

Management

EDUCATION

By Howard Thomas

The path behind and the road ahead

Business schools have been among the great success stories in higher education over the last 50 years. At a time when many university systems around the world are struggling financially, there continues to be a steadily growing demand for management education. However, the field is now in a state of flux. Those of us who work within the discipline are currently engaging in an extended discussion about the very foundations of management education. We are rethinking the objectives of the field and are considering our best practices as we move forward.

I recently co-wrote a monograph entitled “Promises Fulfilled and Unfulfilled in Management Education” together with Lynne Thomas and Alexander Wilson¹ to celebrate the 40th anniversary of the European Foundation of Management Development. In this volume, we consider the original goals of management education; we examine what has been accomplished and what remains to be done. As we continue to evaluate the key issues that business schools will need to engage with in order to succeed in an upcoming volume on the Future of Management Education, two main ideas have particular interest: the value of ethics training and the importance of a global outlook. I will examine both of these ideas here.

The state of the discipline

Management education began in the 19th century with the original purpose of giving the emerging class of business managers a strong foundation in matters both practical and moral. It was designed to enhance the status of professional managers in public life. The earliest schools, such as the Wharton School and Harvard Business School, pioneered management programmes and the idea of business schools soon grew in popularity. Europe, France, Germany and the United Kingdom

output, academic credibility and legitimacy. The studies proposed that business schools adopt the model established by the social sciences, that is, generating scholarship with a clear focus on analytical models and scientific rigour. American and European business schools took this advice to heart and began working towards this model.

The problem, however, is that business schools were never designed to have a purely academic focus. They were always meant to provide pragmatic, real-life management skills to managers who would

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all established business schools and have been important catalysts in the expansion and globalisation of the field.

In the 1950s, as the notion of the business school became a recognisable concept, management education practitioners went through a period of soul-searching. Studies carried out by institutions such as the Ford and Carnegie Foundations critiqued business schools for lacking research

be going back into the marketplace. In the 1970s and 1980s, management academics and management consultants began writing readable books that addressed strategic issues such as competition, diversification and organisational change through the format of stories and cases. While these books were popular, they didn’t engender the kind of intellectual and academic legitimacy that business schools wanted to achieve.

Today, we are still struggling to achieve the fine balance between the academic and pragmatic approaches to management education. Business schools continue to face an image problem. The general perception is that management education is not a serious discipline and does not result in the professionalisation of management. Those of us who are practitioners within this field have our work cut out for us. We need to wrestle with our identity as a discipline. We need to work through very foundational questions: What is business for? What is our value as business schools? Who are the key stakeholders? How do we achieve a balance between treating management as a science and an art?



Teaching ethics and responsibility

As management education moves forward, it is important to consider how the field will deal with external shocks and crises. The financial crisis of 2008 and the ethical failures of companies such as Enron and WorldCom have had an impact on how business schools are perceived. In Europe and Asia, these crises and scandals have been taken as evidence that it is vitally important to study ethical issues in management education. In North America, there has been great concern about how business schools should be responding to the recession.

When these external shocks unfold, media commentators are quick to criticise business schools, whether fairly or unfairly. Business schools have been made to appear complicit in training the architects of these financial crises. From within the world of management education, the criticism

has been that business schools tend to adopt a reactive approach to handling these scandals. Going forward, it will be important for us to think proactively about how to address the question of ethics in the discipline.

Our studies show that business school students become much more aware of issues of corporate social responsibility (CSR) and sustainability. They are putting pressure on schools to promote sustainability through organisations such as the U.N. Global Compact, the Global Leadership Responsibility Institute (GLRI) and Net Impact, a global student movement invested in the responsibilities of business. In response to student demand, business schools have started to acknowledge the importance of CSR and sustainability, and are increasingly making them a core part of the curriculum. This is a laudable move forward and it is likely to continue in the years to come.

In conjunction with an emphasis on responsible business, it will be important to include courses that explicitly address ethics and risk management. This means more than just studying the consequences of scandals, but thinking through the everyday ethical choices that managers face when working with other people and other businesses. It will also be important for the more quantitative branches of business schools to review the complex mathematical models involved in risk management. Enlightened mathematical modelling can go a long way to help mitigate the risky decisions that led to financial crises that we have seen in recent years.

However, it is also important for business schools to articulate that they are not entirely to blame for the corporate scandals that have taken place. In many ways, it was unfair that business schools were made scapegoats for these crises and scandals. Indeed, *The Economist* noted that the top executives who were on trial for corporate corruption are notable for their lack of business school qualifications. Nonetheless, at this critical turning point for the field, thinking carefully about teaching future managers how to be more ethical and responsible is a valuable step in the right direction. It will also prepare

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students to think more broadly about how to prepare for and deal with crisis. Over time, we believe that the proliferation of courses on ethics and responsibility will change the negative image that business schools have acquired.



Globalisation

The other great challenge of the future will be to make management education a truly global discipline. Globalisation and its many ramifications involving strategic alliances in global trade have had a significant impact on management education. They have forever changed the competitive dynamic of business. The reach and effects of globalisation are specific to each particular region and cultural context. In the field of management education, it is imperative for us to give students the ability to recognise the particularities of individual regions, while also giving them the ability to think beyond borders. Within this brave new world, specialised knowledge is no longer enough: management students need to be trained to have an integrated international worldview. Business schools need to move toward a model in which national boundaries no longer matter and in which a knowledge of cultural and contextual intelligence is essential.

While business schools first emerged to deal with the specific management issues at work in America and Europe, over the last decade, there has been a marked increase in demand for a uniquely Asian business school model following the shift in the global economy from west to east. This shift provides new options and opportunities for management education to expand in these regions. Business schools around the world need to incorporate international and multicultural thinking into their curriculum to prepare students to do business in a globalised marketplace.

The European business schools are ahead of the curve in terms of their international outlook. They have traditionally had a more diverse student body and have incorporated a richer array of cultural perspectives into their curriculum. The European approach can serve as a valuable point of departure as management education thinks ahead. However, the inexorable shift in the balance of power to Asia means that business schools will need to move away from an Anglo-American focus. There would need to be a much more balanced emphasis on Asian, European and American viewpoints in management education.

There is now more demand for MBA and executive MBA programmes within Asia than ever before. In Japan, following the recession, some managers have chosen to pursue an MBA degree to improve their chances as they enter the job market. Japanese companies seeking to expand abroad are also sending employees to MBA programmes overseas. In China, Singapore and India, business schools are now emerging that will soon rival Harvard, Stanford and INSEAD. Local Asian business schools are attracting students of the highest quality and graduates of these schools are receiving salaries that are competitive with their counterparts in the West.

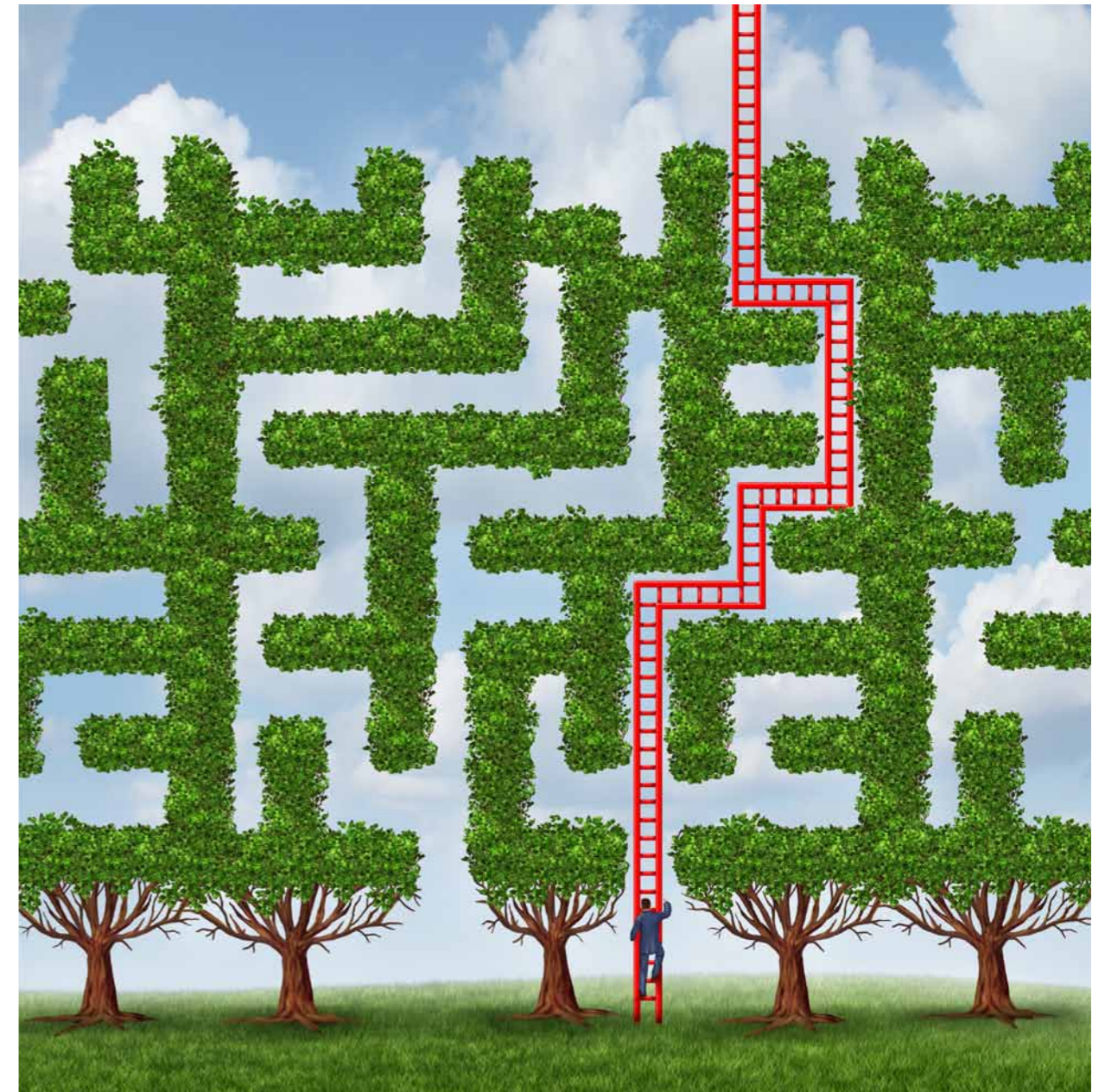
For business schools around the world to succeed, they need to share resources and exploit opportunities beyond their

borders. This will mean forging alliances with other schools and actively engaging in research that has a cosmopolitan outlook. Students in classrooms from Mumbai to Massachusetts need to be thinking about the cross-cultural dimensions of managing in a global environment. The task of developing a truly global manager is no small feat. In today's world, managers need to be able to operate effectively anywhere in the world with a rich understanding of the economic and cultural context in that place. One important way to give students this global outlook is to encourage study abroad programmes and facilitate exchange

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programmes that allow students to think through business challenges in other parts of the world. It will also be important for business schools to have a diverse faculty that includes global perspectives.

There is now more competition between business schools vying for the same group of talented students from around the world. This competition offers an opportunity for management programmes to develop rigorous courses that will appeal to this wider, more diverse range of individuals. It also means that schools can learn from one another and identify which methods and approaches that are particularly effective. There is so much localised knowledge that is embedded in universities around the world; there is great potential for this knowledge to be transferred, particularly as technology continues to make the world a smaller place.



The road ahead

Despite these identity struggles and occasional moments of crisis, business schools have grown in popularity over the years and are resilient to fluctuations in the economy. The continuing demand for the MBA degree indicates that there are aspects of this existing post-graduate management education model that are very worthwhile. Part of this success can be attributed to the fact that they serve the specific needs of the communities that they relate to. Every day, they train some of the world's brightest managers, imbuing them with the skills and knowledge they will need to be successful business leaders. As I have demonstrated throughout this essay, this is an exciting time for us: we are in a period of transition. As we enter this turning point in the field's evolution, we can play a part in shaping the future of the management education and ensure that it remains relevant in the modern, global world of business.

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The material in this article is derived from the author's recently published book: "Promises Fulfilled and Unfulfilled in Management Education".

Reference

- ¹ Howard Thomas, Lynne Thomas and Alexander Wilson, 2013, "Promises Fulfilled and Unfulfilled in Management Education", Bingley, Yorks, U.K. Emerald Group Publishing.