global focus
The EFMD Business Magazine | Iss.1 Vol.10 | www.efmd.org

Growing the impact of management education & scholarship

Life class
Can business schools learn from business?

Indian question
How to build world-class universities

Case closed
Why case studies are good for students

Bentley does it
US school answers the critics

Seven up
The seven deadly sins of economics

City limits
There are very few for the best

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In focus

Global Focus
Iss.1 Vol.10 | 2016

Our cover story this month (page 6) is a timely reminder that business schools, whatever their adherents or opponents might say, are far from being the be-all and end-all of management education.

Universities – ironically so often among the chief begetters of business schools – have been providing the same, or least very similar, education for many years.

In the article, a diverse and distinguished group of business and management academics trace the emergence, role and future contributions of "management universities", which they say are "much more than a business school".

These "universities for business and management", they argue, offer unique possibilities for innovation in management education and scholarship and for promoting business within wider society.

"Emergent Management Universities – working together with business schools – could achieve 'innovation within tradition'," they write. "They will help develop broader conceptions of effective and socially responsible education, and high-impact management research and scholarship. They will also further our understanding of how individual and organisational actors are embedded in their social environments and how this shapes their repertoire of actions."

Similar themes on the role of universities in business also emerge in this issue. On page 12 Dil Sidhu argues persuasively that academic institutions teaching management and business have much to learn from business itself.

This is not so much in terms of academic research into business *per se* but in picking up ideas on how to be more business like themselves. There are, says Sidhu, many insights that the world of business can share with business schools. Business schools can learn how to run their own "business operations" better to create lean, relevant and surplus-generating organisations that are in tune with the business community.

And in an enlightening article (page 18), C Raj Kumar laments that "the history and evolution of higher education in India demands a careful examination of the reasons for our failure to establish, nurture and develop world-class universities".

Elsewhere we hope readers will find much of relevance to their professional and personal interests.

It is an eclectic mix that ranges from looking at how an historic Lebanese university has opted for a modern impact programme for its business school (page 24), an analysis of how world-class academics and thought leaders combine both research and teaching (page 32), how EFMD GN's Deans Across Frontiers mentoring programme is helping develop a business school in Madagascar, to an examination of the role of cities in attracting and developing scarce human talent (page 36).

With best wishes for a peaceful and prosperous year.

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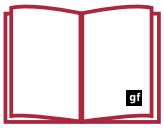

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We are always pleased to hear your thoughts on *Global Focus*, and ideas on what you would like to see in future issues.

Please address comments and ideas to Matthew Wood at EFMD: matthew.wood@efmd.org

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Get the student experience right and you will probably have engaged alumni. Fail to do so and they may be lost for ever say **Andrew Crisp** and **Sarah Seedsman**

Keeping the connection

The fourth *Alumni Matters* study run by CarringtonCrisp and supported by EFMD surveyed more than 6,000 alumni worldwide. The study found that dissatisfaction with the student experience leads to exceptionally low levels of alumni engagement (4%) and connection (8%) compared to those satisfied (58% and 63%). Poor ratings of faculty quality and lack of intellectual challenge are key drivers of dissatisfaction.

For many business students, motivation is all about career outcomes. However, fewer than half the alumni in the survey describe career support at their school as good, falling to 38% among MBAs. Less than one quarter agree that "the careers team helped me find a good job on graduation".

The emotional side of the alumni relationship

While alumni transactions are relatively easy to measure compared to emotional relationship, it is often emotion that drives engagement. Most alumni feel both positive towards their business school and proud to be associated with it, providing a deep reservoir of goodwill for schools to draw on.

Disappointingly however, less than half then agree that "the school enables me to contribute to its success". Of major concerns is that fewer than half the respondents agree that they feel engaged or connected to their school, are part of a community or have a sense of belonging.

Why does this matter? While only 45% of all alumni are willing to donate to their school because they are proud of it, this rockets to 75% among engaged alumni.

8%

The survey found that dissatisfaction with the student experience leads to exceptionally low levels of alumni engagement (4%) and connection (8%) compared to those satisfied (58% and 63%)

75%

While only 45% of all alumni are willing to donate to their school because they are proud of it, this rockets to 75% among engaged alumni

6k

Over 6,000 alumni from 24 business schools and living in 115 countries participated in *Alumni Matters* 2015

> *Philanthropy is becoming increasingly important as a funding stream for many schools but they need to make it easier to give financial support if they are to be successful in raising income*

The alumni network

Communication between school and alumni is important. But for the alumni it is often the network that is key. Less than half of the survey respondents think their school has a good alumni network.

Only one-third of respondents agree that their school is good at maintaining and building the important relationships formed during time spent studying together.

Although there is much more broadcast communication to alumni, schools are not seen as effective in helping facilitate contact between alumni. The top three methods for maintaining contact with fellow alumni are social media sites, personal links and luck. Four times as many alumni use other social media sites to contact fellow alumni compared to those using official school social media channels.

Alumni communications: a priority improvement

Not surprisingly, alumni would most like to receive communications about alumni benefits, services, news and events. More surprisingly, alumni are least interested in current students and their activities, the Dean's vision for their school and news about the wider university or institution.

Despite a reasonably healthy level of interest in a wide range of topics, rankings of the effectiveness of communications in each area are more sobering and indicate significant need for improvement. The weakest areas of performance are communications about executive education opportunities, students and the Dean's vision.

Help me understand to help me give

Philanthropy is becoming increasingly important as a funding stream for many schools but they need to make it easier to give financial support if they are to be successful in raising income.

Just over half (57%) of alumni say it is "a little unclear how to support the business school financially". A further 15% indicate is it difficult to make a contribution and 3% find it impossible and have given up trying.

Despite the difficulties alumni face donating, only one in four indicate there is no circumstance under which they would support a financial appeal. The two most important reasons that alumni indicate are most likely to make them consider giving are:

- If I better understood the impact of my gift
- Once my income has reached a certain level

Both reasons reinforce the critical need for effective fundraising communications. For schools focused on creating a stronger culture of philanthropy, increasing participation and creating a habit of giving among new donors, there is a need to stress that any size of gift helps.

Improving communications to help alumni to better understand the potential impact of their gift should be easier. Business schools have many opportunities to create compelling messages to inspire donors. They need to use them.

Over 6,000 alumni from 24 business schools and living in 115 countries participated in *Alumni Matters* 2015. Copies of the full report can be purchased online at **carringtoncrisp.com/alumni_matters**, along with details of how to participate in next year's study. *Alumni Matters* is one of five annual studies conducted by CarringtonCrisp and supported by EFMD as part of the **businessschool.guru** series. For more information, please contact Matthew Wood by email at **matthew.wood@efmd.org**

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Growing the impact of management education and scholarship

Management is not only taught in business schools. For more than 100 years it has also been taught by a special type of university that is 'more than a business school'. An international group of university leaders trace the emergence, role and future contributions of 'universities for business and management'

Some traditions remain vital while others are fading. The various traditions of opera, for example, maintain their rich heritage, yet have evolved and synthesised with new developments to extend and broaden their appeal. International ensemble casts perform across the globe. Sets and costumes incorporate designs inspired by different cultures and new technologies. Some observers attribute opera's revitalisation partly to Luciano Pavarotti, Jose Carerras and Placido Domingo, who banded together to form the "Three Tenors" back in the 1990s.

Performing traditional and modern opera pieces at large concert venues, this pluralistic approach expanded popular appreciation of great composers, such as Wagner and Bizet. The Three Tenors operatic renditions reached out to and resonated with new and existing audiences in cities around the world: Tokyo, Sao Paolo, Seoul, Pretoria and Beijing – the list goes on.

The future of management education and scholarship

Just like opera, management education needs to balance tradition and innovation. Clearly, it is transforming its delivery and learning techniques to embrace new possibilities offered by technology and digitalisation. But is it being enriched by a renaissance of its own?

Many undergraduate business programmes remain too narrow and focused on management techniques and theories. But corporate leaders want management graduates with the ability to look beyond the obvious, to question assumptions, to be more creative – to understand how business is *a part of* society and not *apart from* society.

Few institutions continually experiment with preparing students for innovation, entrepreneurial thinking or navigating a business environment set in a global world that is culturally diverse, yet highly connected. Fewer institutions are committed to preparing graduate and undergraduate students to discharge their duties to society responsibly. There are serious implications to how the next generation of business leaders are cultivated.

The 2007-08 Financial Crisis, precipitated by gross corporate mismanagement and greed, eroded society's confidence in business school graduates to dangerous lows. Indeed, the 2011 *Rethinking undergraduate business education* report by the Carnegie Foundation for the Advancement of Teaching highlighted this worrying perception held by the public.

Sophisticated students around the world, organised through social media networks such as the Post-Crash Economics Society, are demanding that management syllabi be rethought to equip them to make a better world - and not just deliver better short-term returns to shareholders at the expense of other legitimate stakeholders.

Industry and research funders should heed the type of "socially responsible scholarship" that bridges the science-practice gap described by Ann S Tsui in "Reconnecting with the business world" (*Global Focus*, 2015). We must raise the profile and positive impact of management education, scholarship and the institutions that provide hem if we are to avoid future economic calamity, restore confidence and strengthen public trust.

Before embarking on this journey, it may be useful to first survey some history of management education.

A diverse ecosystem for growth and sustainability

Comprehensive universities, dating back as early as 11th century Bologna, and technological universities, which developed in response to engineering and scientific needs in the 19th century, are among the earliest examples of educational institutions that have adapted to meet the changing needs of their times. Over time, such progressive universities expanded into the nascent social sciences, later on into economics and finally into management. As management education grew in significance, a spectrum of new institutions emerged.

Existing comprehensive and technological universities evolved to include management faculties and business schools. On the furthest end of this part of the spectrum are the independent business schools focusing almost entirely on graduate and executive education. What then lies at the other end of this spectrum?

Since the end of the 19th century, a third type of University emerged to meet globalisation's imperative for Universities to provide an integrated understanding of different cultures, law, and various management techniques such as accounting, marketing, communications and so on. Some of these began as schools of commerce, and developed into what could be termed

Managers cannot ignore the deep philosophical undercurrents running through the history of mankind and across cultures – they must understand and take into consideration how their decisions affect and are affected by our interconnected social fabrics

"Universities for Business and Management". Later institutions were conceived as specialised universities from the outset. Examples are the University of St. Gallen or Wirtschaftsuniversität Vienna (both founded in 1898), the Copenhagen Business School (1917), Renmin University of China (1937) and later on Université Paris Dauphine (1969) and Singapore Management University (2000). These institutions were often initiated in collaboration with trade associations. Others, like Hitotsubashi University (1875) were founded by patriotic statesmen.

Although these universities differ in terms of the learning experience they provide students, they all – without exception – embrace inter-, multi- and trans-disciplinary curricula. They share the understanding that the classical business school disciplines should be enriched and cross-reinforced by the broader social sciences and humanities, e.g. law, political science, socio-economics, geography, communication, anthropology, psychology, foreign languages; as well as by science, technology and mathematics.

These universities tend to have strong engagement with practitioners, public agencies and civil society; and inform professionals, practitioners and policy-makers of the latest research findings. Compared to technological universities and engineering schools, these Management Universities integrate quantitative skills with a social science perspective. And unlike comprehensive universities, they do not "silo" their management schools into largely autonomous faculties - and thus avoid treating these as isolated and rather technical disciplines. A systematic integration of related sciences in the form of strong departments or highly interconnected schools in these Management Universities is what distinguishes them from pure Business Schools.

Stronger institutions to grow society's trust

Managers cannot ignore the deep philosophical undercurrents running through the history of mankind and across cultures. If business is to truly be *a part of* society, then managers must understand and take into consideration how their decisions affect and are affected by our interconnected social fabrics. These are ancient ideas.

Aristotle's prescience in matters of political economy was noted by Malcolm Macintosh in "Re-organising the Political Economy" (Global Focus, 2015). Aristotle also advocated *phronesis* as an intellectual virtue that is "reasoned and capable of action with regard to things that are good or bad for man".

In early Western civilization, *phronesis* was recognised as that activity by which the analytical and instrumental rationality of *episteme* and *techne* is balanced by value-rationality. *Phronesis* would require business leaders to look beyond profits and growth as ends in themselves and better honour the trust bestowed by society.

Ancient eastern philosophy deeply influenced E F Schumacher, a protégé of John Maynard Keynes, who had advised the government of Myanmar (formerly Burma). In a collection of essays, *Small is beautiful: a study of economics as if people mattered*, Schumacher expressed the function of work as giving people opportunities to utilise and develop their faculties; to overcome their ego-centeredness by joining in common tasks; and to bring forth the goods and services needed for a meaningful human existence.

More recently, in *Securing the future of management education* (2014), Howard Thomas and Michelle Lee from the Singapore Management University and their co-authors have advocated nurturing "a holistic student perspective on management (not a silo-oriented one) that will encourage the development of integrative thinkers who, in management careers, will be more likely to make decisions with integrity, reflection, and an ethical and moral compass".

Ulrike Landfester, from the University of St Gallen, had noted in 2013 (during a workshop on "Humanities and Social Sciences in Management

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> *Traditional business disciplines provide a challenging context for social science and humanities scholars to engage the key economic, political and managerial questions of our time; and influence the education of future leaders in our economy*

Education – Writing, Researching, Teaching" hosted by Copenhagen Business School) that "…there are more and more universities who realise that there is something missing in business education. As the blame for the recent crisis continued to be laid at the door of business schools and business universities, these institutions try to find out whether they did wrong or not – and if they did wrong, why, and how can they remediate it. In this development, I think there are huge dynamics into the direction of integrating the humanities and social sciences into business education".

Thoughts like these prove that a broader view on common issues at hand can generate inspiring new ideas. At the specialised universities, scholars from the social sciences, humanities and adjacent disciplines collaborate with, challenge and inspire their colleagues in the traditional business disciplines.

Traditional business disciplines provide a challenging context for social science and humanities scholars to engage the key economic, political and managerial questions of our time; and influence the education of future leaders in our economy.

This integration simultaneously gives these institutions some of the vitality of liberal arts colleges and the robustness of esteemed centuries-old comprehensive universities. Such integration revitalises fundamental and highly pertinent questions about the interdependence of business, markets, technology, culture and politics. It also ensures a broad set of intellectual explorations and educational capacities. For example, a good strategy consultant has to understand how technological and cultural shifts impact the regulatory landscape; a financial adviser has to understand markets and therefore the psychology of market actors.

This integration of adjacent disciplines helps ensure the continued societal relevance and responsibility of management scholarship as the world transforms.

"Certain universities go beyond preparing young adults for professional or entry-level roles in today's workforce. Such universities aspire to nurture active change makers who can help transform society, not just observe or analyse passively

Contributing to the development of management education

Beyond honouring society's trust and strengthening themselves as meaningful individual institutions, the aggregation and collaboration of Management Universities present tremendous possibilities. They have the collective potential to innovate and tangibly amplify the profile and impact of management education and scholarship for society by:

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1. Pursuing synergies across interdisciplinary education, research and practice-relevant scholarship by artfully enlisting technology

These universities enlist the social sciences to help re-contextualise management scholarship and enhance local and practical relevance. Each university makes a unique contribution through deep integration of its own adjacent disciplinary strengths such as the humanities, public policy and information science.

Complementary research disciplines also bridge quantitative and qualitative methodology, and their close relationships with practitioners enable researchers to collaborate and pursue high-impact interdisciplinary research projects. The possibilities promise to be distinct from, yet complementary to, the types of projects pursued by larger comprehensive universities. For example, researchers at Université Paris Dauphine's LAMSADE, a CNRS-funded computer science and decision analytics research institute; and Singapore Management University's School of Information Systems have begun an ambitious exploration of how analytics can inform appropriate organisational policies that support positive business changes, more effective consumer marketing and better urban living.

Innovations in learning form a major focus of their pedagogy. These universities display a deep commitment to innovative management education and experiment with next-practices

PHOTOGRAPH COURTESY Copenhagen Business School, CBS ©

PHOTOGRAPH COURTESY Copenhagen Business School, CBS ©

related to technology-enabled learning or nurturing, future-ready mindsets and competencies. They go beyond preparing young adults for professional or entry-level roles in today's workforce. Such universities aspire to nurture active change makers who can help transform society, not just observe or analyse passively.

2. Enhancing engagement with stakeholders and contribute to local and regional social and economic life

Through the design of their campuses, programmes and partnerships, these universities embrace their inherent "embeddedness" within the community and region, and pursue long-term trust-filled relationships with stakeholders.

The hard-to-quantify social and economic externalities they provide are felt and communicated by word-of-mouth testimonials. Each of these universities appreciates the importance of supporting local and regional companies with talent, and encourages students to serve and be part of the community through project-based work, volunteering and other initiatives. The University of St Gallen in Switzerland, which underwent the Business School Impact Survey offered by the EFMD Global Network and the French National Foundation for Management Education (*Global Focus*, 2014), seeks to embody this ethos.

3. Enhancing the global mind-set and profile for students, faculty and the institution

Management Universities generate possibilities for international collaboration and synergy distinct from the environment within any large comprehensive university given their common ethos and commitment to innovation, relevance and social responsibility. One example is the Singapore Management University-Copenhagen Business School structured bachelor exchange around Maritime Economics and International Shipping, which seeks to leverage and nurture special expertise within the context and practice of each university's region, network of industry practitioners, government agencies and organisations; while paving the way for joint research and a host of other partnerships.

Uncovering new value and sustainability for all

Mirroring the Three Tenors, emergent Management Universities, working together with business schools, could achieve "innovation within tradition". They will help develop broader conceptions of effective and socially responsible education, and high-impact management research and scholarship. They will also further our understanding of how individual and organisational actors are embedded in their social environments, and how this shapes their repertoire of actions.

Management education is denied its due merit when narrowly perceived as mostly a private good. Management Universities around the world are poised to amplify the recognition and appreciation of all our institutions as trusted creators, protectors and purveyors of both public value and private goods for society.

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Business schools and business itself are both facing a challenging future. But, suggests **Dil Sidhu**, there is much that business schools can learn from the business world in how to respond

The six principles

> *So what about business schools? What changes in our world are we ignoring that may eat away at our relevance? Is there a degree of complacency and denial when it comes to being at the top of the S-curve in our own sector?*

While business schools provide output for the business sector both in terms of graduates and research-based insights, much of the interactions between them is limited, such as graduate recruitment drives, research collaboration, and input through advisory boards and mentoring schemes.

There is, however, another insight that the world of business can share with business schools. Business schools can learn how to run their own "business operations" better to create lean, relevant and surplus-generating organisations that are in tune with the business community.

Like business schools, the business world is in a state of constant flux (with some sectors moving at a faster rate than others) and equally there are many reactions to the rate of constant change.

Some businesses choose to do nothing and hope for the change to dissipate and for former market conditions to re-emerge. This reaction often results in business casualties in terms of bankruptcy, market share erosion, wasted investments and shareholder dissatisfaction.

A strategist would call this process a failure to recognise being at the "top of the S-curve". This can be illustrated in costly decisions such as Microsoft's acquisition of Nokia and a subsequent write-down of a $4.2bn investment, Kodak's denial of digital trends, Dell's failure to recognise and capitalise on the tablet market and Blackberry's market share erosion to smart phones to name but a few.

So what about business schools? What changes in our world are we ignoring that may eat away at our relevance? Is there a degree of complacency and denial when it comes to being at the top of the S-curve in our own sector?

Here are just five changes and trends that are re-shaping the business school environment and in particular the provision of executive education services:

The rise of corporate universities and academies

There are more than 4,000 corporate universities and academies operating globally (up from about 2,000 in the 1990s). They are a rising competitive alternative to the traditional business school provision of corporate learning and development.

The growing acceptance and development of MOOCs

Although there are more providers coming online, the development of a meaningful business model has still not been discovered. However, online learning is a growth industry and while employer acceptance may currently be a barrier to growth, this tide of change will result in major transformations in the development of learning and a channel to students in emerging markets.

Alternative executive education providers

From executive search firms, management consultancies, software providers and even the *Financial Times* itself in partnership with Spain's IE Business School, the lucrative allure of executive education is creating a more crowded market where measurable outcomes are becoming more relevant than the branded business school providers.

The increasing emergence of new high-quality business schools

Many new entrants are coming to global prominence from places like India, China and South Korea. These new entrants are not only accredited but also feature high academic standards, world-renowned faculty, global collaborative partnerships, sizable home market advantages and the benefit of growing economies with related global prominence.

4k

There are more than 4,000 corporate universities and academies operating globally (up from about 2,000 in the 1990s)

$4.2bn

Failure to recognise being at the "top of the S-curve" can be illustrated. in costly decisions such as Microsoft's acquisition of Nokia and a subsequent write-down of a $4.2bn investment as just one example

The relevance of business schools to the provision of business people of tomorrow

Recent criticism of business schools has included the perceived disconnect between what business schools provide as an output for business versus what businesses require. Anecdotal evidence of this disconnect is said to exist in the provision and embracing of "soft skills" for graduates versus the "hard skills" associated with business analysis, strategy formulation, and management formula and models.

So what can business schools learn from business when facing such momentous changes?

One key insight is how business utilises the science of influence and persuasion to help manage their journey on the road of change.

The "science of influence and persuasion" refers to over 40 years of academic and field research conducted by the world authority on influence and persuasion, Professor Robert Cialdini, Emeritus Professor of Marketing and Psychology at Arizona State University in the US, and author of the best-selling book, *Influence: Science and Practice*.

It is referred to as a science because it is backed up by decades of work in the fields of social and psychological research, which can be utilised to great effect when looking to effect change.

The history of influence and persuasion can be traced to the days of the Ancient Greeks and Romans and the wide utilisation of "rhetoric".

At that time, rhetoric, a much-maligned word today, described communication which could influence the thinking and/or behaviours of others – usually to get someone to vote for you rather than an opponent.

Over the past 70 years or so, social science, marketing and psychology have done a tremendous amount of research to understand why people behave in the way they do (whether choosing toothpaste brands, signing up to donate organs or selecting a business school programme) and what can be done to amend those behaviours and the choices that are made.

Professor Cialdini's premise is that while there are literally thousands of tips, techniques, hints and approaches to influencing and persuading others, they all fit quite neatly into six universal categories.

These six principles of influence and persuasion are: *reciprocity, commitment (or consistency), consensus (or social proof), liking, authority, and scarcity*:

> *Over the past 70 years or so social science, marketing and psychology have done a tremendous amount of research to understand why people behave in the way they do and what can be done to amend those behaviours and the choices that are made*

Principle 1

Reciprocity

As humans, we generally aim to return favours, pay back debts and treat others as they treat us. This can lead us to feel obliged to offer concessions or discounts to others if they have offered them to us. This is because we are uncomfortable with feeling indebted to them.

Principle 2

Commitment or Consistency

We have a deep desire to be consistent. For this reason, once we have committed to something, we are more inclined to go through with it. This is especially true when the commitment is made in a "voluntary, public and active" manner.

For example, you would probably be more likely to support a colleague's project proposal if you had shown interest when he or she first talked to you about the idea. We are also more likely to support causes if we state publicly that we are behind the concept or the originator. It also relies on the old adage that people live up to their own values.

> *In the business school world the impact of personable alumni and their personal success stories provides for a great sense of liking when looking to attract future students*

Principle 3

Consensus or Social Proof

This principle relies on people's sense of "safety in numbers and what's everyone else doing?".

Here, we are assuming that if many other people are doing something, then it must be OK. So when a company advertises that it is "the choice for 95% of the buying public" then it is probably good for us to choose as well.

We are particularly susceptible to this principle when we feel uncertain and we are even more likely to be influenced if the people we see seem to be similar to us. That is why commercials often use moms, not celebrities, to advertise household products.

Principle 4

Liking

Professor Cialdini says that we are more likely to be influenced by people we like, who like us and who tell us that they like us. Likability comes in many forms – people might be similar or familiar to us, they might give us compliments or we may just simply trust them.

Companies that use sales agents from within the community employ this principle with huge success. People are more likely to buy from people like themselves, from friends and from people they know and respect.

In the business school world the impact of personable alumni and their personal success stories provides for a great sense of liking when looking to attract future students.

Principle 5

Authority

We feel a sense of duty or obligation to people in positions of authority. This is why advertisers of pharmaceutical products employ doctors to front their campaigns and why most of us will do most things that our manager requests.

Job titles, uniforms and even accessories such as luxury cars or the right electronic gadgets can lend an air of authority and persuade us to accept what these people say.

"The principle [of scarcity] says that things are more attractive when their availability is limited or when we stand to lose the opportunity to acquire them on favourable terms

Principle 6

Scarcity

This principle says that things are more attractive when their availability is limited or when we stand to lose the opportunity to acquire them on favourable terms. For example, we might buy something immediately if we are told that it is the last one or that a special offer will soon expire.

However, within an academic setting the things that are considered to be scarce can include renowned academic faculty and specialist research.

While the six principles are very powerful when it comes to the outcomes that can be achieved, they should be used authentically and ethically. Being authentic and ethical is a big part of being able to influence and persuade people by being truthful and honest about a product or service benefit. Persuading people to do things that are wrong for them is manipulative and unethical and many of the recipients of this approach will not only feel "taken advantage of" but become an anti-advocate. A good reputation takes a long time to build but you can lose it in a moment!

The world of business and commerce, and indeed the public sector, has used the power of influence and persuasion for many years to great effect. Whether influencing us to buy brand "X" over brand "Y" or persuading us to "conserve energy", the principles of influence and persuasion are effective and can create a lasting behavioural change. Similarly, it can also work to help promote and market business schools.

ABOUT THE AUTHOR

Dil Sidhu is the Chief External Officer and Managing Director of Executive Education at the Alliance Manchester Business School in the UK and previously Director of Custom Executive Education at London Business School, also in the UK. Before that he held senior management roles in several leading UK companies. Sidhu is one of 25 people personally trained and mentored by Professor Robert Cialdini in the science of the six principles of influence and persuasion.

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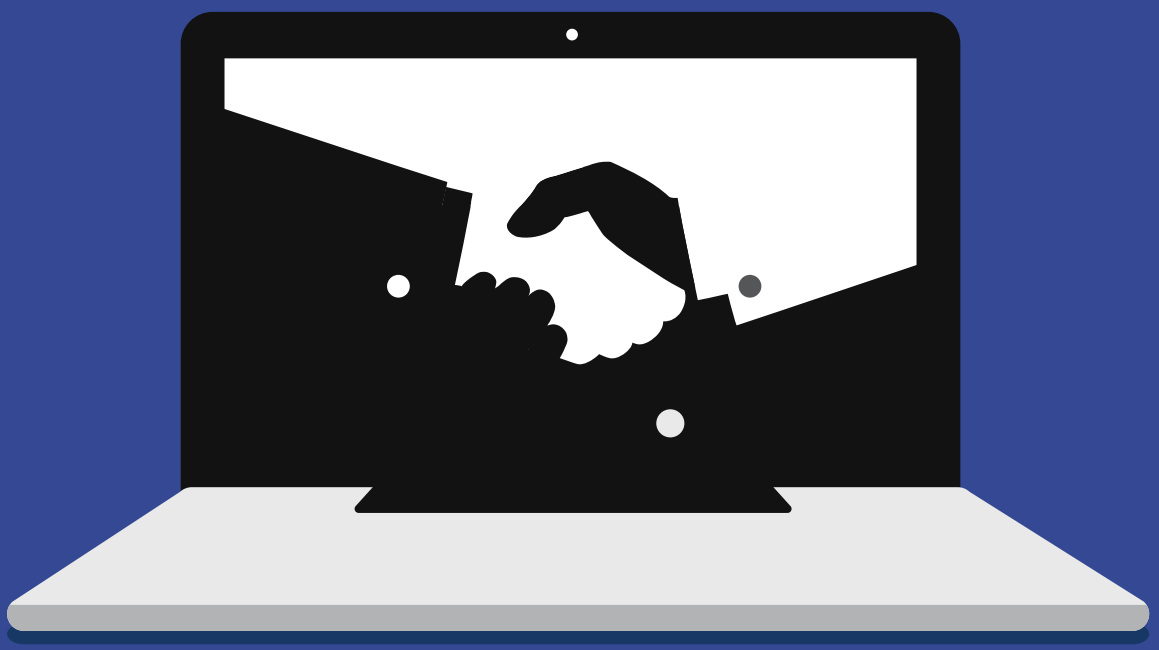

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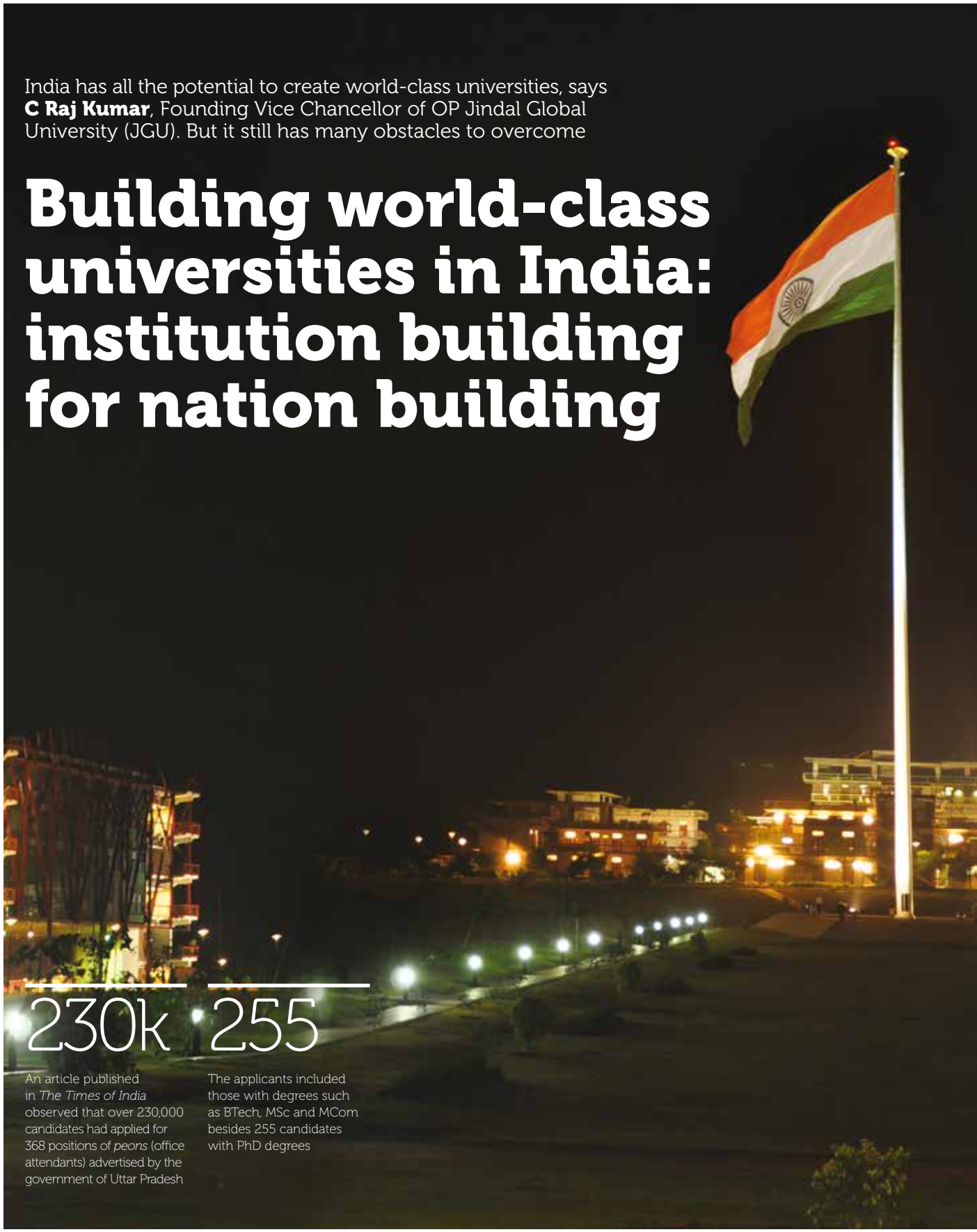
India has all the potential to create world-class universities, says **C Raj Kumar**, Founding Vice Chancellor of OP Jindal Global University (JGU). But it still has many obstacles to overcome

Building world-class universities in India: institution building for nation building

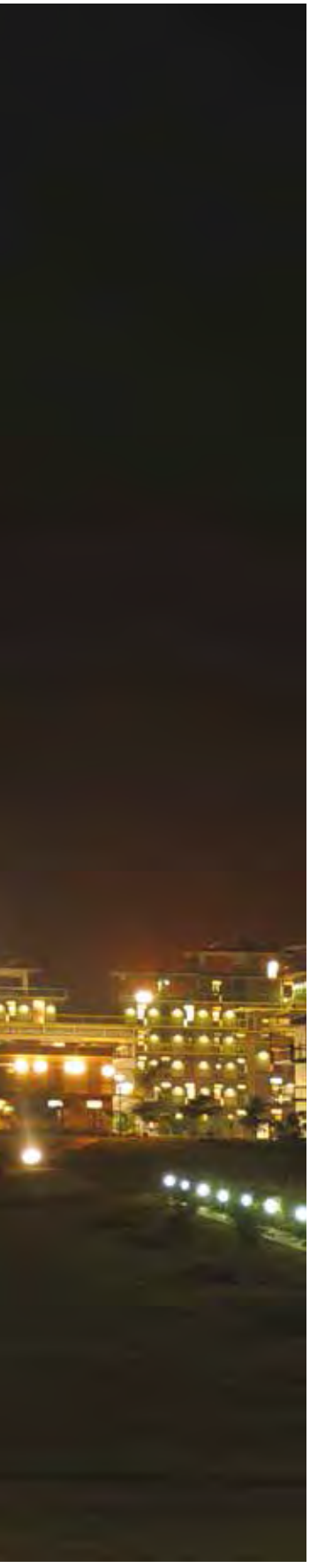


230k

An article published in *The Times of India* observed that over 230,000 candidates had applied for 368 positions of *peons* (office attendants) advertised by the government of Uttar Pradesh

255

The applicants included those with degrees such as BTech, MSc and MCom besides 255 candidates with PhD degrees



The debate on the state of affairs of higher education in India ought to be a serious one. It cannot be based upon our reluctance and inability to recognise the institutionalised forms of mediocrity that are deeply embedded in many of our higher education institutions.

There is widespread recognition today that more than ever the higher education institutions in India have a long way to go to achieve the international benchmarks that will help us to promote global excellence.

In an alarming article published in *The Times of India* recently, it was observed that over 23 lakh (230,000) candidates had applied for 368 positions of *peons* (office attendants) advertised by the government of Uttar Pradesh. The applicants included those with degrees such as BTech, MSc and MCom beside 255 candidates with PhD degrees. Many States in India suffer from this situation where there is little correlation between the academic qualifications obtained and the jobs that the candidates are seeking.

The heart of this problem is the poor quality of higher education and the inability of institutions to empower students in fulfilling their career aspirations. The history and evolution of higher education in India demands a careful examination of the reasons for our failure to establish, nurture and develop world-class universities.

The issue of deterioration in academic standards in most Indian universities is indeed a matter of great concern. In this context there is a need to understand and reflect upon what is needed to build world-class universities in India. How are they established, nurtured and developed over the years, decades and centuries? What makes a university world class? What ought to be the parameters to assess the quality of universities and should they vary from society to society? What ought to be the internal governance structure of those universities? What should India do to build world-class universities?

Institutional vision for educational transformation

World-class universities are built on the basis of a strong foundation that has an inspiring vision and a mission to fulfil that vision.

The vision should reflect the ideals and aspirations of the university and universities should be created with a strong vision that is built around the needs of a society. But these needs ought to be broad-based and should reflect the collective imagination of a community. The vision of the university should be able to have a farsighted approach towards learning and imagination among faculty and students, but should be also fully conscious of the reality of the university's existing challenges.

Universities do not become world-class institutions as soon as they are created but evolve to become world-class universities through long years of work pursued by the commitment and dedication of students, faculty and staff.

Funding and resources for universities

World-class universities around the world are established and developed through a great deal of commitment of resources. The current system of a one-size-fits-all policy of funding and resource allocation on the basis of this classification of universities needs to be re-examined. There is not enough understanding and realisation that the resources that are required to build world-class universities are significant.

Arguably, the precious resources that need to be available for universities may not, and indeed cannot, come from the state. It is in this context that there is a need for promoting private universities in India. Deterioration in the academic standards of public universities in India is due to a number of factors including, but not limited to, poor infrastructure at our university campuses, lack of motivation among faculty to perform, inability of universities to create a research environment for faculty publications, absence of interdisciplinary programmes for students, lack of innovation in curriculum and course design, inadequate compensation for faculty and faculty development initiatives, and a bureaucratic and hierarchical governance structure that does not motivate faculty members to perform.

However, the establishment of private universities in India has not led to a positive change in the quality of education. Rather, private universities in general in India have been, unfortunately, equated with all the problems of the public universities. They have fostered a culture of mediocrity and dubiousness, both of which have led to adverse consequences for higher education.

There is an urgent need for a paradigm shift in the availability of funding and resources.

For example, resources for pursuing research

and knowledge creation leading to publications should not be given on the basis of whether a university is public or private. It should be based upon the nature of faculty and research capacities that are prevailing in the university and how best to augment those available resources with a view to advancing research agendas.

Regulatory reforms and governmental engagement

The role of government in higher education and university governance deserves a critical examination. At present in India, the role of government in the case of state universities is significant and the higher education department of state governments is deeply involved in every aspect from the creation of a university to granting of approvals and permissions that need to be obtained for administering it.

This poses problems for university governance. The existing framework for the establishment of a university (public or private) in India requires legislation passed in the state legislative assembly or the national parliament or through a decision of the University Grants Commission (UGC) and the Ministry of Human Resource Development, Government of India.

There are elaborate procedures that are in place led by the higher education departments within state governments that are involved in every aspect of institution building, even before the creation of a university.

While this is argued to be necessary to maintain high academic standards, there is a need to recognise that once a university is established, the role of government departments and agencies will have to undergo a significant change.

The need to seek approval and permission from government departments to start new academic programmes or new disciplines should be dispensed with, so that the internal governance mechanisms of a university are activated to work effectively.

There is a fear that in the absence of external checks and balances, universities will exercise power in an arbitrary manner and offer courses and programmes devoid of academic content.

This argument is problematic at different levels:

- it distrusts the university as an academic institution that is expected to act with a sense of responsibility;
- it creates an atmosphere of suspicion and animosity where faculty members of a university, who are expected to take critical decisions relating to the academic programmes, are not in a position to drive the academic agenda;
- it creates opportunities for vested interests and corruption at the level of government departments exercising such powers.

One of the better ways to deal with this problem is to make the process of establishing a university more rigorous and transparent. The necessary conditions that need to be fulfilled to create a university should reflect the highest academic standards, availability of qualified faculty members and the necessary resources, and objective measures to assess the bonafide intentions of the promoters of private universities.

The government's role should be one of a facilitator and not that of a regulator. There is a need to empower departments, faculties and internal governance mechanisms within Indian universities so that they are able to take responsibility and are duly accountable for their decisions. Steadily, the role of government departments in the decision-making of the university should be negligible, if present at all.

World-class universities are not developed through government departments exercising powers over institutions; they are nurtured only when faculty members, students, staff and other

999

The importance of stronger private initiatives in the field of higher education has been acknowledged and path-breaking measures such as free land for 999 years, a 300% deduction in taxable income to companies for contributions towards boosting higher education have been recommended. It has also suggested that mandatory accreditation is essential for Indian universities

Clockwise from left:
The Library at OP Jindal Global University,
OP Jindal Global University Halls of Residence,
Exterior of OP Jindal Global University.

> *There is a need to assess universities on the basis of objective and determinable standards relating to the quality of teaching, faculty, research and capacity building rather than on the basis of it being public or private*

stakeholders of a university are able to take decisions about the university in an independent and transparent manner.

Faculty development and impactful research

Of all the important things that make a world-class university, it is necessary to recognise that faculty are the most important and the most significant.

Outstanding faculty members who can make great substantive contributions to teaching and research create world-class universities. It is only by hiring and retaining inspiring teachers and rigorous researchers that we can hope to establish world-class universities in India. Indian aspirations to build world-class universities ought to centre around the hiring of faculty from India and around the world.

Teaching and research constitute the centrality of pedagogy of learning and primacy of knowledge in a university. Almost all rankings use both these as benchmarks for assessing the quality of universities. The weighting given to research tends to be more in the rankings of universities recognising the importance of research.

Indian universities ought to become fertile avenues for the generation of ideas through research and publications. Rigorous research in all fields is critical to India as it will be expected to respond to new problems for which old solutions and perspectives may not be helpful. Research produces knowledge that gives clarity on the basis of informed and deeper understanding of the issues involved.

The future: the need for building transformative universities

There is a need to assess universities on the basis of objective and determinable standards relating to the quality of teaching, faculty, research and capacity building rather than on the basis of it being public or private.

It needs to be noted that some of the top universities in the world are private universities: Harvard, Yale, Stanford and MIT, while some of the oldest and most reputed universities continue to be public universities: Oxford, Cambridge and London.

The effort to promote private initiatives in higher education should go hand in hand with other equally committed efforts to strengthen and develop our public universities. We need to

Table 1:
Asian universities among the world's top 200 universities (2011-2016)

	QS World University Rankings					Times Higher Education World University Rankings					Shanghai Jiao Tong University's The Academic Ranking of World Universities (ARWU)				
	2015 -16	2014 -15	2013 -14	2012 -13	2011 -12	2015 -16	2014 -15	2013 -14	2012 -13	2011 -12	2015	2014	2013	2012	2011
CHINA	7	7	7	7	7	2	3	2	2	3	7	6	5	4	1
HONG KONG	5	5	5	5	5	3	4	3	4	4	1	2	1	4	1
INDIA	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JAPAN	8	10	9	9	11	2	5	5	5	5	7	8	9	9	9
MALAYSIA	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
SINGAPORE	2	2	2	2	2	2	2	2	2	2	2	2	1	1	1
S. KOREA	7	6	6	6	5	4	4	4	4	3	1	1	1	1	1
TAIWAN	3	2	2	2	1	1	1	1	1	1	1	1	1	1	1

understand and appreciate the remarkable transformation in higher education that has taken place in countries in Asia, including but not limited to Japan, Singapore, South Korea, Taiwan, Hong Kong and mainland China.

A committee constituted by the Planning Commission and headed by the then Chief Mentor of Infosys, Mr Naryanamurthy submitted a report that focused on the role of the corporate sector in higher education.

This committee acknowledged the importance of stronger private initiatives in the field of higher education and had recommended path-breaking measures such as free land for 999 years, a 300% deduction in taxable income to companies for contributions towards boosting higher education and 10-year multiple entry visas for foreign research scholars. It has also suggested that mandatory accreditation is essential for Indian universities.

To promote greater accessibility of higher education to underprivileged people, the committee also recommended the establishment of a Scholarship Fund of Rs 1,000 crores (Rs 10 billion) and contributions made by the corporate sector to receive tax exemption.

Innovative solutions need to be found in addressing the challenges of higher education. Corporate philanthropy needs to be significantly promoted as the private wealth of India has not adequately contributed to the growth and development of not-for-profit higher education.

There is an urgent need in Indian universities to reflect on the crisis of leadership and its inability to seek reforms relating to institution building. Leadership is central not only for providing an institutional vision that will garner and galvanise academic consciousness among faculty and students to fulfil the goals and aspirations of the university but also to reflect on the larger role and responsibilities of Indian universities that connect them with the professions, government, intergovernmental organisations, think tanks and NGOs.

Leadership is also about taking responsibility and being accountable for one's decisions.

Unfortunately, the existing model of governance of the Indian university system has not recognised leadership in universities as a critical aspect of building world-class institutions of excellence.

India's aspiration to establish world-class universities will depend upon our commitment to create and nurture transformational institutions that will inspire young minds with the spirit of enquiry and instil in them the flame of imagination.

For a more detailed article on this subject, see C Raj Kumar, "Building world class universities in India", Seminar, January 2014.

ABOUT THE AUTHOR
Professor (Dr) C Raj Kumar, a Rhodes Scholar, is the Founding Vice Chancellor of OP Jindal Global University (JGU), Sonipat, NCR of Delhi, India. He is a professor of law with law degrees from the University of Delhi, University of Oxford, Harvard University and the University of Hong Kong. He spearheaded the efforts to establish India's first global university in 2009. JGU is partnering with Times Higher Education to host a global academic summit in India on the theme: "Why emerging economies needs world class universities" during 2-4 December 2015. Email: VC@jgu.edu.in

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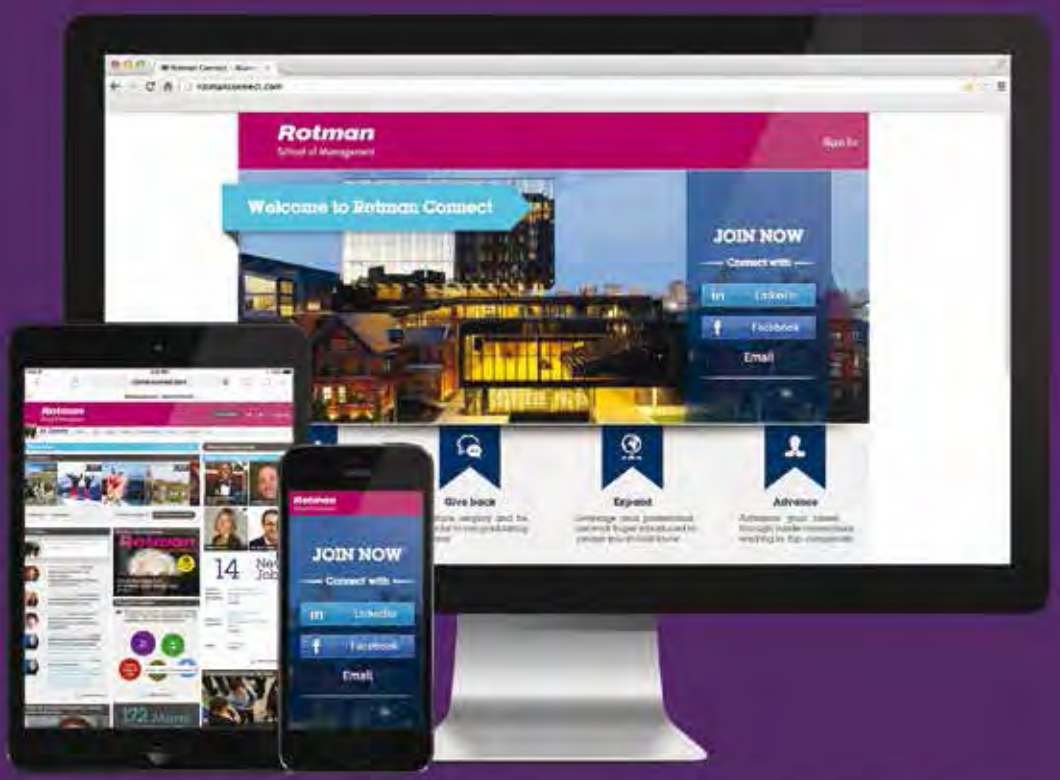

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Tradition & transformation

Nehme Azoury explains how an historic Lebanese university has opted for a modern impact programme for its business school

1584

In 1584, the first Maronite (a Lebanese Christian community) college was established in Rome to promote intercultural exchange between east and west

In 1736, at a time when the idea of a young woman pursuing her studies was inconceivable, a Lebanese Christian community known as Maronites declared the adoption of a policy of free and compulsory education for both men and women.

In fact, this dedication to education stemmed from even earlier – 1584 when the first Maronite college was established in Rome to promote intercultural exchange between east and west.

Around this period the Holy Spirit University of Kaslik (USEK) took root when the Lebanese Maronite Order (OLM), its founders, imported the first printing press to the Levant and created the first school in Lebanon, with the prime concern of spreading education as a mean to improving quality of life.

USEK is particularly attached to the global dissemination of a culture of education, peace and community service from Lebanon, the cradle of civilization and home to the Phoenician alphabet.

The strategic geographic location of the country has made for a fruitful dialogue and communication with various civilizations. Accordingly, Lebanon has always looked to bridge the gap between Arab and Western countries – two opposite worlds struggling to understand their mutual differences – in an attempt to avoid cultural clashes.

USEK believes that leadership is not only about a title. It is about impact in getting results, influence in spreading passion, and inspiration in motivating team-mates and stakeholders.

In choosing to be a pioneer in measuring and evaluating the impact its School of Business has on the local and regional community, USEK has turned to the EFMD GN's Business School Impact Survey (BSIS) programme, the first time this has been done in the MENA region.

The School of Business portrays the strong regional roots that characterise it and its education mission focused on the area. The school's central purpose is to ensure high-level education in the field of business administration to the youth of the region.

The school's mission has a significant social dimension thanks to its extensive scholarship programmes that help disadvantaged students to benefit from educational opportunities.

With a view to expanding its accessibility through an additional social outreach, three regional centres in remote parts of Lebanon (Chekka in the north, Zahle in the Beqaa and Rmeich in the south) offer a range of bachelor degrees.

"USEK believes that leadership is not only about a title. It is about impact in getting results, influence in spreading passion, and inspiration in motivating team-mates and stakeholders

With its presence in various districts of Lebanon, the School of Business is making a sizeable financial contribution to each of the cities where it is located. In numerical terms, the school represents approximately 25% of the university's budget (several million dollars), impacting all of Lebanon. This is a considerable achievement for a school with no more than 2,000 students.

With family-owned businesses, SMEs and international companies proliferating in the Lebanese capital, Beirut, and the area of Mount Lebanon, the School of Business is a key provider of skilled and qualified managerial resources.

Through tailor-made programmes that encompass a growing number of specialised courses essential to the economic prosperity of the region, the school provides a number of part-time masters programmes for employees of local companies. Pertinent examples are the Financial Engineering and the Banking Operations and Management degree programmes.

The relevance of these programmes lies in the business sectors they cater for, as the Lebanese banking industry has been internationally known for its resilience during harsh economic times.

Furthermore, the school has established collaborative links with national and international enterprises and institutions. In order to strategically administer these partnerships, which revolve around research collaboration, recruitment of graduates, participation of visiting professionals in the classroom and consulting activities, a Corporate Relations Unit has been put into place to explore further strategic alliances in the future.

The Centre International de Recherche en Applications Managériales et Economiques" (CIRAME) has committed to fostering academic research and publication activity that has so far only timidly existed in the Lebanese higher-education system.

25%

In numerical terms, the School of Business represents approximately 25% of the university's budget (several million dollars), impacting all of Lebanon – this is a considerable achievement for a school with no more than 2,000 students

"Through tailor-made programmes that encompass a growing number of specialised courses essential to the economic prosperity of the region, the school provides a number of part-time masters programmes for employees of local companies

Faculty members are encouraged to be active in intellectual production pertaining to their academic field; to enhance a solid doctoral programme; to promote applied research relevant to the concerns of the regional community; and to involve companies in the funding of the research agenda through sponsored projects.

Among CIRAME's key areas of research specialisation are corporate governance, CSR, economics, entrepreneurship and strategic management, and marketing.

As an active contributor to the world of research, the CIRAME organises conferences for business leaders and invites visiting professors from internationally renowned institutions to share their expertise. It also administers three academic reviews that provide research outlets for professors.

USEK, the first university to become carbon-neutral in the region, is keenly aware of the ethical dimensions of CSR and is active both in raising awareness among staff and students and in taking concrete action to put the principles into practice.

> *"The added value of the BSIS label is ultimately recognised when our students step into the corporate world. We believe that our image as a school and university is exposed through the quality of our students*

There are a series of policies to position USEK as a model of environmental responsibility, including energy efficient buildings on campus and a sustainable procurement project.

The School of Business is firmly committed to CSR. Its mission statement highlights its objective of educating "a new breed of socially responsible managers", teaching future leaders sound ethics and concerns for CSR practices.

To support this cause, CSR concepts and ethical behaviour have been incorporated in a large portion of the curriculum of the School of Business. In addition, high-level international colloquiums are organised on a regular basis.

For an institution that has been based on tradition, the School of Business understands that it cannot exist without change while remaining true to itself and its beliefs remains vital.

Facing challenges is normal for any operation. However, dealing with and turning around these challenges is what motivated the school to engage with the BSIS. Our main objectives are built around four newly devised pillars:

Create: programmes, events and transparency documents based on research and real-life figures that interest corporations, academics and students

Involve: alumni and key persons from the corporate world in events and studies whereby their expertise can be used for the benefit of the school

Manage: relations with the micro and macro players of the school's environment to assure endurance

Transmit: all findings to whomever may be interested for the purpose of continuing the cycle of impact

The added value of the BSIS label is ultimately recognised when our students step into the corporate world. We believe that our image as a school and university is exposed through the quality of our students.

With the BSIS label, our level of education can only go upwards from here, providing our students with an extra edge in the market. Moreover, the BSIS is a key to be used for the possibility of gaining other international accreditations. Being recognised as such commits the school to further involvements in the Lebanese business and societal environments.

gf

ABOUT THE AUTHOR
Nehme Azoury is Dean of the School of Business, USEK, Lebanon.

Designed to connect

Michael Page and **Roy Wiggins** describe an innovative MBA programme aimed at answering the criticisms that have been made of the degree

In their book *Rethinking the MBA: Business Education at a Crossroads* the authors argue that the MBA required to develop the leaders and entrepreneurs our societies need, involves a far stronger focus on knowing, doing and *being*.

These are components fully embedded in Bentley University's 11-month MBA launched in 2010.

The programme was designed to develop three crucial characteristics of leadership articulated by Hansen (2011) – the ability to understand people; the ability to see the big picture; and the ability to execute.

It does this through a curriculum, learning environment and international experiences that ensure:

- analytical components do not swamp time required to examine behavioural dimensions
- integrative methodologies rather than silo approaches are used to develop knowledge elements
- experiential elements develop execution capabilities rather than just strategic formulation ability

In 2007 Gloria Larson, Bentley's seventh president, continued Bentley's long-standing reputation for curricula innovation when she asked the university to establish a transformative MBA that would achieve three key goals:

- it should address the criticisms being expressed increasingly about the relevance of the degree and its culpability for lapses of ethics apparent across businesses globally
- it should capitalise on Bentley's positioning in accounting and finance, business ethics, information technology, and the fusion of business with arts and sciences
- consideration should be given to designing a programme with significant appeal for a wider range of talented individuals, including those with all the capabilities needed to succeed as leaders but for whom the *traditional* MBA may have limited appeal

The highly competitive management education landscape and Bentley University's location among some of the most recognised and envied MBA programmes in the world made this a demanding call to action.

However, the call was answered by bringing together faculty from across the university – business and arts and sciences – and through seeking counsel from corporate connections and management education industry experts.

The eclectic group that developed the programme remains fully involved. Todays' students still find themselves engaging with faculty and executives from diverse fields and backgrounds.

Programme design

The MBA programme was constructed around four integrating themes – innovation, value, environments and leadership – and three field-based immersion experiences – one in the US and two outside.

Each theme was designed to ensure that connections are made between self, others, context, thought and action.

Finally, the mandate given to the programme design team emphasised that the learning environment should be collaborative, highly interactive and built on the business experiences of a class of students averaging over seven years of post-tertiary education experience.

The design team determined the programme's core learning objective to be preparing leaders capable of functioning effectively in times of rapid change, accelerated innovation, intense globalisation and profound demographic shifts.

By the end of the programme, graduates should have the capacity to identify and evaluate trends relatively quickly, adapt to different cultures, and craft creative approaches to stakeholders, products, services and social contexts.

The learning environment was also built from scratch.

Unlike traditional classrooms or horseshoe-shaped case-teaching classrooms, Bentley's MBA Studio mirrors the layout historically employed by architecture and design students.

Students sit at technology enabled team tables that are all connected to broader smart boards to maximise the interaction within small teams and among the entire class cohort. This ensures that faculty operate as facilitators rather than instructors.

By the end of the programme, graduates should have the capacity to identify and evaluate trends relatively quickly, adapt to different cultures, and craft creative approaches to stakeholders, products, services and social contexts

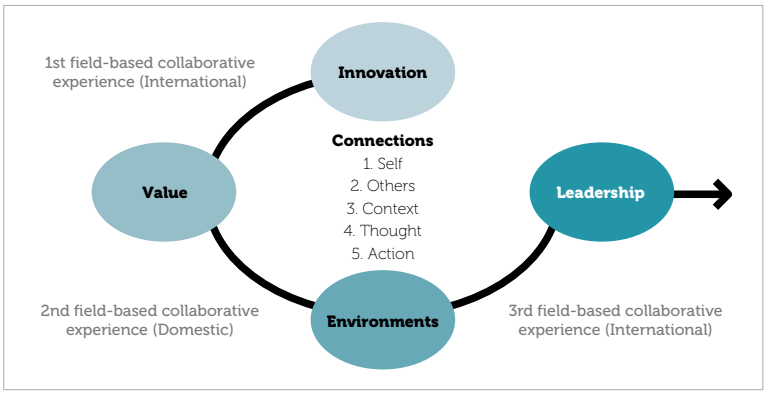
4

The MBA programme was constructed around four integrating themes – innovation, value, environments and leadership

3

The programme was designed to develop three crucial characteristics of leadership articulated by Hansen –the ability to understand people; the ability to see the big picture; and the ability to execute

Figure 1:
The Bentley MBA: thematic design



PHOTOGRAPH COURTESY: Bentley University ©

Each student becomes a dynamic contributor to the discussion – standing up to debate with classmates, illustrating points on multimedia boards and continually engaging their smaller team to share perspectives based on collective experiences.

A comfortable lounge seating area and a kitchenette within the studio dedicated for the class 24 hours a day makes it the perfect location for delving deeper into the relevant issues and ideas after the more formal sessions.

Students also work informally with faculty in the studio – as colleagues and mentors – and use the space to prepare for the two-week field-based collaborations that follow the innovation, value and environments themes.

Thematic structure of the programme

The Bentley MBA is totally thematic in its design. Traditional core material is embedded within each of the four themes that span the entire degree. These subjects are strengthened and debated at the points where the material – whether accounting, finance, marketing or whatever – is most relevant to the thematic element under investigation.

Furthermore, the glue that binds the themes and the foundation/discipline material is connections. As stated above, all four themes are examined and developed in the minds of the students with reference to self, others, context, thought and action.

- ***The Innovation Theme*** During the first quarter of the programme students develop an appreciation of the value of innovation and creativity and devise new models for the role of business in society. They gain insight into how leaders must understand the environments in which they operate and how they need to act if they wish to build organisations where creativity can thrive and innovation follows.

Topics covered include: the psychology of innovation and how humans process information and generate creative ideas; theories of creativity and the conditions needed to sustain creative environments; design lifecycle; and how to develop and renew innovation through action that capitalises its necessary relationship to strategy.

- ***The Value Theme*** Students develop a fuller understanding of value and its impact on business. Although value is at the heart of every business strategy, its meaning is both complex and subjective.

Appreciating how different interpretations and assessments of value can influence decisions, the theme is designed to ensure delegates: reflect on what value means and appreciate how meanings vary among different stakeholders; understand how organisations derive value and align processes and resources to help build it; learn about different ways value is generated; and develop measurement tools and analytical skills necessary to derive sources of value as well as sustain them.

The functional disciplines that constitute the core of most MBA programmes are embedded in the value theme in a manner that achieves the interdisciplinary appreciation often said to be lacking in traditional MBA programmes that rely on a capstone strategy course to achieve this level of multi-lens thinking.

- ***The Environments Theme*** Recognising that organisations and managers do not operate in isolation, students are exposed sequentially to the wider setting of the firm, community, country and world when making decisions.

Environments examined include: social contexts and how they are formed and sustained

90

Thus far, Bentley has recruited four cohorts and 90 students into the programme

73%

Seventy-three per cent of the students come onto the programme directly from overseas, 42% are women...

10yrs

...and the average work experience of each class is around 10 years, and the diversity of backgrounds is also significant

> *International immersion experiences over the first four iterations of the programme have involved visits to Chile, France, Ghana, Greece, South Africa and Turkey*

within and across organisations, countries and world; economic, including how to gauge the stability of the overall macroeconomic environment, and how market structures prevalent in an industry can affect the likelihood of innovation and adoption of new technologies; and the radical impact of technology and networks on organisations and how they control themselves and their value chains.

- ***The Leadership Theme*** During the culminating theme of the programme, students further integrate what they have learned and turn inwards to reflect upon their own leadership styles and to track their personal development. Their capabilities for communicating credibly with different groups to earn their trust is further enhanced during the theme. The nature of leadership, the extent to which it can be taught, the role of emotional intelligence, and the range of challenges leaders confront are explored.

Faculty members and leadership experts serve as guides and mentors while students reflect on their preferred leadership styles, skills and capabilities as well as strengths and weaknesses. Regular reflection on their experiences are designed to facilitate their development as ethical and strategic leaders.

The theme also challenges them to examine the technical aspects of decision making amid uncertainty and when stakeholder engagement is present. Emphasis is placed on understanding agency theory and the dynamics of considering asymmetrical information, IT and strategy, and creating an effective control environment.

Field-based collaborative experiences

Twelve-day field experiences follow each of the first three themes. Students join faculty and members of organisations at host sites to explore complex business topics that are designed to evolve out of the completed theme and introduce topics that are then covered in the subsequent theme. The experiences provide an essential component of the "real-world" immersion built into the overall programme design and Bentley faculty members' roles are oriented to ensuring students apply key lessons and concepts gleaned from previous themes.

Each field-based collaborative experience involves multiple stakeholder groups or organisations and focuses on issues relevant to all business sectors. Students are not working to solve a problem but to address an issue—generally one for which an actionable solution does not readily exist. Last year, for example, students learned how a variety of consumer-oriented Greek businesses have adapted their strategies for survival in a post financial crisis world, departing Athens on the eve of the recent elections that brought the Syriza party into power.

The goals of each immersion experience are to emphasise the proper approach for evaluating persistent issues and to illuminate the skills and limitations experienced by competent leaders in such circumstances.

International immersion experiences over the first four iterations of the programme have involved visits to Chile, France, Ghana, Greece, South Africa and Turkey.

Conclusion

Thus far, Bentley has recruited four cohorts and 90 students into the programme. While the intakes have yet to grow to the desired capacity (the dedicated MBA Studio has been designed deliberately for a maximum of 36 students sitting around six technology enabled team tables), successes have been significant.

Seventy-three per cent of the students come onto the programme directly from overseas, 42% are women and the average work experience of each class is around 10 years. The diversity of backgrounds is also significant – on entry into the programme over half already have one or more advanced degrees with 10% having PhDs. Several have been Fulbright scholars.

Career paths of entering students include academia, consulting, entrepreneurship, family business, financial markets, military, religion and theatre. Feedback from the students and employers has been extremely positive with one graduate making a five-figure gift to the university within four months of graduating.

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Is there an irreconcilable separation between faculty who do research and those who concentrate on teaching? **Mark Jenkins** argues that world-class academics and thought leaders do both

Making the case for cases

It is a common perception that in many higher education institutions there are faculty mainly engaged in research and those whose main brief is to teach. Many see this as an irreconcilable separation. But I disagree.

My perception is that it is complementary and not a question of "either/or". Leading academics enjoy and benefit from doing both.

Junior faculty may start with a focus on building up their teaching portfolio but know that the only way to achieve promotion is by publishing in well-regarded journals. Senior faculty may want to spend all their time researching but various stakeholders, from governments to parents and students themselves, want to see higher-quality teaching and learning in the classroom.

And a key part of this is ensuring that students benefit from being exposed to those leading academics whom universities are proud to claim as their own.

It is my experience that the really great thought-leaders love to be in the classroom as well as at their keyboards. The ivory tower is not for them. They understand and appreciate that even those most eminent in their fields can still learn a great deal from bright and responsive students in class, particularly if you are teaching more experienced learners.

Their input can make an invaluable contribution to research. And they, in turn, will be thrilled and motivated that their input is valued and can have an impact in the real world.

Using research in the classroom has become a hot topic in business schools, precisely because it offers the perfect way for academics to develop their work.

If their research has a significant impact in the classroom, then they are getting greater value from their activities. Classroom teaching based on current and innovative research that is firmly anchored in the real world attracts high-calibre students and will help to enhance the reputation of a school as forward-looking and relevant.

But it must be said that using research to teach is also very easy to do badly. For example, it is not a good idea for a faculty member to show a group of MBA students his or her latest correlation matrix – I can guarantee it won't go down well!

Instead, it is vital to focus on real-world organisational issues and to share with students relevant research carried out to contribute to the ongoing debate.

It is my view that research needs to be significantly more centre-stage in the classroom and that teaching needs to be an integral part of any credible academic's portfolio. Even better, use research insights to create case studies for use in the classroom.

> *"It is my experience that the really great thought-leaders love to be in the classroom as well as at their keyboards*

"It's my view that research needs to be significantly more centre-stage in the classroom, and that teaching needs to be an integral part of any credible academic's portfolio

Cases are ideally suited to provide an output for research data and if done well are an extremely effective – and fun – way to both communicate in the classroom and develop your research agenda. Cases can be used effectively to integrate teaching and research, resulting in an inspiring and invigorating experience for both faculty and students.

This synergy can reap major benefits. My own experience writing the *Formula One Constructors case series* (available from The Case Centre: www.thecasecentre.org/formulaone) is testament to this.

Writing and teaching these cases led to more in-depth research and eventual publication in flagship journals. This is a path open to academics in any field and one that I would strongly encourage.

First, however, it is useful to be clear about the distinction between teaching cases and research cases. And the most important difference to establish is the purpose of each.

The purpose of a teaching case is for the participants to learn something, whether about a particular framework or technique or how to make decisions in "real-life" complex situations with incomplete data.

A teaching case can include primary or secondary data and can be fictitious to illustrate particular points or based on real-life events. The teaching case sits within the context of a course or teaching module.

In contrast, the purpose of a research case is to provide an empirical basis for developing or testing a theory and sometimes to illustrate how a theory could work in practice. The objective is to explore a research question and the case may incorporate a variety of qualitative and quantitative approaches. The case should always be empirical, based on real data and sit within a programme of research.

Whereas a research case is not designed to work in the classroom, it is also true to say that there is absolutely no point in submitting a teaching case to an academic journal for publication. There are some specialist teaching case journals but these are not generally regarded as high-quality research journals, certainly not in the field of business and management.

With regard to research cases there are some journals that are more sympathetic to case-based research – these would normally sit within a more qualitative perspective on research. The key is to know the journals in your area and the kind of research they like to publish.

You can start by writing either a teaching case or a research case depending on your situation

> *I feel very strongly that teachers should be encouraged to write their own cases for use in the classroom as an excellent way to develop their own teaching agenda and build their credibility*

and aspirations. If you are a researcher with a lot of data who wants to begin teaching topics related to your research, then start with a teaching case. But if you're a teacher who wants to draw on your areas of expertise to publish in respected journals, then think seriously about writing a research case.

Research cases have the same potential shelf-life as teaching cases and some of the best research cases are revisited numerous times by many researchers. I suspect that research cases can in fact have a longer shelf-life as they are building theories and concepts that can live on for many decades whereas teaching cases very often need to be relatively recent to be seen as relevant and of value. Although there are, of course, a number of notable exceptions to this general rule.

I feel very strongly that teachers should be encouraged to write their own cases for use in the classroom as an excellent way to develop their own teaching agenda and build their credibility. My advice would be to start with the areas that excite you, the bits you really enjoy teaching, and then look at where the possible opportunities are for a teaching case study. These will stem from current questions related to your area of interest.

The challenge with moving from teaching cases to research cases is that you need to spend time understanding what has already been written in the area. The only way to get published is by making a unique and valuable contribution to the existing body of knowledge – not simply duplicating it. I'm a great believer in drilling down into particular industries or sectors; find a sector that interests you and use it to explore the kind of questions that you are interested in.

For example, academics interested in networks have focused on biotech; those interested in competition have looked at airlines; and those interested in innovation and patent generation have looked at pharmaceuticals.

New industries are emerging all the time, so perhaps there are the opportunities to develop a teaching and research agenda through the development of case studies based on them.

For me, pursuing your particular interests is the most important thing. Life's too short to spend time working on things that do not hold any passion or excitement for you.

gf

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Mark Jenkins is Professor of Business Strategy at Cranfield University School of Management in the UK. He will be running a one-day workshop for The Case Centre, "Aligning Your Teaching and Research", on 20 January 2016 at Rotterdam School of Management (www.thecasecentre.org/teachresearch).

Crossing the new frontiers

EFMD GN Deans Across Frontiers (EDAF) was launched in 2011 to assist promising business schools to develop further through a mentoring programme. **Jaona Ranaivoson** and **Jean-François Fiorina** describe the experience of one such school in Madagascar

Madagascar is one of the poorest and most challenging countries in the world, with high population growth and low *per capita* income – more than 92% of the population live on under $2 a day according to the World Bank in 2013.

Not perhaps the most promising location for an international business school. Institut Supérieur de la Communication, des Affaires et du Management (ISCAM), the first school of management in Madagascar, is determined to succeed.

To achieve this, ISCAM, along with partner and mentor school Grenoble Ecole de Management (GEM) in France, has been taking part in the EFMD GN Deans Across Frontiers (EDAF) programme for four years.

ISCAM was founded in 1990 with a mission to train outstanding leaders with an emphasis on integrity and honesty and the ability to bring prosperity to Madagascar and Africa generally. Its core values are built around Excellence, Respect and Integrity.

The school has 1,000 students (made up of six different nationalities) studying bachelors and masters degrees and executive education programmes. The school has 150 teachers and an additional 60 staff members.

ISCAM chose to enter the EDAF process for two main reasons:

- since 2008 ISCAM has been considered one of the best business schools in Madagascar and is ambitious to expand and enter the international stage
- it wanted to receive a very objective view of its system as there is currently no evaluation process for higher education in Madagascar

The Malagasy school joined EFMD in 2010 as an affiliated member and soon became aware of EDAF, which seemed an ideal way for ISCAM to gain better self-assessment and an outside/international point of view.

EDAF is a long process with several steps: data sheet preparation, self-assessment report and peer advisory visit.

ISCAM received an EDAF peer advisory visit for four days in November 2013. The EDAF team of senior advisors was made up of two EFMD

officials and two international faculty members. During the visit, meetings were organised with all stakeholders: students, companies, faculty, administrative staff and alumni.

The recommendations of the peer advisory team were contained in a number of documents: an EDAF report, an EDAF Institutional Development Profile (IDP), Criteria Evaluation Form (CEF), and personal feedback.

In all there were more than 50 recommendations. For example, ISCAM's vision was criticised for lacking clarity.

Following the Peer Advisory Visit, the Deputy Director of GEM was designated as ISCAM's mentor. There were a number of reasons GEM, which was founded in 1984 and has 6,800 students, agreed to be involved.

A desire to help the development of business schools in developing and emerging countries

GEM believes that the economic development of these countries can only take place if there are "strong" and "competent" higher-education institutions. They have a real social role. Helping them to ask the right questions, define their strategy, mission and organisation will allow them to offer quality training to accompany the development of local companies. The Grenoble school has created a specific programme of aid and assistance for these countries. Mentoring of ISCAM falls within this framework.

Provide skills to French companies located in Madagascar and the Indian Ocean region

Fewer and fewer French companies set up businesses abroad. But this does not mean that they reduce their activity. On the contrary, they still need local expertise to manage their structures. Allowing ISCAM to develop and reach a high level of quality will allow French companies access to highly qualified local talent that can be immediately operational.

The motivation of the ISCAM management team

GEM has collaborated with the ISCAM team for several years and, given their motivation and willingness to develop ISCAM, it would be reluctant to refuse to assist them further.

Geopolitical aspects

GEM has made geopolitics one of its major focuses and Madagascar is a very interesting case study of a country in a complex situation.

50

The recommendations of the peer advisory team were contained in a number of documents and in all there were more than 50 recommendations

6.8k

GEM was designated as ISCAM's mentor. Gem, which was founded in 1984 and has 6,800 students, agreed to be involved for number of reasons

12

The EDAF process has produced a number of positive results at ISCAM such as the establishment of an International Advisory Board of 12 members in March 2014

Entrepreneurship

Because everything is new and must be built, it is a significant entrepreneurial project.

However, while there are many advantages to this mentoring there are also some obstacles to overcome:

- It all takes time, a lot of time. Many new concepts must be clearly explained to the ISCAM teams. Moreover, the actions to be put in place are quite medium-term and do not offer immediate results. It is necessary to manage and explain this.
- The particular political and economic situation of Madagascar complicates management of the school. Two examples: constant changes in fiscal laws. While it is relatively easy for Western institutions to talk about "corruption" and business ethics, it is a little less so in Madagascar, where corruption is omnipresent. It is also not easy to talk about economic development in a country where 90% of the population lives in poverty. It is therefore necessary to constantly adapt to this reality.
- Even if Information Technology (Skype) enables better and easier communication, nothing can replace "face-to-face" meetings and this is even more the case in view of the points cited above.

The EDAF process has produced a number of positive results at ISCAM such as the establishment of an International Advisory Board of 12 members in March 2014 (chaired by the GEM mentor); a new board of the alumni association; and market positioning of ISCAM conducted by a consulting firm.

> *EDAF is a useful and powerful tool to progress as a business school in an international environment. It gives the keys to understanding how to become a world-class business school*

But challenges still remain:

Development Strategy

In this perspective, the main challenges are to clarify the vision, the mission of ISCAM, and align strategies and organisation accordingly.

Change Management

It is not simply the question of how to adjust the mindset; it is also a problem of environment.

Faculty and Programmes

One recommendation is to appoint some well-qualified core full-time faculty to act as subject leaders and to be responsible for programme design and delivery, the management of adjuncts and for developing a reputation for subject expertise for ISCAM.

EDAF is to be recommended to any entity that wants to move forward. It is not an accreditation process such as EQUIS or AACSB. It is a transformational experience. The mentoring has had a significant impact on ISCAM's organisation.

As a road map, it makes ISCAM's Senior Management Team take strategic decisions. The mentoring helps them meet the needs of Malagasy companies and to understand how the latter can grow efficiently at the international level.

It is more beneficial than resorting to an international consultant. It is a fruitful investment that gives a great and quick feedback. It also helps to understand how business schools are moving forward worldwide.

EDAF is a useful and powerful tool to progress as a business school in an international environment. It gives the keys to understanding how to become a world-class business school.

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Economics' seven deadly sins

Are we teaching students the things they need to know? Not according to **Eve Poole**

Before he died Sumantra Ghoshal wrote a piece called "Bad Management Theories Are Destroying Good Management Practices".

It was published posthumously in the *Journal of the Academy of Management Learning & Education*.

That was in 2005, post-Enron but pre-Credit Crunch. Professor Ghoshal was the canary in the coalmine. But apart from some defensive shoring up of the holy trinity of ethics, governance and sustainability, have business schools really changed their tune?

Not when it comes to Ghoshal's main complaint, agency theory. Nor, frankly, when it comes to much of the economic theory that underpins the entire curriculum.

Here are the Seven Deadly Sins that are still taught in Econ 101.

1. Competition

This is still assumed to be the default business strategy. But Game Theory argues that co-operation is a better generic strategy because it yields superior outcomes over time.

Winning at all costs is necessary to survive wars or in one-off transactions. But in business companies want longer-term customer and supplier relationships. Of course, brands still need to compete for market share; but not over every aspect of their business.

Maths shows that co-operation and sharing information increases the size of the pie instead of restricting the argument to cutting up the one you already have. And absolute competition isn't just mathematically questionable, it is sexist, too. While male fight-or-flight physiology favours competition, particularly in challenging environments, it ignores the role that female physiology has to play.

Research conducted on female subjects suggests quite a different physiological response, one dubbed "tend-and-befriend". So being hooked on competition may compound a tendency towards sub-optimal outcomes, reinforced through a traditionally masculine business environment.

2. The "Invisible Hand"?

This is just an optimistic myth, offering a reassuring but inaccurate justification for self-interested behaviour. While order may rise from chaos, there is no evidence to suggest that this always tends towards the good and certainly none sufficient to justify society's reliance on it.

Birds flock into jet engines and fish shoal into the mouths of sharks. The crowd is sometimes wise but not invariably so. In reality, leaving things to the Invisible Hand skews the market in favour of the strongest because they have more "votes". This maximises their utility but not that of society at large.

3. Utility

Is maximising it really the best way to measure the success of the market? No, because it only stacks up as a metric if the "invisible hand" really exists. This is because the concept is an empty one – utility for what?

If there's no guarantee that individually selfish behaviour produces a good outcome overall, a system based on this thinking cannot be moral without help. And the sort of help this requires – government intervention – is exactly what most economists try to avoid because it interferes with the smooth functioning of the market and gets political, fast.

Even if utility made sense, the idea that "Economic Man" is a rational agent is wildly optimistic. We're all subject to irrational behaviour through peer pressure or emotion. And assuming we are all robots just leads to poor modelling.

"Professor Ghoshal was the canary in the coalmine. But apart from some defensive shoring up of the holy trinity of ethics, governance and sustainability, have business schools really changed their tune?

4. Agency Theory

Still an MBA stalwart, Adam Smith's original notion about the different interests of owners and managers has had catastrophic consequences. It has used negative psychology to generate HR policies that assume employee recalcitrance, limiting the ability of organisations to unlock human potential.

Worse, it has been used to justify the disastrous ubiquity of executive shareholding. This practice, hand-in-hand with the idea of the supremacy of the shareholder, has made corporate strategy defiantly short-termist and manipulative. Why do we still teach a view of humanity that so few psychologists would support?

5. Market Pricing

Do you remember your equilibria graphs? They depict the assumption that the price mechanism, left to its own devices, will settle scientifically where supply meets demand. This ignores the potential for both supply and demand to be manipulated.

As well as airbrushing out the historical debate about "just" prices, market pricing ignores historical questions about cost. This obscures the important debate about hidden costs or "externalities" such as the environmental cost of pollution. In an age where the limits of the Earth are being felt, it is vital that this debate about the market's embeddedness is not ignored. There's no cod left in Newfoundland and the planet is running out of other commodities all the time.

6. Shareholder Value

The unswerving belief that the shareholder is king owes more to a romanticised ideal about the nature of shareholding than to reality.

The average time for which a share is now held? About 11 seconds. Blink and you'll miss it.

Even ignoring the extremely limited legal sense in which shareholders actually own businesses, automated trading makes "the shareholder" a rather bizarre and fleeting concept. Sticking to the idea that the shareholder is a nice old bloke who founded the company just drives short-termism.

In an attempt to keep him in socks by keeping share prices high, companies neglect wider issues of accountability and ignore other company stakeholders. This mythology has fuelled the exponential rise of boardroom pay and an overly narrow measurement of corporate performance. But, a bit like Santa Claus, the threat of him is still used to make us all behave.

"Equilibria graphs depict the assumption that the price mechanism, left to its own devices, will settle scientifically where supply meets demand. This ignores the potential for both supply and demand to be manipulated

7. Limited Liability

Ninety-eight per cent of companies currently registered in England and Wales have limited liability. The monopoly this model enjoys is extremely risky. In a global economy, the resilience of the system will always depend on diversity. No single model should prevail.

In institutionalising moral hazard, the dominance of this particular model plays into an increasingly irresponsible shareholder culture because there is no downside. More encouragement in law, policy and professional services of alternative models for enterprise would introduce healthy "competition" between business models. And more employee ownership and mutualisation would spread risk, as well as creating a wider range of businesses with different models of success.

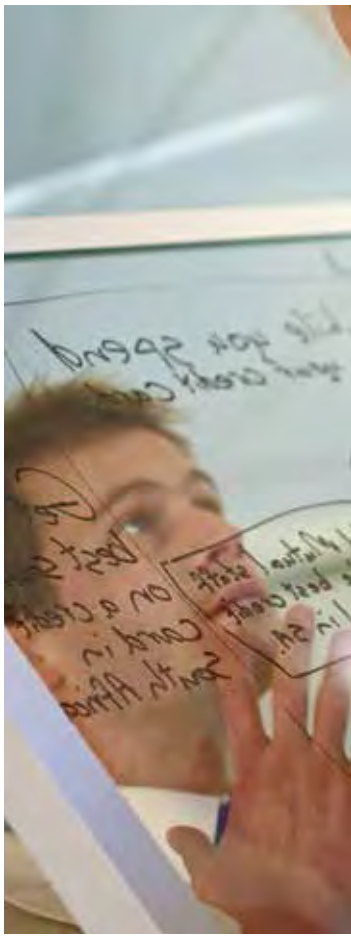
So how can leading business schools break away from these out-dated orthodoxies?

People come to business schools to learn, to question, to understand, to develop. So many of these myths will simply dissipate if they are expressed as ideas or hypotheses and not as hard facts.

Imagine the rush of creativity when people first allowed themselves to think about what it meant to circumnavigate the globe. So calling out these "truths" as not being self-evident is the first step.

Then, the difficult task of joining the dots across the curriculum. If competition should be more rarely deployed and more tightly focused, how should strategy, operations and marketing be taught? And what safeguards are still necessary?

If the Invisible Hand is imaginary, how should businesses exercise genuinely muscular global citizenship rather than gesture-CSR?



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The average time for which a share is now held? About 11 seconds. Blink and you'll miss it!

98%

98% of companies currently registered in England and Wales have limited liability. The monopoly this model enjoys is extremely risky. In a global economy, the resilience of the system will always depend on diversity. No single model should prevail

> ***Cost/benefit? ROI? Business Case? Business schools could bridge this gap by devoting more of the curriculum to virtue ethics and character-building. And their consulting arms could work harder to help teams establish patterns of virtuous practice***

If agency theory is not the best explanation of stakeholder tensions, how might this affect corporate strategy, governance, compensation, trade union relations and HR policy more generally?

If business is genuinely about far more than maximising shareholder value, how should success be measured, furthered and rewarded? And what needs to be added to the curriculum to make sense of this change in perspective?

One quick win is to use the myth about utility to reinvent the ethics curriculum.

At the moment, most schools cover ethics with a case study or two. The night before class, students read about some breach of standards to do with food safety, human rights or the environment. Then they discuss it in groups, and act out a version of Management v NGO in plenary.

All this teaches is risk analysis, role play and an unhealthy habit of pretending to be an abstract business leader. It assumes that utilitarianism is the best ethic for business and it avoids any need for the student to bring their own conscience into the equation.

When I teach ethics, we start by defining and refining personal world views and belief systems before we go anywhere near a case example, which makes it far harder to de-couple the student from their own conscience thereafter.

Meanwhile, businesses are also defining and redefining their corporate values, using them to drive recruitment and promotion. But they have yet to translate this thinking into general decision-making, which remains defiantly utilitarian.

Cost/benefit? ROI? Business Case? Business schools could bridge this gap by devoting more of the curriculum to virtue ethics and character-building. And their consulting arms could work harder to help teams establish patterns of virtuous practice.

One promising idea is the concept of a corporate Lent. Most religions have periods of austerity, penance and preparation, which are therapeutic as well as ritual. So which values are the least often deployed, and how could their suppleness be strengthened by a temporary commitment to, say, email-free Fridays, walking meetings, duvet days, 28-day payment of invoices, corporate apologies, weekly volunteering?

Perhaps some of these pilots might even be worth keeping when Lent is over and perhaps these kinds of gentle experiments are the best way to ease our way out of the neo-classical economic cocoon in which we have been so very comfortable.

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Eve Poole is an Associate at Ashridge Business School in the UK, where she teaches leadership, emotional intelligence and ethics. She is Chairman of Gordonstoun, a boarding school in Scotland, and author of Capitalism's Toxic Assumptions: Redefining Next Generation Economics, *Bloomsbury, London.*

Alexandra Santos and **Mathabo le Roux** explain how a UN initiative is encouraging business schools to prepare students for tackling poverty and other development challenges

Equipping managers to help the world

The United Nations recently announced sustainable development goals (SDGs) intended to galvanise worldwide action on poverty reduction, food security, human health and education, and a range of other economic, social and environmental objectives.

The United Nations Conference on Trade and Development (UNCTAD) estimates $3.9 trillion in annual investment into developing countries is needed to meet these goals. It is therefore clear that private sector buy-in to the development agenda will be critical to advance the goals.

The good news is that the private sector does not lack the resources to contribute.

The growth of investment by multinational firms in developing countries over the last decade has been phenomenal. In search of new markets, resources and lower labour costs, investment in the developing world soared from less than 20% of the total in 2000 to more than 50% today, creating jobs and opportunities for local firms as suppliers and partners to international businesses.

However, most of this investment has gone to middle-income emerging markets. Investment in least developed countries (LDCs) remains only a fraction of the total, at less than 2%. And a significant part of that investment is in large-scale resource-based projects that create relatively few jobs and linkages with local firms.

The challenge, then, is to mobilise private-sector finance to flow to regions – and sectors – where need is greatest, and make sure adequate

50%

Investment in the developing world soared from less than 20% of the total in 2000 to more than 50% today

$3.9t

The United Nation Conference on Trade and Development estimates $3.9 trillion in annual investment into developing countries is needed to meet the sustainable development goals

> ***The majority of managers in the world's financial institutions and large multinational firms, as well as most successful entrepreneurs, tend to be strongly influenced by business models commonly taught in business schools***

management skills are on the ground to ensure successful project implementation.

It would seem then that courting the private sector to support the SDGs will spring up almost as an auxiliary goal alongside the primary set of goals. In short: we have to get business to "get" the business case of the SDGs.

While some novel approaches are already steering more capital towards development-oriented outcomes, conventional business approaches remain entrenched, particularly in markets where needs are most acute.

Most businesses systematically exclude the vast majority of the global population: their money bypasses low-income markets, their products and services are beyond the reach of poor consumers and their business models often fail to recognise the poor as potential contributors to economic activity.

Mounting social and environmental challenges require a wholesale rethink of conventional business approaches in order for "finance for development" to become the future mainstream investment.

The majority of managers in the world's financial institutions and large multinational firms – the main sources of global investment – as well as most successful entrepreneurs tend to be strongly influenced by models of business, management and investment that are commonly taught in business schools.

While business schools are increasingly factoring these dynamics into their curriculum planning, many programmes still focus on business models that work in developed country contexts. Not enough classroom time goes to exploring the intricacies of doing business

in lower-income, higher-risk contexts, which call for alternative approaches and different models.

This asymmetry has left most graduates unprepared for the particular challenges associated with underdeveloped markets and ill-equipped to invest and operate effectively in them.

Case studies are a case in point. These real-life examples have become an integral part of how the business school curriculum imparts knowledge and skills based on real-world business examples.

Yet less than 13% of these cases are based on real-life studies situated in developing countries. For LDCs that figure drops down to less than half a per cent.

The lower segments of the income pyramid are a diverse and viable market. Opportunities for graduates skilled in building and running business that cater to the Base of Pyramid are equally diverse, ranging from locally owned social enterprises and SMEs, non-profits and development organisations to impact investment firms and multinationals seeking to expand their footprint to developing markets.

UNCTAD's Division on Investment and Enterprise launched Business Schools for Impact (BSI) to help drive a mindset change. In partnership with key business school associations, it has built a robust network of 250 impact-oriented business schools committed to building awareness of the need to mobilise investment management resources for sustainable development.

13%

Less than 13% of the case studies are based on real-life studies situated in developing countries. For LDCs that figure drops down to less than half a per cent

250

In partnership with key business school associations, UNCTAD's BIS has built a network of 250 impact-oriented business schools

> *"The lower segments of the income pyramid are a diverse and viable market. Opportunities for graduates skilled in building and running business that cater to the Base of Pyramid are equally diverse*

> ***The initiative has met with unprecedented enthusiasm from the business school community, confirming the interest in impact-oriented business practice and the need for an initiative of this nature***

40

40 internships are available in 16 developing countries, across Africa, Asia and Latin America, to give students practical exposure to operating in these markets

650

Since its official launch in 2014, the community has grown to more than 650 educators, students and practitioners, representing 250 business schools and 100 companies and related institutions worldwide

The platform provides educational tools and resources to equip students with the skills necessary to invest and operate in low-income regions. Educational materials are complemented by opportunities for experiential learning in developing countries through fieldwork. Currently, the key platform elements include:

- Forty-eight impact-oriented teaching modules – in both elective and core courses – that can be introduced in existing curricula or used to build a new curriculum that puts sustainable development imperatives at the core of the teaching plan
- More than 50 case studies that (i) are located in relevant markets (23% per cent are in LDCs, 38% in Africa, 33% in Asia, and 10% in Latin American and the Caribbean); (ii) illustrate alternative business models and ownership structures; and (iii) focus on sustainable development sectors, including agriculture, education, energy, health, water, and women and youth entrepreneurship
- Numerous internship opportunities in developing countries, and with social enterprises and SMEs, to give students practical exposure to operating in these markets. The internships are available in 16 developing countries across Africa, Asia and Latin America

The initiative has met with unprecedented enthusiasm from the business school community, confirming the interest in impact-oriented business practice and the need for an initiative of this nature.

Since its official launch at the World Investment Forum in October 2014, the community has grown to more than 650 educators, students and practitioners, representing 250 business schools and 100 companies and related institutions worldwide.

Business schools will be instrumental in developing a new generation of business leaders who can help solve our global development challenges. With Business Schools for Impact, UNCTAD hopes to spur schools into action and help equip them to do just that.

The website can be visited at – www.businessschoolsforimpact.org.

ABOUT THE AUTHORS

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Success & the city

Ivan Bofarull looks at the role of cities in attracting and developing scarce human talent

In a world where connectivity and complexity are the rule, the definition of risk is turning global – a financial downturn or issues concerning health or global terrorism are just a few among a number of examples.

One of the major risks we are starting to foresee in the road ahead, according to the Boston Consulting Group, is a massive talent gap. Populations in most of the developed world are ageing at unprecedented rates, heading to a sort of "japanisation" of demographics.

On top of this trend, educational systems across the world seem not to be delivering the abilities that are necessary in an era that some, like Erik Brynjolfsson and Andrew McAfee, call the "Second Machine Age".

The debate on the role of machines (robots, algorithms and all sorts of computation) and their impact on the future of the workforce has two clearly opposed alternatives: either machines will replace the human workforce or they will complement us and dramatically boost productivity by "augmenting" our capabilities.

But, what if both alternatives happen simultaneously?

What if machines and algorithms were both replacing routine jobs (even middle-skilled cognitive routine jobs) yet at the same time were facilitating augmentation and exponential growth in creative non-routine jobs?

With opposing trends going on, demand for highly skilled talent will go up while demand for middle and low-skilled jobs will go down.

And there is still more: what if we were entering an era where innovation, and thus the creative deployment of human capital, was replacing financial capital as the engine of prosperity and growth?

For a number of reasons, therefore, it is very likely that the competition for highly skilled talent is going to intensify in the coming years.

But, where do we envision this to happen? Are countries going to compete against each other by unleashing increasingly attractive immigration policies in an uncertain world with massive security risks?

Are multinational corporations going to become sustainable magnets of talent in a world of emerging platform-based and start-up ecosystems?

The McKinsey Global Institute has identified "urbanisation" as one of the four major disruptive forces to come and a number of studies led by Richard Florida at the Martin Prosperity Institute (University of Toronto) in Canada have pointed out in the last few years that we are seeing the eruption of a creative, connected, highly talented global class that is increasingly urban because cities – and more specifically dense cities – are the places where serendipity happens and chances for innovation multiply.

In some ways, globalisation has already favoured the accumulation of talent and resources in specific hub cities or global nodes that are becoming increasingly influential in the realm of global policies.

Consider, for example, the relevance of the City of London, Wall Street or Hong Kong when it comes to regulations affecting financial markets.

In a highly probable confluence of global talent gaps and an increasing relevance of cities, we will very likely see these cities, ahead of countries or multinational corporations, aggressively competing in the global arena for highly skilled talent.

But a question looms: how can we provide tools that are actual, actionable metrics with which cities can compare to each other on their potential to attract global, highly skilled talent?

Among a number of potential metrics, we decided to start by picking up just one: international students enrolled in top full-time MBA programmes. (See Box page 51.)

We may be missing a lot but we may have also found some virtue in keeping it simple and easily comparable.

First, global MBAs are an almost fully mobile population of individuals who make extremely relevant choices for their lives and household finances, and... they pick up locations! As *The Economist* has noted, when it comes to deciding which MBA programme to choose, international prospective students basically narrow their choice by considering programme reputations (in other words, global rankings) and locations (for most of them, the city's global brand).

Can we imagine just how much potential cities or regions are missing by not engaging MBAs in a collaborative way to solve local problems?

These metrics help them narrow the frame and set a shortlist of programmes and then they are able to drill down based on further considerations (scholarships, programme-specific curriculum, faculty and so on).

Our fundamental assumption is that the international population enrolled in top MBA programmes can be a predictor of a city's or region's ability to attract highly skilled global talent.

Furthermore, we see a great opportunity for local governments to tap into the opportunities that this platform of global talent has to offer. At the very least, MBAs live in the city or regional ecosystem for a full year or two years in most cases.

Can we imagine just how much potential cities or regions are missing by not engaging them in a collaborative way to solve local problems? Or can we imagine just how much potential cities or regions are missing by not engaging them once they graduate, regardless of their next destination, be it to stay in the city or move somewhere else?

Because it is not only what global MBAs can do while they stay in a city but the number of decisions they will potentially take in the future that may benefit the city (for example, location of future investments, branches, research centres, campuses and so on).

In 2015, the Kauffman Foundation released a research study into the impact of immigrants on the American entrepreneurial ecosystem and found that 40% of *Fortune 500* founders were either foreign born or "second generation" immigrants.

And this trend seems likely to continue in the future. The same Kauffman Foundation research also found that as many as 24 out of the top 50 venture-backed start-ups in the US have at least one foreign-born co-founder.

Although we may consider this a US-only phenomenon, similar findings apply to a global European city such as Barcelona: 40% of *Wired* magazine's hottest start-ups in this city in 2014 have a foreign-born founder.

These percentages of foreign-born entrepreneurialism seem to clearly surpass what would be an average or median percentage of international employees in global corporations or in the general population as a whole in key locations worldwide.

However, there is a caveat in these numbers and the underlying assumption: although foreign-born talent seems to be imbued by a special entrepreneurial energy, it is not clear that MBAs have such an inspiration.

Inc magazine found that MBAs are not a majority among co-founders but they may be instrumental in making start-ups successful when they are hired for the management team. The *Financial Times* recently found that between 80% and 100% of start-ups where MBAs were putting some skin in the game were still operating after three years, which is a very high ratio of success for an average start-up.

#1

The Boston area in the US, with an almost unrivalled ecosystem of leading universities, business schools and research centres, has continued to top the list

20%

Ivy League universities account for 20% of total international enrolment

>21%

San Francisco-Silicon Valley area has experienced the most significant growth (+21.5%) in its international top MBA population in the last two years

MBA City Monitor 2015 findings

This article is informed by the second edition of ESADE's MBA City Monitor (the previous edition was in 2013).

The MBA City Monitor ranks metro areas by the international population enrolled in top full-time MBA programmes (ranked by The *Financial Times*). It also releases a list of metro areas ranked by the same population of global MBAs relative to total population; finally, it also ranks countries.

The Boston area in the US, with an almost unrivalled ecosystem of leading universities, business schools and research centres, has continued to top the list and we do not foresee any dramatic change in the years ahead, as it has a significant lead with respect to the second tier of cities: New York and Chicago.

More disputed is Boston's leadership in the relative ranking of international MBA population per million inhabitants, where the so-called "Research Triangle" region in North Carolina is clearly a contender.

Interestingly, the San Francisco-Silicon Valley area has experienced the most significant growth (+21.5%) in its international top MBA population in the last two years, which may signal that global prospective students find increasingly attractive to study an MBA programme that may help them land a job on one of the tech giants or even have the chance to start up their own business and become the next winner-takes-all platform (with any of these alternatives replacing the old glamour of traditional investment banking and consulting firms).

The third tier within the top ten has cities such as London, Paris, Toronto, the Silicon Valley area and Barcelona.

Cities like Paris and Barcelona have extremely powerful cultural global brands associated with their legacy in arts, architecture and urbanism and also share being global brands that almost compete with their respective country brands, whose labour markets struggle with innovation and flexibility.

How could the global top MBA population in these countries contribute to revamping their innovation economies? Could these or other local governments address specific policies to attract or retain this talent? Could local governments lobby to influence their respective countries with regard to immigration policies?

Could they put in place administrative policies that make life a little bit easier for the non-resident MBA graduates who want to stay and work or even start up businesses and recruit other MBAs or local talent?

Could they engage this community of talented individuals in a way that could inspire them some day to come back and have an impact? These are only some of the questions that will prevail in the years ahead, as the global talent risk that some have identified shapes the potential of cities, regions, countries to thrive in the so-called "Second Machine Age".

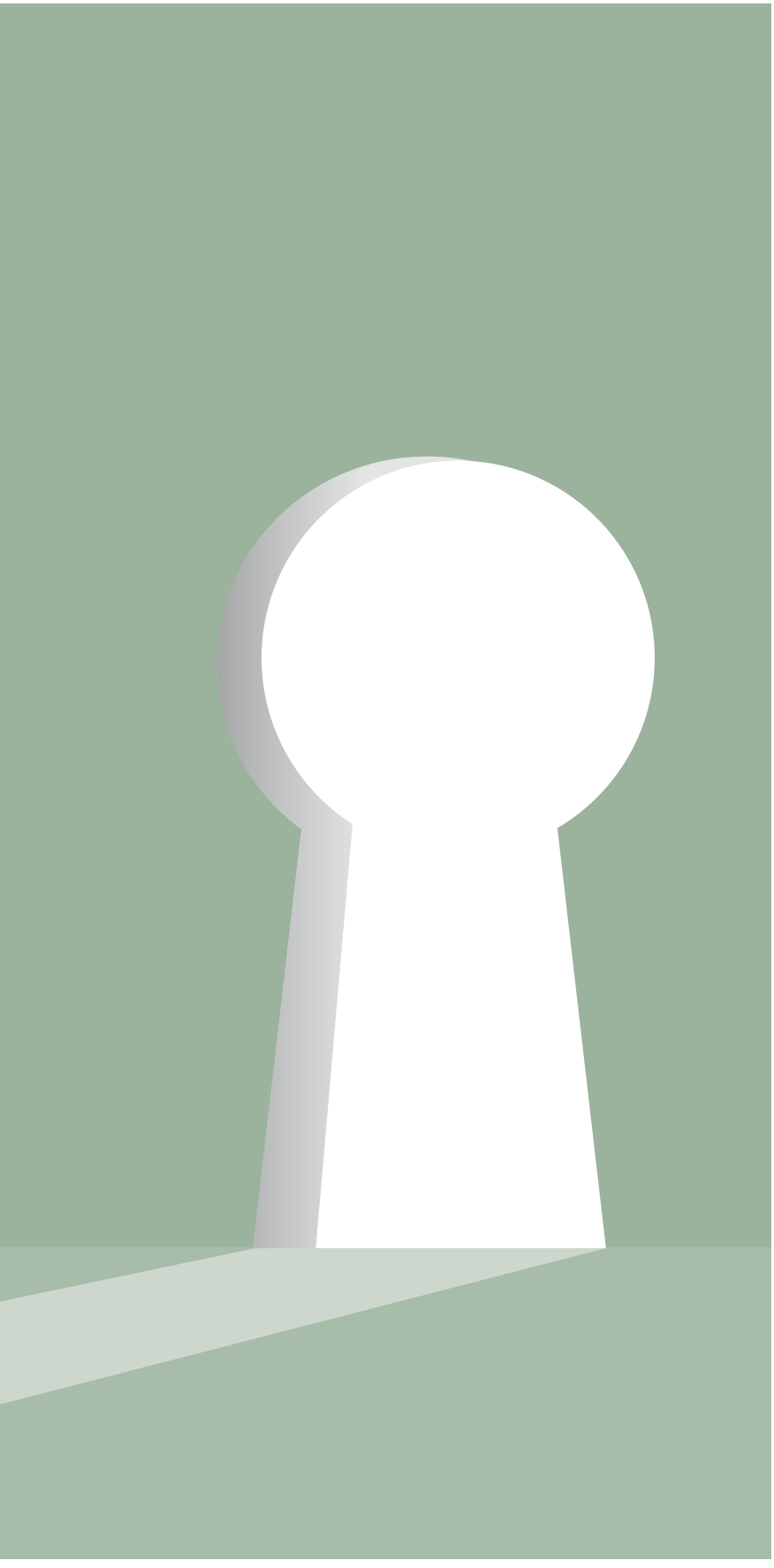
ABOUT THE AUTHOR

Ivan Bofarull is director of Esade's Global Intelligence Office in Barcelona, Spain, and is a visiting advisor at Georgetown University's McDonough School of Business in the US.

Responsible innovation: the entrepreneurial imperative

Philippe de Woot argues that we need to transform our creativity into real progress for humankind, and shows how social innovation can open the door for new methods and practices

"As long as economic theory gives so little importance to innovation and the societal changes it causes, it will continue to produce superficial analyses and ignore the real role of companies, their power and their responsibilities



Innovation and creativity are essential to the dynamism of an economy. Faced with the growth of emerging countries, the competitiveness of developed countries mainly depends on innovation.

It is the individual or collective entrepreneurs that give strength to the economy. With their creativity, they take initiatives and make the transformations necessary to survive in a competitive global system. The vitality of the economy depends on a sufficiently active and dense entrepreneurial culture.

If society is ill-suited to the pace of economic and technical creativity, it's not a reason to blame innovation, as Luc Ferry tends to do in his recent book[1]. If one criticism should be made of the market economy, it is not found in human creativity but in the inadequacy of our structures. The creative capacity of humanity is a scarce resource to be cultivated and better focused. We need entrepreneurs and their creativity. Through their innovations, they are able to help us cope with the societal challenges of the 21st century.

As long as economic theory gives so little importance to innovation and the societal changes it causes, it will continue to produce superficial analyses and ignore the real role of companies, their power and their responsibilities. More importantly, it will be unable to offer the development strategies that are needed. It will remain powerless to ask the real ethical questions about our future.

Turning creativity into progress

We have seen that corporate power, especially power over science and technology, is ambiguous. Cut off from its social purpose, it can become threatening[2]. To believe, as some economic theory does, that the market will fix this is an illusion. The market cannot do everything, and if economic action and thought lack ethical and political dimensions, the Holy Grail of economic fairness sought by Jean Pierre Hansen will not be found[3]. The economy must become again a moral science. Is it not the societal responsibility of the entrepreneur to complete his work and to serve the common good?

Questioning the purpose of entrepreneurial creativity is to question material progress, its focus and its ambiguities. If entrepreneurs want their extraordinary *creativity* to turn into *progress* for humanity, they have a duty to direct, to give it meaning through its moral and societal dimensions. The definition of progress is inseparable from an ethical and political reflection.

Is economic progress not a more serious basis than profit alone to specify the action of entrepreneurs? A more serious basis than quantitative growth alone? A growing number of economists[4] question the concept of growth and its measurement, gross domestic product (GDP). They suggest more refined economic goals, such as sustainable development, "different" growth, prosperity without growth, the green economy, social solidarity...They also have to use other criteria, and other performance measures such as the human development index plus many other indicators: ecological footprint, "living better", "real progress", "national happiness", etc.

To give a responsible meaning to entrepreneurial action, one has to reflect on and answer the following questions:

Economic and technical creativity

Why?

For whom?

How?

The answers to these questions can only be ethical and political. The market alone is unable to respond.

Why? Is it really necessary that our economic empowerment and our extraordinary creative ability should be devoted exclusively to developing only solvent markets and the unceasing hyper-consumption of a society driven by feverish and pervasive advertising? Are there no other priorities in the world that are not being met and whose importance is incommensurate with advanced hyper-comfort or leisure pursuits?

For whom? Is it morally acceptable and politically reasonable to tolerate the fact that half of humanity is still excluded from the benefits of the creativity and dynamism of an economy that works without it or against it? How long will we tolerate the paradox of creating wealth unparalleled in human history and such an unjust distribution of that wealth?

How? Will the creativity of business prioritise the race for growth to which rich countries are committed? Will this race continue to pollute the atmosphere, destroy its limited resources, and

"Is economic progress not a more serious basis than profit alone to specify the action of entrepreneurs? A growing number of economists suggest more refined economic goals, such as sustainable development, "different" growth, prosperity without growth, the green economy, social solidarity...

> *We must stop claiming that only personal interest must guide economic behaviour and respond to global challenges; simply trusting in technical ingenuity and market indications is misguided*

foster a kind of individualistic and selfish society, trapped in the bubble of its success and privileges? Would the capacity to innovate not be better directed towards the priority problems of the planet and humanity?

Entrepreneurs cannot answer those questions alone. They will be increasingly drawn to political debate and ethical reflection. We should recall that the European tradition from Aristotle considers economics, ethics and politics to be part of the same set[5]. This is a significant cultural shift that goes further than most discourse on social responsibilities. It is all the more necessary given that we are faced with challenges that go beyond our policy and institutional frameworks: population growth, pockets of extreme poverty, inequalities in education, health and employment, crisis and social anxiety, migration, violence and radicalization, climate change, destruction of biodiversity, ocean pollution, and the dichotomy between political governance and the global economy.

Embedding a social imperative in entrepreneurial action means integrating creativity within the context of wider challenges and sustainable development. We must stop pretending that there is an automatic convergence of the current economic creativity and overall development of humanity. We must stop claiming that only personal interest must guide economic behaviour and respond to global challenges; simply trusting in technical ingenuity and market indications is misguided. Choices are necessary. A company will only be responsible if it operates with a view to human and sustainable development.

From this perspective, we propose defining the purpose of the company as follows: ***the creation of economic and societal progress in a sustainable and globally responsible manner[6].***

Economic progress is only a subset; it should not dominate society to impose its limited vision of progress. Other forms of progress exist in cultural, social, political, spiritual and educational realms. While economic progress promotes some of them, it does not cover the whole field of human progress.

But economic progress is created by innovative companies. They have created it through ruptures, destruction and drift but we must recognise that they are the source of continuous material progress for people and societies who can benefit from their creativity.

Despite the failures and deviations of the market economy[7], it is the individual and collective entrepreneurs who, in the wake of science, are behind the concrete improvements in the lives of hundreds of millions of people: housing, health, transport, information, communication and entertainment. In the long term, it is through creativity that companies provide material progress but also employment and the competitiveness of regions, countries and continents. This is also where the keys to economic development lie.

This article is an extract from **Responsible Innovation** ***by Philippe de Woot and published by Greenleaf Publishing.***

FOOTNOTES

1. *L. Ferry, 2014, op. cit.*
2. *J. Van Rijckevorsel, L'entreprise, un moteur de progrès? (Thélès, 2012).*
3. *See J.P. Hansen, Une quête de Graal (Académie en Poche, 2014).*
4. *See I. Cassiers et al., Redéfinir la prospérité. Jalons pour un débat public (L'Aube, 2011); T. Jackson, Prospérité sans croissance (De Boeck/Etopia, 2010). See also works on growth and "happiness", particularly B. Frey and A. Stutzer, Happiness and Economics (Princeton University Press, 2002); see also See also R. Gaucher, Bonheur et économie (L'Harmattan, 2009) and R. Layard, G. Mayraz and S.J. Nickell, The Marginal Utility of Income (London School of Economics and Political Science, 2007).*
5. *European Commission, Livre Blanc sur la Gouvernance (Brussels, 2001).*
6. *Globally Responsible Leadership Initiative (GRLI), A Call to Action (Brussels, 2005).*
7. *P. de Woot, Repenser l'entreprise (Académie en Poche, 2013).*

ABOUT THE AUTHOR

Philippe de Woot is Emeritus Professor at Louvain Catholic University in Belgium, where he taught business policy, strategic management and business ethics.

Alison Lloyd describes the success of a multidiscipline approach to nurturing entrepreneurial capabilities

Benefitting from balance

In an increasingly knowledge-driven economy, encouraging entrepreneurship in higher education is regarded as fundamental to fostering innovation and nurturing the life-long learning process.

Traditionally, entrepreneurship has been a subject taught by business schools. However, the suitability of placing it *solely* under the auspices of management education has been questioned because good ideas are often spawned in other areas such as scientific, creative or technical disciplines.

All students should have access to education in entrepreneurship and development of their capabilities, encouraged through the creation of opportunities to bring business students together with those from other disciplines.

A recent review by the European Commission called for multidisciplinary approaches to building entrepreneurship capabilities.

This article describes the experience of the Faculty of Business of The Hong Kong Polytechnic University (PolyU) in providing an experiential learning opportunity that brings together business and physiotherapy students to develop entrepreneurial capabilities in the form of a student-run wellness clinic delivering a preventive wellness service to the community.

Rising healthcare costs are a worldwide phenomenon. One way to lighten the burden on the healthcare system is to focus on educating individuals about the importance of preventive healthcare.

Preventive health services include screenings, maintaining good health habits and physical examinations that help prevent illness before symptoms appear. Preventive healthcare provides many direct benefits to the individual: not having to deal with uncomfortable or painful symptoms, feeling more energetic and being able to fully enjoy daily activities.

However, much of our health care system is geared towards treating illness after it arises. For the wider community, learning about and practising preventive healthcare such as looking after your body and health throughout your entire lifetime is a good method to prevent illnesses from happening in the first place.

High healthcare costs have in some cases created barriers for individuals seeking treatment. One adaptive solution to this issue is the establishment of student-run clinics providing community-based treatment and health promotion services. In 2012, it is estimated there were more than 110 student-run clinics in the US alone.

Other than being a viable form of healthcare delivery, student-run clinics are internationally recognised as a sustainable model for service delivery and experiential learning.

Student-run clinics enhance education by providing students with the opportunity to become more aware of social issues, needs and health concerns in the community. Students develop appropriate interpersonal and clinical skills for working with community groups through both their formal education and service learning at clinics.

With a history as a leading provider of professional education to meet the needs of

110

One solution to high healthcare costs is the establishment of student-run clinics providing community-based treatment and health promotion services – in 2012 it is estimated there were more than 110 student-run clinics in in the US alone

The Department of Rehabilitation Sciences of PolyU is the only producer of physiotherapy graduates in Hong Kong. It is renowned for its high standards and is involved in providing physiotherapy to China's Olympic teams

society, the Faculty of Business of PolyU joined forces with the Department of Rehabilitation Sciences of the university to set up Hong Kong's first student-run wellness clinic.

The Department of Rehabilitation Sciences of PolyU is the only producer of physiotherapy graduates in Hong Kong. The department is renowned for its high standards and is involved in providing physiotherapy to China's Olympic teams.

This unique experiential learning opportunity was funded by PolyU and aimed to bring together students from the two disciplines to develop leadership and entrepreneurial capabilities needed to identify and address specific community health needs by immersing them in a real-life situation.

This unique project employed a reality-based pedagogy by giving students the chance to enhance their awareness of the importance of using a multidiscipline approach to tackle an identified community health issue.

The project was completed in two phases.

The first was an open competition in which student teams produced preventive healthcare business models based on their research into the prevailing healthcare needs of the community. The business models were judged based on their feasibility and ability to address identified needs.

To encourage creativity, students were given few boundaries on the type of preventive healthcare to deliver. A panel of business and healthcare professionals evaluated all business models.

The first phase concluded with the selection of one winning business model. The second phase of the project involved the actual implementation of the winning business model and the launch of a wellness clinic.

The winning model was one focused on preventing falls by retirees and seniors by blending physiotherapy exercises into light dance routines that were fun and yet developed a better sense of balance in individuals.

Many subsequent health problems experienced by this target group are often the result of earlier falls. As we age, our sense of balance deteriorates, leading to the greater propensity to fall. By addressing the need to boost balance and proper alignment of the body, the risk of falling can be reduced.

The winning student team formed the core

68%

68% of individuals in the programme demonstrate significant improvement in the knowledge of fall prevention

38%

38% of individuals in the programme show physical improvement

Clockwise from left:
Caption required

57%

57% of individuals in the programme are more confident about dealing with falls

management team of the student-run clinic. The physiotherapy students designed the actual fall prevention programme under the guidance of an experienced physiotherapist. The business students were engaged in the service operation of the clinic as well as well as marketing and outreach efforts.

The student-run wellness clinic is modelled as a social enterprise through the establishment of a Care Fund. Patients of the clinic would need to pay a nominal fee for the preventive healthcare service and part of the revenue would be fed into the Care Fund. The Care Fund would be used to subsidise the cost of the services for those individuals who could not afford the regular price.

This social entrepreneurship element is a reflection of the "Do well do good" ethos that is central to PolyU. The winning model employed a mobile-based delivery model, whereby instead of having patients physically travel to the site of the wellness clinic, the student team was able to go to different districts in Hong Kong to reach out to more community groups.

To date the clinic has been up and running for about nine months and provides preventive healthcare services to members of the community. Has it been effective? The numbers speak for themselves:

> ***To date the clinic has been up and running for about nine months and provides preventive healthcare services to members of the community. Has it been effective? The numbers speak for themselves***

- **68%** of individuals demonstrate significant improvement in the knowledge of fall prevention
- **57%** of individuals are more confident about dealing with falls
- **38%** of individuals show physical improvement

Although the impact of preventive healthcare is not easy to observe, the students have made every effort to track the effectiveness of the programme using a variety of physiotherapy tests and surveys.

In the assessment of preventive healthcare, these key metrics represent a demonstrated improvement in the physical ability to prevent falls and more importantly the nurturing of a positive attitude towards dealing with falls. The student-run wellness clinic has received publicity in local newspapers and students have been praised by the community for their dedication.

New clients continue to sign up for the fall prevention programme, which is still ongoing. In the coming months the students will be delivering this service to other districts in Hong Kong. In terms of new service development, the students have created a programme to target lower back pain prevention for an expanded target group. Programme trial for this new service commenced in May 2015.

One of the greatest concerns for student-run wellness clinics is their sustainability. The students comprising the core management team of the clinic are in the midst of mentoring the next group of leaders to take up the reins and continue their work of putting their diverse skills to good use and serving the community.

gf

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Dr Alison Lloyd is Director of Institutional Research and Planning of The Hong Kong Polytechnic University. Her research has been published in the Journal of International Business Studies, Journal of Services Marketing, Tourism Management *and others.*

It's the technology, stupid!

Business studies could help solve global challenges by tackling specific problems at the technology interface, says **Gunther Friedl**

In 2001, I heard about curious plans by the Technical University of Munich (TUM). A handful of economists teaching and researching there wanted to establish a business school dedicated to management studies interfacing with technology.

Like many of my colleagues at the time, I thought it was a ludicrous idea. I truly believed that a niche discipline like "management and technology" could never sustain an entire business school.

But TUM deserves credit for braving the, sometimes high-handed, sceptics: the TUM School of Management duly opened its doors in 2002.

Another surprise awaited me two years later. I had been persuaded to accept a teaching post at the new school – and was blown away by the students. I had to admit that they had a much better understanding of many things than the students I had taught at other universities.

Now, as Dean of the TUM School of Management, there is only one thing left I am surprised by: that nobody had thought of setting up this type of business school before. After all, it follows a very simple economical principal: there is a ready market for its graduates.

As a part of planning the new school, TUM's economists surveyed a large number of companies. What they learned only confirmed what was already well known but few had acted on: managers and engineers speak different languages – and they are so far apart that the gap is detrimental to their companies' success.

While this problem has been around for decades, its ramifications are becoming more and more obvious. Nowadays, the trend is for companies to align product development with customer needs. But how can sales and marketing managers develop innovative technologies with their R&D colleagues if, despite all their market insights, they have little understanding of the technology?

Top global corporations have even admitted that they ended up with no market for some of their product developments because managers and engineers failed to come up with a convincing overall concept.

The natural response to this is to equip engineers with management skills through an MBA, for example, or an industrial engineering course, which is a common option in Germany. These are valid routes and will continue to be offered by TUM. But they only serve to upskill one side: the engineers.

> ***TUM School of Management's aim is to make managers equally ready to work at the interfaces between management and technology and engineering as well as science. All its programmes have been devised with this aim in mind***

TUM School of Management's aim is to make managers equally ready to work at the interfaces between management and technology and engineering as well as science. All its programmes have been devised with this aim in mind.
For example, the approach to the bachelor in management & technology programme taken by the school is exceptionally unconventional yet systematic.

Here, to supplement their business studies, all students choose one engineering or natural science subject, currently selecting from chemistry, electrical and computer engineering, informatics or mechanical engineering. And with a 70/30 split between the business and technology/science content, they are learning more than just some basics.

Even now, I often get astonished reactions when I relate how our students frequently sit in the same classes with engineering and science students and are even assessed using the same criteria.

When they are working together on a project on the economic analysis of renewable energy technologies or when you have an engineering scientist supervising a business student's bachelors thesis on electromobility in Singapore, you see the benefits of interdisciplinary networking in action.

> *The conclusion we as a business school have drawn is that we must take a specific rather than generalised view of business management*

For the students, the benefits lie not just in learning a new discipline but also new methodologies. Since engineering students develop better quantitative thinking skills, we can explain some things – optimisation methods in logistics, for example – better to management students than would otherwise be the case.

Our students love these kinds of models, whereas mathematical methods in operations management are seen less and less in other German business schools. This also means that courses at the TUM School of Management focus much more on areas such as technology management or operations and supply chain management.

In the beginning, it was not just economists from outside TUM who doubted the idea but also TUM colleagues from other disciplines. Many engineers found it impossible to imagine that business students could be taught engineering skills in this way.

The school's success may have blown away these fundamental doubts but a lot of persuasion, readiness and on-going commitment to develop the content jointly and run interdisciplinary courses are still needed if this model is to work in the long run.

It has not been success all the way, however. Plans that have not worked out yet include adding life sciences as an option to the management and technology programme.

Likewise, we are not satisfied with our progress in transitioning our masters programmes into English.

In some areas, we will in future remain less flexible, slower and more constrained in our decision making than other business schools because of our dependence on other TUM schools.

At the same time, we have no interest in striking out as an independent school, not least because the exchange with other disciplines creates incredible scope for creative research ideas – scope I could not have previously imagined.

The research philosophy of the TUM School of Management is aligned with TUM's mission to add value to society by helping to solve the major challenges of the 21st century. The conclusion we as a business school have drawn is that we must take a specific rather than generalised view of business management.

If we look at the history of business administration as a discipline, we see that it focused on individual sectors –banking, commerce and insurance – in its early days. This approach was replaced by a functional way of thinking, addressing cross- sector questions such as when do companies operate profitably, how does controlling work, how can start-ups obtain financing?

This approach had its place but business schools forgot that all sectors cannot be put in the same boat. It makes no sense to appraise the automobile and food industries with the same production approach.

Traditionally, business schools have undertaken very few systematic analyses of individual markets such as energy. And specific studies of special cases have been carried out merely by chance or as an afterthought.

However, the greatest problems of our age are specific. Therefore specific questions have become relevant in management studies – and in a high-tech world most of them are posed at the interface to technology and science: how do we assess the performance of a windfarm, how can we optimise food supply chains in developing countries, to what extent can companies take energy supply into their own hands?

We are not calling traditional management studies entirely into question. But we have to

500

With an initial intake of 500, the TUM School of Management currently has 4,000 students...

> *The TUM School of Management is making use of the resources available within TUM, developing research topics in co-operation with engineering and science colleagues*

3rd

...making it TUM's third-largest department

make these studies contribute more directly to the challenges facing society.

With this in mind, the TUM School of Management is making use of the resources available within TUM, developing research topics in co-operation with engineering and science colleagues. We have established research centres on topics of particular relevance to the future in areas where TUM excels in terms of technology competence, one notable example being the Centre for Energy Markets.

Of course there were times when we had doubts about what we were doing, questioning whether the findings from such application-specific research would be useful beyond the here and now. That is why we welcome independent assessments such as the university ranking published by *Handelsblatt*, Germany's number-one business newspaper, which has listed the TUM School of Management as the best business school in Germany for management research two successive times.

Our vision has also inspired other stakeholders.

With an initial intake of 500, the TUM School of Management currently has 4,000 students, making it TUM's third-largest department.

Alumni tell us about projects that would never have taken off without their engineering training. Companies eagerly get on board for new research and teaching collaborations when we show them co-operative projects such as the MUTE electric car, which TUM presented at the 2011 International Motor Show in Frankfurt.

Our profile also reflects current research policy: to be eligible for grants from Horizon 2020, the EU's current research funding programme, strong practical or societal relevance is more or less essential.

This does not mean that our school profile does not need to be regularly re-appraised and evolved. In the wake of the financial crisis, we realised that we had seriously neglected the ethical aspects of management studies in both research and teaching. One consequence was the establishment of a TUM Chair of Business Ethics.

I am convinced that this new role for management studies – a greater emphasis on finding interdisciplinary answers to specific societal challenges – will be the future.

Of course, not every business school can or should operate like us at the interface with technology. But there is no reason why a similar approach could not work with other disciplines such as philosophy or law.

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Upcoming events

Global Focus
Iss.1 Vol.10 | 2016

January 2016

Event
Conference for Deans & Directors General
Dates / Venue
25-26 Jan
Budapest, Hungary
Theme
Business Schools: Purpose in Context
Host
Corvinus University of Budapest

February 2016

Event
Research Leadership Programme – Cycle 6
Dates / Venue
22-24 Feb / 31-1 Mar/Apr 13-14 Sep
Brussels, Belgium
Theme
The Long View – Strategy
Host
EFMD & EURAM

Event
Entrepreneurship Education Conference
Dates / Venue
24-26 Feb
Brussels, Belgium
Host
Solvay Brussels School of Economics and Management, ULB – Université Libre de Bruxelles

March 2016

Event
EFMD (ESMU) – HUMANE Winter School
Dates / Venue
6-11 Mar
Cairo, Egypt
Host
The American University in Cairo, School of Business

Event
MBA Conference
Dates / Venue
13-15 Mar
Sant Cugat (Barcelona), Spain
Host
ESADE

April 2016

Event
EFMD MENA Conference
Dates / Venue
11-13 Apr
Barcelona, Spain
Host
UPF Universitat Pompeu Fabra Barcelona

Event
Conference for International and External Relations, PR, Marketing, Communication and Alumni Professionals
Dates / Venue
13-15 Apr
Edinburgh, UK
Host
University of Edinburgh Business School

Event
EQUIS XXL Accreditation Seminar
Dates / Venue
14-15 Apr
Brussels, Belgium
Host
EFMD

Event
EPAS XXL Accreditation Seminar
Dates / Venue
18-19 Apr
Brussels, Belgium
Host
EFMD

May 2016

Event
Doctoral Programmes Conference
Dates / Venue
11-13 May
Rotterdam, The Netherlands
Host
Erasmus Research Institute of Management

June 2016

Event
2016 EFMD Annual Conference
Dates / Venue
12-14 June
Rome, Italy
Host
LUISS Business School

October 2016

Event
EQUIS XXL Accreditation Seminar
Dates / Venue
12-13 Oct
Brussels, Belgium
Host
EFMD

More information

For more detailed information, please visit our website:
www.efmd.org
or email info@efmd.org

Excellence in Practice AWARDS

EFMD Learning & Development Partnerships

Recognising Impactful Learning & Development Partnerships

The EFMD Excellence in Practice (EiP) Awards attract case studies in the domains of Leadership, Professional, Talent and Organisation Development.

Award Winning Cases must demonstrate

- Strong Business Impact
- Excellent Programme Management
- Operational Excellence

Deadline for submission: 30 MARCH 2016

Gold Winners in 2015

Royal Mail

ASHRIDGE business school

NHS National institute for Health Research

COWI Mannaz

CISCO LIW

"Writing the EiP case helped us better understand the positive impact of our project. It brought many benefits in team building and strengthened the relationship with our partner organisation"

www.efmd.org/eip | eip@efmd.org

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