone getting to a senior level without a large amount of both types of learning."

Similarly, what are your views on a business studies degree as opposed to on-the-job training?

“Business studies courses have come of age. There’s just as much teaching and learning about business management now as there was about economics in the 1960s. It’s right that young people who see their future in business should take a programme that is appropriate to that. A business studies degree is just as tough as any other - it provides the same things you would want to get out of any undergraduate degree; factual knowledge, analytical ability - the same things a physicist would expect to get out of a physics degree. Of course, a proportion of people who study business at university could do just as well through on-the-job training but that doesn’t devalue a degree – it’s just that there are a variety of ways to get that knowledge.”

How do you ensure the teaching is current and relevant, given that businesses are so diverse and ever changing?

“I expect people who work here to keep up with practice and theory and I expect them to have at least a couple of toes outside business school through ongoing external engagement, perhaps as advisers or consultants. We also rely heavily on our associate faculty: people in business who come in to talk about current practice and how theory and practice interact. That type of engagement works in all sorts of ways: they might take a module or co-teach alongside people with a more traditional academic background, or they could set up a case study discussion.

“We aim to get the balance right so we don’t tip too much into anecdote, but the underlying attitude is that it’s hugely important for business schools to be aware of current trends. Having said that, a lot of the cornerstones of business are not new. Interaction with customers, expanding the business, cutting back – I bet the Babylonians worried about those things. It’s just the way the problems express themselves that changes.”

Can business training be successfully delivered online?

“The jury’s out on whether online can entirely replace face-to-face, particularly at MBA level, where there are great benefits in being in a group. The value of a business school is to provide a mechanism for quality, serious people to interact with each other; Henley

invented what used to be called syndicated learning, learning in mixed groups with different backgrounds and experiences. So one might have thought a blended approach – online mixed with face-to-face group activities – would be most attractive but it seems the people who are attracted to online learning would value not having to come to Henley at all. Some people want to do it in their own time and in their own environment.

“You can certainly get a much richer experience from the interaction involved in online than from traditional distance learning. But we don’t want to offer an experience that is significantly less good than the traditional face-to-face MBA so we’re looking very carefully at how to calibrate it; for example how to integrate social media and set up chat rooms, moderated by faculty members, to help students replicate the classroom experience, create their own ways of communicating as a group, and still feel part of the Henley community.”

Will the changes in higher education funding and the growing trend for young people to decide against going to university have a knock-on effect on the numbers later coming through into post-grad-level business training?

“It’s a little early to predict the impact of this. But significant numbers of MBA students don’t have a first degree; our criteria are about experience and acumen. There’s been a big change at undergraduate level in the motivations for going to university. It used to be because they felt they should or their careers adviser told them to. Now it’s much more focused: people at eighteen are looking at how to obtain the job they want at twenty-one. Similarly, twenty years ago accountancy firms didn’t like people to have accountancy degrees – they would say go and do something interesting first. Industry evolves and so does what employers want. Most practices now like candidates to have had exposure to accountancy at university.”

Our universities now deliver a whole range of very focused vocational degree courses, such as fashion journalism, so why is the country always complaining about skill shortages at graduate level?

“It’s partly because industry evolves so quickly; the emergence of new sectors can mean there just are not enough people with the ability needed to fulfil some roles. And in some newer areas, to take your example of fashion journalism, it has been hard to identify the

required skill-sets – to define what makes a good fashion journalist - so some of the courses available are just not very good. There's also a distortion effect created by the financial rewards in some sectors. If you ask a mathematician what their aspirations are, the really good ones want to do a PhD in maths. But the biggest employers of mathematicians and physicists are investment banks. So why would you work as a research scientist when you can earn six figures in a bank? Accounting and consulting firms also recruit people from scientific backgrounds because they want the best and brightest people. That might soak up 10% of science graduates, which creates a skills gap elsewhere.”

In Germany an entrepreneur would need qualifications to start a business in a range of sectors, such as estate agency, hotels and restaurants, financial services; should we follow that regime in the UK?

“Professionalism is always important and that is partly achieved through professional organisations like the Law Society, which advise on best practice. Nowadays best practice is not simply how you choose to behave, it's how society expects you to behave. Professionalism also partly involves training and certification. If you want to be a lawyer or offer financial advice in this country you need to be professionally certified. The difference in Germany is how wide they spread that net.”



John Board biography

Professor John Board has been dean of the Henley Business School since October 2010. Before that he was director of The International Capital Market Association (ICMA) Centre at the University of Reading, which he joined after being on the faculty at the London School of Economics. His recent research has focused on the organisation and regulation of financial markets. As a result of this work, he has been published in books, academic and professional journals, as well as appearing on radio and television. He has acted as consultant to organisations such as the House of Commons, the Financial Services Authority, the City of London Corporation and the European Commission. He also has an interest in the development of Islamic finance.

Founded in 1945, Henley was the first business school to be established in the UK. Part of the University of Reading, Henley is consistently ranked among the world's top business schools by the Financial Times and The Economist, with campuses and offices in seventeen countries around the world; 7000 'programme members' from more than 140 countries are enrolled, undertaking undergraduate courses to doctoral degrees and pure research, to customised executive education, alongside the world-renowned Henley MBA.