T. Teaching Impact
The Future of Learning and Teaching

Covid-19 and business schools: Challenges, threats and opportunities

ESCP Impact Paper No. 2020-76-EN

Cécile Kharoubi
ESCP Business School

ESCP Research Institute of Management (ERIM)

ESCP Impact Paper No.2020-76-EN

Covid-19 and business schools: Challenges, threats and opportunities

Cécile Kharoubi
ESCP Business School

Abstract

This impact paper analyzes the consequences of the Covid-19 crisis on all the stakeholders of higher education institutions: the institutions themselves, professors, students, candidates and companies.

Keywords: Higher Education, Business schools, Covid-19 crisis, Crisis management.

Covid-19 and business schools: Challenges, threats and opportunities

Higher education is often said to be counter-cyclical. In other words, during economic crises, individuals tend to study more. It is therefore legitimate to ask whether this will be verified here, even if it does seem very ambitious and presumptuous to try to say what the world will be like after.

The pandemic has taken everyone by surprise. The political and health decision to confine populations had direct and immediate consequences on management schools. The crisis forced institutions to react very quickly, questioning and disrupting deeply-rooted habits (with the cancellation of oral exams for the French preparatory classes, for example). After a first phase of reactions, a more difficult and prospective moment is now ahead of us, as we take account of the total uncertainty about the coming academic year.

The objective of this paper is to analyze the impact of this crisis on all the stakeholders of higher education institutions: the institutions themselves, professors, students, candidates and companies.

Continuity of academic activity in times of lockdown

In a very short period of time, teaching and learning habits had to be transformed. Lockdown meant school closures. Faculty and program directors had to ensure academic continuity, including, but not limited to, the provision of online courses. It was necessary to digitalize all student services (end of semester exams, careers guidance, library, sports, psychological support, etc.). Faced with the urgency and demands of the situation, and the responsibility of institutions towards their students, this was sometimes done in "degraded" mode. For example, business schools have not all shown the same agility in organizing and delivering distance learning courses. Some of them managed to do so almost overnight. Others had to cancel courses for almost 3 weeks to allow time to train teachers and deliver online courses. Some institutions, particularly international ones, also had to organize the repatriation of their students with the help of consulates, while reassuring the families.

No sooner had the online courses been put in place, than it was necessary to organize online exams, while maintaining academic requirements, equal treatment of students and technical feasibility. Since students do not all enjoy the same lockdown conditions, it was necessary to ensure that some students were not disadvantaged by the proposed online exams.

While this reactive phase is now behind us, the most difficult part is now ahead. Threats arising from uncertainty as to the duration and intensity of the health situation appear both for the institution in its “business as usual” operations, and for our students in terms of their employability. There is every reason to believe that the risk of an epidemic will continue, meaning that it will be impossible to gather hundreds of students in lecture halls from September onwards, since measures of social distancing will have to be enforced. Schools and universities could then become genuine "clusters" of the disease. This major health risk now requires the urgent adoption of a teaching reform for the next academic year.

Next academic year: a VUCA case study

Volatility, Uncertainty, Constraints and Ambiguity… these 4 words perfectly define the current situation of management schools. Planning an academic year (which is usually done months in advance) is an unprecedented challenge when no one knows whether the (EU and non-EU) borders will re-opened in September, whether admitted students will be able to visit campuses, whether VISAs will be issued, whether social distancing measures will be in place, whether a new lockdown will be ordered in case of a resurgence of the epidemic, and so on. This widespread uncertainty affects all the aspects of the institutions: from admissions to course planning and the financial survival of the schools.

Schools will need to be creative and nimble in working through several simultaneous scenarios as the health situation evolves over the coming months. This will only be possible with strong support from faculty and administrative teams. In times of crisis, it is necessary to show organizational solidarity and institutional involvement, even if this means having to go outside our comfort zone.

Students: between lockdown, online exams and professional uncertainty

The lockdown experience is different for each student. Some have been able to return to the family sphere, while others have had to remain totally isolated in their student housing. All of them have had to change their learning habits with the transition to online courses, sometimes asynchronously. No doubt they will be happy to return to the classroom with a teacher in front of them whenever that is possible.

Although busy with classes and exams, they were soon confronted with a major anxiety: the postponement and/or cancellation of internships and job offers. Many institutions require a certain number of months of professional experience for graduation. Not all internships were cancelled, however, and many companies have allowed students to continue from home, making the experience sometimes difficult and always far below students' expectations.

On the other hand, students who are about to finish their schooling and who were supposed to sign for their first job find themselves destitute, after 5 years of study. Some of these students at the end of their studies may be tempted to extend their studies for another year with additional training, giving them the impression of avoiding unemployment while the economic crisis passes, and hoping that they will find a job more easily one year later.

The candidates: will they be willing to take risks?

The admissions departments of all institutions are currently under pressure. They are all aware that applicants may not show up and fear record cancellation rates. And there are many reasons to drop (or postpone) admission. Will admitted candidates have the physical ability to come? Are they willing to go far from home given the health risks? Are they willing to pay for expensive studies to have online courses in case of a recurrence of the epidemic? Are they willing to engage in expensive education when their parents may be hit hard by the economic crisis? Will they be willing to take risks? Nothing is less certain. Schools are fully aware of this and could be tempted to admit many more candidates in order to secure their income, sometimes to the detriment of selectivity and quality. Or to admit more candidates present on the national territory, jeopardizing the international diversity that is so important for rankings. These short-term solutions could have disastrous medium-term consequences for business schools, which would see their rankings deteriorate sharply and companies stop recruiting their students, if they adopt this kind of habit.

Partner companies: full-scale crash test

All business schools boast a strong network of partner companies (often via their alumni) that traditionally recruit many young graduates from their institution. However, these same companies have postponed or even cancelled internships and apprenticeship contracts. The job offers that usually flourish at this time of year have simply disappeared. This crisis will allow schools to see who their real partners are, those who have maintained the internships via teleworking, who have continued to recruit. The latter will become privileged partners of the schools which, in the future, will reserve access to them for their students.

Academic requirements and quality versus the economic survival of schools: the battle has already begun.

The Covid crisis could jeopardize those schools in fragile financial health and some of them could go bankrupt. This sector of higher education, although very muted, is characterized by fierce competition between schools. The many schools that have seen their government financing disappear almost completely over the last few years have only the tuition fees paid by students as their sole source of funding. The question of the size of the institution has become central, and more and more institutions have to recruit more and more students in order to be financially viable.

While it has sometimes been painful to move to online courses, some professors have been "converted". Even if, in the rush, these courses have sometimes been held in "degraded" mode, some schools see this paradigm shift as an opportunity for the future. One of the central issues for institutions is the critical size to be financially independent, but the digitalization of courses makes it possible to significantly increase the volume of students taking these courses. The temptation will therefore be great to digitalize courses as much as possible, but this could cost them a lot of money, paradoxically, and given the cost of the studies on offer in business schools, students do expect to have face-to-face classes. Some candidates may not want to go to certain institutions that offer a large part of their curriculum online.

In addition, the health crisis makes everything much more complicated than usual. There have always been many candidates who were not able to pass the standardized tests required to apply (GMAT, TOEFL...), but some schools, under the pretext of equal treatment between candidates, have already announced that, exceptionally, they will not demand them, as international students are not sure they will be able to come, and may be tempted to postpone (or cancel) their admission. In addition, companies will be tempted to "freeze" executive education courses. The consequences of the crisis could be fatal for some schools and the temptation will be great to sacrifice high standards and academic quality in the name of economic survival. However, this solution will not be viable.

Surprisingly, it seems that schools with a large proportion of national students and no executive education could be less impacted by the crisis.

Conclusion

Higher education institutions are sometimes accused of being ageing systems that are resistant to change. The Covid crisis has already shown that some institutions have reacted with agility and resilience to this unprecedented situation. However, the most difficult part is ahead of us. The schools that manage to get through the crisis without abandoning academic standards and quality, while remaining financially sound, will be the big winners. Even if the Covid crisis does generate an economic crisis, this situation will definitely be different from the previous ones and in this unprecedented situation, business schools are likely to be impacted profoundly, becoming cyclical, contrary to what we might have thought hitherto.