global focus

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The future is blended

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In focus

Global Focus
Iss.1 Vol.11 | 2017

Global Focus takes its name seriously as a mouthpiece for EFMD's commitment to creating a worldwide network of co-operation and dialogue between academics and corporations dedicated to developing and sharing best practice in management development and business education.

This edition makes that clear, with authors from around the world contributing cogent articles as diverse as their backgrounds.

It begins (page 8) with an acute analysis of the growing importance of "blended" programmes in business education (programmes combining elements of classroom and online learning). The author, Santiago Iniguez, is the President of IE University and the Dean of IE Business School in Spain with a huge amount of knowledge and experience in the subject.

He writes: "Technology, in parallel with developments in cognitive psychology and education sciences, is producing a formidable paradigm shift in the learning process and the mission of educators and, of course, in business schools."

That argument is backed up strongly with an article by Krzysztof Rybinski and Erik Sootla of Narxoz University in Kazakhstan, which has embraced new teaching technology – the first article *Global Focus* has published from that country (page 76).

Equally innovative advances in pedagogy come from academics in Colombia in South America. There, as Manuel Acevedo-Jaramillo, Sara Aguilar-Barrientos and Juan Esteban Escalante write (page 68, a decision to join an international student project involving designing, building and exhibiting a working solar-powered car (all in just 90 days) proved a significant factor in inspiring a new and more open and encouraging approach to teaching and learning.

However, there are still many challenge facing business schools and corporate management development. On Page 12 Johan Roos warns against complacency in in the light of today's strong management education market. He warns that business schools still need to find a grander vision of hope, change and community to counter emerging threats.

And Julie Davies, a long-time London resident, and Kimmo Alajoutsijärvi and Kerttu Kettunen, from Finland, wonder if and how London's thriving population of business schools will cope with "Brexit" – the UK leaving the European Union (page 26).

And there's lots more! Enjoy reading.

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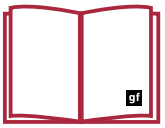

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Your say

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

EFMD

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Call for particpants

Empowering programme directors

EFMD Global Network will launch its Teaching & Learning Executive Academy in Spring 2017. Programme directors are invited to participate in an intense educational experience to further develop their leadership qualities and effectiveness.
By **Jordi Diaz** and **Ulrich Hommel**

EFMD Global Network's Executive Academy puts participants on a development journey from "Leading without Authority" to "Leading with Impact". Teaching & learning executives manage degree programmes in alignment with institutional strategies and, in that role, are often faced with challenging performance expectations. They need to be champions of implementation and master the power of influence while typically being provided with limited direct authority.

The Executive Academy has been designed to make participants more effective in their roles, above all by enabling them to assume broader and more strategic responsibility for degree programmes (or portfolios).

Target audience

Participants need to be experienced in their current role. They are decision makers in their institutions and enjoy the autonomy and capacity of influencing others. This will typically encompass programme design and review, participant management, faculty assignment and management, and programme-related budgeting. They can influence the complete life-cycle of programme delivery consisting of marketing and admissions, programme operations (including managing student expectations, faculty and other stakeholders), placement and alumni management.

Programme highlights

Three geographical streams, one global programme

The Executive Academy will begin in March 2017 with its Europe Stream, which will be followed in June by the Americas Stream. The programme will conclude with the Asia Stream in October. Participant will register for one of the streams.

Selectivity

The programme will admit a maximum of 20 participants to each stream. A rigorous and challenging admission process will ensure that peer-to-peer interaction in the Executive Academy will be meaningful and ability-enhancing for everyone.

Hybrid delivery format

The core of the Executive Academy is a face-to-face week in each of the respective regions, which will focus on leading oneself, leading others and managing degree programmes (and portfolios). It will be preceded by a preparatory phase, which includes self-study and a demanding 360° feedback exercise. The face-to-face week will be followed by a project implementation phase at the participants' home institutions with support and feedback provided by the faculty facilitators.

Professional certificate

Successful completion of the Executive Academy will lead to the award of a professional certificate issued by EFMD/EFMD Global Network. It is our strategic intent to develop the offer into the leading qualification for programme directors globally.

Networking

EFMD GN will enable graduates to stay connected. Regular alumni activities and the ability to interact with any given year's group of participants will enable them to keep abreast with teaching & learning developments globally.

What makes the Executive Academy special?

The Academy's value proposition is reflected in the attractive balance it offers in terms of personal development for the individual participant and improved performance for the employing organisation. The combination of conceptual analysis, integrated application and personal coaching will ensure sustainable impact on the participants' professional work and career progression. The programme's international focus will enable participants to integrate global trends into their day-to-day work.

Faculty facilitators are mainly business school executives with extensive experience in managing teaching & learning activities at their institutions. They are from respected schools representing a mix of public and private as well as large- and mid-size institutions.

The group of facilitators will be complemented with topical specialists in the areas of leadership, digital education, negotiation and customer satisfaction management. Facilitators serve as executive trainers offering perspectives distinctly beyond "sharing their own experience". Stream leaders will ensure the integrated nature of the learning experience.

The participant's development journey will gravitate around three pillars:

Leading oneself

Participants will undergo a self-discovery process to better understand their strengths and limitations, which will contribute to the bridging of self-knowledge and self-leadership.

Leading others

Participants will explore different ways of motivating and influencing staff, superiors and colleagues. They will learn how to maintain motivation in the people around them and how they can transform negativity into a source of creativity as well as turning "demanding" stakeholders into "committed" ones.

Managing programme provision

Coverage of this topic includes how to drive a strategy-driven programme design and review process, how to manage different performance layers, how to interlink stakeholder expectations and satisfaction with the impact and relevance agendas, and how to capture the opportunities of disruptive innovation.

The Executive Academy's integrated approach enables participants to move beyond the identification of institutional responses to market challenges. It develops an in-depth understanding of how each participant, with his or her abilities, limitations and constraints, can become a more effective driver of change.

ABOUT THE AUTHORS

Jordi Diaz is the Director of the Executive Academy and is also the Associate Dean of Programmes and International Relations at EADA Business School, Barcelona, Spain.

Ulrich Hommel is the Director of Business School Development at EFMD Global Network and, in this role, is responsible for professional development activities offered by EFMD GN.

"The Executive Academy's integrated approach enables participants to move beyond the identification of institutional responses to market challenges. It develops an in-depth understanding how each participant, with his or her abilities, limitations and constraints, can become a more effective driver of change

How to apply?

Qualified applicants can apply any time and for any of the Executive Academy's streams.

Further information is available at **www.efmdglobal.org/executive-academy**

If the preferred stream is fully booked, applicants can choose a different one or submit their application for the 2018 edition.

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We will admit a maximum of 20 participants to each stream via a rigorous and challenging admission process

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The future is blended

Santiago Iniguez explains why business schools and corporations must accommodate the increasing role of technology in education

> ***There is a fear, expressed frequently, that technology will replace professors. But I can say emphatically and unequivocally, THAT IT WILL NOT SUBSTITUTE THEM.***
> *Bill Gates*
> *Road to the Future, 1995;*
> *capital letters in the original*

> ***The question is not whether I can invest big, it is whether I can learn fast.***
> *C K Prahalad*
> *World Innovation Forum, 2009*

Technology, in parallel with developments in cognitive psychology and education sciences, is producing a formidable paradigm shift in the learning process and the mission of educators and, of course, in business schools.

Traditionally, the objective of education has been standardisation: to teach students the "three Rs", prepare them for a particular job, and help them develop the skills required to engage in and contribute to society.

That said, the future of the learning process is focused on personalised development, seen as an opportunity to stretch and strengthen each individual's qualities. This is where the real change lies.

Thanks to technology, education will not just be about acquiring the knowledge needed to do this or that job. Rather, it will allow us to help develop a student's personality by focusing particularly on their strengths, adapting the time spent studying to their needs and capacity – all while measuring the results of the learning process and which teaching methods best help with personal and professional development. This personalisation will undoubtedly foster the entrepreneurial profile of learners and identify many new job opportunities.

Though it may sound counterintuitive, technology can humanise the learning process. We sometimes look at technology as an obstacle to personalisation, proximity, sociability and humanity but this fallacy is rooted in the myth that technology is a threat to mankind – for example, the destruction of jobs through automation and, in short, that the robots will end up taking over the world.

Aside from adapting to learners' circumstances, the integration of technology and teaching brings teachers closer to their students and students closer to one another. It also helps teachers with repetitive tasks such as assessing academic performance, passing on basic information and answering frequently asked questions.

In doing so, technology frees teachers' time, allowing them to focus on activities with greater added value for faculty and students alike and enables the so-called phenomenon of "flipping the classroom".

Flexible, adaptable, intensive, user-friendly and, yes, even entertaining: these are the hallmarks of blended learning, which combines online learning with a classroom-based approach. The advantage of high-quality and engaging online methodologies is that they keep the learning momentum going by adapting to the specific circumstances of the learner. It also allows for greater interactivity between participants.

Blended teaching methods, both in university education and in corporate learning, are here to stay and will only continue to expand. That said, there are still some analysts who downplay the importance of the impact of online learning, and those who argue that nothing can replace face-to-face teaching. (For example, P. Hunter, "Why MOOCs and executives don't mix", *Management Issues*, 28 April 2015 http://www.management-issues.com/opinion/7051/why-moocs-and-executives-dont-mix/)

At this point, it is important to highlight that I am talking here about blended programmes of the highest quality, with online modules delivered by the same academics as those giving classroom sessions to small groups of highly motivated students.

There is a tendency to assume that online teaching automatically means the cheaper option of open entry and open access as well as MOOCs (mass open online course.) This assumption is wrong. There are high-quality online and face-to-face forms of education,

which fit the standards of excellence demanded from premium educational institutions. Associating technology-based learning methods with low-quality, cheapness and the massively distributed is an old fashioned and outdated cliché.

It is also widely believed that senior management is averse to online in-company training. This has been largely true until recently; we need to ask ourselves whether this is a generational problem and if the upcoming generation of CEOs, who will be quite familiar with the online environment and communication via mobile platforms, will be more receptive to these methodologies.

We need only to think back to the panelled boardrooms of a century ago with their ornate furniture, coal fires and other luxuries and compare them with their 21st century descendants who rely on digital platforms, video conferencing and other technologies to communicate globally round the clock.

Despite research showing that online learning can be at least as effective as classroom sessions – and even more transformational – there is still a widespread bias against it among educators, HR managers and executives. Interestingly enough, some 80% of teachers with no experience in online teaching say it is less effective than face-to-face teaching while the majority of educators with online experience say the results are as good if not better. Not to mention that many academics believe that online teaching will ultimately lead to layoffs. (See L Redpath, "Confronting the Bias Against On-Line Learning in Management Education", Academy of Management Learning & Education, 2012, Vol 11, No. 1, pp. 125-140.)

This bias against online teaching likewise extends to many professionals, particularly senior managers who have been educated along traditional lines and tend to associate quality education with face-to-face teaching. But what really determines the quality of a programme is its methods of teaching and learning rather than the means by which they are delivered.

Whatever the arguments, the simple truth is that those educational institutions that offer blended courses (combining quality online training with traditional classroom teaching) are growing, and rapidly. It is very likely that in few years' time most business schools will run a majority of programmes on blended formats.

For example, the *2015 Grade Level: Tracking Online Education in the United States* survey shows that 70.8% of chief academic leaders believe online education is a critical component of their long-term strategies (up from the 48.8% who believed this back in 2002.

At the same time, 77% believe that online training produces the same or better results than traditional face-to-face teaching. Just 28% admit that their teaching staff accept the value and legitimacy of online teaching. (I E Allen and J Seaman, Grade Level: Tracking Online Education in the United States, February 2015, http://www.onlinelearningsurvey.com/reports/gradelevel.pdf.)

Another survey of corporate learning (Roland Berger, Corporate Learning Goes Digital: How companies can benefit from online education, May 2014 https://www.rolandberger.com/media/pdf/Roland_Berger_TAB_Corporate_Learning_E_20140602.pdf) estimates that in 2014 77% of US companies used e-learning for their professional development programmes while in Europe, more than 3,000 companies used these types of teaching methods. The same survey estimates that 90% of companies will be using e-learning platforms by 2017.

It is clear, then, that blended learning will play a growing role in executive education, particularly in cases where participants are unable to attend classroom sessions. The question is thus not whether blended learning is the future or whether classroom teaching is more effective than online teaching but rather: what is the optimal blend of online and face-to-face?

Obviously, achieving the right combination of online and classroom teaching depends on a programme's objectives, participant profile, content, the abilities and skills being developed, as well as costs, infrastructure, and the ability of instructors and faculty to teach online.

What are the main challenges for blended education in the near future? I believe they are mainly three:

- First, and most importantly, the adequate preparation and involvement of faculty. In

70.8%

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90%

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> ***The question is not whether blended learning is the future or whether classroom teaching is more effective than online teaching but rather: what is the optimal blend of online and face-to-face?***

the new blended environment, the professor becomes the orchestrator of the learning process, calibrating the use of different methodologies adapted to each individual participant and balancing group and personal learning. In order to achieve this, it is essential to invest in faculty development and expose them to the full educational potential of learning technologies. The basic requirement for success in this new environment is that the faculty remains forever passionate about teaching.

• Second is striking the right balance between the three different components of blended learning: face-to-face modules, which remain essential for the socialisation and integration of the class; live videoconferences and synchronous sessions (there are some developments that radically improve the look and feel of live streaming, like the "WOW Room," recently launched by IE Business School); and friendly and engaging asynchronous sessions via forums, chats, tutored-led interaction, and peer learning and feedback support.

• Third, the development of teaching materials that better adapt to this new learning context. For example, multimedia case studies set in real time, interactive group and individual simulations, personalised content and individualised assessment tools to maximise personal progress. Gamification enriches the learning experience and can be applied to nearly every context and educational content as well as serving as a vehicle for instant feedback. There are even those who argue that it can help change personal behaviour and, perhaps most appealing, that it has a positive impact on the bottom line.

Technology will certainly contribute to the humanisation of learning. However, in this new and fascinating context of education, the competitive advantage of a business school will rest on the unique experience it provides to students.

Content may be prince; technology may be king; but experience is emperor.

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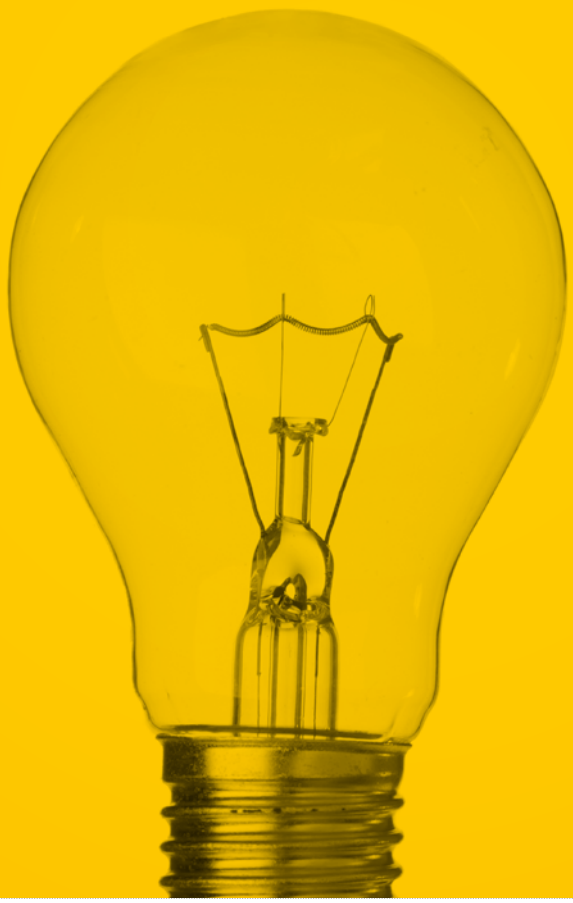
ABOUT THE AUTHOR
Professor Santiago Iniguez de Onzono is President, IE University, Spain.

Do not be lulled by today's strong management education market, says **Johan Roos**. Business schools still need to find a grander vision of hope, change and community to counter emerging shadows

Casting light in the shadows



Business school deans are smiling and optimistic these days. Things have improved since the 2008 crisis. Applications are skyrocketing at most schools, enrolments are up and, with a few notable exceptions, the crucial role of business in economic affairs and global progress is recognised and respected. We can boast that there are over 10,000 business schools around the globe and about one-fifth of the world's students are studying business and management.

What is especially laudatory about this situation is the burgeoning interest in entrepreneurialism, as millennials and older students are eager to start innovative new companies. The possibilities to develop new products, services and solutions are unprecedented in human history.

Even more encouraging for the future of humanity is that some of this entrepreneurialism is devoted to global transformation. Dubbed social entrepreneurship, we see students and their faculty advisors in business schools throughout the world innovating new solutions to help erase poverty, teach skills to the uneducated, empower women, expand and improve healthcare, and more.

Anti-progress forces cast a growing shadow

Despite the good news, I am writing to warn that there is a shadow hanging over this seemingly rosy outlook. In his October 2016 essay in *The Economist*, President Obama captured the paradox we face today: "The world is more prosperous than ever before and yet our societies are marked by uncertainty and unease".

Business schools and their deans cannot disregard this darkness that threatens to halt the progress most of the world has made since 2008 to rebuild capitalism and strengthen social democracies. I am not referring to the threat of external terrorism from *jihadis* but rather to internal forces within most Western nations that are the consequences of our own neglect in dealing forthrightly with lingering economic and social problems.

The consequences are unparalleled as strong "anti-progress" forces that encompass a variety of evolutionary or revolutionary movements coalesce power. These collectively function to

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There are over 10,000 business schools around the globe and about one-fifth of the world's students are studying business and management

protest, prevent and even sabotage policies and practices that most agree are beneficial to humanity. I see five elements that comprise this shadow: the rise of the "precariat", anti-globalism, anti-intellectualism, extreme inequality and tolerance of greater asymmetry.

The rise of the precariat

Precariat is the term used by economist Guy Standing in his books *The Precariat – The New Dangerous Class* (Bloomsbury 2011) and *The Corruption of Capitalism* (Biteback 2016) to describe a new social class who face overlapping challenges of unemployment, low income and loss of social security. It includes tens of millions of blue-collar workers but also frustrated educated youths who do not get the jobs and income they expected even if they have a university degree, as well as oppressed women and migrants without much hope.

For people of the precariat, a life of work remains unfulfilled because, for the first time in history, wages have not risen with increased productivity, corporate profits and employment levels. Advances such as artificial intelligence, which have enabled automation that may replace more than a few job categories over the next few years, add to the insecurity, instability and vulnerability of the precariat experience. According to Standing, the precariat are and will continue to be incomparably worse off than workers with stable, fixed-hour jobs, paid vacation and other social benefits.

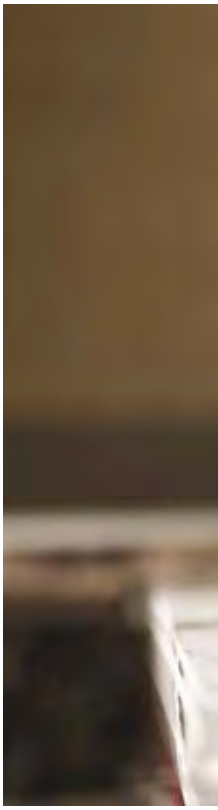
This tribe is as much anti-state as it is anti-business. They believe that the rules for distribution of income and social goods are rigged against them. They are angry and find comfort in autocratic political leaders who profess anti-global, anti-trade, anti-intellectual notions and who blame minorities, immigrants and the "establishment" for our social ills. We all should take heed of Standing's most recent message: the precariat's vulnerability today is everyone's tomorrow.

> *Precariat is the term used to describe a new social class who face overlapping challenges of unemployment, low income and loss of social security. It includes tens of millions of blue-collar workers but also frustrated educated youth who do not get the jobs and income they expected even if they have a university degree, as well as oppressed women and migrants without much hope*

Anti-globalism

For centuries, international trade has helped advance the free world and is an economic orthodoxy among most economists today. Nobody denies that globalisation has flaws; an open economy creates winners and losers. Debating the merits of global trade and globalisation itself can be valuable but few doubt that international trade is a necessity in a modern business world. However, peddlers of protectionism and nativism argue that globalism is good for the elite only.

Protests against major trade agreements across the Atlantic and Pacific demonstrate how contentious free trade ideas are among people who associate globalisation with lost industrial glory, lost full-time jobs and weakened social identity. The 2016 backlash leading up to the Brexit referendum in the UK and the similar reaction evident in the recent US presidential election campaign, which launched Donald Trump into the White House, illustrate the discrepancy between the well-articulated logic by people on top of the pyramid compared to the realities felt by the squeezed and angry precariat.



> *Anti-intellectualism appears not only in the US but in other Western and emerging nations where science is doubted and questioned; where art, literature and music are disrespected; and where propaganda and disinformation overtake true freedom of thought*

Anti-intellectualism

Anti-intellectualism appears not only in the US but in other Western and emerging nations where science is doubted and questioned; where art, literature and music are disrespected; and where propaganda and disinformation overtake true freedom of thought.

This anti-intellectualism may reflect the growing ranks of high school dropouts, non-college educated youth, senior citizens on the brink of poverty and the unemployed precariat class. But it also occurs even among the educated; in the US, 99% of scientists accept evolution as a fact while *almost half of college graduates* believe it is just a theory.

Evolution-deniers, history repudiators, conspiracy theorists and state-funded internet trolls are equally culpable of spreading doubt about scientific truths and poisoning a positive view of intellectualism and enlightenment. Politicians and media figures who shamelessly produce lie after lie plant seeds of doubt about society's basic institutions and tout a wide range of unscientific, irrational explanations about everything that further fuels anti-intellectualism.

To a degree, anti-intellectualism springs from a great failure to educate youth and adults in critical thinking. School is becoming a place for skills training, losing sight of the need for a broad education that produces responsible citizens who can think deeply and expressively.

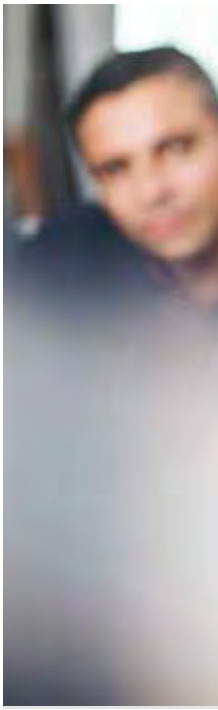
The true meaning of liberal arts education is to cultivate "free" (Latin *liber*) individuals who are prepared to constructively deal with uncertainty and ambiguity. The result should be open-minded people resistant to dogma and preconceptions and who are sceptical enough to think for themselves. This element of the shadow should be extremely disconcerting to everyone in academia.

99%

Anti-intellectualism also occurs even among the educated; in the US, 99% of scientists accept evolution as a fact...

50%~

....while almost half of college graduates believe it is just a theory



> *We must develop solutions to boost the currently hopeless precariat into participating in economic growth and wealth; we must create equitable and fair trade agreements; we must combat the ignorance of anti-intellectualism; we must truly solve the wealth inequality challenge; and we must inspire the business world to participate in balancing out the many types of asymmetry on the planet*

Extreme inequality

A tolerance for income and wealth inequality is a fourth force for anti-progress and is spreading globally. China has created more billionaires than the US and India boasts a large new class of multi-millionaires. Economist after economist has warned us that the business world has allowed the rate of return on capital to skyrocket relative to the rate of economic growth, meaning that profits and benefits of business flow to far too few people.

In his 2016 book *The Corruption of Capitalism* Standing lambasts the capitalist "elite" that is enriching itself not through production of goods and services but through ownership of assets and intellectual property aided by state subsidies, tax breaks, debt mechanisms and the privatisation of public services.

Regardless of who they are and how they gain their wealth, the repercussions on society of the current mega-inequality risk creating a domino effect that counters progress. In his recent essay in *The Economist*, President Obama warns that "a capitalism shaped by the few and unaccountable to the many is a threat to all".

Tolerance of greater asymmetry

The fifth force I see darkening the horizon is the movement away from progress that the world was clearly making following the end of the Cold War. The planet is tumbling increasingly towards an enormous imbalance, an asymmetrical future in which so much is wrong compared with things that are right.

Globalisation and automation are weakening the position of ordinary citizens and consequently, their ability to secure decent income, repay their debts and maintain their social security and general enlightenment.

Increasing terrorism, the failure of the European Community (2016 examples include Brexit and the near botching of a trade agreement with Canada), the inability of the UN to solve conflicts, dictatorships and increasingly authoritarian regimes, "hybrid warfare" to avoid attribution or retribution, apparently unstoppable global warming, the rising pollution of the planet's natural resources – all these trends do not bode well for humanity.

These conditions also provide fertile ground for social unrest, which is most politicians' worst nightmare. Anger and protests on the left and the right, from Occupy Wall Street to the anti-immigrant and protectionist rallies of autocratic politicians are one thing but violent demonstrations, marshal law and the threat of pitchfork and axe revolt, are quite another.

To boldly go where no man has gone before

At the height of the Cold War, Russian astrophysicist Nicolai Kardashev proposed a model for the future of humanity. He invented a scale to measure a civilization's advancement based on how much energy it can capture and utilise. His idea was that the more energy a civilisation can harness, the more technologically advanced it is.

Using Kardashev's scale, we are currently a Type 0 civilisation. We can extract energy only from crude raw materials. In contrast, Type I civilisations are capable of harnessing all the available energy of their planet and using it in sustainable ways, which some futurists predict will happen within a few hundred years if we have not by then destroyed our planet. Type II civilisations are able to capture the energy of their star, in our case the Sun. The Federation of Planets in *Star Trek* may illustrate such a culture, though it will remain in the realm of fantasy for most of us as what Kardashev called a Type III culture, extracting energy from billions of stars to travel across intergalactic space.

To elevate our human species to anything above a pitiful Type 0 civilization we must achieve greater cultural and intellectual sophistication, not just more advanced technology. This calls for stability, effective conflict resolution and a genuine sense of global community. If we do not arrive at that point, the downside for Planet Earth is bleak.

Towards a new vision for business schools

As deans and faculty preparing so many young people to become the next generation of business and government leaders moving towards a Type 1 civilization, we cannot shirk from trying to prevent this shadow from overtaking us. If business is to be the leading change agent to transform the world and contribute to solving humanity's most critical problems, we must subscribe to a grander vision for the role that business schools play in creating our collective future. What would this entail?

The easy answer would be to focus on the grander challenges such as countering the five shadow forces enumerated above. To some extent we do. In 2003, EFMD published a manifesto, *Initiative towards sustainable societal and business management development*, which sets out a vision for making global responsibility a major thrust in management education.

In a similar grand aspiration, the 2016 AACSB *Collective vision for business education* calls for business schools to step into the light and stop being "underdeveloped, undervalued, and too-often unnoticed".

In this vision, business schools become:

1. catalysts for innovation;
2. co-creators of knowledge;
3. hubs of lifelong learning;
4. leaders on leadership; and
5. enablers of global prosperity.

Who could disagree?

But I suggest we need to go further. We must develop solutions to boost the currently hopeless precariat into participating in economic growth and wealth; we must create equitable and fair trade agreements and combat the myopic anti-trade and anti-globalisation forces; we must combat the ignorance of anti-intellectualism, which has reactionary beliefs at its core; we must truly solve the wealth inequality challenge that is worsening year by year in many countries; and we must inspire the business world to participate in balancing out the many types of asymmetry on the planet. Combined, these actions call for a collective aspiration for business schools that extends beyond the vision we have today.

To defeat the shadow, business schools should become light bearers of hope, change, and global community. They can do this by becoming:

- not only academic researchers publishing for our peers but creators of relevant innovative solutions of benefit to the broader society
- not only catalysts of innovation but furthering the upside and help mitigating the downside of globalisation
- not only promoters of global responsibility but servants of a better society at large
- not only co-creators of knowledge but centres of liberal ideas and critical thinking
- not only hubs of lifelong learning but champions of economic equality
- not only trainers of leaders with business impact but leaders who are masters of collaboration
- not only enablers of global prosperity but open doorways to help the precariat

Let us work together to exemplify this kind of vision in our schools.

ABOUT THE AUTHOR

Professor Johan Roos is Chief Academic Officer, Hult International Business School (including Ashridge), which he joined in January 2016. Prior to joining the multi-campus Hult, he worked in six business schools and a non-profit organisation in five countries. Most recently, he was CEO and Dean of Jönköping International Business School in Sweden.

Why care about impact?

The impact, or otherwise, of academic research in management and business is a current hot topic but **Peter McKiernan** and **William Glick** suggest a cooler, more measured approach

> ***But what is impact and why should we care about it? We argue that impact is not limited to citations, media hits or applied research. We believe that there are broader interpretations; that impact can be about making a difference in the world***

The European Enlightenment shaped much of our present educational world.

The intellectual elites of the day placed great emphasis on the usefulness of science to a changing social and economic society. John Anderson, a professor of oriental languages and natural philosophy at Glasgow University in Scotland, gained an infamous reputation among his university colleagues for daring to educate the working classes in the benefits and applications of science. His scientific research was an inspiration to James Watt in his re-design of the steam engine, which then drove the industrial revolution in Europe. Influenced by his friend Benjamin Franklin's founding of the school and academy in Philadelphia in 1749 – later to become the University of Pennsylvania, Anderson established Scotland's only Enlightenment University in 1796 – "for the good of mankind and the improvement of science, a place of useful learning". Today, the UK's first technological university, the University of Strathclyde, still bears his motto as 'a place of useful learning', which interpretation permeates strongly through its pedagogy and scientific activity today.

Fast forward 200 years and we see deans and directors of business schools across the world suffering waves of critiques about both the manner in which the scientific enquiry of their colleagues has been conducted and the irrelevance of the outcome of their research.

Pressures such as rankings and ratings on business school recruitment, reward and promotion have helped to rush the science of management and business and raised serious questions about its integrity.

Additionally, "physics envy" has fostered a focus on theory and technical prowess with numerous tightly focused research articles generating a self-consuming industry that has relegated usefulness to the margin. Broader societal impact has been for the brave and the few, as academic careers are built on self-referential metrics.

Divorcing science from usefulness, Udo Steffens and Michael Grote (*Global Focus*, October 2016) posed the provocative question: does academic research have to have an impact? They claim that "impact is the new relevance", as relevance might have emerged as the "new usefulness" in a prior evolution.

They argue that all that really matters is very good science *per se*. Most scholars would agree that good science is essential but it is also a pre-requisite to any useful application. In medicine, engineering and management, that translation to application is crucial, especially where public money is concerned.

Faced with the rapid rural to urban industrial shifts of 18th century Europe, Anderson and the scholars of the Enlightenment knew that the application of science was a social and economic necessity. Investments in research were motivated by the hope of discovery and the potential for new insights, inventions and innovations.

However, what is practically "useful" about the question posed by Steffens and Grote is that it ignites an old debate that invites an answer.

Here we argue that good science in business and management possesses both inherent credibility and practical relevance. Such ingredients provide legitimacy to the provision of answers to complex problems and an accuracy in the guidance to associated decision making. This

is more than another journal acceptance; it is impactful and responsible research.

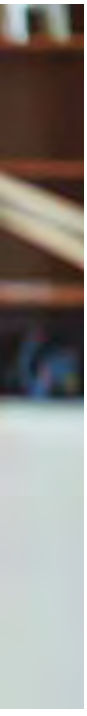
But what is impact and why should we care about it? We argue that impact is not limited to citations, media hits or applied research. We believe that there are broader interpretations; that impact can be about making a difference in the world. For most of us, that world is pretty inclusive, so the direction and type of impact will vary. Influencing the transition from agrarian to industrial economies is impactful but so is the reframing of a policy decision, an alteration in strategic direction, the reshaping of our understanding of agency problems or market inefficiencies, and the effective teaching of our students.

As the public has become more concerned with research impact, funding agencies have developed their own approaches to impact, most notably in the UK's Research Excellence Framework in 2014.

As an initial attempt at measuring research impact across universities, REF 2014 made a statement about its importance, forcing institutions to direct scholars to submit evidence in detailed case-based work that accounted for 20% of the total research quality weighting. In its aftermath, the Stern report (2016) called for a much wider definition of impact (to embrace public engagement, culture and pedagogy as well as the traditional emphasis on policy and engagement) and an increase in weighting to 35% by combining research impact with research environment.

In the US impact has crept into the funding criteria for the National Science Foundation. In addition to intellectual merit, proposers must explain the broader impacts of their proposed activities. Rather than defining a single approach to "broader" impacts, the NSF offers a series of questions, beginning with "How well does the activity advance discovery and understanding while promoting teaching, training and learning?" It ends with the simple question "What may be the benefits of the proposed activity to society?"

So, when viewed more inclusively, "impact" is not so ugly after all. Of course, all academic research does not have to have an impact but why invest so much time and effort into pursuing research for the sake of just another publication? Intellectual stimulation and mathematical elegance are fun and important but are insufficient alone to satisfy many of the stakeholders in the dynamic research eco-system that surrounds them.



35%

The Stern report (2016) called for a much wider definition of impact (to embrace public engagement, culture and pedagogy as well as the traditional emphasis on policy and engagement) and an increase in weighting to 35% by combining research impact with research environment

> ***As in contemporary politics, in the absence of systemic change academic elites will eventually grow away from the democratic populace until clawed back dramatically by major and unexpected rebellion. Ask the French what happened in 1848 or the British or Americans what happened in 2016***

The problem faced by business and management academics is the "publish or perish" culture and the path-dependent processes that have reinforced it and enslaved its populace.

For sure, publication is a major motivator for many recruits to academe. But, as institutional forces reward publications mostly in "top journals", these recruits suffer untold stress, and struggle to achieve first base in a seemingly endless uphill game. No wonder, because such journals are perceived as "top" because of the citations from other perceived "top journals" and reputations among "top scholars" and "top universities" that get rewarded for publications in these journals.

As in contemporary politics, in the absence of systemic change academic elites will eventually grow away from the democratic populace until clawed back dramatically by major and unexpected rebellion. Ask the French what happened in 1848 or the British or Americans what happened in 2016.

External isomorphic pressures and internal path-dependent processes have created self-reinforcing feedback loops. Inputs from broader society – and the "paying public" – are shut out of this closed-loop system. As several senior business academics have echoed, this is a self-centred, self-serving, self-feeding process, a form of academic narcissism that parallels the salons of Marie Antoinette.

But in the physical sciences and areas of social science that are more dependent on funding agencies, there is a growing movement to break these feedback loops with the goal of producing credible and relevant knowledge useful for society.

And more recently within business and management schools, there is an evolving Community for Responsible Research in Business and Management (CRRBM). Its purpose is to advocate both the quality of the scientific method in research and research's relevance to society. For them, high quality and high relevance equates to responsible research.

CRRBM has emerged from a group of leading scholars, current and former editors of top journals and deans with the support of the top two business school associations, EFMD and AACSB. As influential members of the research eco-system, they have all been successful at working the system, guilty of sustaining it and, curiously, committed to its systemic change.

As founding members of this group, we encourage you to critique its forthcoming White Paper and interact with its web site, due early in 2017. Determined to make an impact, the authors will disseminate this work widely, including plenary panels at major international conferences, special issues of academic journals and commentaries in specific general journals including *Global Focus*.

The time for this reflection is nigh. Concerns about accountability and the sustainability of the business model supporting universities have changed attitudes dramatically. Deans, directors, funding agencies and the broader public are gripped by value for money, fit for purpose research that has societal impact. This is why it is crucial to care about impact.

For the moralists among us, it fulfils a responsibility and duty to society; for the pragmatists in our midst, it is a necessity in a competitive world where resource flows are eventually redirected to contributors; for the idealists, it is a desire to make the world a better place; and for our stakeholders, it is the evidence on which their judgment of our work will be made.

If we cannot be concerned with Anderson's pursuit of "the good of mankind [sic] and the improvement of science", then why should we expect continued public support for the sacred pursuit of knowledge?

gf

ABOUT THE AUTHORS

Professor Peter McKiernan, is Professor of Management, University of Strathclyde, Scotland; Fellow and past Chair of the British Academy of Management; co-founder of European Management Review; Fellow and past President of the European Academy of Management; past Dean of the School of Management and Governance, Murdoch University, Australia.

Professor William Glick is the H Joe Nelson III Professor of Management and served as Dean of the Jones Graduate School of Business, Rice University, US, from 2005 to 2016. He is the immediate past Board Chair of AACSB and former Senior Editor of Organization Science

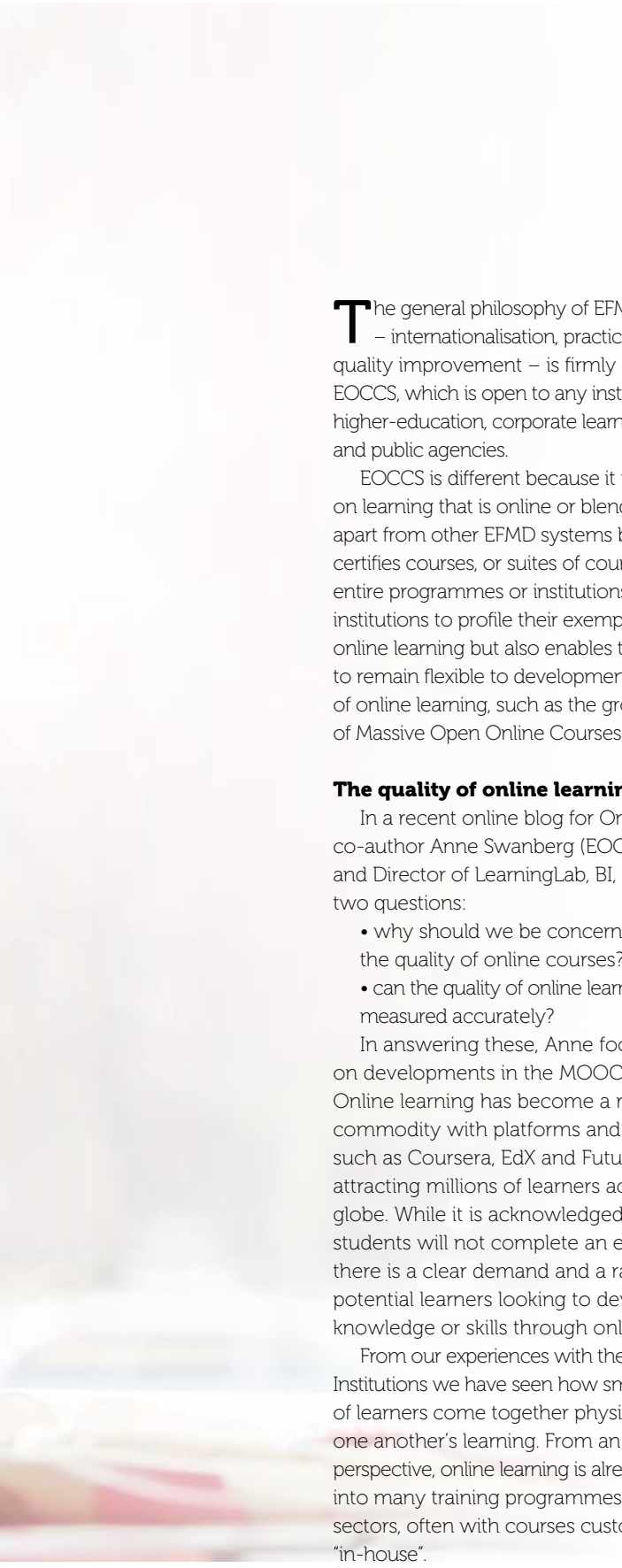
Net gains

The EFMD Online Course Certification System.(EOCCS) management team provides an update on EOCCS' progress, lessons from its Pilot Phase and shows how EOCCS is working in practice. By **Stephanie Lambert**, **Anne Swanberg** and **Antonia Lütgens**

Certified course: Leadership and Management in Cross Cultural Contexts

"EOCCS represents an important step in increasing awareness of the specific capabilities needed to design, create and support high-quality online learning experiences. We believe that EOCCS can be an important contributor to improving engagement with online learning and raising both aspirations and achievement of quality for learning providers."

Mark Fenton-O'Creevy
Associate Dean External Engagement & Professor of Organisational Behaviour
The Open University Business School



The general philosophy of EFMD accreditations – internationalisation, practical relevance and quality improvement – is firmly embedded in EOCCS, which is open to any institution, including higher-education, corporate learning organisations and public agencies.

EOCCS is different because it is fully focused on learning that is online or blended and it stands apart from other EFMD systems because it only certifies courses, or suites of courses, rather than entire programmes or institutions. This allows institutions to profile their exemplary courses in online learning but also enables the certification to remain flexible to developments in the format of online learning, such as the growing popularity of Massive Open Online Courses (MOOCs).

The quality of online learning

In a recent online blog for Online Educa, co-author Anne Swanberg (EOCCS Director and Director of LearningLab, BI, Norway) asked two questions:

- why should we be concerned about the quality of online courses?
- can the quality of online learning be measured accurately?

In answering these, Anne focuses on developments in the MOOCs market. Online learning has become a readily available commodity with platforms and innovators, such as Coursera, EdX and FutureLearn, attracting millions of learners across the globe. While it is acknowledged that many students will not complete an entire course, there is a clear demand and a range of potential learners looking to develop new knowledge or skills through online learning.

From our experiences with the EOCCS Pioneer Institutions we have seen how small communities of learners come together physically to support one another's learning. From an organisational perspective, online learning is already incorporated into many training programmes in a variety of sectors, often with courses custom-developed "in-house".

How does one navigate this vast landscape of online learning options and opportunities? The answer may lie in pursuing courses that are able to demonstrate both high quality and a high reputation legitimated in a rapidly evolving field for those learners seeking to develop themselves.

As we gain more insight and knowledge about how we approach an online learning situation and how we interact with the learning material, it is possible to draw up some common standards for what we assume to be "good" learning experiences in an online environment.

For example, the structure of learning materials and how they are presented to learners are important quality indicators. The user interfaces also affects participants' experience, as do the length, sound and image in a video – all of which clearly indicate something about the quality of the course in general.

Standards help to describe whether quality meets expectations or rises above or falls below them. Standards also support critical and constructive methods for assessing the quality of course content. For example, is content transparent and comprehensible to a learner, backed up with scientific and didactic excellence and aligned with the Intended Learning Outcomes (ILOs) of the course?

In the study of business it is especially important that courses provide both an up-to-date learning experience and contemporary content that recognises the realities of management in a changing global context.

Quality can further be assessed through benchmarking and self and peer assessment in these areas. EOCCS offers an international, highly regarded quality benchmark to demonstrate quality in online courses. In terms of continuous improvement, certification provides in-depth Peer Review feedback and suggestions for improvements and sustainability. And finally, EOCCS champions the peer-to-peer learning process by giving certified and applicant institutions access to best practice events and resources in a community of like-minded peers.

EOCCS: from pilot to process

The Pilot Phase of EOCCS began in January 2016 with the final Pioneer Institutions being certified in October. The system was officially launched in November 2016.

From pilots to pioneers

EOCCS certified 18 courses from eight renowned institutions from both the corporate and business school world during its pilot phase. These institutions have been essential to the evolution of EOCCS and have shaped many parts of the process. Originally referred to as "the pilots", the following institutions are now considered as "Pioneer Institutions" based on the value and input they had in shaping EOCCS. They are: BI Norwegian Business School, Grenoble EM, HEC Paris, Henley Business School, Hult International Business School (including Ashridge), IE Business School, The Open University Business School and Sberbank Corporate University.

Pioneer Institutions helped shape the framework and structure of the documentation, especially the Course Self-Assessment Report (CSAR). Institutions found that the certification process was helpful and insightful as a self-reflection exercise and an opportunity to "take stock" of their online offering.

The Review Panel Stage of the process was also sharpened in this way to give the process clear focus and direction. In the spirit of EOCCS, the Review Stage takes place online via video conference. Thus far the EOCCS Management Team has been praised for the format of the online reviews in terms of simplicity.

"

Certified Courses:
Finance for Managers I,
Risk Management I and II

"We are very pleased with the successful launch of EOCCS certification system which is another evidence of EFMD's global leadership in innovations in management education. For us at Sberbank Corporate University it is a great honor and responsibility to become the first EFMD corporate member awarded EOCCS."

Olga Udovichenko
Vice-Dean, Programs Development
Sberbank Corporate University

EOCCS in action

The Pioneer Institutions and EOCCS Certification Board have framed a value proposition that seeks to capture the following benefits to applicant and certified courses:

1. International quality benchmark

- EOCCS is a demonstration of quality online learning determined by rigorous standards and Peer Review for higher education, corporate institutions and public agencies
- EOCCS is an indication of quality and can be used as part of marketing specific courses to potential learners

2. Continuous improvement

- The EOCCS application is an opportunity for an institution to reflect on best practices and innovative solutions in online learning for its own development
- The Peer Review process, with active experts in the field, gives institutions constructive feedback and suggestions for improvement and future growth. EOCCS also explores the sustainability of an institution's online learning offering

3. Community and peer-to-peer learning

- EOCCS enables institutions to engage with a community of experts in the field during the Peer Reviews
- As an applicant or certified course member, institutions can become part of an Annual Symposium and Community of Practice reporting on new practices, sharing experiences, and exploring collective capabilities and future direction as a community
- EOCCS enhances potential for international online collaborations and partnerships
- Through EOCCS, institutions can profit from mutual learning opportunities and gain insights into the "best practices" of EFMD members

Certified course:
Marketing Mix Implementation

"Online teaching is an important part of IE's DNA, so participating in the certification process is not only an honour but a catalyst to continuing striving to shape the future of online education."

Martin Rodriguez
Director of IE Publishing
IE Business School

Targeting different formats of online learning

The Pioneer Institutions involved in the evolution of EOCCS demonstrate the all-encompassing nature of the system. Testimonials from these institutions reveal how the value proposition exists in practice.

EOCCS has certified courses from established providers of online learning in higher education over a variety of formats. For example, EOCCS has certified courses that are part of MBAs (such as the course from The Open University Business School), masters programmes (Hult International Business School, including Ashridge) and bachelors programmes (BI Norwegian Business School).

EOCCS is capable of certifying new formats of learning such as MOOCs. Henley Business School ("Managing People: Engaging Your Workforce" on FutureLearn) and Grenoble Ecole de Management ("*Penser Global*" on Canvas) have achieved certification for their MOOCs, both of which are stand-alone courses.

The new MOOC format of online learning also includes "suites" of courses that make up smaller certificates fit for "just-in-time" learning and allowing flexibility for the learners. EOCCS has certified such courses from IE Business School provided through Coursera.

Online learning is just as important in the business world and EOCCS is tailored to certify courses from corporate universities and institutions. HEC Paris is certified for its course "Executive Online Certificate in Corporate Finance", which has been developed and delivered in partnership with Finance First (a provider of training to the banking and finance sector).

EOCCS has also certified three stand-alone courses from Sberbank Corporate University specifically designed for their line managers across the globe.

Future directions for quality in online learning

EOCCS, as an early mover in certifying online courses, highlights the importance of user experience in online learning quality. Furthermore, the system endeavours to support institutions in developing and delivering high-standard contemporary courses. As the market for learning on demand increases and learning becomes increasingly "bite-sized" we must ensure that standards are not compromised.

Assessors of quality in this area must keep abreast of the fast pace of development and remain flexible to changes. Anne Swanberg says: "As we are constantly moving in the direction of online delivery, it is even more important to make sure that the online learning outcome is of high quality".

To apply please contact the EOCCS Team at
eoccs@efmdglobal.org

And visit our website:
www.efmdglobal.org/eoccs

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Dr Stephanie Lambert is EOCCS Project Consultant
Antonia Lütgens is EOCCS Project Consultant

'Brexit means...'

UK business schools are facing a perfect storm with transformational policy reforms in the Higher Education and Research Bill and uncertainties following the Brexit referendum. **Julie Davies**, a long-time London resident, and **Kimmo Alajoutsijärvi** and **Kerttu Kettunen**, from Finland, reflect on prospects for London's business schools

Location still matters for business school students who want to experience the excitement of living in a world-class city. This is particularly true of the UK capital. But business schools in London are at a critical inflection point.

Aside from the shock of 'Brexit' (the shorthand term for the UK's decision to leave the European Union), far-reaching reforms in the Higher Education and Research Bill 2016-17 are set to shake up the system. At its core, this new legislation will create a single regulator, the Office for Students (OfS); establish a new research body, UK Research and Innovation (UKRI); and encourage the entry of new/alternative providers.

One in six students in London follows programmes in business and management and London is much richer than the rest of the UK. As a result, the effects of these changes will be felt disproportionately by the capital's business schools.

Other business schools might find this unfolding saga of London's schools both inspiring and cautionary. Business schools are densely populated in this vibrant world-leading city, a talent magnet and powerhouse. How might this double whammy of Brexit and regulatory reforms impact on London's business and management education offerings?

As we see it, extensive higher education (HE) policy changes will coincide (and collide) with the challenges of exiting the EU. As the UK's controls on net immigration include students, calls for simultaneous marketisation and tighter regulation present an interesting case of neoliberal reforms in a world hotspot.

What are the implications for business schools related to issues of financial sustainability, reputation, academic standards, student protection, and institutional autonomy?

London's 'wow' factors

London is unique in various respects. It is the only city in the world to have hosted the summer Olympic Games three times. It is the world's most visited city with the highest number of ultra-high-net-worth individuals. Including greater London, it is the EU's largest city with a population of 8.6m, compared with Berlin's 3.6m (although the estimated population of Paris and its surrounding suburbs is 10.5m).

London is a dynamic financial, political, cultural and educational mecca. Prospects of high-paying jobs in London's financial and business sector ("the City") have supplemented the capital's brain gain and wealth.

Importantly this metropolis hosts 400,000 university students, 111 plus providers of business courses/internships and 45 alternative providers of business education or internships that can sponsor student visas. It is home to four tripled-accredited business schools (Cass, ESCP London, Imperial, and LBS) and, four others with domestic branch campuses in London (Loughborough, Open University, Newcastle, Warwick).

Furthermore, London has three indigenous business schools in the top 40 of the *FT*'s 2016 Global MBA Ranking. In contrast, New Zealand has eight universities and three business schools with the 'triple crown', with none ranked in the *FT*'s Global MBA league table. In addition, LBS, London School of Economics, and Imperial are ranked respectively at 2, 9 and 36 in the list of top universities for business and management studies in the 2016 QS World University Rankings.

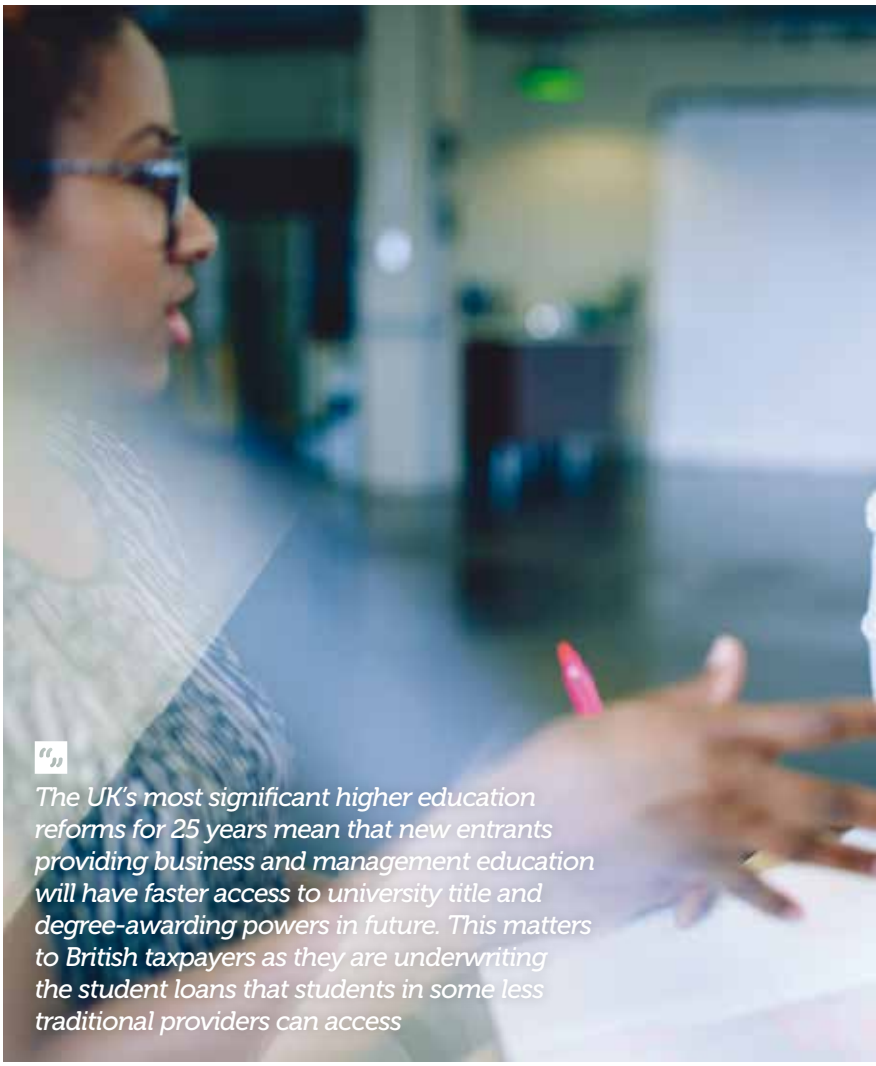
London also hosts overseas branch campuses such as Chicago Booth and there are several alternative providers with university title such as Regent's University that concentrate on business and management education in small classes. Other business school models include Laureate at Roehampton Business School, the Newcastle University in London partnership with INTO, and GSM's widening participation focus.

It would seem, then, that London is exceptional. It is an island on an island, vastly larger than the UK's other large cities (Manchester and Birmingham). So, what are the downsides?

These include pollution, the expense of studying in such a desirable location, getting lost in the crowds of commuters and tourists on the underground. Unsurprisingly, 60% of Londoners – who generally tend to be more cosmopolitan, multicultural, highly educated and younger than the rest of the country – voted to remain within the EU. This is where London's business school success story has the potential to unravel.

Brexit clearly revealed that London with its Westminster-centric public policy, like Washington DC millennials, is out of touch with sentiment elsewhere in the country.

Even within London, business schools do not seem to be in touch with members of parliament in Westminster. Instead, politicians seem to be



"The UK's most significant higher education reforms for 25 years mean that new entrants providing business and management education will have faster access to university title and degree-awarding powers in future. This matters to British taxpayers as they are underwriting the student loans that students in some less traditional providers can access

400k

London hosts 40,00 students, at least 45 business schools and 45 alternative providers of business education that can sponsor student visas

3/40

Furthermore, London has three indigenous business schools in the top 40 of the *FT*'s 2016 Global MBA Ranking

Above:
The Business School of London

focused on economics, science and technology to boost the economy. Ministers appear to have a blind spot about the global impact on business schools of institutions based in London such as the British Academy of Management, CABS guide to academic journal quality, and the *FT*50 journals list, as well as the *FT*'s rankings, which influence academics' careers hugely inside and outside the UK.

British business schools contribute important export revenue yet they are largely invisible in the public domain at home, where primary and secondary schools, taxes and health rather than universities are the dominant vote winners.

We might argue then that while the British business school industry scores massively abroad because of high numbers of overseas students and branch campuses, at home this is not the case. And as London is so large, if a business school were to fail there it would largely go unnoticed in a way it would not in a one-university town.

What next for the UK's HE policy reforms?

From Finnish management researchers' perspectives, London's business school scene looks like a jungle, with three business schools located within spitting distance of the Sherlock Holmes statue just outside Baker Street underground station. We conducted an experiment over two days with a London pub crawl that took in multiple business schools to gain a sense of the field. Bizarrely, we sighted the Business School of London in the East End that actually looks like a pub (pictured left). Of course, this is not to be at all confused with the world-leading London Business School located in leafy Regent's Park.

Markets

In 1986 under the then Prime Minister Margaret Thatcher, the City underwent a huge "big bang" with the sudden and wide-ranging deregulation of financial markets. Now it seems that something similar may be afoot in higher education.

The UK's most significant higher education reforms for 25 years are intended to stimulate competition and choice, to increase social mobility, boost economic productivity, ensure value for money for students, and strengthen the country's research and innovation.

In practice, this will mean that new entrants providing business and management education will have faster access to university title and degree-awarding powers in future. Why this matters to British taxpayers is that they are underwriting the student loans that students in some less traditional providers can access

In the October 2016 *Global Focus* issue, Mark Farrell and John Davis argued that "many universities are going to end up being outmanoeuvred by the Ubers of the educational world", disruptive models that challenge the bricks and mortar status quo. It seems that London's business schools are on the cusp of "interesting" times.

Regulation

Currently, the UK has more than 120 HE alternative providers with specific course designation, over 50% based in London, and the largest has recruited at least 6,500 students.

Amid the UK government's rhetoric of student choice, competition, mobility and quality, the new single regulator in the UK will be empowered to safeguard the reputation of higher education and students. There will be greater availability of data and a single register of providers whose students are eligible for student loans.

As business schools and London comprise such a large part of the system, it will be interesting to watch how the situation unfolds, particularly whether EU students will continue to access student loans and the possible issuing of Tier 4 (student) visas linked to institutions' performance in new Teaching Excellence Framework (TEF) gold, silver and bronze ratings.

Open to innovation

A recent report by academics at University College London, *The Entry and Experience of Private Providers of Higher Education in Six Countries*, offers useful insights into the different historical contexts and significance of private providers in various parts of the world, with Australia being particularly active in this arena. Europe has perhaps been far less of an experimental site for alternative and private business schools than other continents.

However, since the Brexit referendum, the Mayor of London has been campaigning that #LondonIsOpen, with assurances that "London will do all it can to maintain and strengthen its higher education sector, recognising that our European students, staff and collaborators are vital to the success of our universities".

Future prospects

Finally, we argue that in an age of unprecedented uncertainty over Brexit and a Donald Trump presidency in the USA, the only option for London's business schools (and many others globally) is to cut costs and innovate with new business models while communicating the public values of their activities.

They must also generate synergies with each other in an ecosystem rather than behaving individualistically. They need to explore relationships between public and private HE providers and corporate partners, and with the government and citizens in a quadruple helix model. There have been some very interesting innovations in UK HE recently in engineering from which business schools might learn. For example, the Dyson Institute of Technology's engineering undergraduate degree has just been developed by Warwick University's Manufacturing Group and Dyson engineers. The New Model in Technology & Engineering (NMiTE) is Britain's first wholly new purpose-built university in 40 years, developed with Warwick University and Olin College of Engineering (USA).

Yet there are confusing signals. The UK government is encouraging new entrants while at the same time clamping down on student visas to reduce immigration numbers. In 2015, 72 educational establishments in the UK lost their licences for non-EU student visas although some were later reinstated. There is also confusion over government ministers' rhetoric about "level playing fields" yet talk of post-study work visas only being issued to students graduating from high-quality teaching institutions.

In an age of unprecedented uncertainty over Brexit and a Trump presidency in the USA, the only option for London's business schools (and many others globally) is to cut costs and innovate with new business models while communicating the public values of their activities

We suggest that a fuller understanding of the diversity and value of different types of business schools already in the capital's melting pot (including alternative providers and back-street diploma and visa mills, which are often not in the field of vision of traditional public sector universities) helps to avoid marketing myopia.

The risk is that long-established business schools become too complacent in focusing on existing products, accreditations, and other business school industry games. We need to appreciate dynamic forces in in our wider environment so that new variants of business school models evolve to address society's pressing needs.

Indeed, hypercompetition and policy reforms affecting the UK's capital city will continue to present a perfect storm for business school industry watchers in the UK and abroad.

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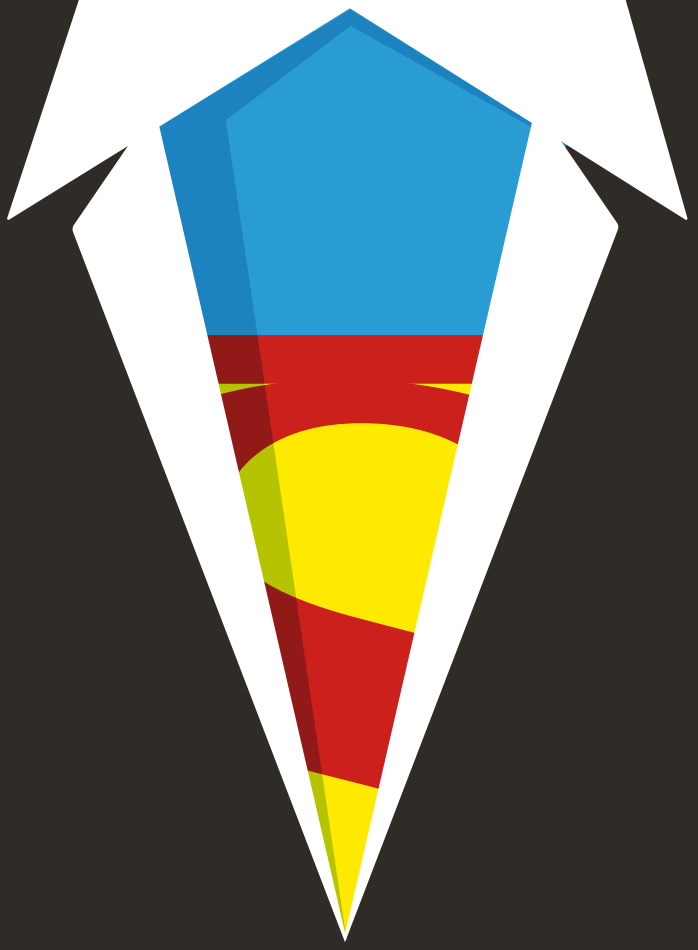
The UK government is encouraging new entrants while at the same time clamping down on student visas to reduce immigration numbers. In 2015, 72 educational establishments in the UK lost their licences for non-EU student visas although some were later reinstated



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To be successful, organisations and individuals need to transform jointly from a stable to an agile world. Agile organisational structures will be fuelled by agile talent, embracing and thriving in new dynamic environments. By **Martin Moehrle**

Towards a marketplace approach to managing talent

In the October 2016 issue of *Global Focus*, I shared my view that while talent management practices have extensively matured over the last two decades quite a few organisations still struggle with some fundamentals.

I concluded with the view that in the new world of digital disruption, the contemporary approach to talent management has reached its limits, being designed – as most management practices – in the "industrial age" for times of stability and predictability.

Organisations have come to realise that adjusting to an ever-changing market context through repeated restructuring is a painful and a wasteful approach. The quest for more agile structures and management practices will unavoidably lead to new ways of managing talent, in some industries earlier than in others.

The EFMD Special Interest Group on Transparent and Adaptive Talent Markets, including senior HR leaders from Adidas Group, Capgemini, Cisco (sponsor), Intel, SwissRe, and W L Gore, was set up to explore more agile approaches to organise work and match demand for and supply of talent.

This article is a summary of what the group imagines the future of work and agile talent management might look like. Work will be liberated from the alienated form it took on in the industrial era. The rise of a new breed of professionals will have much more in common with Renaissance master artisans than the blue- or white-collar workers we are used to: proud of what they do and what they create, working with passion and purpose, and nurturing their personal reputation and brand.

The key characteristic of those professionals and the organisations they are associated with is going to be agility. The platforms and networks enabling and enforcing agility are going to be talent marketplaces and the form "work" will likely take on in these environments can be called a talent journey. To be successful, organisations and individuals need to transform jointly from a stable to an agile world. Agile organisational structures will be fuelled by agile talent, embracing and thriving in new dynamic environments (see Figure 1).

Ideas, people and work will be liberated from silos and made freely exchangeable. Rather than jobs and roles, work will be thought of in terms of assignments, with teams assembled from the most suitable and engaged talent to execute them. Individuals will rely more on their professional reputation and their visibility across internal and external networks.

To enable and implement agility, organisations need to leverage innovative platforms and networks such as talent marketplaces. These are transparent ecosystems that connect the work assignments needed to execute a given business strategy with the people, their aspirations, experiences, strengths and passions. They enable an organisation to allocate, develop and reward talent in an agile, proactive and seamless manner while enabling talent to leverage the full spectrum of business assignments to grow and navigate their career, matching personal preferences with work opportunities – and sustaining their own employability.

Central to the way a talent marketplace fosters organisational agility is the idea of work becoming assignment-based rather than role-based. Talent with the appropriate skills is then brought together into dynamic teams to fulfil the assignment. An individual's professional reputation will no longer be largely dependent on his or her leader. Professional reputation becomes the means by which individuals shape a career on their

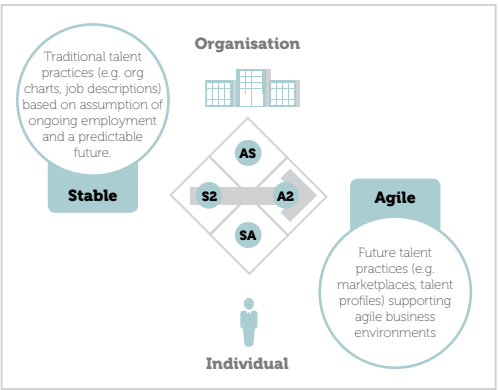

Figure 1

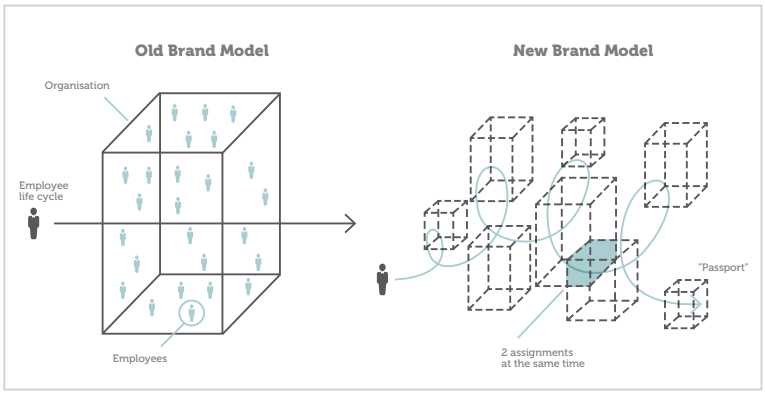

Figure 2

terms, acquiring, developing and trading on their strengths and experience as they go.

Reputation – of an individual, a leader, an organisation – is going to be the currency of this marketplace. And transparency about it is vital for both the supply and demand side to see what each has to offer.

Agility works both ways then. It allows organisations to quickly assemble teams of the right people with the right skills for a particular assignment, making more efficient use of talent rather than having it stuck within "jobs" or departments that remain static regardless of the spring tides of business needs. It allows individuals to choose the assignments best fitting their career plans and aspirations and to be able to alter the intensity of work and better balance it with other factors in their lives.

As organisations move from stable hierarchies to agile open networks, the corporation as such turns into a network of networks (wirearchy). The enterprise talent marketplaces will also open up to external talent. "Employees" will become part of shared talent pools and work on one or more assignments for one or more companies. Equally, companies will become part of a "consortium" based on shared talent management agreements and requirements.

This open talent marketplace – shared and leveraged by multiple companies – will make the traditional employee lifecycle obsolete. It will drive a transition towards an employee journey through multiple assignments in multiple companies – some of them at the same time. The key ticket to employment will turn from an exclusive permanent employment contract with a single employer into an inclusive professional passport – created and validated by the different employers of the "consortium". It will provide access to assignments in all companies leveraging the open talent marketplace (see Figure 2).

Former securities that came from working in an established business have been disrupted and new platforms that allow any business to locate talent anywhere anytime have shifted the risk from working as a self-determined agent to more likely rewards. The pervasive availability of assignments, made visible through a talent marketplace, is awakening the entrepreneurial spirit of the prepared worker who is willing to combine continuous learning with the careful tending of reputation while delivering quality work. New virtual communities of practice are more inclusive and vast than any single company could be.

The scale of these changes means their impact will be felt far beyond business models, organisational structures and the conditions under which most of us work. The so-called "gig economy" brings freedom and flexibility but also the potential for employers to side-step their obligations.

> *As organisations move from stable hierarchies to agile open networks, the corporation as such turns into a network of networks (wirearchy)*

Traditional employment laws must be overhauled where they no longer protect workers from onerous terms and poor treatment. The opportunity here is for corporations, lawmakers, legal experts and workers' representatives to begin intense discussions on how to keep pace with such rapid shifts in the labour market.

Agile and flexible ways of working present opportunities but also significant challenges that must be addressed in a holistic way through a new alliance between people, enterprises, regulators and governments. On the business side, there is already an emerging trend for more dynamic, project-like structures in many organisations, which are starting to compete with more static hierarchical structures. Working in projects has great benefits but the need to set out these benefits suggests, rightly, that there is a cost.

To counterbalance these costs effectively, the method by which resources are allocated to projects is important. The group assumed the use of a market rather than a more traditional resource management function. It assumed that market to be transparent and adaptive, meaning both workers and those seeking workers have complete information and the market can change to provide workers with different skills.

The Transparent and Adaptive Talent Markets group also considered that workers at different stages of life can have different time and work preferences. Where employers do not match these preferences, skilled workers can find other employers. Transparent markets make work visible that can be part time or assignment-based and so appeal to demographics otherwise at risk of exclusion from the traditional full-time work place.

Greater visibility of the market will help workers understand when they are close to commoditised skills and roles. Self-realisation drives people to seek for development to maintain their employability high and supports the objective of agile organisation to have properly skilled and future-proof talent. Training people proactively for a new role – leaping to the new – has clearer benefits when the workforce is deployed to projects. This approach improves productive time allocated, and gets greater value from an individual worker.

The group believes both business and people perspectives provide powerful cases for agile transformation. The transition from a stable into an agile environment for organisations and individuals is about understanding their agility—and how they can seize the opportunities of an increasingly digitalised environment.

Most of the talent policies and procedures still in place were designed to support stable businesses and an equally stable work setting. The agile world will require a revision and evolution (if not a revolution) of most HR practices including the underlying organisational structures and cultures.

The group identified multiple external and internal enablers and inhibitors for an organisation to leverage a transparent and adaptive talent marketplace. Practices for each of these already exist in all organisations, and most will have to be transformed significantly to turn from inhibitors to enablers.

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A New world order is slowly beginning to emerge around us. **Matthew Gitsham**, **Joanne Lawrence** and **Martin Lockett** look at some of the responses we will need to develop to deal with it

Living in a new world

In boardrooms from New York to London and around the world, the pursuit of shareholder value has been a mantra for decades. Some say this unrelenting drive – with lost jobs, stagnant earnings for many and further concentration of wealth – led to middle class disillusionment with and working class alienation from existing business and political leadership. Hence, we have seen the unexpected upheavals created by Brexit in the UK, the election of Donald Trump in the US, and continuing unrest in both the developed and developing countries.

While pollsters were caught by surprise, economists would say it was just a matter of time before the unease erupted. While globalisation has benefitted many, it also leaves behind the most vulnerable within a country – the unskilled, the uneducated, the marginalised and those in industries vulnerable to globalisation. The indirect benefits of lower prices for imported goods do not help if you have lost your job.

But there have been quieter, equally determined voices seeking solutions to the stubborn issues that plague the vulnerable. These voices have understood the need – now more than ever – for goals that meet the needs of the many. This demands leaders with a holistic view of the world who seek both economic growth and social inclusion and who are able to close the gap between rich and poor and so eliminate the instability that the current pattern of growth and globalisation brings.

The UN Brundtland report on Sustainable Development was considered fringe in 1987 as was the first Rio Earth Summit held in 1992. Yet today much of this thinking has become mainstream, at least in principle, as evidenced by the number of countries signing the Paris Climate Agreement in 2015.

While targets for environmental sustainability are becoming well-known and embedded in the running of many businesses, the wider goals around sustainable development are less familiar, especially in businesses and business schools.

These objectives were brought together in the UN's Global Goals for Sustainable Development (SDGs), also agreed in 2015. The 17 goals (see Figure 1), together with 169 targets, address

Figure 1:
The UN's Global Goals for Sustainable Development

topics not just around energy and climate change but across a broad range of issues from poverty and hunger through to health, gender, education, inequality and sustainable cities.

These SDGs are now rising up the agendas of business, governments and academic institutions alike. There are two reasons:

First, as more people recognise how truly interconnected and interdependent the world is the more they realise that addressing the SDGs is needed to combat the exclusion of too many people in all countries from the benefits of a changing global economy. Exclusion leads to unrest: inclusion enables stability.

Second, a tipping point is being reached in business and government thinking and a growing recognition that there are enormous business opportunities arising from the issues addressed by the SDGs.

For example, at the World Economic Forum in Davos in January 2017, the Business and Sustainable Development Commission published an analysis of the scale of the business opportunity available from addressing the SDGs. It looked at four key sector clusters: food and agriculture, cities and mobility, energy and materials, and health and well-being and found that the 60 largest opportunities from these four sector clusters could together generate business revenues and savings worth more than $12 trillion by 2030, equivalent to 10% of forecast global GDP. The 15 largest of these opportunities account for over half of the total sum.

$12t

The Business and Sustainable Development Commission looked at four key sector clusters: food and agriculture, cities and mobility, energy and materials, and health and well-being and found that the 60 largest opportunities from these four sector clusters could together generate business revenues and savings worth more than $12 trillion by 2030

This scale of opportunity demands both understanding of the SDGs and the opportunities they create as well as the leadership, entrepreneurial and management capability to turn opportunity into reality. Business schools need to recognise their role in motivating and developing the ethical, holistic thinkers needed to solve the problems highlighted by the SDGs as well as realise the opportunities they create.

The UN sought to address the issue of responsible leadership when it created the UN Global Compact in 2000, a set of principles that more than 12,000 organisations have now signed up to. Business schools, too, have embraced this vision of a more sustainable and inclusive world and vowed to integrate responsible business principles into their curricula.

Collaborative initiatives such as the Principles for Responsible Management Education (PRME), the Academy of Business in Society (ABIS) and the Globally Responsible Leadership Initiative (GRLI) have made changes in behaviour imperative. This has been reinforced by changes in accreditation standards by international bodies such as EFMD and by national quality agencies in some countries (QAA's guidelines on Education for Sustainable Development in the UK, for example.)

But just agreeing with the SDGs, signing up to the Principles and showing off selected initiatives in sustainability and responsibility is not enough. To truly create ethical and holistic system thinkers, business schools need to design, develop and provide the education that such leadership requires at the very core of what they do. We need not only to support principles but also to integrate the SDGs into our curriculum and research agendas.

A key tool to help organisations internalise the SDGs is the SDG Compass. Developed through a partnership between the UN Global Compact, the World Business Council for Sustainable Development and the Global Reporting Initiative, the SDG Compass sets out a series of steps that helps companies think through how to integrate and align their strategic goals with the SDGs. It also covers how organisations can report to the rest of the world their contribution to addressing the challenges posed by the SDGs.

The SDG Compass is also a helpful tool for business schools, both internally in terms of the implications of the SDGs for us as educators of the next generation of global leaders and more

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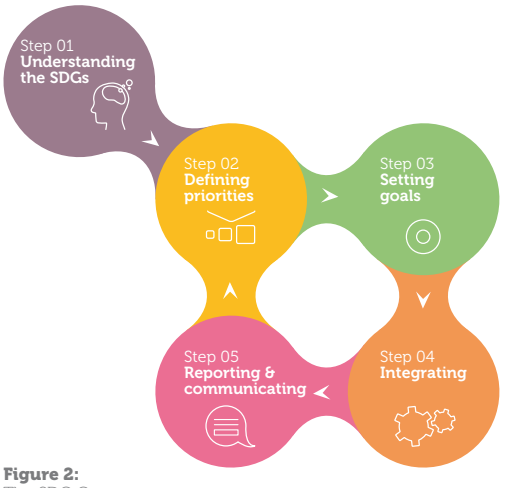

Figure 2:
The SDG Compass

broadly in how we look at the challenges facing business to which we respond in our curricula and research.

So what steps can business schools take to integrate and align the SDGs with our mission, teaching and research?

It's a question we have asked ourselves at Hult International Business School over the past year. As a result of the recent operational merger between Hult International Business School and Ashridge — two longstanding PRME signatories — we reviewed the SDGs and asked what they might mean for us. As we debated how the combined school should be working with PRME, our detailed review of the SDGs both confirmed the importance of many of our existing activities and highlighted areas where we should be placing more emphasis.

For the SDGs, as with sustainable development more generally, our starting point was that we believe business schools have a major role to play through our influence on current and future business leaders, principally through our education and our research, as well as how we manage our own campuses and operations. This led us to focus on three areas:

- how education and research can support business and other organisations to achieve the 17 SDGs
- how we need to address the SDGs that relate specifically to business schools as educational institutions
- how business schools can contribute more widely as employers and organisations

The first issue this raises for business schools is the question of how much their education and research activity can directly or indirectly support other organisations – above all businesses – to achieve the 17 SDGs?

Where and how should SDG-related issues be embedded into different parts of the curriculum? How far do research programmes already contribute to the SDGs, and where are the opportunities for them to contribute more? What opportunities do the SDGs create for new partnerships around research and education?

For example, in marketing classes we can teach students how to apply marketing principles to improve health by changing behaviours, as Unilever has done with its handwashing campaign in India. In finance, we can introduce impact investing along with investment banking as possible career paths. In economics, we can talk about how business and governments, working together, can create the skilled workers that will be needed for businesses to realise the growth opportunities. In strategy, we can focus on the potential posed by the solving the SDGs, such as food security and climate change.

And alongside this, we can encourage an entrepreneurial, global mindset that sees business success and societal well-being as complementary rather than conflicting. We need to change both the mindset of corporate executives and private entrepreneurs as well as support a variety of alternative forms of business, including "social business" as championed by Nobel Prize winner and Hult faculty member Muhammad Yunus.

In this context, we see the global Hult Prize competition – "the planet's largest student competition to solve the world's toughest challenges"– playing a critical role. As well as the social enterprises it stimulates, it makes thousands of students from hundreds of universities and business schools aware of the challenges raised by the SDGs.

The second issue revealed by our review was that specific targets within SDG Goal #4 on Education have direct relevance to business schools, particularly those regarding:

- Growing the overall number of people gaining relevant skills for employment, decent work and entrepreneurship (Goal #4, Target #4.4)

• Improving access to management education for women and those with lower incomes, those with disabilities, and those from developing countries, particularly Least Developed Countries, Small Island Developing States and African countries (Goal #4, Targets #4.3, #4.5 and #4b)
• Ensuring all learners acquire the knowledge and skills needed to promote sustainable development (Goal #4, Target #4.7)

These pose questions about how we can widen access to education while maintaining its quality. In addition, they imply that we should think about expanding opportunity not just internationally but also among less advantaged groups in our societies.

The third issue our review uncovered was that business schools can also directly contribute to many of the other goals through operational and campus management. For example:

• Promote human rights, gender equality, health and well-being, and decent work for direct employees and through the supply chain (Goals #3, #5 and #8)
• Work towards eliminating carbon emissions (Goals #7 and #13)
• Improve water efficiency (Goal #6)
• Reduce waste and increase recycling rates, manage chemicals soundly (Goal #12)
• Protect, restore and promote ecosystems and biodiversity (Goal #15)
• Taking action to guard against corruption and bribery (Goal #16)

The review stimulated by the SDGs also encouraged us to continue emphasising many activities already well established at Hult and Ashridge. Given SDG target #4.7 on ensuring that all learners acquire the knowledge and skills needed to promote sustainable development and the 2014 QAA guidelines on Education for Sustainable Development, we reviewed the learning objectives of each course in each programme across Hult and Ashridge to look for specific references to ethics, responsibility and sustainability.

Our research strategy also encourages organisations to make a better contribution to the SDGs. It focuses on two "grand challenges": "Creating Disruption" and "Transforming Behaviour", both of which are core to achieving the SDGs. Building on the base of research on sustainable development at both Hult and Ashridge we have ongoing research which links to several different goals:

• business models for clean technology (Goals #7 and #13)
• mindfulness, memory and sleep (Goal #3)
• women in leadership (Goal #3)
• tackling corruption (Goal #16)
• financial markets and public policy (Target #10.3)
• tackling modern slavery (Target #8.7)
• education for social entrepreneurship (Target #4.7)

Other projects are directly focused on the SDGs themselves, including a project looking at the policy advocacy activities of companies involved in helping to shape the SDGs, and a partnership with Business Fights Poverty on how companies are leading change efforts to embed the SDGs into their core business.

The main area where the SDGs raised new challenges for us was the question of not just what we teach, but who we teach. Goal #4 on education has a number of targets relating to access to education, emphasising equality of access to education for women and those with lower incomes, those with disabilities and those from developing countries.

In our 2016 PRME report, we published data on the geographical diversity of our students, many of whom came from least developed countries, small island developing states and African countries highlighted in the SDGs. We also analysed the

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Dr Anne Keränen (Martti Ahtisaari Institute, Oulu Business School, Finland) is a postdoctoral researcher and lecturer in responsible leadership, a mother of three boys and in her spare time, a keen cyclist. Anne is seen here during her recent visit to the University of Stellenbosch, a South African Partner of the GRLI, where she worked on a programme for women entrepreneurs and leadership professionals.
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"We found our review of what the SDGs mean for us as a business school to be an eye-opening and extremely worthwhile exercise. We are sharing our experience here to encourage other business schools to do the same and ask themselves the question: "What do the SDGs mean for us?"

gender balance of each programme and the proportion of students on each programme receiving financial aid. We then set ourselves a target: we would develop an overall school-wide policy and approach to encourage access to education from each of these different geographic areas and demographic groups.

In summary, we found our review of what the SDGs mean for us as a business school to be an eye-opening and extremely worthwhile exercise. We are sharing our experience here to encourage other business schools to do the same and ask themselves the question: "What do the SDGs mean for us?" Our suggested questions to help guide the conversation among administrators and faculty are:

- Who in the school knows about the SDGs and what they mean for business schools?
- What is your school doing now with regard to the SDGs – where are strengths and gaps?
- Where are the opportunities for innovation – through teaching, research and other activities – that help progress the SDGs?
- How can your school operationalise the SDGs in its own students? (for example, can it admit more women, students with disabilities, or applicants from developing countries?)
- How can your school – by its own example – advance human rights, eliminate carbon emissions and reduce waste?
- How can you talk about your school's contribution to the SDGs in your "Sharing Information on Progress" (SIP) report, serving as an example and inspiring other schools?

Our review led to us reinforcing our commitment to the SDGs and to developing ethical business leaders and entrepreneurs who will pursue economic and social inclusion. We are proud of what we are trying to achieve at Hult, and welcome the opportunity to share our experiences and hear your ideas.

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BSIS was designed to measure the impact of business schools on their environment. But, ask **Gordon Shenton** and **Michel Kalika**, what is the 'impact' of the Business School Impact System, and what effect does undergoing the BSIS process have on business schools themselves?

The impact of BSIS

"The first observation is undoubtedly the sharpening of the schools' outward-facing capacity with a much clearer focus on the areas in which they wish to have an impact

The Business School Impact System (BSIS), a joint venture between EFMD and FNEGE (the French National Foundation for Management Education), is designed to help business schools identify, measure and assess the impact that they are having on the world around them. The purpose of this article, however, is to assess the impact that BSIS has on the schools that go through the process. What are the positive outcomes, the changes and the improvements that result from the BSIS experience?

Based on the direct and usually intense experience with more than 20 schools in nine countries (Belgium, Canada, China, France, Hungary, Lebanon, Spain, Switzerland, US) and on the formal feedback from these schools regarding their progress in implementing the recommendations made, a pattern is emerging of the way in which BSIS contributes to business school development.

From the data collected we can identify five main areas in which BSIS has a substantial impact.

Institutional outreach and engagement with the local ecosystems

The first dimension is undoubtedly the sharpening of the schools' outward-facing capacity with a much clearer focus on the areas in which they wish to have an impact. We have observed in almost all cases a raised awareness of the various educational, economic and political ecosystems in which the schools can aspire to operate as more significant players.

The most striking feature here is the increased involvement with various entities – local government bodies, professional organisations and companies – concerned with the economic development of the local region.

At a time when many cities and regions are facing harder times and need to clarify their image, business schools have a key role to play as professionally competent partners. This impact is directly linked with the fact that BSIS helps a business school to communicate more clearly with its stakeholders.

Identity, mission and strategic positioning

Although it is not its initial purpose, the BSIS exercise leads schools to take a hard look at who they are and what their fundamental purpose is and often brings to the fore a series of existential questions that had remained unresolved.

It is significant that in more than half the cases the exercise has led to a clarification of schools' names. The issue of branding or re-branding has frequently been high on their development agenda.

When a school's external relations are examined, as they are in the BSIS process, questions of identity and historical roots immediately arise. The schools find themselves obliged to define the strategic balance between their international, their national and their regional positioning.

The regional positioning itself may be multi-tiered with the city and the wider region requiring differentiation according to the type of impact and the nature of the stakeholders. In many cases BSIS has helped schools to reach a much better understanding of how their sphere of impact is structured and who their key stakeholders are.

This reflection clearly has an impact on a school's market positioning and the balance within its portfolio of undergraduate, pre-experience, post-experience, specialised postgraduate and non-degree executive education programmes.

For example, if a school defines itself as essentially a regional school it is more likely to emphasise its educational role in the pre-experience segment for younger students.

In addition, it is worth noting that questions arise not just in relation to a school's external positioning but also in relation to its positioning within the wider university of which it may be a part. In several cases, the BSIS process has led to an important clarification of this issue.

The fact that *societal impact* is one of the seven areas in the BSIS process has given schools an opportunity to clearly state where they stand in relation to CSR, ethical management and sustainable development both in the educational

> *A common feature in almost all the schools that have been through BSIS is the much stronger emphasis on entrepreneurship, new business creation and innovation, leading to new courses or new tracks within existing courses*

process and in their own practice as socially responsible institutions within their community.

The evidence provided by this still, admittedly, small group of schools reveals a high level of awareness of this dimension and a concern to go beyond good intentions. Most are able to tell a good story in this area in which they are often role models for their local environment.

Action learning and practice-oriented programmes

The objective of building closer links with companies and organisations has had considerable impact on the schools' programmes, opening up both course syllabi and pedagogy.

A common feature in almost all the schools that have been through BSIS is the much stronger emphasis on entrepreneurship, new business creation and innovation, leading to new courses or new tracks within existing courses. At the same time there has been pressure to develop new specialisations in sync with the economic and cultural characteristics of the regions in which the schools are operating. This is extremely relevant in the many cases where a school's environment is marked by strong cultural and economic traditions.

On the pedagogical side the shift has been to involve companies much more in programme design and execution and to send students out into the corporate world as part of their course work through a proliferation of internships, in-company projects, student consulting missions, apprenticeship schemes and so forth. The move is decisively towards action learning in which students are seen as potentially valuable resources at the disposal of companies during their studies.

The concern to serve the regional corporate community better has also led to an extension of executive education offerings, often within schools that had previously put little strategic emphasis on this segment of their programme portfolio.

Regionally relevant research agendas

The impact that business schools are having in the area of research remains a controversial theme in the management education community. It is appropriate, therefore, that BSIS, without passing judgement on a school's strategy in this area, should attach particular importance to the issue of local and managerial impact.

We note that the system has helped schools in three ways:

First, it encourages them to track research that relates to their regional environment in one way or another, either because the research topics are relevant to regional concerns or because local companies are involved in the research either as partners or as subjects of the field work.

Second, it encourages schools to go beyond this basic level of tracking output *a posteriori* and to link their research agendas strategically to the characteristics of the regional environment so that certain emerging specialisations are directly relevant to regional concerns. This is linked in many cases to the establishment of funded chairs or institutes within which corporate members sit alongside the academics.

Third, BSIS has encouraged schools to proactively disseminate the managerial relevance of their research output to the local community by means of annual research reports, newsletters and webinars and to organise regular onsite briefings and discussion events around significant themes. The schools have a role to play as intellectual forums within their local environment.

9

More than 20 schools in nine countries (Belgium, Canada, China, France, Hungary, Lebanon, Spain, Switzerland, US) have provided feedback and contributed to the survey on how BSIS impacts business school development

> *In all cases BSIS has had a broad impact on the schools' internal organisation through the creation of new positions and structures in crucial areas*

Enabling measures for professionalising the schools' internal organisation

In all cases BSIS has had a broad impact on the schools' internal organisation through the creation of new positions and structures in crucial areas such as data collection, corporate relations, career services, database management, alumni relations, research management, impact information systems and (last and far from least) communications.

These measures are designed to professionalise the management of these areas and can be considered enabling structures to raise the schools' impact potential and their ability to communicate their achievements more effectively. BSIS helps schools to operate better in pursuit of their intended impact and to tell a better story in their chosen environment.

In addition to these very specific enabling measures to improve external relations we have often observed the emergence of an internal impact culture whereby faculty and staff gain an increased awareness of their own individual contribution and of the collective impact of their school's activities. This cultural change is recognised by many schools as a major benefit.

It became apparent that in more than half of the schools visited *alumni* were an underused resource in the management of external relations. Systems are being put in place for registering, tracking and mobilising these former students, some of whom occupy senior positions in local and national companies.

Another related observation frequently made during the BSIS exercise was that international students could be mobilised as ambassadors and skilled resources for the schools' corporate partners.

Conclusion

The impact of BSIS is clearly both operational and strategic. Many of the recommendations made to a school in the course of the onsite visit and in the final report relate to the details of its operations with a multitude of practical recommendations for incremental progress.

However, in most cases the impact of BSIS goes much beyond this operational level to raise fundamental questions about identity, mission, strategic positioning, target markets, research policy, programme segmentation, educational policy and so on.

The impact of BSIS on business school development is only complete when it brings together these two dimensions. This is not to say that BSIS sets out to tell schools what their strategy should be but the process does lead schools to look at identity and purpose from a different angle and provides a neutral space to discuss the issues with internal and external stakeholders.

The authors thank Griet Houbrechts for her very useful comments on this article.

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Creativity needs space and time to flourish, says **Dan Pontefract**. Being too busy harms this. Too often it gets lost in *status quo* thinking. We have to make the time to rethink how we think

Time to think again

1945

When Lindgren brought Longstocking to life in 1945 with equal parts cleverness, noisiness, independence and creativity, she encouraged young readers to think contrarily

Sweden's Astrid Lindgren was a literary giant who changed the game of authoring. Through the introduction of an anti-authoritarian adventurer, Pippi Longstocking, Lindgren has educated many young children to think differently.

That's the good news. But this thinking differently mindset is becoming woefully inadequate (or hidden) in many of today's stagnant organisations. It is something leaders would be mindful to rectify if they are looking to unleash open thinking in support of new innovations and improved results.

When Lindgren brought Longstocking to life in 1945 with equal parts cleverness, noisiness, independence and creativity, she encouraged young readers to think contrarily. Longstocking was a heroine of exploration. She sought out adventure and freedom. Back in the day, more than 70 years ago, it was radical prose. In fact, Lindgren was vilified by many in the literature world. We might even suggest that through Pippi Longstocking Lindgren was the original Dora the Explorer.

One of the key points that Longstocking had going for her was time. Unlike many of today's organisational leaders and employees she was not being exploited for her time. Longstocking was not consumed by mundane actions or repetitive tasks. Remaining in the *status quo* was not her thing either. In fact, there was no *status quo*. Lindgren ensured her heroine remained unshackled to the mundane.

Longstocking was also never browbeaten by a constant need to look or be busy. She was constantly able to creatively conjure up new plots, ideas and ways to be mischievous. She was a girl exploring but she explored while remaining in charge of her time, using it to her advantage on many adventurous occasions.

When we become too busy in our lives and at work – unable to pause, reflect and invoke creativity – a civil war erupts in our brains. More often than not, exploitation wins out over exploration. We expunge our inner Pippi Longstocking. The humdrum anchor easily drops to the ocean floor and the ramifications can be far-reaching for both personal development and organisational success.

The question we ought to be asking ourselves is whether or not a lack of creative thinking is due in part to our penchant to fall into a busyness trap, exploiting our time to remain steadfast in the *status quo*. Do we become blind to exploring the unknown? In order to fuel creativity – personally and organisationally – we need to ask the hard question: why we are failing to be more like Pippi Longstocking?

Baby steps going backwards

Back when we were babies, every day was an experiment in exploration. The journeys seemed endless. We explored our crib, the floor and then the stairs as we learned to crawl. In a few months the kitchen drawers became places where interesting mouth-bound gadgets were plentiful.

As we began to walk there was more to explore, be it the velvety sand at the beach, the soft grass strewn across the park, or the icy snow found in a field. It was endless exploration. We felt it. We unconsciously unleashed Longstocking's cleverness, noisiness, independence and creativity. We were alive.

We did so because there was the luxury of time. Aside from a schedule that consisted of naps, meals and snack time, no-one was telling us to complete a task by day's end. There were no superiors badgering us to "do more with less". Our every minute was not being accounted for by overtaxing schedules, inane meetings or rushed deadlines. What's more—and arguably most important—we had not developed "*status quo* thinking". Adventures built upon adventures and we liked it. There was no such thing as "business as usual". We were free to think creatively and were unafraid to do so. Cognitive biases simply did not exist.

If we fast-forward to the world of work we now know there is conflict between our desire to be explorers and the reality of being exploited for and by time. Researchers, however, have discovered that our default desire of thinking is to be creative. Like when we were a toddler, we yearn to explore and discover new lands. In essence, we long to be like Pippi Longstocking.

But when our minds are overburdened with tasks or we have to put up with a high mental

> *When we become too busy, we choose the known and predictable. Ultimately we dull down and desensitise our own selves. If we exhaust our mental load any chance for increased creativity diminishes*

load, we consistently and quite effectively deliver banality. When we become too busy, we choose the known and predictable. Ultimately we dull down and desensitise our own selves. If we exhaust our mental load any chance for increased creativity diminishes.

If the roles we occupy at work become stressful and overly tiresome, the end result is that we are likely producing something rather boring. We revert to what we have always done in the past. This is *status quo* thinking". As researchers have pointed out: "The mind's natural tendency is to explore and to favour novelty but when occupied it looks for the most familiar and inevitably least interesting solution".

Making time for computer animation

Take, for example, the story of John Lasseter, currently Chief Creative Officer at Walt Disney Company and Pixar Animation Studios. It is an interesting title to occupy, one that arguably cost Walt Disney over $7 billion to create.

Lasseter is the brilliant mind behind Pixar, the company that has given the world wonderful films such as *Wall-E*, *Finding Nemo*, *Cars* and *Toy Story*. Before Pixar found its success – and before it was gobbled up by Disney – Lasseter worked there in the early 1980s as an animator. He was constantly thinking about the future of film animation. He was always unleashing his inner Pippi Longstocking.

As legend has it, Lasseter began thinking about the future of Disney as a company, too. He felt the decades-old approach of hand-drawn animation for its films was about to be replaced by computers. He pitched his bosses – and his bosses' bosses – the new-fangled invention of computer-animated films.

While Lasseter's prescient hunch was correct, Disney executives ultimately failed to think differently. They ignored Lasseter's prophetic vision – not giving the idea the time to incubate or materialise – and Disney ended up firing him from the company. Disney remained locked in their *status quo* thinking, unable to truly rethink what its future might look like.

It strikes me that Disney executives were either too busy to think differently or their brains were too exhausted to rethink its existing film-producing strategy. Were Disney executives exploring or exploiting their time? The verdict came, perhaps, by the ignominy of Lasseter's termination.

Years later after spinning off Pixar from Lucasfilm (where he originally landed subsequent to being fired from Disney) Lasseter ended up back at Disney. How? Disney recognised its error and paid $7.4 billion to acquire Pixar. It then made Lasseter its Chief Creative Officer.

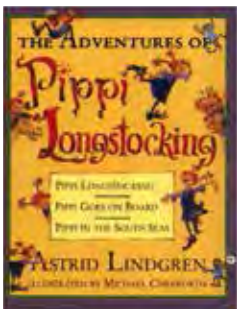
Just imagine the additional revenues and profits for Disney if its leaders had created the time to properly think about Lasseter's original proposal decades prior. Imagine if they had explored the power of open thinking versus being exploited by its own *status quo* thinking. Imagine if they did not have to hand over $7.4 billion to re-acquire Lasseter and the entire Pixar team and film library?

Giving time to think

Pippi Longstocking had oodles of time to be creative. The culture that Lasseter helped to create at Pixar is one steeped with open thinking. Pixar is a Pippi Longstocking playground. What if more leaders devoted more time to allowing creative thought to occur?

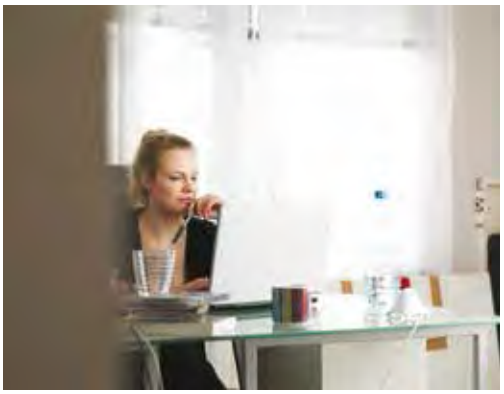
A study done with orangutans proved that those held in captivity – with time on their hands, not worried about predators, distractions or having to search for food – were more creative and possessed a higher inclination to explore than orangutans from the wild.

The study pitted both sets of orangutans in a habitat where, among other tests, a new toy



$7.4bn

Disney paid $7.4 billion to acquire Pixar, and it then made John Lasseter, whom they sacked years earlier, its Chief Creative Officer



8,760

Every day, each of us is equipped with 1,440 minutes. We all possess 168 hours a week and 8,760 hours a year to utilise to our advantage

was introduced. In one example, orangutans previously held in captivity approached the toy immediately yet even after several months of testing the wild orangutans would not go near it. As the researchers noted: "If you ask me, opportunity is the mother of invention".

Put differently, if our minds are constantly distracted and exploited by time and task pressures, none of us will be willing to touch the new toy. In fact, our minds will be so preoccupied with other things we won't even pay attention to it nor will we think up fresh new ideas. Arguably Longstocking, Lasseter and Pixar are examples of bucking such a scenario. They make the time to explore creativity. They are not exploited by time.

Bill Gates, former chairman and CEO of Microsoft, recognised the need to spend time away from the pressures of operational tasks and running a business. He introduced "Think Week" where twice annually he would sequester himself for a week of reading, thinking, listening and letting the art of the possible permeate his brain. It was his planned time to think creatively.

Every day, each of us is equipped with 1,440 minutes. We all possess 168 hours a week and 8,760 hours a year to utilise to our advantage. If we do not earmark a significant portion of time to be creative—to be open thinkers—there is little chance to erase a *status quo* mindset. My advice is to unleash your inner Pippi Longstocking and be more like John Lasseter, Pixar or Bill Gates if you truly want to become an explorer, not an exploiter, of time.

If you want to cure *status quo* thinking, you have to rethink how you think. Make the time.

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Brand management is one of the most complex management challenges for leaders of business schools and business universities. **Thomas Bieger** and **Patrik Sonderegger** chronical how University of St.Gallen in Switzerland approached the issue

Getting university brand management right

The globalisation of the education sector and increasing competition in higher education means that brands have increasingly become a strategic asset to be carefully developed and managed. This is especially the case for business schools and business universities – and even more their executive education arms, which operate in a globally competitive market.

However, to develop a brand that not only transmits an image but also reflects the identity of an organisation and its members (and thereby allows truthful claims for the quality delivered by faculty and staff members) requires a carefully designed process. This article described the process used by the University of St.Gallen, one of the most prestigious business universities in Europe.

In a traditional company producing tangible products, brands can be developed in a more or less top-down strategic planning process. Quality is reflected by the products and their price level, which are the result of careful quality assurance. And customer contacts are mainly via the products themselves.

A service company is a more difficult case since customer contact and customer promises are fulfilled by the employees of the company. In a service company brands never can be successfully developed without employee support. It is part of the key insights of behavioural branding that a successful brand has to be based on a strong fit between the outside image and the inside identity of the organisation and its members.

Brand management for a public institution, region or a city is even more challenging. A successful brand not only has to fit to the market positioning and customer expectations, employee identity and values, and also has to reflect the identity and value system of the broader constituency, both directly, for example politicians, or indirectly, for example inhabitants who contribute to the customer experience and are sources of strategic assets.

A city brand, therefore, has to be developed together with market research specialists for the respective target markets plus representatives of customer-facing industries such as the tourism sector and representatives of the broader local constituency.

But compared to this type of location branding, brand management for universities is even more complex (see Figure 1). This is mainly for two reasons.

First, universities' most important constituency is their former customers – alumni – which has to be involved.

Second, universities active in the executive education sector as well as pre-experience student markets have to cover very different needs and to provide an extremely heterogeneous service experience. A participant on an open enrolment programme is a precision shopper who wants a solution in a few days whereas a bachelor student might be interested in a more general life experience for a rather undefined time.

Developing a claim in a multi stakeholder process – the example of the University of St.Gallen

St.Gallen, like any quality organisation, follows a long-term brand strategy. Its current logo dates back more than 15 years and was designed by an international brand consultant. To capture the spirit and value of the place a photography-based participation process was used. Members of the university took photos they believed reflect best the spirit of the university. The logo that resulted consists of fragments of a human being in a Leonardo da Vinci style. It captures values that then and still are at the core of the university such as "students and people first", "create, innovate and undertake study are life". The colour chosen is the official colour of the state of St. Gallen, the owner of the university (see Figure 2).

At the time a deliberate choice was made to avoid developing and using any branding material that made specific claims about St.Gallen since the university was in the middle of the Bologna process and on its way to becoming an internationally recognised business university. At the start of this process, expectations and perceptions internally were still too heterogeneous to work out a really powerful claim relevant for different target markets and covering the identity of the different stakeholders (see Figure 3).

It was decided that developing such a branding claim would come after St.Gallen had established itself as a leading business university in Europe as the identity became clearer and more homogeneous. Two other key decisions were made.

The first was to work with the conceptional framework of Aaker, which differentiates brand associations (what), brand values (how) and brand core (why). Then also a so-called brand foundation describing the "must-haves" of a leading business university was added.

The second decision was to work with a series of interviews involving stakeholders such as alumni, students, faculty, administrators, executive education and the leadership team.

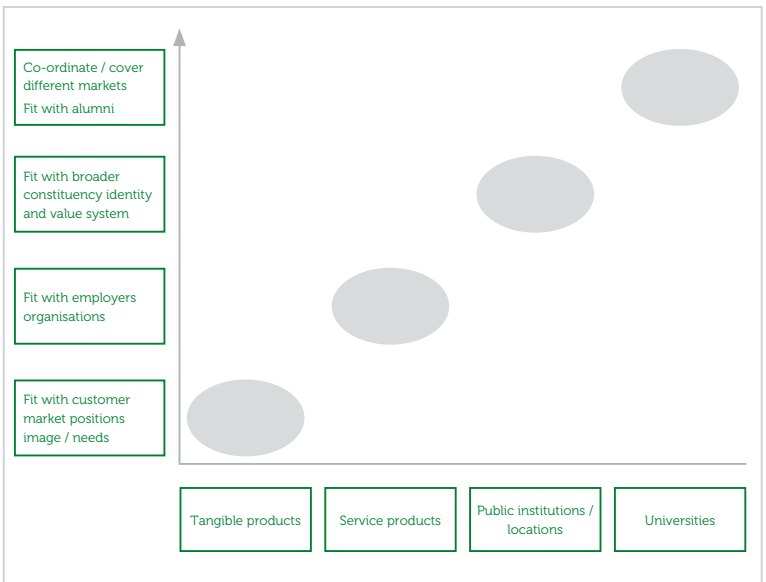

Figure 1:
Complexity of Brand Management / *Source: Own representation, Bieger, T., 2015*

Figure 2:
Brand logo of the University of St Gallen / *Source: University of St.Gallen, 2001*

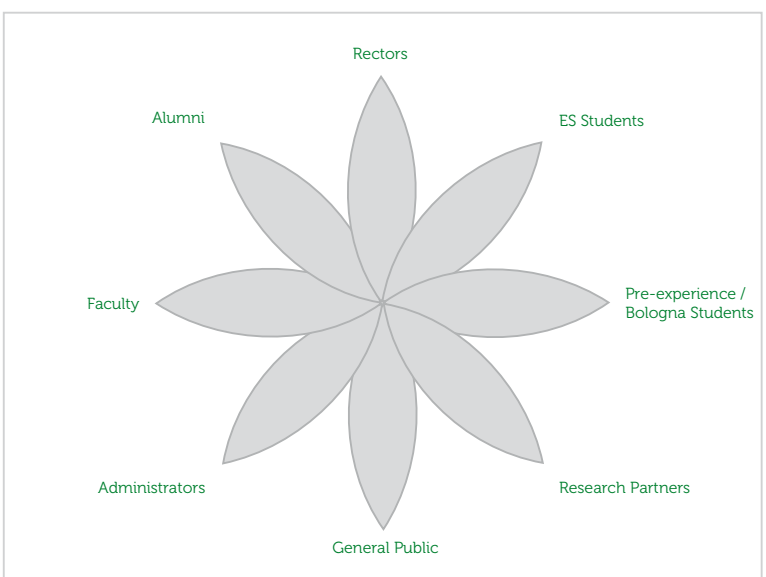

Figure 3:
Stakeholders involved in brand process / *Source: Own representation, Bieger, T., 2015*

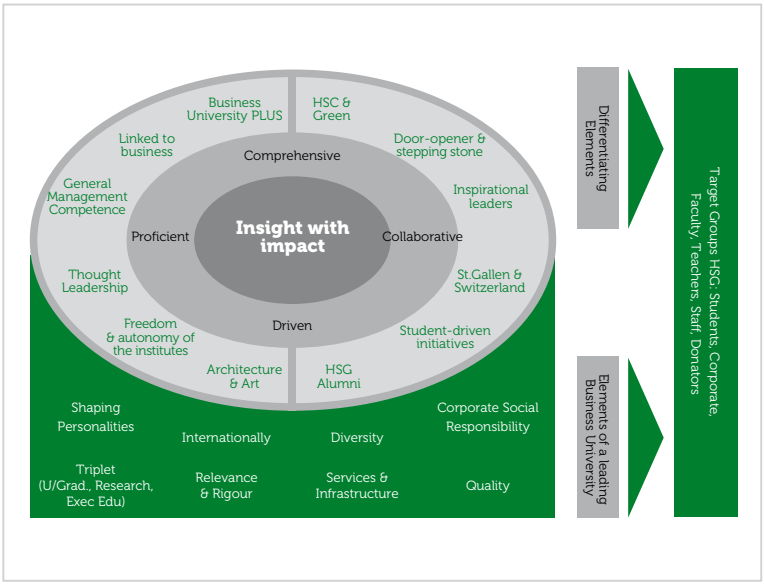

Figure 4:
Brand identity and positioning of the University of St.Gallen /
Source: Own representation, Sonderegger, P., Tomczak, T., Krutthof, K., 2014, based on Aaker, D.

Figure 5:
Claim icon and communicative execution in print ads and brochures /
Source: Own representation, University of St.Gallen, 2014

Above and right:
Source: Own representation, University of St.Gallen, 2015

The goal was to identify a brand essence and positioning and transform that into a claim fitting the external image and internal identity, having a strong positioning value, communicating customer value relevant for the most important target markets and rooted in the values of St.Gallen (see Figure 4).

Single interviews were chosen because of their ability to deliver a good balance between inspirational and valid results..

Implementation

The implementation process also had to take into account the special conditions of the organisation. In the case of a decentralised public university and given the insights of behavioural branding it seems clear that a purely hierarchical implementation process is not sufficient.

The brand as a promise for costumer quality and a representation of image and identity has to be accepted by the organisation's members as well as its stakeholders. It was therefore decided that the use of the new claim should be voluntary and at the discretion of the independent units such as departments, schools and institutes (see Figure 5). To facilitate this process several measures have been taken:

- An internal information campaign in both academic and administration spheres was launched, and was legitimised by the fact that eminent marketing and branding professors had been involved and that the claim was the result of a participative development process involving the different stakeholders.
- That important lead users such as big research institutes and, most importantly, the executive education school, quickly accepted and implemented the new claim in their communication.

Following this successful introductory phase, touch points derived from a service blueprint analysis will be evaluated in a further phase in the form of journeys for all relevant customers. The goal is that the relevant agents in the different steps of the service process not only know the claim but live the brand and also get inspired in their daily work in a form that can be felt positively by customers.

gf

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Teaching the art of business

Emeric Peyredieu du Charlat describes how a business school incubator is combining art and business training to produce 'artrepreneurs'

A struggling artist who wishes to become a successful one needs a business plan, communications skills, sales techniques and the sort of corporate relations that can bring support and funding

An abstract sculpture in a multinational's main entrance hall, an art foundation set up by a CEO passionate about paintings, an artist in residence whose work reflects company life, business schools that bring art onto campus through art management programmes, exhibitions or student clubs – business and the arts are not always a world apart.

Despite such initiatives, some still say that, where art is concerned, "business" is a dirty word. It smacks of compromise and commercialisation rather than the sort of creative freedom that should be a hallmark of the artistic.

However, the bare facts are that artists have to sell their art to survive. While such a view may not match lofty ideals it cannot be denied that doing business is therefore a key part of living from art. So, what if management schools made a real effort to see art and business as mutually beneficial?

Here we are not talking about simple sponsorship deals or the odd donation. Business schools need to recognise that the skills needed to head a firm are strikingly similar to those required to earn a living from art.

A struggling artist who wishes to become a successful one needs a business plan, communications skills, sales techniques and the sort of corporate relations that can bring support and funding.

In this way, any artist who makes a living has to have an entrepreneurial spirit. To succeed he or she must follow the same logic as a start-up: an original idea has to be brought to fruition, a public has to be found and a way of reaching this target audience has to be identified. Packaged together these aspects produce a profile that can perhaps best be defined as "artrepreneur".

This is something renowned French artist Fabrice Hyber acknowledged back in the 1980s. Famous in modern art circles the world over, Hyber has always harboured his own view on what business can bring to fine art.

When other artists shunned working with firms he embraced the approach from the very start of his career. By 1991, he had formed a business partnership that allowed him to break the record for making the world's largest bar of soap, designed as a self-portrait. In 1994, he founded a limited company to promote dialogue between artists and business.

The approach gave him inspiration while also putting him on the modern art map. Exhibitions of his work have been held in countries as far afield as Japan, the US, Norway, Israel, Russia, Canada, Switzerland and Mexico.

Hyber was, and still is, convinced that the relationship between art and business education should be better developed. His own experience has taught him that creators of art can truly benefit from the sort of knowledge management schools dispense. What began as a personal philosophy took concrete form when Hyber became one of the key driving forces in the opening of a business incubator for artists: the first of its kind.

Going by the name of *les Réalisateurs*, the incubator began in western France and welcomed its first intake in the 2013-14 academic year. The choice of the city of Nantes as a base imposed itself from the start. Where better to launch the initiative than in the city where Hyber had studied art and which has deftly transformed itself over the past few years from industrial centre to a hive of arts and culture?

Calling on the long-term input of both his former art school, ESBANM (*l'Ecole Supérieure des Beaux Arts de Nantes Métropole*), and of Audencia Business School, *les Réalisateurs* was ready to open its doors.

The principle is to give a new generation of artists much-needed business acumen. Chosen by Hyber on the basis of their talent and desire to bring a well-defined idea to life, these artists are accompanied for 12 months by experts from both schools and by Fabrice Hyber himself.

While Hyber is on hand to provide crucial creative advice, ESBANM ensures that the artrepreneurs have access to top technical know-how. Meanwhile, Audencia offers four types of business classes that tackle the contemporary economic world, the corporate world, arts sponsorship and the contemporary market for art. The incubator involves three Audencia faculty and a core of four experts from the fine arts school, which also provides video technicians among its support network.

Thanks to funding from partner firms and from grants, the incubation period costs the chosen artists nothing. Their only remit is to present an interesting idea at the start of the 12 months and to turn it into an artistic reality by the end.

In its first two years the incubator served to test the approach on a wide range of projects that went a long way to proving its worth.

One success came from close work with a family of perfumers to produce an odour that sums up Nantes. A mixture of such elements as the iodine smell of the Loire River, the odours from industrial activities and the smells of cargo docks, the perfume was released as a mist through which the public passed, the perfume clinging to their clothes. Another artist teamed up with Meilland, a major international flower business, to create a

"Thanks to funding from partner firms and from grants, the incubation period costs the chosen artists nothing. Their only remit is to present an interesting idea at the start of the 12 months and to turn it into an artistic reality by the end

> ***Artists' projects could be monitored and their needs assessed in real time. Taught to adopt a business mindset from the start, the four artists have developed a skill set that it is hoped will allow them to live from their art***

12

The first intake of students were chosen by Hyber on the basis of their talent and desire to bring a well-defined idea to life. These artists were accompanied for 12 months by experts from both schools and by Fabrice Hyber himself

new rose that stained so easily its pigment could be used directly to draw.

After two years of fine-tuning, the class of 2015-16 provided the chance to fit the final piece into the art and business education jigsaw. For the first time, the incubator's artists were coached by students from Audencia's cultural management course, one of whom is on an exchange programme from the Louvre Museum's art history school and one from a partner engineering school.

The artists and students met every month. This meant the artists' projects could be monitored and their needs assessed in real time. Taught to adopt a business mindset from the start, the four artists have developed a skill set that it is hoped will allow them to live from their art.

One example is Réjean Peytavin, whose concept is nothing less than a new way of measuring time. His "percentage clock" discards showing the hour of the day in the traditional way and instead displays the percentage of the 24 hours used up or still remaining. It is an artistic statement, but thanks to les Réalisateurs one that has the business backing that could make it a viable product.

The Audencia students guided Peytavin towards MEITO, an association of technical and electronics firms all working in the west of France. After giving initial input at the very start of the project, MEITO is now helping the artist to find firms keen to invest in the mass manufacture of the clock.

Like Peytavin, the other artists in the 2016 intake are still working on their projects. These have benefitted from the coaching given by the three students. Their works integrate the business world in diverse ways.

One of them is in contact with firms that could play the roles of technical consultants and partners to help perfect Françoise Vanneraud's idea of producing art that represents the many uses a piece of land undergoes over the years. Much like geological strata, these layers of land use produce a visually striking insight into urban renewal.

To meet the challenge she must source just the right industrial material to allow these layers to be produced. This could become a solid business idea as archaeologists have already expressed an interest in using the perfected technique to publicise the result of their digs to the public.

Another 2016 artist is working on a limited edition of sculptures of the Erika wreck and oil spill. However, these sculptures will not be shaped by the artist but rather produced from an industrial mould.

The final artist has chosen to attack liberalism's dark side by working on the production of a theatre performance based on the views gathered from the office staff and metalworkers of real firms.

The success of les Réalisateurs is borne out by the rest of the 2016 intake and by those from 2014 and 2015 who now have firm careers as artists. Its achievements will most likely lead to the opening of a summer school for the artrepreneurs.

But the Nantes-based incubator could very well be the start of a worldwide wave of such establishments. For Fabrice Hyber this is just the first step. Given his international profile and contacts, there is every possibility that setting up a global network of this sort of incubator could be a reality in the near future. Perhaps art and business schools have found that they really can get along and be mutually beneficial.

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The *ideal* model

Eugenia Bieto describes how a leading Spanish business school has responded to a paradigm shift in management education

> ***L'avenir a plusieurs noms. Pour les faibles, il se nomme l'impossible; pour les timides, il se nomme l'inconnu; pour les penseurs et pour les vaillants, il se nomme l'idéal.****

**The future has many names. For the weak, it is called the impossible; for the timid, it is called the unknown; for thinkers and the brave, it is called the ideal.*

Although the quote above is from the 19th Century French poet, novelist and dramatist Victor Hugo, it could just as easily apply to our current reality. There is no denying that today the business school sector is facing a new future that calls for a paradigm shift.

The combination of globalisation and the technological revolution has affected all industries (tourism, transport, entertainment and banking) and transformed the business models of most companies.

Business schools are no exception. Everyone would agree that traditional teaching methods are, at least partially, in crisis. Access to basic knowledge has become more widespread, whilst digital technology enables more independent, asynchronous learning. As a result, some aspects of traditional classroom activity are no longer as valuable as once they were.

Moreover, these changes have given rise to a major contradiction. On the one hand, the vast majority of participants in our programmes are increasingly used to acquiring content in a fragmented, superficial way and demand more personalised training. On the other, large recruiting companies are looking for a radically different skill set: complexity management; teamwork; or the ability to make decisions in uncertain environments.

At ESADE, a business and law school within Ramon Llull University in Spain, we decided to face up and react to this reality and paradigm shift. The entire institution and all of our main stakeholders participated in the reflective process. We dedicated the necessary time and effort, reviewing the content taught in the curricula of all key programmes and commissioning specific opinions from several faculty members with expertise in this area.

The process culminated in a strategic plan and a clear conclusion: studying at ESADE had to be a unique, innovative and transformative experience. Hence, the launch of ESADE's "Student First" project.

Placing students firmly at the centre of the entire educational process, ESADE's new model is based on four main features:

- First, the emphasis has been shifted away from transmitting information (a unidirectional, hierarchical process) and towards creating meta-knowledge. Instructors select and filter dense, rigorous knowledge, which students then put to the test, consolidate, and check through challenges and action-oriented projects. This is achieved through a blended-learning process that uses both classroom and digital elements.
- Second, *face-to-face work is reserved for shared learning* involving intense group dynamics. This is where the classroom remains irreplaceable. Students work on basic theory before coming to class and classroom time is used to clear up doubts, discuss the material in depth, and share and compare perspectives.
- Third, digital platforms and content play a fundamental role throughout the process, as they make it possible for a large portion of individual learning, instructor-student interaction and even learning assessments to be moved outside the classroom.

• Finally, students learn in "wide-angle" mode, transcending the boundaries between academic disciplines. The world is not a puzzle of discrete subjects designed by instructors working within isolated silos of knowledge; it is a complex reality that we must learn to understand and manage in a multidisciplinary way.

It should be noted that this commitment also entails *a change in the "psychological contract"* between the two main stakeholders in the educational process: students, who must take greater responsibility for their own education and assume a more autonomous and proactive attitude; and instructors, who are being asked to change dramatically their teaching format (lecture plus practical classes), to renew their craft by designing new blended-learning experiences and to become co-creators of knowledge with their students.

As a result of the foregoing, I can confidently state that ESADE is in the process of reinventing itself. On the cusp of our foundation's 60th anniversary, and recalling the courage of ESADE's founders, who launched a business school in a context of similar uncertainty, we have decided to look to the future as an opportunity and to take a new leap forward.

Over the first year of the implementation process, we created an educational innovation centre and chose eight faculty members from different departments to use the new method to teach subjects to more than 1,000 students. For the vast majority, the results were highly satisfactory.

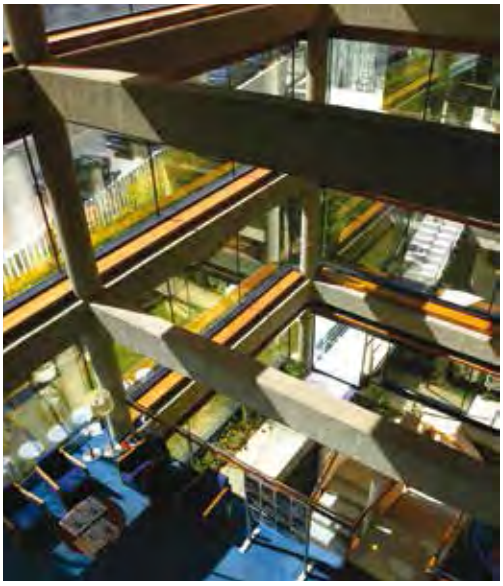
1,000

We created an educational innovation centre and chose eight faculty members from different departments to use the new method to teach subjects to more than 1,000 students

2,000

Nearly 2,000 students a year participate in MBA, MSc and BBA programmes on ESADE's campus

> ***On the cusp of our foundation's 60th anniversary, and recalling the courage of ESADE's founders, who launched a business school in a context of similar uncertainty, we have decided to look to the future as an opportunity and to take a new leap forward***



> *Our goal is to shape the leaders of tomorrow, people who are open to teamwork and collaboration, able to reflect and think critically, unafraid to take on challenges outside their comfort zone, used to working in an environment marked by horizontal decision making and able to manage diversity*

In the current academic year, 2016/2017, we have expanded the project to include one-third of the ESADE faculty. Our ultimate goal is to have the new educational model fully implemented within three years: that is by the 2018/2019 academic year.

To achieve this educational transformation, ESADE will invest €10 million in adding new technological infrastructure, adapting physical spaces and, especially, designing advanced laboratories for experimentation and simulation that are better equipped to foster links between research, learning and the reality of today's business world. The key to the model is not just the new classrooms, but these labs, as the learning model will essentially be an experiential process.

To this end, we have decided to locate the new labs on the international campus we inaugurated eight years ago, specifically, in the ESADE Creapolis building, designed to promote innovation processes.

The five learning hubs will be:

- the Decision Lab (a place for researchers and students interested in studying people's decision-making processes in markets)
- the Design Factory (a space for students to use design thinking to tackle challenges and devise solutions to companies' problems)
- the Fab Lab (for building prototypes and testing new products through 3D printing)
- the EGarage (to encourage entrepreneurship among students)
- the EWorks (for putting ideas and projects into practice)

In short, ESADE will create a new learning ecosystem, which we called the "Rambla of Innovation', for use by the nearly 2,000 students a year who participate in MBA, MSc and BBA programmes on ESADE's campus. This environment will combine entrepreneurship and innovation while placing students at the centre of their learning and value-creation journey.

Socrates once said: "I cannot teach anyone anything; I can only make them think".

That is our goal: to shape the leaders of tomorrow, people who are open to teamwork and collaboration, able to reflect and think critically, unafraid to take on challenges outside their comfort zone, used to working in an environment marked by horizontal decision making and able to manage diversity.

We aim to create the next generation of managers, people with the ability and courage to make decisions in environments of constant uncertainty and who, like ESADE, are willing to reinvent themselves.

ABOUT THE AUTHOR
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Asking for the world?

Most business schools and similar institutions will probably never make themselves truly global. **Gabriel Hawawini** addresses some of the issues raised by his latest book

Your new book provides a critical review of the internationalisation process adopted by higher-education institutions in general and business schools in particular. What is the essence of your criticism?

The book's central thesis is that most higher-education institutions, business schools included, must recognise that they will not be able to transform themselves into truly global institutions not because they lack resources, imagination or the will to change but because they must contend with powerful countervailing forces.

These include such things as the weight of an institutional history that firmly grounds them in their domestic setting, a situation that often requires that they focus their resources on educating local students primarily to serve the local market; organisational inertia; and the presence of explicit and implicit regulatory and institutional barriers that make radical change within academic institutions difficult to implement.

From this I argue that the truly global higher-education institution will have to either evolve from an existing institution that was born international or be created from the ground up based on a model of knowledge creation and dissemination that differs from our existing paradigms. I refer to this observation as the "*de novo* internationalisation principle".

Are you suggesting that most higher-education institutions and business schools should not adopt an internationalisation strategy?

No, I am not drawing that conclusion. I am only suggesting that most higher-education institutions and business schools should recognise that they are firmly grounded in their local and regional environments.

Their leaders should not be claiming that they aim to become truly global institutions. They should instead focus on the successful implementation of an import-export model of internationalisation that calls for initiatives such as the internationalisation of the curriculum and the faculty, the creation of student and faculty exchange programmes, and the participation in international academic and research partnerships.

Any attempt to transform themselves into truly global institutions is unlikely to succeed and will divert them from their fundamental mission of educating their students and helping them become effective global citizens.

What is a "truly global" business school?

I sketch out in the book the ultimate form of the global higher-education institution, which I call a metanational institution.

It is an interconnected and integrated knowledge and learning network spanning the world and composed of complementary campuses that operate in a symbiotic mode, free from a home-campus bias and driven by a desire to learn from the world by melding together the knowledge acquired in each location to create new insights rather than teach the world what an institution has learned in its home country.

The view of the world that underlies the metanational institution is that knowledge is increasingly becoming dispersed throughout the globe and hence learning from the world becomes an imperative for a higher-education institution.

The primary reason for an institution to globalise its activities is to acquire that dispersed knowledge and fuse it together to create new ideas and more advanced knowledge – not to extend its reach to just grow its revenues and increase its size.

You say in your book that even though internationalisation is one of the most challenging academic and economic initiatives a higher-education institution can embark on, it is also one of the most frequent initiatives that heads of educational institutions, particularly deans of business schools, put on their agenda. How do you explain this "internationalisation paradox"?

There is a simple cost-benefit explanation. Announcing that an institution wants to be international is an uncontentious long-term objective that raises the institution's visibility and signals that even though the institution is local, regional or national, it is fully aware of the international dimension of education and research and intends to engage in the process.

And because internationalisation is a multiple-step process, it can be launched with low-cost initiatives such as internationalising part of the curriculum and the student body and forging collaboration agreements with higher-education institutions from around the world.

As I mentioned earlier, these import-export internationalisation initiatives should be an integral part of any higher-education institution's activities and are consistent with their fundamental educational and research mission. But it will not transform them into the truly global institution their leaders claim they are aiming for.

The danger is that this grand but unattainable goal will divert institutional resources that would be better used to execute successfully the import-export internationalisation initiatives.

You argue that the internationalisation process should be examined along two distinct dimensions you call "international reach" and "international richness". What are these two dimensions?

International reach is an indicator of the breadth of an institution's portfolio of international activities that includes attracting foreign students and faculty onto its campus to enrich the learning experience, sending its students and faculty abroad to learn from the world, launching joint degree programmes and research projects with foreign institutions, forming academic alliances and establishing campuses abroad. But having a broad international reach is not enough to become truly international.

International richness is also required. This is an indicator of the international diversity of the institution's student body and faculty. It is measured not only by the number of different nationalities present on campus but also by the extent to which there is no dominant nationality or cultural group on campus. The real challenge here is not to attract as many different nationalities as possible but to make sure that none dominates.

> *International richness is also required. This is an indicator of the international diversity of the institution's student body and faculty. It is measured not only by the number of different nationalities present on campus but also by the extent to which there is no dominant nationality or cultural group on campus*

So the issue of cultural dominance is crucial if an institution wishes to create a truly international environment in its programmes and on its campus?

Yes, the issue of cultural dominance is indeed crucial. It generally affects business schools based in large countries – such as the US, China, India and Brazil – that cannot admit a large number of foreign students because they must respond first to the strong demand for education from local students.

Consider a classroom in a US business school where 70% of the students are Americans and 30% are foreigners hailing from a large number of different countries. Keep in mind that foreign students enrol in a school located in the US because they want an American education not an international one. And their objective upon graduation is generally to get a job in the US not outside it.

It is not surprising therefore that they want to learn the American way of thinking and doing things and tend to adopt a US viewpoint in class discussions. They are often reluctant to share with their classmates an alternative perspective drawn from their own home experience.

I refer to this phenomenon as the assimilation trap, which could create a pernicious side-effect because American students get the false impression that foreigners think like them. This clearly mitigates the original objective of having international students in the classroom to expose the locals to different points of view.

How could this assimilation trap be overcome?

One way is to create a classroom in which there is no dominant nationality, that is, where no nationality represents more than, say, 10% of the student body. In this case, everyone is in a "minority" position and hence freer to express themselves and share their personal experiences without the pressure to subjugate their own experience to that of a dominant culture. The class should ideally be conducted by a faculty member aware of the nuances of cultural diversity and familiar with the techniques required to facilitate exchange in a multicultural setting.

This is essentially the model that many European business schools have adopted in their international MBA programmes. Interestingly, online programmes can also help overcome the assimilation trap because students joining an interactive virtual classroom remain in their home country and stay embedded in their local environment while attending their classes.

Contrary to the case of a physical classroom where students are affected by the culture and the environment of the country in which the host institution is located, students in a virtual classroom are immune from the assimilation trap when doing their group work because they can interact with one another online while they are still based in their respective home countries and work environments.

Would you say that the current economic and political climate, which you suggest may no longer favour globalisation, will eventually slow down the internationalisation of business schools?

I doubt business schools could deliver relevant business programmes without an international dimension. And I doubt employers and students will no longer demand it.

I would argue that if globalisation slows down or even reverses its course, business schools will have to redouble their efforts to keep their students informed of the benefits and challenges of an open and connected world and faculty will have to continue to study this phenomenon and evaluate its pros and cons.

ABOUT THE AUTHORS

Professor Gabriel Hawawini (https://en.wikipedia.org/wiki/Gabriel_Hawawini) is Professor of Finance at INSEAD, where he served as dean from 2000 to 2006 spearheading the school's global expansion. His book, The Internationalization of Higher Education and Business Schools: A Critical Review, was published by Springer in 2016 (http://www.springer.com/gp/book/9789811017551).

Building a solar-powered car and racing it on a Belgian racetrack in just 90 days seems a strange task for young students. But, say **Manuel Acevedo-Jaramillo**, **Sara Aguilar-Barrientos** and **Juan Esteban Escalante**, it has had a major influence on the pedagogic approach of one of Colombia's top universities

The power of dreams

CAMBRIA is the result of an initiative that sought to bring together students from multiple programmes and schools; an inclusive idea brought to life by a solar-electric vehicle that allowed both applying specific disciplinary knowledge and acquiring skills and competencies that would be difficult to do using traditional pedagogical approaches

Building a solar-electric vehicle from scratch in 90 days seemed an impossible goal. Sending it from Medellin in Colombia to Heusden-Zolder in Belgium to compete in the iLumen European Solar Challenge seemed an even more remote possibility.

But both happened.

This is the story of CAMBRIA, a pioneering project from the Centre for Experimentation, Leadership and Development (CELD) at EAFIT University in Medellin, Colombia. This was an initiative that defied many institutional processes and, based on principles of experiential and challenge-based learning, opened an avenue for new complementary educational schemes and methods aimed at forming professionals capable of dealing with constantly changing circumstances.

Aware of the changing requirements for learning and the characteristics, expectations and behaviours of new generations of students and other stakeholders, universities need to modify many of their approaches to knowledge generation and transmission.

Faced with this situation, the EAFIT University Business School decided to enter the domain of experiential learning, after examining certain opportunities for improvement arising from prior projects carried out by the institution's Engineering School.

CAMBRIA, therefore, is the result of an initiative that sought to bring together students from multiple programmes and schools; an inclusive idea brought to life by a solar-electric vehicle that allowed both applying specific disciplinary knowledge and acquiring skills and competencies that would be difficult to do using traditional pedagogical approaches.

Designing, manufacturing, testing and sending a vehicle to a significantly distant location, all in less than six months and with a budget of around $150,000, is hard to take in at first, especially given that automobile manufactures spend years and invest millions of dollars to create and perfect new models.

In CAMBRIA's specific case, the tight deadlines involved meant start-up, planning, execution, control and closing stages for the vehicle as a project would need to be significantly accelerated, as the iLumen European Solar Challenge would be held over 24 hours on September 24th and 25th, 2016, at the legendary Zolder racing circuit in Belgium, where 12 solar vehicles, together with two Teslas, would undergo a unique endurance test.

To achieve this goal and participate in the challenge, a group of students, from different schools and with diverse profiles, would need to create an organisation, define functions and tasks, assign resources, and manage everything related to the vehicle's construction, financing, promotion and logistics. Would it be possible?

After many meetings and following an analysis of the initiative's viability, the idea of CAMBRIA as a pioneering project for CELD began to come together in May 2016. The team of people from different careers and schools was created through an open invitation issued via various communication channels.

Under the technical leadership of an MIT alumnus, an expert in solar vehicle manufacturing, and with support from deans and teachers belonging to the institution's business and engineering schools, an organisation was created that would be responsible for process design, budget planning and execution, investments and expenditure, activity and timetable control and follow-up as well as for managing sponsors, press and dissemination.

A weekly agenda of deliverables was defined and committees were set up to ensure milestone achievement and also contribute to solving any mishaps and contingencies that arose.

These were 90 days of intense work, especially by the students, whose commitment and passion became the driving force behind an idea and an initiative that became a reality. This initiative overcame all barriers and difficulties and allowed a group of people to participate in the iLumen European Solar Challenge, a dream that seemed distant and maybe even impossible.

Although CAMBRIA's performance surpassed expectations and the vehicle's results in terms of design, speed and innovation were highlighted by different participants of the iLumen European Solar Challenge, the benefits underlying this challenge need to be emphasised from the point of view of the pedagogical initiative.

12

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Learning by doing provides students with new ways of understanding the university, and allows them to develop competencies for managing difficult situations, teamwork, performance in high-pressure situations, resource and time management, and decision-making

90

There were 90 days of intense work, especially by the students, whose commitment and passion became the driving force behind an idea and an initiative that became a reality

Project participation has provided the institution and its processes with valuable lessons. CAMBRIA has led the business school, for example, to reflect on how it formulates and offers experiential and challenge-based learning activities and the way in which these will affect the curriculum in terms of competencies and skills that need to be strengthened for dealing with high-impact, real-life organisational challenges.

It also provides an opportunity for considering the inclusion of similar activities for the entire student body, independently of each student's academic performance, as their effects impact the successful fulfilment of the business school's mission.

CAMBRIA as an experience also left an imprint on participants. Their testimonies evince the initiative's effects in different environments. At an academic level, they highlight the possibility to experience what they have learned in the classroom in the real world, make comparisons between theory and practice, and autonomously learn new knowledge during project execution.

Learning by doing provides students with new ways of understanding the university, and allows them to develop competencies for managing difficult situations, teamwork, performance in high-pressure situations, resource and time management, and decision making.

However, it is on a personal level that CAMBRIA's most notable impact on participants' lives can be noted. Some of them described the experience as "an encounter with themselves" or "the consolidation of the group as a family" while highlighting the commitment and responsibility required of them.

On a personal level, therefore, aspects such as relationships with others, motivation, resilience, appreciating and taking advantage of existing resources, conflict resolution and adaptability to new situations were strengthened.

Participants also highlighted the project's adventurous and challenging aspects, an initiative belonging to a "revolution" occurring in higher-education institutions and transforming academia. This offers indications for the institution when formulating projects related to experiential learning, especially regarding dissemination and recruitment.

After the success achieved by CAMBRIA and its experience at the iLumen the institution has several challenges on the horizon.

First, CELD must become consolidated as an educational scenario that will complement traditional academic activities and pedagogical approaches. This implies a detailed analysis of lessons learned, perfecting a working method with clearly identified guidelines and focusing efforts on searching for projects conceived under a framework of environmental, social and economic sustainability.

Equally, the people taking part in these types of initiatives need to be followed up both academically and professionally to validate what impact it has on their learning and expected competency development. A contribution to the body of knowledge surrounding experiential and challenge-based learning is also intended, seeking to generate a dynamic that will allow other business schools to replicate and strengthen this type of project.

CAMBRIA allowed the university to restate many paradigms related to its educational model. The results achieved and the transformation processes unleashed by this project open panoramas for exploring and growing alternatives that had not been considered previously.

CAMBRIA proved that dreaming is worth it and that great ideas arise out of apparently indecipherable problems and ratified, once again, that an infinitely powerful driving force exists called the will: a synergy between passion and discipline that turns the impossible into reality.

gf

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...my husband's taxi was turning back from Brussels Airport because it was under attack. Moments later a Brussels metro was hit. Cell service stopped; my husband and I lost contact. Brussels was on lock-down

How terrorism challenges the way we lead

Jeneva Patterson describes how a close brush with a terrorist attack threw light on her professional work in helping develop leadership

March 22, 2016 8:43 am.

Day Two of the Center for Creative Leadership's Leadership Development Program (LDP) had just begun when my Apple watch started buzzing. When I saw that the call was from my husband, who knows my "teaching-means-no-contact-unless-urgent rule", I slipped out of the classroom. His voice revealed bewilderment. His taxi was turning back from Brussels Airport because it was under attack. Moments later a Brussels metro was hit. Cell service stopped; my husband and I lost contact. Brussels was on lock-down.

My faculty colleagues and I knew we weren't going anywhere. At 10:05 we resumed, in awkward yet purposeful ways, to discuss leadership, the topic for which the 20 participants had come to Brussels from around the world two days before.

Day Two of the LDP, when we study and experience group dynamics in action, is one of the most powerful modules of the week. In just a few hours, participants typically generate profound and transformative insights that last a lifetime.

On that day the learning went even deeper, and more quickly, than usual. As well as understanding that well-managed interpersonal relationships are essential for exercising successful leadership, each participant grasped the morning's terror as an expression of interpersonal relationships gone terribly wrong.

We are all, terrorists included, motivated by unseen yet powerful needs for acceptance and inclusion, connection and affiliation and for autonomy over our own lives. Our emotional states propel each of us to satisfy these needs by producing, along a continuum, pro-social, constructive behaviour and anti-social, destructive behaviour. What had motivated the terrorists that morning? Could corroded interpersonal relations have been the cause of such violence against so many innocent men, women and children?

Françoise Schepmans, Mayor of Molenbeek, the Brussels neighbourhood within which the November 2015 Paris attacks were planned, offered a possible rationale for the Brussels Airport terror. Schepmans asserted: "There are people living in the shadow [in Molenbeek] and we have left them living in the shadow. We didn't ask ourselves the right questions!"

Potential questions and answers came to us that morning in the LDP as we studied how the effective management of interpersonal dynamics propels (or not) human behaviour. Social dynamics can be mystifying and difficult to navigate with our families and closest friends let alone our colleagues and wider society.

The expectations we bring to our relationships are based on powerful, often subconscious, needs and impulses. When these needs are not satisfied the consequences can range from insignificant to disastrous. A negative restaurant review. A divorce. A civil war. A geopolitical standoff. A terrorist attack.

When our expectations *are* met, the possibilities – minor or major – are boundless. A delighted child. A joyous summer holiday. A man on the moon. A cure for polio. A peace treaty that withstands the test of time. Humans cannot function without social dynamics. They provide the foundation of organised living or, as on March 22 and far too many other dates, the partial destruction thereof.

Scott Atran, a cultural anthropologist and the legendary Margaret Mead's assistant, advises organisations like the United Nations and the White House on terrorism. Atran suggests some ISIS fighters' underlying motivations offer insights into not only how to defeat them but also why they become fighters in the first place.

Atran noted in 2016 ("The Psychology of Radicalization: How Terrorist Groups Attract Young Followers, *Hidden Brain*. December 15) that "violent people… members of militant political groups and religious groups, are people, just like everyone else". Atran asserts that youths radicalise not because they are lunatics but because they, too, like much of humanity, derive feelings of joy, accomplishment and intimate communal bonds when they transcend the mundane in pursuit of what are, for them, meaningful goals, be it *jihad* and the self-expression thereof, like blowing up an airport and the civilians inside followed by suicide.

After the Paris attacks, Atran wrote in the UK newspaper *The Guardian* that "current counter-radicalisation approaches lack the mainly positive, empowering appeal and sweep of ISIS's story of the world; and the personalised and intimate approach to individuals across the world".

20

20 participants had come to CCL to learn about leadership and, in turn, to provide even better leadership in their professional roles

Indeed, the *Management of Savagery/Chaos*, the ISIS lifestyle manifesto published in 2004, instructs and guides the terrorist diaspora in day-to-day responsibilities as well as offering social dynamics that include and connect and offer meaning and purpose to its adherents.

The types of questions Mayor Schepmans and all the world's leaders must ask themselves in order to re-root primal motivations behind such attacks are some of those addressed by an alliance between the Center for Creative Leadership (CCL) and the Geneva Centre for Security Policy (GCSP).

This grouping of geopolitical and security expertise with inclusive and innovative leadership development contributes to shedding new light on leadership challenges faced by global and regional leaders. It is an effort to help lead the world away from fragility and towards healthy growth, partly by posing questions and setting our sights on leading peace and security in new ways.

On that March day we –faculty and participants alike – made momentous connections between our study of the social dynamics inside our classroom and what had just happened a few kilometres away. The 20 participants had come to CCL to learn about leadership and, in turn, to provide even better leadership in their professional roles.

They had come from Angola, Belgium, China, Denmark, France, Germany, Israel, Italy, the Netherlands, Saudi Arabia, Switzerland, Turkey, the UK and the US.

These participants and thousands other programme attendees from myriad nation states speak of feelings of transcendence when recounting stories about their best leadership moments in teams that collaborate towards meaningful outcomes. Many of these same attendees, however, tell stories in which they, or entire teams, functions and even government bodies had it all wrong.

After they had experienced the painful emotions associated with stifling teamwork, unappreciated effort, counter-revolutionary

> ***Participants of the CCL course had come from Angola, Belgium, China, Denmark, France, Germany, Israel, Italy, the Netherlands, Saudi Arabia, Switzerland, Turkey, the UK and the US***

debacles, unethical government and so on many participants come to our leadership development programmes with a yearning to get their leadership "right".

They learned that technical skills are far from the most important in their repertoire. They are in the classroom because the unique, unobservable primal motivators produce behaviour that make or break collective, pro-social movement. Our LDP participants recognise and feel the vital connection between interpersonal skills and leadership.

Latticework intimacies, the result of emotionally impactful group learning, are rarely experienced in professional settings. The development and practice of leadership are made up in large part through demonstrations of vulnerability, of the exploration of what humans need to feel accepted and included, to feel safe and valued in order to then move into concerted action towards pursuing meaningful goals.

Such intimacy and "real-talk" are not elusive but they are not common. The GCSP/CCL partnership recognises how pivotal group-based discussions about leadership can be, because of their emotional valence. They can transform individuals, groups, organisations and countries.

Designing a learning context and process for transformational outcomes takes some forethought, perhaps a personality assessment, decent surroundings, nice lighting and some good coffee and a process by which the interpersonal dimensions of any given group are elucidated such that self-understanding, the understanding of others and empathy can flourish. This is a privilege that should be shared with the widest audience possible. Only a far-reaching availability of learning about social dynamics and their equal potential for destruction or evolution, can prevent further events like those in Brussels and many other places.

Whatever their country of origin, each year hundreds of GCSP/CCL participants instantly take to learning about how human dynamics around leading and groups can impact not only themselves but their own effectiveness in their own professional and community lives.

Finding ways of shining lights, like Mayor Schepmans' questions, and looking through darkness and into self-and-other awareness helps us help her and other leaders ask the right questions.

Our societies, and the civic institutions upon which flourishing civilization relies, must provide avenues for all citizens to strengthen their interpersonal competencies such that society's collective social interactions promote evolution as opposed to extinguishing it.

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Embracing blended learning

Krzysztof Rybinski and **Erik Sootla** show how a business school in Kazakhstan learned to embrace innovation in the classroom

Digital innovations over the past two decades have started a revolution in higher education. Through e-learning platforms students now have access to high-quality online courses at zero or low cost compared to standard university tuition.

We call it a "celebrity revolution". People around the globe want to see movies that feature famous actors or productions of famous studios with large production and promotion budgets. These movies become blockbusters. Similar trends are present in higher education.

Universities and business schools with strong brands, large budgets and world-ranked faculty are developing online programmes with global outreach. Often their MOOC courses attract tens and sometimes hundreds of thousands of students from all continents and course leaders becomes globally known "celebrity professors". This is both a threat and an opportunity for universities and business schools that do not have such strong brands.

It is a threat because students can now get a degree or certificate from world-leading universities at a fraction of the cost of regular tuition by enrolling in e-learning or blended learning programmes.

It is an opportunity because faculty and students at universities in less-developed countries can have access to high-quality education content at Coursera or EdX, which allows improved curricula and a richer learning experience for students.

Narxoz University in Kazakhstan decided to tap this new opportunity and conducted two pilot projects, including the largest-ever experiment in blended learning, with very interesting results.

We decided to make the transition from a traditional class, where a teacher gives a lecture and students listen, to a flipped classroom. A flipped classroom means that students watch a video lecture or interactive e-learning material at home, and when they come to the class they discuss it or make presentations about what they have learned prior to the class.

We faced one problem though. We did not know whether it would work.

The literature on e-learning and blended learning is inconclusive. Some researchers found that learning outcomes are better than in a traditional classroom; some found otherwise.

So, in February 2015 we launched nine bachelors courses in Finance, Economics and Management in a MOOC-wrapped format. Students watched MOOCs of world top universities at home and then discussed them in class. We then compared learning outcomes of these courses to the same courses taught in the traditional format.

Using an econometric model we found that both student GPA and student satisfaction measured by their course assessment was better in MOOC-wrapped courses than in traditional ones. Focus groups conducted at the end of the semester showed that students in experimental classes were able to acquire more complex competences, including the "soft skills" demanded by the labour market.

Encouraged by these results we decided to continue the experiment on a much larger scale. Joining the experiment was voluntary for Narxoz faculty. But in order to increase the project participation rate Narxoz management offered two types of financial incentives: small remuneration for preparing the course; and it was also announced that participation in the blended learning project would have positive impact during annual faculty evaluation.

The new "Moodle platform" was launched in autumn 2015 and proper training was provided to volunteers, including training in Camtasia Studio, Articulate Storyline and assistance by a team of course designers and methodologists. At the end of the preparation process additional rigorous quality verification (as presented in Table 1) was applied as well as the standard quality assurance procedure and only 15 courses out of the 50 initially proposed were approved to be launched on Moodle in February 2016. Other volunteers were asked to improve their courses.

"We are convinced that blended and high-quality e-learning are the future of higher education. The classroom is no longer the major learning space, the learning process takes place at home, on the bus, any place with access to the internet

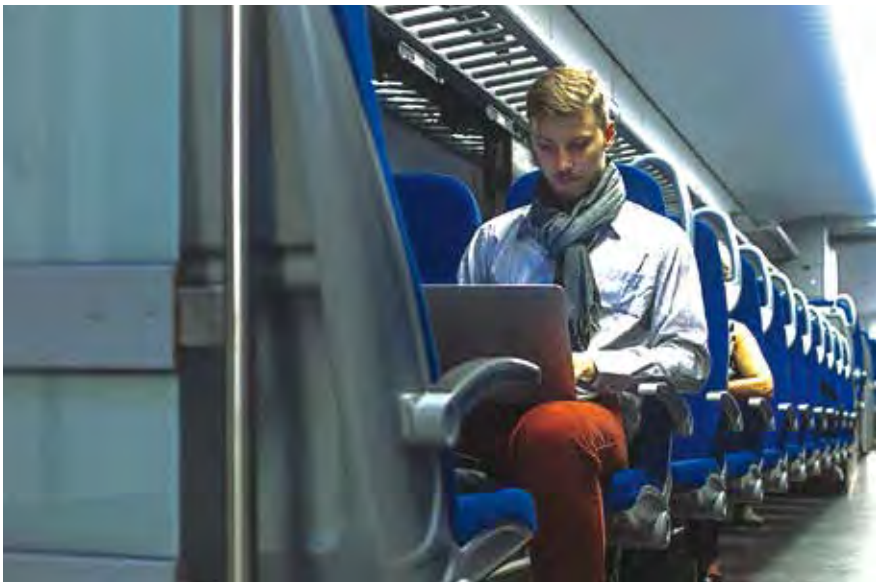

Table 1:
Additional quality assurance criteria applied to courses in blended and e-learning learning format

Criteria regarding syllabus
Syllabus accessible to students online, not exceeding 9,000 characters, maximum five learning goals, prepared course calendar, active links to learning materials for all course weeks, short descriptions of each home task for each week, short descriptions of topics to be discussed in the class, short description of tasks to be presented on the forums, short description of assessment rules, clear statement what is expected from students, course communication policy. Syllabus appendix should contain detailed description of all problems that will be discussed and detailed description of grading policy.
Criteria regarding teaching material
For each week: questions for self-assessment after watching video (maximum video length 8.5 minutes), readings, self-assessment test after readings, video-conspectus (no more than six lines per slide), self-assessment test after watching video-conspectus, scenarios for each class, information about course material IPRs.
Criteria regarding assessment
The following student activities to be graded on compulsory basis: short video about the course participant, video about real-life examples where student can apply learned material, video presenting results of individual student project, group presentation (in class for blended courses), comparative analysis (in class), essay (uploaded to Moodle), tasks to be completed on Moodle forum, weekly tests, additional tasks (to be chosen by course teacher).

Out of the 15 courses six were taught in Kazakh and nine in Russian, seven were in blended format and eight were e-learning courses. The total number of students participating in one or more Moodle-based courses was 295, the total number of observations made for Moodle courses was 563, as some students took more than one course. The list of courses that passed the quality test is provided in Table 2 together with their basic characteristics. Each course lasted a full semester.

Table 2:
List of courses in blended learning and e-learning format

No.	Course name	Teaching language	Type of learning
1	Accounting	Kazakh	Online
2	Business planning	Russian	Blended
3	Civil law	Kazakh	Online
4	Ecology and sustainable development	Russian	Blended
5	Econometrics	Russian	Online
6	Economics of the firm	Russian	Online
7	Finance	Kazakh	Online
8	Financial accounting	Kazakh	Online
9	Fundamentals of social assistance	Russian	Blended
10	Insurance	Russian	Online
11	Labour organisation and remuneration	Russian	Blended
12	Marketing	Kazakh	Blended
13	Production management	Russian	Blended
14	Securities markets	Russian	Online
15	Statistics	Kazakh	Blended

***Source**: Narxoz University office of the registrar*

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In September 2016 75 additional courses were launched in a blended learning format on our Moodle platform, and by 2018 all Narxoz courses will be taught in the blended learning / flipped classroom format

When the semester ended we asked the office of the registrar to provide us with a list of all traditional courses that taught the same subjects as the courses selected for the blended learning/e-learning project during the spring semester of 2016. These were our control courses. In total we had data on almost 4,000 students. Then we constructed an econometric model analysing each student GPA (independent variable) and controlling for student characteristics. Independent variables were: student GPA before the course, quality of the teacher as measured by student survey results in the previous semester, student financial situation (was tuition payment delayed or not), course language and class size.

While course language and class size did not matter, we found that students with higher prior GPA also did better during the experiment (best-in / best-out rule was positively validated).

Students with financial problems had worse results and students that were taught by better teachers achieved higher GPA. After controlling for these variables our model showed that students in blended classes did better while students in pure online courses did worse than their colleagues taking traditional classes. All results were highly statistically significant.

Both experiments confirmed that blended learning leads to better learning outcomes in comparison with traditional classes.

So Narxoz University management decided to transfer all courses into this format in the coming three years. In September 2016 75 additional courses were launched in a blended learning format on our Moodle platform, and by 2018 all Narxoz courses will be taught in the blended learning / flipped classroom format.

We also conducted an analysis of what happened in the case of pure e-learning courses. In Kazakhstan, e-learning is considered as an easy way to get a diploma, courses are not subject to strict quality assurance and learning outcomes are not properly verified, students simply take tests verifying whether they memorised the course content. Course discipline is weak.

When students were exposed to our new strict standards that required regular studying and project completion, many of them could not meet the requirements. Hence their grades were lower than before and many failed to pass. However, those that did gave very positive feedback about course relevance and stated that they learned a lot more than before.

However, the biggest positive impact of our blended learning experiment was not related to better student learning outcomes. We found that the new class format was truly transformational for our faculty, as confirmed by interviews and class visits. Classes are much more interactive, there are more real life cases being discussed and teaching itself became more fun. Faculty members no longer act as traditional teachers, they become facilitators of the student learning process.

Another benefit of such an approach is the ability to change smartphones, which are a big attention distractor in the traditional classroom, into learning tools. During the classes students use their devices to access examples available on the internet, can vote for this or that option and watch results live on the screen.

There are also new challenges. Earlier, wi-fi reliability in the classroom was not crucial, now it has become vital. Earlier, older faculty did not need 21st century digital competences to teach, now they have to embrace them.

We are convinced that blended and high-quality e-learning are the future of higher education. Young generations, who are digital "natives", expect universities and business schools to use digital technologies effectively to improve the teaching and learning experience. The classroom is no longer the major learning space, the learning process takes place at home, on the bus, any place with access to the internet.

Our research shows that only those universities and business schools that successfully respond to expectations of 21st century students will continue to thrive.

gf

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Upcoming events

Global Focus
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February 2017

Event
2017 EFMD Conference for Deans & Directors General
Dates / Venue
2-3 Feb / Ljubljana, Slovenia
Theme
Leading in a World of Uncertainty
Host
University of Ljubljana, Faculty of Economics

Event
2017 Excellence in Practice Award –Information Session
Dates / Venue
17 Feb 09:30-10:30 (CET) / Web-based
Host
EFMD

March 2017

Event
2017 EFMD Entrepreneurship Education Conference
Dates / Venue
8-10 Mar / Sheffield, UK
Theme
Entrepreneurship inside Organisations
Host
University of Sheffield Management School

Event
2017 EFMD (ESMU) – HUMANE Winter School
Dates / Venue
19-24 Mar / Barcelona, Spain
Host
UPF Universitat Pompeu Fabra Barcelona

Event
EPAS XXL Accreditation Seminar
Dates / Venue
22-23 Mar / Brussels, Belgium
Host
EFMD

March 2017

Event
2017 EFMD MBA Conference
Dates / Venue
26-28 Mar / Athens, Greece
Theme
The MBA and Heraclitus: Leading in a Changing World
Host
ALBA Graduate Business School

Event
EQUIS and EPAS Accreditation Seminars
Dates / Venue
27-29 Mar / Miami, United States
Host
Adolfo Ibañez School of Management

April 2017

Event
2017 EFMD Conference for International and External Relations, PR, Marketing, Communication and Alumni Professionals
Dates / Venue
6-7 Apr / Singapore
Theme
Combining Tradition and Innovation in Business Education
Host
Singapore Management University, Lee Kong Chian School of Business

May 2017

Event
2017 EFMD Doctoral Programmes Conference
Dates / Venue
10-12 May / Grenoble, France
Host
Grenoble Ecole de Management

June 2017

Event
2017 EFMD Annual Conference
Dates / Venue
7-9 Jun / Berlin, Germany
Host
ESMT

October 2017

Event
2017 EFMD Annual Conference
Dates / Venue
7-9 Jun / Berlin, Germany
Host
ESMT

Event
2017 EFMD Executive Development Conference
Dates / Venue
18-20 Oct / Milan, Italy
Theme
Leading the Digital Future in Executive Education, Nightmares, Myths and Opportunities
Host
Politecnico di Milano School of Management

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