

“” *The business school of the future must be characterised by speed, agility and rapid adaptability rather than by bureaucracy, silos and axiomatic force*

# The business of business schools investigated



**Eric Cornuel** assesses the results and implications of the EFMD's first research conference

**A**n increasing understanding of our institutions and our industry confirms how vital leadership, change and innovation are for the business school and management education community.

The early days of the EFMD R&D initiative identified core research themes for management education as a research field. Now the first EFMD Higher Education Research conference, held in mid-February 2012 at The Lorange Institute of Business in Zurich, Switzerland, has successfully concluded.

The changing context of business and management education was highlighted throughout the conference. A wealth of papers focused on leadership and change in business schools, internationalisation, and on branding and reputation.

Much of the content of the conference reflects thinking that has been circulating within EFMD for some time, though further and more in-depth research work is required. Nevertheless, we have already reached an important milestone.

Business schools have traditionally followed a path of conformity and collective rationality, to some extent driven by external pressures from quarters such as media rankings and government agencies. But despite these (sometimes heavy) pressures to conform, business schools need to find and develop a stronger voice, to start extending their boundaries and to escape the tempting dangers of homogeneity. We also need to acknowledge how different dimensions of excellence may be defined by different stakeholder groups.

*[Some of these issues are addressed by Peter McKiernan and David Wilson in their article "Pressures to conform" on page 28 of this issue of Global Focus. Professors McKiernan and Wilson presented their ideas at the EFMD research conference.]*

Peter Lorange, who hosted the EFMD research conference, was of course the long-standing head of IMD in Switzerland and now runs his own business school, The Lorange Institute of Business, in Zurich. There he is trying to establish "the business schools of the future" as he foresees it – a networked, high-tech system with few if any full-time faculty.

EFMD is closely observing this experiment, with a generally friendly eye.

Certainly many of Professor Lorange's ideas and concepts chime with our own.

He says, for example, that the business school of the future must be characterised by speed, agility and rapid adaptability rather than by bureaucracy, silos and axiomatic force.

This is a true and very important message for business of schools of today to take on board.

Instilling the competencies, capacities and attitudes required for the next generation of global business leaders requires more than relying solely on the simple acquisition of knowledge. Experiential, presentational, propositional and practical ways of learning must be integrated into the curriculum.

The top business schools of the future must train their students to meet the demands of an increasingly complex world and in doing so they will have to use challenging and innovative approaches to management education. They will need to implement substantial changes in the ways they prepare the next generation of leaders.

While some schools are already employing multidisciplinary approaches to learning, the topic of corporate global responsibility presents a further opportunity for integrated learning and for co-operation between traditional business school subject areas. Corporate global responsibility requires both the knowledge and application of learning to a diverse set of business topics.

Studies in this area provide an avenue whereby business schools can move beyond functional boundaries to holistic practice.

It is vitally important for business schools (and the EFMD, which through its EQUIS and EPAS accreditation systems is charged with enhancing the quality of management education) to have pedagogical methods that guide and train students to think critically and enable them to exercise their judgement in resolving new situations and problems as they appear.

It is vital that business school faculty accept the importance of this.

We know that in today's "image economy", branding is emerging as a key competitive weapon. Yet research presented in Zurich confirmed what many already believed – that it is hard to predict how faculty members in an institution will react to efforts to manage its reputation or brand in a strategic way.

It was no surprise that the issue of media-based rankings of business schools also featured prominently at the Zurich conference.

It is now widely acknowledged in discussions of business school rankings that they co-produce what they purport to measure. It is also clear that attempting to convert qualitative issues into quantitative metrics in order to produce a "league table" involves severe simplification while at the same time conferring an aura of authority and public accountability.

One of the consequences is a trend towards excessive conservatism towards such key issues as curriculum design as ranking methodologies become internalised within schools.

Researchers argue that rankings retain their popularity and wide diffusion because, despite possible faculty objections, they in some way "discipline" individuals within business schools.

While this may have some validity, I personally prefer to look at which elements of ranking tables are of most relevance for students.

Business school deans have many strategic choices and there are many opportunities to follow novel strategic directions. However, research suggests that future growth and competitive advantage might be better achieved through the reassertion of national, regional and local cultural characteristics.

A multi-polar world influences the variety of models for management and management education. This echoes the wider debate on contextualising management education.

It also raises the question, as some researchers did in Zurich, as to whether business schools are ignoring the changes in the production and codification of knowledge.

Especially regarding research, it can be argued that more global platforms are needed as well as more partnerships between interdisciplinary research teams. New types of "hybrid" knowledge may prove to be a major enabler for innovation if the walls hindering interdepartmental research collaboration can be lowered.

We also need to continue to think deeply about the ethical side of business and management, and especially the role here of management education. Despite the common view that schools have introduced courses on ethics and values only recently, in response to corporate scandals, they have in fact been part of MBA programmes and other areas of management education for many years.

But business schools can do only so much. Ethical standards must be taught earlier. Standards and respect have to be taught from the kindergarten. If a four-year-old does not respect principles, there is not much a business school can do later. It is hard to change the embedded values of someone who is 25 or 35.



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Nevertheless, business schools should ask themselves about their methods of preparing their participants to become innovators, leaders, creators and so on.

In the context of a free economy, business schools have a crucial role to play in optimising the way institutions, private as well as public, are managed, with the objective of ensuring the best possible level of growth and thereby, we all hope, a dramatic improvement in peoples' lives.

In looking to the future EFMD wholeheartedly endorses the conclusions put forward at the Zurich conference by Howard Thomas, Dean of Lee Kong Chian School of Business at Singapore Management University.:

- First, more research is needed into the theory of managing; is there a body of management knowledge and what does it contain?
- Second, management education and business schools must embrace theoretical pluralism: liberal education traditions will become more common
- Third, the search for dynamic managerial capabilities will continue and will influence developments in business schools.

Finally, we know that technology will become a more dominant influence on management education. The conventional case study format may die and it is to be expected that the influence of traditional media will decline relative to digital and social media.

The quest for future scenarios was ongoing during the two days of the research conference in Zurich. Yet many issues are left to be addressed: innovation, mutual learning, the development of the next generation of teachers and management education leaders, the contribution of business and society, and internal hurdles to change.

It is a full agenda that EFMD will relish meeting. **gf**

**ABOUT THE AUTHOR**

Eric Cornuel is Director General and CEO of EFMD



The first EFMD Higher Education Research Conference took place at The Lorange Institute of Business in Zurich, Switzerland, from February 14 /15 2012.

The main speakers, whose research work and that of their colleagues informs this article, included:

**Jon Billsberry**

Deakin University, Australia

**Stéphanie Dameron**

Paris Dauphine University, France

**Jürgen Enders**

CHEPS (University of Twente), the Netherlands

**Fernando Fragueiro**

IAE Business School, Argentina

**Ulrich Hommel**

EFMD and EBS Business School, Germany

**Peter Lorange**

The Lorange Institute, Switzerland

**Peter McKiernan**

Strathclyde Business School, University of Strathclyde, UK

**Andrew Pettigrew**

Saïd Business School University of Oxford, UK

**JC Spender**

ESADE and LUSEM Spain and Sweden

**Ken Starkey**

Nottingham University Business School, UK

**Howard Thomas**

Lee Kong Chian School of Business at Singapore Management University, Singapore

**David Wilson**

University of Warwick, UK

