

## **A Roundtable Discussion on the Future of Management Education in Europe**

### **Introduction:**

On April 23, 2006, a business education roundtable was held at the AACSB and EFMD International Conference and Annual Meetings in Paris, France, and included the following participants:

**Paul Danos**, Dean of the Tuck School of Business at Dartmouth, and the Laurence F. Whittemore Professor of Business Administration

**Santiago Iniguez**, Dean of Instituto de Empresa in Madrid

**H. Fenwick Huss**, Dean of the J. Mack Robinson College of Business at Georgia State University

**Michel Raimbault**, Associate Dean of HEC, Paris

**Bing Xiang**, Dean of Chung Kong Graduate School of Business in Beijing

**Pierre Tapie**, President of ESSEC Business School

Others in attendance included:

**Matt Symonds**, freelance journalist and co-Founder of the QS MBA World Tour

**Jean-Claude Lewandowski**, editorialist, *Les Echos*

**Brigitte Fournier**, Director and Founder, Noir Sur Blanc communications agency

The intent was to have business school deans and media come together and share their views on the future of management education in Europe. Participants discussed how the Bologna Accord will impact the MBA degree, whether there will be convergence of the experience requirement in Europe, how to model faculty and whether a PhD will be a requirement of all full faculty members, the financing of business schools, and how to encourage women to get business degrees. Dean Paul Danos of the Tuck School of Business at Dartmouth moderated the discussion. The following gives highlights of the discussion.

## **Topic 1—The vision for the MBA in Europe**

### Executive Summary—Topic 1:

- The implementation of the Bologna Process will create convergence in the models of management education in Europe.
- However, there are different ways to interpret standards, which maintains diversity.
- Higher education in Europe is converging, and there is an emergence of a new market that will be very competitive for the best students and faculty.

### Questions and Comments:

#### Danos:

What is the vision for the MBA degree in Europe now that we have the Bologna Accord?

#### Iniguez

Europe is a region of great diversity and we must respect this diversity. The implementation of the Bologna Process will, at the same time, homogenize management education in Europe. How can we reconcile on the one hand uniformity and standardization, and on the other diversity and autonomy? We run the risk of having over-regulation, particularly in those countries where national public universities are trying to defend themselves from globalization efforts.

#### Raimbault

If you look at how the Bologna Process is currently being implemented in the different European countries, you see different ways to interpret the so-called standards, and you still have a great diversity. We will not suffer from over-regulation. My conviction is that this whole system of higher education in Europe is converging. There is an emergence of a new market that will be a very competitive one and many business schools are preparing for the fight to attract the best students and of course also the best faculty in order to position their Master's programs in the best position for the competition.

## **Topic 2—Will Europe converge on the experience requirement issue?**

### Executive Summary—Topic 2:

- The model of requiring some work experience prior to MBA education will spread internationally.
- There are bound to be two different systems though – one Anglo-Saxon and one traditional European.
- Schools will face a demand for convergence on the part of the consumers - both students and parents.
- Rankings could help bring about convergence, but there is an absence of an international ranking system.
- Chinese business schools are funded by the government, so the curriculum is standardized and they have to learn how to differentiate themselves in a meaningful way.

### Questions and Comments:

#### Danos:

Will there be convergence on the experience requirement issue?

#### Raimbault

Yes. The Anglo-Saxon model of requiring some experience will spread internationally. There is a different kind of system in Europe that selects smart students early and provides them with a longer period of education. We have still the five-year Masters programs but they will probably incorporate some corporate experience during that time. I think we are bound to have two different systems (one Anglo-Saxon and one traditional European), but I do not see any type of contradiction. I think they can co-habitate, as we say in France, they can live together. In France many schools have both a classic MBA program and a Master of Science program.

#### Tapie

So, while there is a real trend toward some convergence, I don't think that the risk of uniformization is high. Take for example in France, which has a very different system of the Grande Ecole with early years of intense cultural preparation in philosophy, history, and mathematics before doing business, and with real business experiences integrated into the studying period. At other institutions there may be other patterns showing both convergence and diversity.

Everyone wants accreditation, but accreditation especially in AACSB and EFMD, allow a school to maneuver because the main thing we are looking for is coherence compared to mission. Rankings could be a force of convergence but there is the absence of a real accurate international ranking system.

## Symonds

The Bologna Accords will offer greater European mobility within the framework of three years plus a further two years. I believe this model will appeal greatly to the current millennial generation, and also their parents who are heavily implicated in the graduate education decisions of their children. Many of them are attracted to the continuity of a bachelors program followed by immediate graduate study. We will see therefore an increasing range of Specialized Masters programs launched by schools that are anticipating the impact of Bologna. I think this will increase the pressure on full-time MBA programs, and they will face demand for convergence on the part of the consumers, both students and parents. The other stakeholders are of course the recruiters, whose insistence on hiring MBA graduates who had work experience prior to their MBA will continue to define the issue of experience requirement.

## Xiang

In China, all the schools are funded by the government, and the Ministry of Education has a special committee taking care of the curriculum. It's a very standard curriculum, so programs are very homogeneous. Convergence is really there. A challenge is to differentiate yourself in a meaningful way. In our eyes you just have to know about the US, Europe and China at the same time. We do differentiate ourselves from non-Chinese schools by investing heavily in understanding state-owned enterprises, private firms, and the multinationals competing in China. We also invest heavily in research on firms in Asia. The humanity elements are not very strong in Chinese business schools curricula, and we believe that sensitivity to the human elements is essential for good, proper conduct, and it is as important as regulations. The Chinese government just drafted regulation for opening up the education sector to private investment and also foreign parties will play a key role in the process. We have no choice but to bring in the very best faculty from the US, Europe, and other parts of the world.

### **Topic 3—Will there be convergence of a faculty model?**

#### Executive Summary—Topic 3:

- The European Union budget does not currently dedicate much money to research in management. The same can be said of U.S. governmental funding.
- There needs to be a movement to mobilize the European private sector because in Europe there is no fundraising culture.
- Each business school should have a faculty that is derived from its mission.
- The future will see a blending of research and clinical faculty.

#### Questions and Comments:

##### Danos:

What do you see as the model for faculty and will that converge?

##### Iniguez

Well, the Bologna Process can be considered the equivalent of the Euro in higher education, meaning that we have to homogenize not only information and programs from the point of view of demand but also on the side of supply, i.e. professors. Currently the European Union budget doesn't dedicate much money to research in management. We need to mobilize the private sector because in Europe, as you know well, there is no prevalent fund-raising culture. We should probably mobilize the private sector companies and try to create programs that foster this mobility of faculty and their research.

What should be the ideal blend of a faculty of a business school? Each business school should have the faculty that is derived from its mission. Some schools would have more academic professors and others would have more practitioners, consultancy-oriented professors. An executive education centre, for example, would be expected to develop practice-oriented materials, whereas a university-based business school offering PhD programs would naturally produce conventional academic research.

##### Tapie

A key challenge is to manage within the faculty body the diversity of approaches to research and to manage that with a sense of integrity, with a sense of fairness. It is very difficult. The European Union does not invest much in research and management sciences are of low priority. It is unfortunate that management sciences are not supported because they are shaping the future of our societies.

##### Danos

The same thing is true in the US. A very small percentage of governmental funding goes to managerial studies.

Xiang

We will bring in the faculty that is academically excellent.

Huss

I think in the future we will see a blending of the faculty between the research types and the clinical types.

## **Topic 4—Will full faculty be required to have a PhD?**

### Executive Summary—Topic 4:

- There are several types of faculty.
- There is great debate over the importance of building a clinical faculty.
- The pressure to compete internationally may require that faculty be PhDs.
- Faculty should have a combination of research and teaching skills.
- It is important that research done at business schools is rigorous and relevant.
- Business schools in China have a shortage of good faculty, and look to recruit PhDs who can see structure, but also the bigger picture.

### Questions and Comments:

#### Danos:

Will the PhD be a requirement to be a full faculty member in Europe?

#### Iniguez

According to different reports, lack of teaching skills is a weakness and that is as big a problem as the lack of research-qualified faculty. Business schools need both academics and practitioners in their faculties and deans look for those who represent the best symbiosis of the two. The real challenge for business schools' deans is how to manage diversity when the profile of faculty members is so complementary. Traditionally, the reciprocal reaction between academics and practitioners has been to reject the other. It is time to overcome this mutual exclusion and explore the formidable synergies that could result from diversity. Again, this is one of the reasons I favor an attached view of business schools, i.e. that business schools should act as bridges between academic and the business world.

#### Raimbault

Unfortunately, I feel we have no choice but to require the PhD because of the pressure that every business school will feel if they want to compete internationally. The pressure will be on research, in quantity and in quality. We at HEC want to recruit some fifty permanent faculty in the seven years to come. We have a lot of debates about whether we should build a clinical faculty and allow a variety of profiles or stick to the higher academic standards of research-qualified faculty.

#### Xiang

In China we have great difficulty recruiting clinical professors because the demand for executives is so huge. Again, we want to concentrate on recruiting researchers. The clinical people only see the trees; not the forest. It is very important to us to have a person with theoretical training who has a critical mind and who sees structure and also sees far. I believe

PhDs are absolutely a must. The PhD output is reasonably large, but I think the effective integration of China with the global setting will take a long time. The key shortage of any business school in China is good faculty.

### Tapie

There is a paradoxical situation where everyone is claiming to have only research professors and this is absolutely untrue. There are many types of faculty:

1. Those with research missions who have research centers and who are mainly if not only devoted to research.
2. Those that are full-time clinical professor.
3. Those that are part-time, for instance those specialists who give courses in mathematical finance.
4. Those that are elite teachers and up-to-date in terms of research in their field.

### Iniguez

I believe that the concept of research that is generally held needs to be broadened. We need to manage, create, and build up a different concept of research that leaves room for different forms of output. But what is most important is that the research done at our school be not only rigorous but also relevant.



## **Topic 5— Is Europe moving toward changing how business schools are financed?**

### Executive Summary—Topic 5:

- Private institutions are competing against subsidized public universities, forcing them to become more efficient and develop means of financing.
- Private donations and generosity is far behind that in the U.S.
- Tuitions are small in comparison to the U.S., but may have to rise to finance business schools.

### Questions and Comments:

#### Danos:

Is there movement in Europe toward a broader base of financing of business schools?

#### Tapie

Tuition and fees are more common in the last three to five years. We are lagging miles behind in terms of private action and generosity. Don't forget that we have tremendously high tax rates in Europe.

#### Iniguez

Subsidies are still an important part of many institutions' income, particularly at public universities, so the advantage for private institutions such as the Instituto de Empresa, my business school, was that we were forced to compete against subsidized public universities, which forced us to be even more efficient and provide services of real value. So I think Paul, you touched on a very important thing, which is how this whole new scheme is going to be financed. We will have more cross-border movement of students, faculty, the promotion of research and knowledge. How are institutions going to pay for all of this?

#### Xiang

Many of our B-schools within university and are considered as moneymaking machines. It's not a good situation and our tuition level is only a small percentage of our US counterparts and we don't have endowment. We need higher tuitions.

#### Symonds

Business schools in both Europe and North America have observed that younger MBA students are more likely to donate to their school in later life because they had fewer formative experiences prior to their MBA, and consequently place more weight on the contribution of the B-School to their professional success. Many of the top European B-schools attract candidates whose average age is several years older than that of their US counterparts, which may well be

making fund-raising more difficult. This of course adds to the cultural difference in Europe that has little or no tradition of graduates giving to their alma mater, or of schools asking for donations from their alumni.

**Audience Question—Can you please comment on the institution of tenure?**

Iniguez

In France or Spain professors at the public universities at least are civil servants.

Tapie

It is impossible to fire any civil servant after one year of service. The private business school in Europe has a tenure process which is quite close to the process of the American business school. In ESSEC we don't have formally tenured professors; they are on a six-year contract. In reality they are equivalent to tenured when they reach the status of full professor.

Xiang

In China, at many public institutions, it is like a tenure appointment but in our school, because we do not have an endowment yet, we give ten-year contracts for those who we believe qualify for tenure.

**Audience Question—Can you please comment on the teacher training in Ph.D. programs?**

Iniguez

My school just started a PhD program that has a teaching phase as one of its elements. Most PhD programs do actually include some sort of exposure of participants to teaching.

Danos

I have a contrary attitude about this. I think there is much more of a problem with faculty who do not know enough about research. I have found that most of the time great researchers can be great teachers if they are motivated properly.

Raimbault

At HEC, the PhD program includes a one-year seminar on pedagogical methodology, so it's really a reflection and training on pedagogy.

I believe that the ability to teach is something minor compared to the problem of being too narrowly focused to know about the general issues of business.

### **Audience Question—Do recruiters understand the new regime?**

#### Iniguez

How will recruiters understand the reforms which are the consequence of Bologna? Are they going to recognize the validity of the Master of Science and Management degrees? Are they going to understand the different degrees across Europe? Recruiters are one of the major stakeholders of the whole process and need to understand and be able to compare all of these offerings. We need to disseminate more information and give more thorough explanations.

### **Audience Question—How can more women be encouraged to get business degrees?**

#### Iniguez

At top business schools in Europe and the US, the level of participation of women is less than 25%. It has to do with many different things – the lack of scholarship programs, mentorship programs, research and models of reference. In my school we learned that sometimes online offerings and blended offerings (those programs that combine both face to face with online education) are very popular, particularly for those women who have many responsibilities. We still need to improve a lot in this regard, probably in terms of mentorship and research.

#### Raimbault

I think that progress in the percentage of women will depend on the country and on the symbolic representation of the type of work that women choose.

#### Danos

The lack of women has a lot to do with the corporations not having the flexibility to keep the women talent employed while they have other responsibilities. The cultural patterns of family responsibility describe much of this. Many of the jobs MBA graduates take just are not compatible with a balanced lifestyle.

#### Matt Symonds

A number of institutions have done research. The Jean Wilkes co-authored piece in 2000 Gateway to Opportunity, already eluded to some of the other factors, notably a greater adversity to financial risk and that occurs throughout a person's professional life cycle and not just the period of choosing to go to business school. It is notable that in Europe, countries such as the Netherlands and Norway have a social model that is encouraging more young women. We are working on several European events that we have called "Women in Leadership." It is important

to get the message to young women earlier in their careers as they are looking for mentors and role models that might influence their decisions.

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