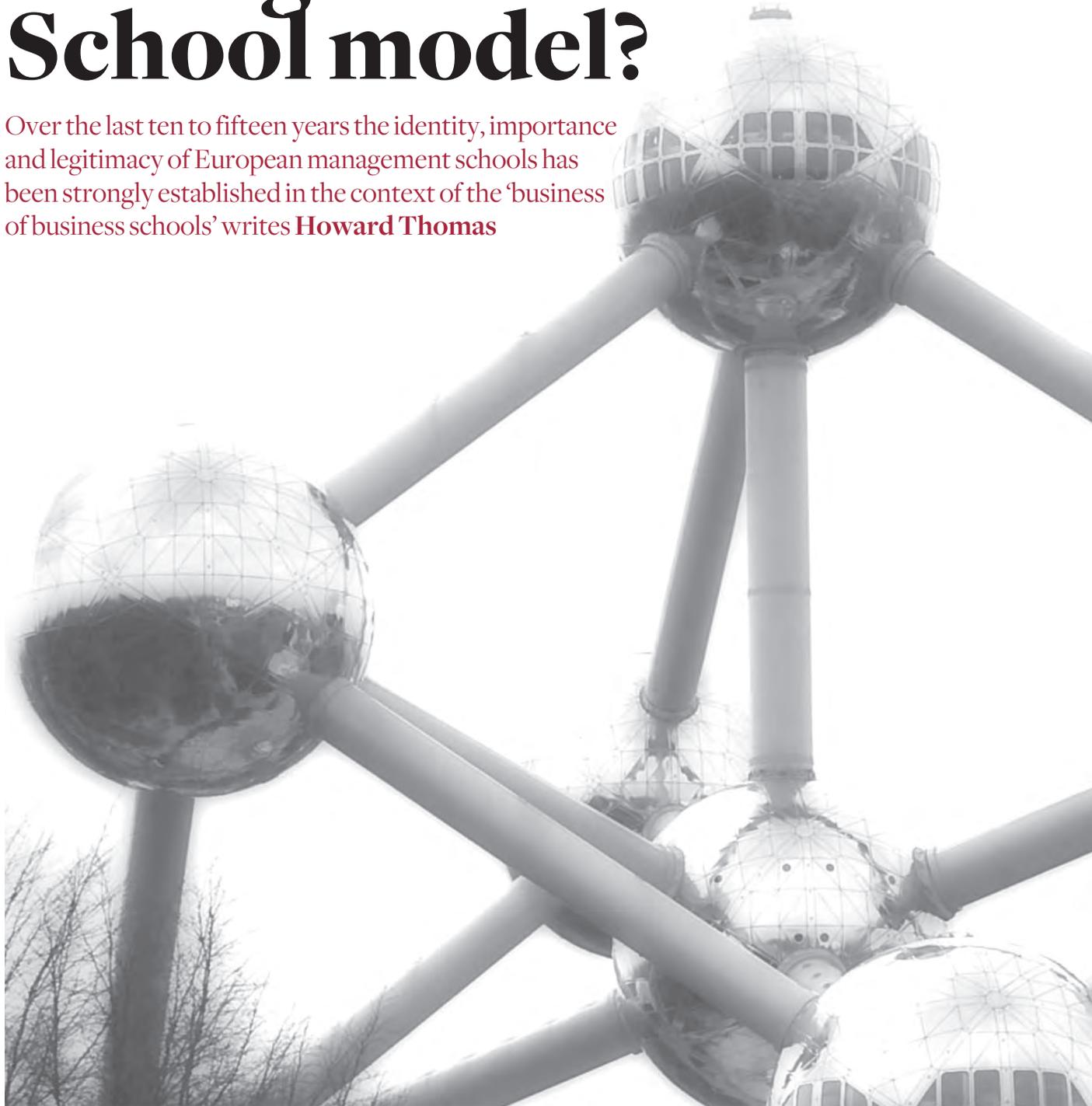


EFMD AT 40 : 40TH ANNIVERSARY ARTICLE

What is the European Management School model?

Over the last ten to fifteen years the identity, importance and legitimacy of European management schools has been strongly established in the context of the 'business of business schools' writes **Howard Thomas**





Recent research undertaken with Fernando Fraguero¹ has demonstrated how schools such as INSEAD, IMD, LBS and Warwick have positioned themselves as international business schools in global rankings such as the *Financial Times*. And, the same rankings, established in 1999, currently show a significant number of European schools in the Top 100 Global Schools confirming the rapid rise and increasing stature of European business schools.

The identity and positioning of the European business school has been strongly influenced and shaped by the strategic role of the European Foundation of Management Development (EFMD) since its founding in 1971. EFMD has constantly focussed on linking European experience and ideas with management practice and learning. It has also emphasised internationalisation and corporate linkages as essential to high quality management education.



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Business school evolution

Up until the clear emergence of an European model, the evolution of European business schools largely followed the pathways pioneered by U.S. Business Schools. The early business schools, described by Roger Martin² as Business 1.0, were essentially ‘trade schools’ which sought to teach managers how they should practically manage the functional aspects of their businesses. There was little or no research carried out in these schools, and no clear theoretical or academic framework. Herbert Simon described this period as a ‘wasteland of vocationalism’.

Following the Ford and Carnegie Foundation reports in 1959 which critically reviewed the U.S. business school scene, a proposal for a new business school structure emerged (Business 2.0 in Martin’s terms). This emphasised greater academic rigour and scholarly depth and linked social science disciplines (e.g economics, psychology and sociology) to the functional areas of business. It mandated the growth of the research mindset, common to the scientific disciplines, leading to knowledge creation (i.e. new knowledge not best practice) and the development of stronger, rigorous analytical abilities. In addition, graduate and doctoral education was further emphasised as essential for modern business schools.

Many European scholars were subsequently trained in these leading U.S. schools and when they returned, many of them adapted the main elements of this U.S. model to their economic and cultural contexts. However, over time as they grew in stature they incorporated a series of elements such as action-based, practice oriented research more reflective of European traditions alongside the more academically rigorous U.S. approach.

Consequently, by the early 1990s European business schools had achieved respect and growing influence in the field. Indeed, Professor Pedro Nueno, trained at Harvard Business School, and an European pioneer at both IESE (Barcelona), with EFMD and CEIBS (Shanghai) and Claude Rameau³, a former INSEAD Dean, noted that the diversity, identity and internationalism of Europe and European management should be an inspiration for the rest of the world. They believed that EFMD and European management schools should emphasise their international character and be agents for transformation and change in management education.


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Indeed, the history of EFMD demonstrates its continued commitment to international linkages and activities. During the first 25 years of its existence the International Programmes Unit of EFMD promoted a range of international alliances and research centres including Euro-China, Euro-India, Euro-CIS, Euro-Arab and Euro-Palestine. This unusually wide-ranging international footprint attests to its pioneering intent to transform the educational infrastructure of rapidly emerging economies such as China and India through cooperation with experts from the European Management Schools.

And, it should be noted that the Euro-China initiative itself led directly to the establishment in China of the first independent international business school in Shanghai (CEIBS – the China-European International Business School) in 1994. With subsequent investment this school is now a very significant, and important, Asian school with broad international recognition in the rankings.

Fragueiro and Thomas provide a much more comprehensive ‘map’ of the management education landscape in Europe, showing the breadth of the marketplace and its heterogeneous nature. They point out that European schools are generally viewed as more eclectic and flexible and have generated a whole range of models reflecting their different leadership styles and cultural differences. Indeed, almost every country in Europe now has a set of national Business School champions and many are internationally ranked. France, the U.K., Spain and Switzerland have probably led the growth of international schools with countries such as Germany now producing an increasingly important set of business schools.



The European Management Model

What then are the characteristics of European management schools? What makes them distinctive?

At the outset it is important to recognise that management education originally started in Europe and not the United States. The purpose was to improve the relatively low societal and professional status of business managers. The material taught was very practical and focussed on increasing the basic skill levels of managers. Indeed, the intellectual basis for the founding of business schools in Wharton and Harvard in the early 1900’s was the German Cameralist education system. However largely because of private donations the business school concept grew much more rapidly in the U.S. and gained acceptance much more quickly (e.g. AACSB (The Association to Advance Collegiate Schools of Business) was founded in the U.S. in 1916 while EFMD was not founded until 1971 in Europe). Nevertheless France, Germany and the United Kingdom had all developed schools of commerce in the mid to late 19th century, and some of these served as blueprints and influencing factors for curricular developments in the twentieth century (particularly in the U.S.).

The European identity and model of management education has been shaped by the following main environmental characteristics which differentiate the European scene⁴.

- ▶ Europe and the EU is a large trading area involving many cultures and countries. Its diversity means that European trading corporations have learnt how to expand and develop their businesses across borders. They have wide experience of international business and international relations.
- ▶ European companies have grown in size and have become leaner and fitter through European and international competition. As a consequence there are now a series of large influential European corporations of a multi-national character.
- ▶ Most European countries have a strong governmental and public sector influence on the conduct of business and business policy. Europeans accept and recognise a broader role for government in business and society.

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▶ Europeans generally favour socially responsible capitalism over unbridled market capitalism. Centrist models of social democracy are more common in the European political environment than in the United States.

Therefore, European business, and European management education, has a more balanced relationship with government and society. Hence, business must be seen to grow not only economically and technically but also with social responsibility and legitimacy clearly stressed. It more directly cooperates with government to improve poverty and social welfare and favours balanced human and economic progress.

In European management education the following themes, and differentiating features, are clearly evident:

- ▶ The belief in socially responsible management education as stressed by agencies such as the GRLI (Globally Responsible Leadership Initiative), EABIS (European Academy for Business in Society) and PRME (The Principles For Responsible Management Education).
- ▶ The development of very close linkages between business schools and corporate organisations. As a consequence strong bridges between management education and practice are evident in the rapid expansion of executive education in Europe. This has led to a focus on action-based, project oriented learning often providing clear evidence of promising management practices in business.
- ▶ Internationalisation and globalisation are very important to large European corporations (and the EU as a trading bloc) as they expand their markets and corporate influence globally. European schools such as INSEAD (in Singapore and Abu Dhabi), Nottingham (in China) and CEIBS (in Shanghai) provide evidence of how European schools have rapidly built an international footprint to mirror the international growth perspectives of European businesses.
- ▶ The Bologna Process and European Accord in management education have considerably strengthened European management education through the creation of common management education structures for degree level management education. The resulting



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To celebrate and recognise EFMD's 40th Anniversary Howard, and co-authors, are writing a book to be published by Emerald Group Publishing next year. It examines management education and its futures focussing on EFMD's contribution to management education in Europe and its influence around the world. The book's material is drawn from a wide range of interviews with leading management educators.

simple credit transfer process across courses taken in different European management education institutions has strongly facilitated cooperation and network building among these institutions.

- ▶ The strong emphasis on quality management education is evident through the EQUIS process for business schools. A similar emphasis on quality assurance in corporate learning is also available through EFMD's Corporate Learning Improvement Process (CLIP).
- ▶ There is a much greater emphasis currently on cross-European educational networking for the development of interdisciplinary research programmes and quality faculty development. As a consequence the quality of European research output is being fully recognised on the world scene.

In essence, European management educators have adopted a more balanced, and somewhat less analytically rigorous, perspective on management education. They believe in a closer linkage with practice and focus on a balanced view of management and leadership. While formal analytic and strategy models are seen as valuable and sensible, it is argued that such analytically rigorous approaches are heavily overstressed in current curricula and lead often to the production of scientific research of little practical managerial relevance. The emphasis on softer skills, more socially responsible management and vision and communication skills for engaging employees are viewed as critical and important. Indeed, Europeans strongly believe in a balanced philosophy in management education involving an appropriate mix of course and project work to develop skills of analysis, synthesis and criticism in their cohorts of students. Through this process the differentiation between European and other models of management education becomes clear and provides welcome diversity in models of management education. **gf**

FOOTNOTES

1. Fernando Fragueiro and Howard Thomas 'Strategic Leadership in the Business School' Cambridge University Press, 2011
2. M.C. Moldoveanu and Roger L. Martin 'The Future of the MBA' Oxford University Press, 2008
3. See 'Training the Fire Brigade' EFMD, 1996
4. See also Phillippe de Woot in 'Training the Fire Brigade' EFMD, 1996