

## **Why Business Schools keep neglecting Project Management competencies**

***By Professors Antonio Nieto-Rodriguez and Marco Sampietro***

Digitalization, mergers & acquisitions, international expansion, business model redesign, new product launch, cultural transformation.

All these strategic initiatives are common projects undertaken to stay alive in the current unpredictable markets. Today, to be successful, organizations require leaders with strong project management competencies.

Yet, according to our research, only 4% of the Top 200 Business Schools in the world offer project management as part of their MBA core curriculums.

If you are looking for an MBA that will teach you one of the most relevant competencies in the next twenty years, forget about Harvard Business School, Insead, MIT, Columbia, Wharton, IMD, Instituto de Empresa or London Business School.

Look for the following leading edge business schools: Alliance Manchester Business School, BI Norwegian Business School, Cranfield School of Management, SDA Bocconi – School of Management, Shanghai Jiao Tong University, Singapore Management University, Lee Kong Chian, St. Gallen, Temple University – Fox School of Business

### **The 2020 Business Model - From Process driven to Project driven Organizations**

If we summarize what all companies and organizations around the world do, we can state that they perform two types of activities: they execute processes to produce, sell, and distribute products and services, and they implement projects to ensure that the organization survives and keeps growing in the mid and long term.

While most traditional organizations are process-based, it is hard to find an organization that does not perform projects as well.

Yet, over the past decade, organizations have been relying more and more on projects. The reason is quite simple: fierce competition and customer preferences have shortened product life-cycles thus new products become commodities much faster and new or enhanced products or services are required more frequently, and processes have to be improved and updated (significant process improvements, such as digitalization, or business model transformation, represent huge transformation projects).

In theory, in order to perform these two types of activities successfully, organizations would need to split into two separate entities as the respective business models are quite different,

often conflicting. Yet, this does not often happen. According to some thought leaders, such as Costas Markidis<sup>1</sup> or Julian Birkinshaw<sup>2</sup>, this is one of the main reasons why organizations fail in implementing their strategies.

It is worth mentioning that managing projects does not only refer to planning, executing, monitoring and controlling one single initiative. In fact, organizations:

- **Run hundreds of projects in parallel**, often sharing resources. If resources are not properly allocated among projects, conflicts and performance issues will most likely arise.
- Run projects that alone might have limited value, while when grouped with other projects they are able to deliver much greater impact and benefits to the organization. This means **shifting from projects to programs**.
- Run projects that are synergic at times and at other times conflicting. In this case having an **overall view of the project portfolio is beneficial**.
- Have to **select which projects must be carried out**. In most cases, the number of ideas outweighs the organization's capacity to implement them. As we have seen with companies that failed in the past (Kodak, Nokia...) selecting the most valuable projects can represent the difference between keeping the company alive or not.
- Run **projects and processes in parallel**: the issues on one side are reflected on the other side. Again, having a broad view of the portfolio of initiatives (projects and processes) may help in correctly allocating the resources and managing the different relations between projects and processes.

For the above-mentioned reasons, project management should be a core skill for many employees, managers and executives. However, while for the former the need for project management training is well understood, for the latter we have enough evidence and extensive experience in executive education to know that the development needs are not well understood. There is general misconception about the role that managers and executives play in project management. Normally, the perspective is that project management can be fully delegated to good employees while managers, executives and board directors play a limited role.

Unfortunately, this is far from being correct, in fact, there is a vast body of research showing that managers, executives and board directors (for the most strategic projects) should<sup>3</sup>:

- Select the right initiatives, cancelling those that are no longer strategic
- Prioritize the list of projects, deciding which ones are strategic
- Oversee the execution of the projects with a focus on strategic ones

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<sup>1</sup> *Competing with dual business models: A contingency approach. Academy of Management Executives, August 1, 2014, Vol. 18, N. 3*

<sup>2</sup> *Organizational Ambidexterity: Antecedents, Outcomes, and Moderator, Journal of Management, June 2008, Vol. 34, N. 3*

<sup>3</sup> *The list is not complete, it is just an example of the role that managers and executives should play in a project environment.*

- Provide the necessary sponsorship, especially for the transversal projects, often the most challenging
- Validate the rationale and business case of each project
- Persuade the organization of the importance of the project, to provide the resources when needed
- Ensure clear measurable objectives are set
- Provide the funding – resources and budgets
- Provide coaching and guidance
- Promptly solve conflicts and make decisions when they escalate

### **Where Do Future Managers and Executives Go to Learn The Skills Needed To Lead A Business?**

*The question we asked ourselves is:* where do future managers and executives go to learn the skills needed to lead a business? Many of them will do an MBA at one of the top Business Schools. In fact, Business Schools are particularly relevant as they are well known for creating the next generation of leaders and for strengthening the competencies of existing leaders.

We decided to research if and how top Business Schools offer project management courses. From a methodological perspective, we started by identifying “Top” Business Schools. In order to do that we took the leading sources of Business School rankings as inputs. In particular, we considered global rankings, avoiding regional or national rankings<sup>4</sup>. We listed all the Business Schools present in the rankings and removed duplicates. The final list was made up of 197 Business Schools. We then explored their websites in order to analyze:

- Project Management courses in MBA programs,
- Project Management courses in Online MBA programs,
- Project Management courses in Executive MBA programs,
- Project Management courses in Specialized Masters,
- Certificates in Project Management,
- Open Executives Programs in Project Management

We decided to focus on MBAs and Executive MBAs as these are the courses that future leaders are most likely to choose.

### **Project Management Competencies are Ignored by Top Business Schools**

*a. Full Time MBA – only 4% provide project management as part of their core curriculum*

The 197 Business Schools in our research offer a total of 379 MBA programs – 60% of business schools offer more than one type of MBA.

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<sup>4</sup> We consider the following rankings: Financial Times Open Enrollment Ranking, Financial Times Global MBA Ranking, Financial Times Executive MBA Ranking, Financial Times Online MBA Ranking, The Economist Executive MBA Ranking, Bloomberg Full Time International MBA Ranking.

From the 379 MBA programs, 137 (36%) of them include a project management course. This could be a promising percentage. However, the vast **majority of Project Management courses are offered as elective courses** and not mandatory as part of the core courses. Elective courses are optional; participants can select a few elective courses from a large list of topics. This situation, therefore, **does not guarantee that MBA graduates will acquire Project Management competencies**.

Our research highlights the shocking fact that out of the 137 project management courses provided **only 15 are mandatory**. That means that **only 4% of the MBA programs offered by the Top 197 Business Schools** offer such essential competencies.

|                                      |            |
|--------------------------------------|------------|
| <b>MBA Programs</b>                  | <b>379</b> |
| <b>Project Management - Elective</b> | <b>122</b> |
| <b>Project Management - Core</b>     | <b>15</b>  |

Here is the list of the **15 courses offered as part of the MBA Core curriculum** by the **most advanced Business Schools in the area of project management**:

| <b>Business School</b>                             | <b>MBA</b>                               | <b>Name of core courses</b>              |
|--|--|--|
| Alliance Manchester Business School                | Part-Time MBA                            | Project Planning and control             |
|  |  | Strategic Management of Projects         |
| BI Norwegian Business School                       | MBA                                      | Project and Change Management            |
|  | Full-time MBA Global Banking and Finance | Infrastructure and Project Finance       |
| Cranfield School of Management                     | Full Time MBA                            | Project Management Introduction          |
|  | Cranfield MBA (Defence) Part Time        | Defence Programme and Project Management |
|  | Master in European Business              | Project Management                       |
| SDA Bocconi – School of Management                 | Full-Time MBA                            | Project Management                       |
| Shanghai Jiao Tong University: Antai               | Full-time International MBA Program      | Project Management                       |
| Singapore Management University:<br>Lee Kong Chian | IE-SMU MBA                               | Project Management                       |
| St. Gallen   | Full-Time MBA                            | Project Management                       |
| Temple University – Fox School of Business         | Global MBA                               | Project Management and Capacity Planning |
|  | Part-time MBA                            | Project Management and Capacity Planning |
|  | Evening MBA                              | Project Management                       |

*b. Executive MBA – only 2% provide project management as part of their core curriculum*

If we look at Executive MBAs (EMBA), which are targeted at participants with longer work experience and often with managerial roles, the presence of Project Management courses decreases.

Out of **248 Executive MBAs**, only 29 (12%) provide Project Management courses. Of these, 24 are elective and **only 5 are mandatory (2%)**.

|                                      |            |
|--------------------------------------|------------|
| <b>Executive MBA Programs</b>        | <b>248</b> |
| <b>Project Management - Elective</b> | <b>24</b>  |
| <b>Project Management - Core</b>     | <b>5</b>   |

If we consider the **Top 10 Business Schools** in each of the rankings, we come to the alarming conclusion that of the resulting 13 Executive MBAs **none offer project management courses in their curriculums**.

Here is the list of the **5 Project Management courses offered as part of the Executive MBA Core curriculum**.

| <b>Business School</b>                             | <b>Executive MBA</b>   | <b>Name of core courses</b>                          |
|--|------------------------|--|
| Cranfield School of Management                     | Executive MBA          | Project Management Introduction                      |
| Queen's University – Smith School of Business      | Executive MBA          | New Venture Project or Management Consulting Project |
|  | Executive MBA Americas | Improving Project Planning and Management            |
| SDA Bocconi – School of Management                 | Global Executive MBA   | Project Management                                   |
| Solvay Brussels School of Economics and Management | Solvay Executive MBA   | Project Management                                   |

### **A Glimpse of Hope: Some Positive Trends**

While the diffusion of Project Management in MBAs and EMBA is not very high we also have to consider the evolution in recent years. In 2012, one of the authors of this paper conducted a similar study<sup>5</sup> analyzing the MBAs listed in the Financial Times Global MBA Ranking. At that time, 25% of the Business Schools had Project Management courses (both core and electives) in their MBAs while the percentage is now 36%, representing an important increase.

If we consider only the MBAs that provide project management as a core skill, in 2012 only two MBAs offered by top Business Schools provided project management, while today fifteen do.

This is very positive news of course. In only five years, the number of project management courses provided by top Business Schools has significantly increased. Probably no other subject has experienced such an increase in recent years.

However, on the other hand, the current level of diffusion cannot be considered satisfactory. How is it possible that most of the Business Schools do not embrace Project Management, a competency that every MBA graduate will need in their career?

<sup>5</sup> *Advances in Project Management Series: Evidence of the Neglect of Project Management by Senior Executives*, PM World Journal, Vol. II, Issue II – February 2013, Antonio Nieto-Rodriguez.

## **Our Five Interpretations of the Current Situation**

A **first interpretation** is that project management is a skill that everyone can acquire “by doing”. There is no need for formal education; it is not worth learning project management fundamentals or the tools and techniques of this ancient profession. This would lead to the assumption that organizations are quite successful in implementing their projects. Yet, according to recent research (PMI<sup>6</sup>, 2016), a distressing trend has been revealed: more money is being wasted on projects. It has been estimated that on average, \$122m of every \$1bn spent on projects is wasted due to poor project performance.

A **second interpretation** is that all MBA participants already have Project Management skills and competencies. Based on our experience in teaching project management to MBA students at some of the few top business schools that provide it, this was the case in roughly 15 to 20% of cases. The vast majority of the participants we have taught over the past ten years have never learnt the techniques to lead projects successfully. Most have been exposed to projects over their short careers, and some of them have been intensely exposed to Project Management environments, yet the way the projects were carried out was far from being considered good practice. This fact is even more surprising when teaching students on Executives MBAs, all of whom have dealt with projects in their careers, yet very few, around 10%, have received any project management training over the course of their careers.

A **third interpretation** is that many MBA participants, at first, do not consider Project Management as a core skill for their career. Based on the qualitative feedback we received from participants, this is quite often the case. In fact, after delivering our Project Management courses, most participants approach us and tell us: “*Honestly, before I enrolled for this class I thought Project Management did not fit with what an MBA student should know, now I understand its relevance*”. There are still a few, however, who do not change their minds. What is the source of this misunderstanding? There are probably many reasons, one of which is particularly relevant: too often people think that Project Management is for Project Managers while in reality Project Management is a relevant skill for every person involved in project environments. The origin of this misunderstanding may also derive from the vast project management body of knowledge (books, articles etc.), which is almost exclusively targeted at project managers.

A **fourth interpretation** is that Business Schools are not fully aware of the role that managers and executives play in supporting project leadership and performance. In addition, despite advocating the need for fast change, Business Schools are very slow in adapting themselves to new competencies demanded by the market place. Discussions we had with some MBA Directors suggest that they too have a tendency to relegate Project Management to operative roles. It is no coincidence that many Project Management Professors work in the Operations Department of Universities and Business Schools. Project Management is still too often

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<sup>6</sup> Project Management Institute – Pulse of the Profession 2016

considered as an engineering, IT or technical discipline, thus neglecting its managerial components and the strategic role that many projects play in transforming an organization. This interpretation is partially supported<sup>7</sup> by considering the type of Project Management courses delivered. In fact, the vast majority of the courses are simply named “Project Management” while only a few focus on topics relevant for managers and executives (e.g. Strategic Project Management, Project Portfolio Management, Project Sponsorship).

A **fifth interpretation** is that Business Schools lack competencies in Project Management. While this interpretation may seem pretty improbable, oftentimes it is true. In fact, while many topics taught on MBAs also fit with formal career paths or roles (there are many Full Professors of Marketing, Accounting, Finance, HR etc.), Project Management is only rarely a career path at many Universities and Business Schools. As evidence, there are only a few Project Management Full Professors worldwide and many Professors who teach Project Management are also (or mainly) focused on other topics, since those other topics may further their careers.

### **How Can The Diffusion Of Project Management In The Top Business Schools Be Increased?**

Our answers depend on the root of the problem.

On the Business Schools side, Deans and MBA Program Directors need to understand that Project Management has become one of the most demanded skills by organizations around the world. Execution has become one of their highest strategic priorities, and it is only through project management that this can be achieved. It is necessary to provide them with a better explanation of what Project Management is really about. This article is an attempt to work in that direction.

On the Organizations side, executives and HR departments have started to acknowledge the need to utilize Project Management competencies in all aspects of their organizations. Having project managers is not enough. Leading organizations are establishing corporate project management offices, project management training curriculums, career paths for project professionals, and requiring successful project experience of their high potential employees. The evidence is there, and our view is that this trend will only continue.

On the Knowledge side, the issue is more difficult to tackle. In fact, not all people involved in spreading Project Management wisdom and expertise (through courses, consulting, books, papers, case studies etc.) have the competencies or the status to effectively target managers and executives and to make them aware that Project Management should be a core competency not only for their employees but for them as well.

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<sup>7</sup> Partially supported because the syllabuses of the courses are not available online, our evaluation is thus based on the course titles.

On the Student side, if they want to become true leaders and have a successful career, they should carefully consider which Business School they enroll at. They should choose an MBA or Executive MBA program that includes in-depth Project Management courses.

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He was a speaker at the NASA Project Management Challenge 2007, 2008, and 2011, in the USA, and a speaker at the PMI Global European Congress, Italy, 2010.

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