by Jordi Díaz

# Houston, We Have a Problem — and an Opportunity: Re-Thinking ROI in Management Education in the Age of AI

For decades, the promise of management education — whether a Bachelor's, Master's, or MBA — has rested on a clear and compelling return on investment. Students invest significant time, energy, and financial resources in exchange for advanced knowledge, personal development, and, critically, access to attractive entry-level positions in consulting, finance, technology, and related industries. These entry-level positions have historically represented the foundation upon which successful careers are built. Today, that foundation is being reshaped

## The Disappearing First Position

Artificial intelligence is reshaping the structure of work at an unprecedented pace. Entry level jobs, traditionally the main landing spots for business school graduates, are increasingly being automated or absorbed by employees augmented with AI. Banking and consulting, once the most reliable recruiters of MBA and Master graduates, are now hiring fewer new entrants. Instead, they are empowering existing staff with AI tools, a dynamic described by Josh Bersin, global HR analyst and founder of The Josh Bersin Company, as the rise of the "superworker."

While this shift may create short-term efficiencies for companies, it also poses long-term risks. Without a steady pipeline of early-career talent, organisations risk creating succession gaps and narrowing the diversity of perspectives. For business schools, however, the immediate impact is even more critical: employability outcomes — a fundamental measure of the ROI of management education — are weakening, even among some of the world's most prestigious institutions. When Ivy League universities publish their lowest employment statistics in decades, the signal is unmistakable: Houston, we have a problem, one that also presents a significant opportunity.

At the same time, evidence from industry suggests a more nuanced reality. While traditional recruiters such as banking and consulting firms may be reducing entry-level hiring, large technology companies continue to recruit significant numbers of business graduates, including at early career stages. What appears to be shifting is not only where opportunities exist, but what employers prioritise. Increasingly, organisations emphasise communication, learning agility and adaptability that involve deep understanding of context and relationships.

These are the nuanced capabilities that remain difficult to solve through AI and that position business graduates as valuable contributors in AI-augmented environments. Employers are also placing growing emphasis on what are known as T-shaped profiles. These are professionals who combine deep domain expertise with a broad, cross-functional understanding of the business.

Beyond large organisations, this shift is even more visible in emerging ecosystems. Technology-driven ventures frequently struggle to find profiles capable of managing operations, scaling go-to-market strategies and translating innovation into sustainable business models. This creates an opportunity for business schools to position themselves at the center of emerging ecosystems, connecting graduates not only with established employers, but also with new ventures where many of tomorrow's careers will be shaped.

## Why Entry-Level Jobs Matter

The very credibility of management education depends on the ability to help students access that crucial first role. Without it, the ladder to career progression is broken before graduates even begin to climb.

It is important to underline that business schools should not be reduced to employment agencies, nor should they replicate the narrow training models of short-term bootcamps. Indeed, coding bootcamps once promised rapid employability but now struggle, as the roles they targeted are evolving and, in some cases, being reshaped by automation and AI. The lesson is clear: preparing students for jobs that are vanishing is not sustainable.

Beyond immediate employment, this first role plays a critical developmental function, allowing graduates to build professional identity, gain experiential learning, and accumulate the social capital necessary for long-term career progression.

## A Shared Responsibility

Addressing this challenge requires a collective response across all stakeholders:

- Students must understand that employability is not a service delivered to them, but a personal responsibility to be cultivated from the very beginning of their studies. The “day after” graduation should be a central concern from the “day one” of enrolment.
- Business schools must reposition career services from peripheral support functions to strategic pillars. Employability must be integrated into programme design rather than treated as ancillary. At the same time, they must ensure an effective balance between technological expertise and business acumen, in line with the growing relevance of T-shaped profiles.
- Accreditation bodies and peer reviewers must recognise that the chapter on career services can no longer be lightly assessed. Employability needs to be at the centre of quality assurance and accreditation standards.
- Faculty must accept that preparing talent solely for knowledge acquisition without regard to employability is insufficient. Educators need to engage more directly with the evolving demands of the labour market, ensuring that their teaching reflects the

### THE SIGNAL

**When Ivy League universities publish their lowest employment statistics in decades, the signal is unmistakable.**

skills and competences required by today's organisations. This also raises broader questions about whether current academic incentive systems, often centred on research output, are fully aligned with employability outcomes.

## Beyond Skills: The Centrality of Social Capital

Recent research reinforces that employability is not only about technical and cognitive skills, but equally about social capital. Julia Freeland Fisher, Director of Education at the Clayton Christensen Institute, has emphasised that higher education institutions must act as facilitators of connections, moving beyond traditional career fairs to actively foster interactions between students, alumni, peers, and industry leaders.

In parallel, evidence from Workshift demonstrates that internships provide more than skill development; they generate networks and relationships that frequently prove decisive in professional transitions. In a world where AI can increasingly replicate technical tasks, human trust and social capital emerge as the true differentiators.

Business schools also hold a largely untapped advantage in improving the matching process between graduates and employers. Faculty and teaching staff observe students' progression over extended periods, gaining insights into their capabilities, behaviours, and potential. This longitudinal perspective can provide employers with signals that go beyond traditional recruitment tools, offering a more holistic and reliable understanding of talent than standardised assessments or short interview processes.

## A New Way Forward

In light of these developments, a reorientation of management education is essential:

1. **Redefining ROI:** Broadening the concept of return beyond initial salary outcomes to encompass career resilience, adaptability, and long-term employability.

2. **Repositioning Career Services:** Elevating career services to a strategic level within the institution and embedding employability outcomes into curriculum design.

3. **Facilitating Social Capital:** Creating systematic opportunities for students to build professional networks through alumni engagement, internships, and industry projects.

4. **Preparing for Hybrid Roles:** Equipping students to thrive in AI-augmented workplaces rather than preparing them for roles at risk of elimination.

5. **Rethinking Accreditation Metrics:** Encouraging accreditation agencies and rankings to assign greater weight to employability outcomes in their assessments.

6. **Embracing Lifelong Learning Models:** in this context, the role of management education extends beyond initial employability to supporting sustained careerdevelopment over time.

## Conclusion: This is Our Issue

The future credibility of management education is at stake. If institutions cannot demonstrate a clear and sustained ROI — beginning with robust entry-level opportunities — students and their families will inevitably question the value of our degrees.

This transformation should not be interpreted solely as a threat. Rather, it reflects a profound reconfiguration of how careers are built and sustained. For institutions willing to adapt, it represents an opportunity to redefine their role and strengthen their impact in a rapidly changing world.

This is not a challenge that can be deferred or outsourced. It is ours. As leaders, educators, and accreditors, we must act decisively. To prepare talent for unemployment would not only represent a failure for our institutions but a profound disservice to society and the organisations we aim to serve.

The message is straightforward: the ROI of management education is under scrutiny, and in the age of AI, the first rung of the career ladder will not reappear on its own. It is our collective responsibility not simply to rebuild it, but to redesign it for a fundamentally different world of work.

## References

Stanford HAI (2025), What Workers Really Want from Artificial Intelligence.

EFMD Global (2025), What aspiring business students look for.

Rachel Sandison (2025), Reflections on employability transparency, University of Glasgow.

Josh Bersin (2025), The Rise of the Superworker.

Julia Freeland Fisher (2025), Director of Education at the Clayton Christensen Institute, reflections on the role of higher education in facilitating social capital.

Washington Monthly (2025), AI: Boon for Jobs?

Workshift (2025), Internships Deliver More Than Skills.

## About the author

**Jordi Díaz** is Dean & Director General of EADA Business School and sits on the advisory boards of several business schools.