President Dominique Turpin on Real Learning that Starts with the GMAT Exam

— Dominique Turpin, President, IMD

"Together with our participants, we re-define ambitions and realise breakthroughs. We do this by being open, collaborative and pioneering. Open entails expanding individuals’ horizons to develop a global view. By collaborative, I mean we listen carefully and do all we can to understand future challenges. Pioneering is about pushing the frontiers of education to promote more impactful leadership development. At IMD, we remain true to what has made us one of the leading business schools in the world — our focus on ‘Real World. Real Learning’.

"IMD is known for its intense and challenging programmes, and the GMAT exam is one of the first indicators that a candidate has both the intellectual ability and the willingness to study that are required to succeed at IMD. In addition, the GMAT provides a single measurement tool that can be compared across our extremely international participant base.

"The GMAT exam is an important consideration in IMD’s rigorous and selective admissions process."

To learn more about the GMAT exam and the products and services it makes possible, visit gmac.com/efmd.
A fabulous networking opportunity to collaborate internationally.

The IDP is designed for a cohort of business school deans to share knowledge and know-how with each other and host institutions under Chatham House rules and to build a solid network of contacts within the sector internationally.

Dates for 2011:
14-16 March
Philadelphia
Wharton, Drexel, Haub

25-27 May
The Netherlands
TiasNimbas, Rotterdam School of Management, + alumni day in Amsterdam with a company visit

October
Barcelona
Barcelona: ESADE, EADA, IESE

International Dean’s Programme

In association with EFMD and the ABS

To register or find out further information please visit www.efmd.org

Previous delegates have said:

“Having been Dean at the National University of Singapore for three years and now at the University of Connecticut, I found the IDP provides both an engaging network of fellow deans from around the globe as well as a great opportunity to expand my personal experiences and contacts in radically different global business communities.”

Prof. Chris Earley
Dean
University of Connecticut, School of Business

“Visiting the facilities at Harvard, MIT Sloan School of Management and other leading business schools globally, and discussing with colleagues about the different ‘unique selling proposition’ each school had identified and was attempting to create, was invaluable. Just as valuable was the group dynamic within the IDP. Our discussions identified lessons to be learned, and we have continued to network.”

Prof. Jonathan Michie,
President
Kellogg College, University of Oxford

To register or find out further information please visit www.efmd.org
In focus

What is the future of management education – particularly the iconic MBA degree? This is one of the key questions addressed in this issue of Global Focus.

Eric Cornuel, Thomas Sattelberger and Wulff Plinke kick off the issue (page 8) with an article based on an EFMD/ESMT roundtable in October last year that brought together leading experts from the management development and corporate worlds.

“We believe that interdependence and interconnectivity are key words for the future of management education. Re-addressing the purpose of the firm and re-visiting the purpose of the business school will lead to the tripod of knowing, doing and being - moving to a better balance,” they write.

Several other articles in this issue deal more specifically with the issue of how the MBA might (some would argue must) develop in the future to retain its relevance:

On page 14 Richard Barker provides a checklist of what makes a programme world class while Jonathan Scott [page 30] encourages business schools to reach out to the corporate community. An article by Victor Loewenstein [page 40] argues that MBA students need a long-term career coaching programme to gain the maximum commercial benefit from their studies. And on page 56 Jopie Coetzee looks at how the MBA curriculum might be developed in the future to match a new world order.

The “postmodern MBA” [Coetzee’s term for the type of MBA programmes he envisages] “stands ready to contribute to humanity’s global sustainability mandate to its leadership, namely to deliver a world of inclusive globalisation”.

That idea of a new type of MBA programme embedded with the concepts and implications of sustainability is at the heart of Exeter Business School’s new “One Planet MBA”, which the British school will introduce in 2011 [page 18].

It will be the world’s first MBA systemically devoted to embedding the need for a sustainable approach to strategic business management.

Exeter’s dean, Professor Richard Lamming, admits that completely changing the school’s MBA programme in this way is a risk, though, he says, perhaps not so much a risk as not doing it.

Sustainability as a concern is picked up elsewhere in the issue, most notably by Swar Kranti on page 48 with her description of building humane leadership based on simple lessons from everyday life and the account by Ana Janeiro Dias and Eugéneo Viassa Monteiro [page 68] of the Grameen Bank in Bangladesh and the worldwide microfinance revolution it began.
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Next year Exeter Business School in Britain is launching the first “sustainable” MBA in partnership with WWF. George Bickerstaffe investigates the One Planet MBA

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26 How Siemens engineers development excellence
Siemens recently gained CLIP accreditation for its in-house learning and development activities. George Bickerstaffe looks at what the 160-year-old company has achieved

30 Power cuts: the benefits of a green outreach initiative
Jonathan Scott encourages business schools to reach out to their business communities with an educational outreach initiative that can reap enormous benefits

34 Giving voice to values: an action-oriented curriculum for values-driven leadership
Corporate scandals often provoke business schools to launch new courses on ethical behaviour. But, argues Mary Gentile, teaching students what is right is not enough. They need to know how to ensure the right thing is done

40 From business school to business leadership
MBA students need a coaching programme so that they gain the maximum commercial benefit they can from their MBA studies says Victor Loewenstein
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Edited versions of the three winning essays of the 2010 international essay contest for students, young managers and young entrepreneurs launched by the Peter Drucker Society of Europe and sponsored by EFMD

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Swar Kranti describes how simple lessons from everyday life, in this case in India, can provide know how to build a real, humane leadership model

52 Society, business and crisis
What can we learn from the recent financial and economic crisis? Marcelo Paladino suggests that we should concentrate on analysing the role of business in society

56 The postmodern MBA: curriculum design principles
In the second of two articles on how the MBA might be developed for a new world order, Jopie Coetzee looks at how the curriculum could be revised

60 A fair wind: ten years of competitive MBA sailing
Andrea Gasparri describes how the Rolex MBA’s Conference and Regatta sailing competition came into being

64 European business schools: a growing market
Alex Chisholm discusses the implications of GMAC research that reveals the growing popularity of business schools in Europe

68 The Grameen Bank: credit as a human right
Ana Janeiro Dias and Eugénio Viassa Monteiro look at the beginnings and on-going influence of the Grameen Bank in Bangladesh and the worldwide microfinance revolution it began

Simple lessons from everyday life can help build leadership models. Swar Kranti looks at India for examples page 48
Three new schools receive EQUIS accreditation

EFMD warmly congratulates the following schools, which were recently awarded EQUIS accreditation. This takes the number of accredited schools to 129 across 36 countries.

Lingnan (University) College China
Sasin Graduate Institute of Business Administration of Chulalongkorn University Thailand
School of Business Renmin University of China, China

“As a key constituent unit of Renmin University of China (RUC), the premier university in social sciences, humanities, and business, the School of Business (RBS) prides itself on the longest history of management education and on leading the new wave of innovative education programs in China. The School’s success is manifested in the excellent faculty that it has trained for other business schools, fine alumni, and close engagement with the business world. EQUIS accreditation will certainly boost our globalization and contribution on the world scene.”

Professor Zihong Yi
Dean, School of Business, Renmin University of China

“We are highly appreciative of the honour to be internationally recognised. We learnt a great deal from the detailed review and deep analysis of the Review Report. It will help us tremendously going forward.”

Professor Toemsakdi Krishnamra
Director, Sasin Graduate Institute of Business Administration, Chulalongkorn University

129
There are now 129 EQUIS accredited schools...

36
across 36 countries

“As the first EQUIS accredited business school in South China, Lingnan (University) College of Sun Yat-sen University will continue its dedication to quality improvements of its programs, and strive to further contribute to business and management research and education in China and the world.”

Professor Yuan SHU
Dean of Lingnan (University) College, Sun Yat-sen University

“For its inception, EQUIS has targeted top-quality international business schools and we are delighted to welcome three more leading schools into the EQUIS community. EQUIS started as a European initiative for the benchmarking and accreditation of business schools but it is now the leading global accreditation system. EQUIS has had an enormously positive impact on the quality of management education worldwide.”

Professor Eric Cornuel
CEO, EFMD

For more information on EQUIS visit: www.efmd.org/equis

Christian Delporte joins EFMD Quality Services

Christian Delporte has joined EFMD as an Associate Director of the Quality Services Department. Before joining EFMD, M Delporte was the Rector of FUCAM (Facultés Universitaires Catholiques de Mons) and Dean of IAG, the School of Management of UCL (Université Catholique de Louvain).

He was a professor of Operations Management at IAG and a visiting professor in America, France, Latvia, Poland, Russia and Mauritius.

He is a member of several business school boards and a former member of the EFMD Board of Trustees and has taken part in more than 15 EQUIS/EPAS visits.

M Delporte holds a Business Engineer degree and a graduate degree in Actuarial Sciences from UCL as well as an MBA and a PhD in Operations Management from Cornell University.

He can be contacted at christian.delporte@efmd.org
Talking shop

SOUNDBITES

EQUIS started as a European initiative for the benchmarking and accreditation of business schools but it is now the leading global accreditation system

Professor Eric Cornel, CEO, EFMD

Masterstudies Free Trial Extended

Masterstudies is an EFMD member specialising in helping schools with their web marketing and student recruitment. The company has expertise in Search Engine Marketing with the main aim of helping schools optimise the time, and more importantly the money, they spend on international marketing and student recruitment.

Masterstudies is one of only a handful of sites that truly understand the power of the web and offers a unique value proposition backed up with a high quality of service. Over the last 18 months over 150 EFMD member schools have taken advantage of the Masterstudies free trial offer and Masterstudies would like to extend this free offer to any EFMD business school/executive development centre that is a member of the EFMD network.

"Masterstudies is an effective and unique web-based promotional tool that blends Search Engine Marketing (SEM) with advanced targeted and filtered student recruitment. This allows schools and universities to save money and time on international marketing and student recruitment."

Dr Espen Andersen
Harvard Alumnus
Professor of IT Management

EFMD Advisory Seminars 2011

EFMD Advisory Services assist members in the continuous quality improvement of their programmes, activities and governance. Seminars are interactive and include the intervention of an expert and presentation of a recent case study.

As the seminars are limited to a maximum of 25 participants the opportunity to share ideas, best practices and learn from colleagues and speakers is a key component of the seminar design.

In 2011 seminars will be organised at the EFMD head office in Brussels on the following themes:

Creating Competitive Advantage with Pedagogical Innovation
8 February

How do Governance, Leadership and Strategy make a difference in the Quality of Business Schools?
10 March

Bridging Business and Academia in the Classroom: the Role of Adjunct Faculty and Faculty Consultancy
28 March

Meeting the CR and Ethics standards in Accreditations
10 May

Embedding corporate connections into business school activities: an accreditation perspective
19 May

Creating an Effective Marketing and Sales Process in Business Schools
11 October

Integrated Learning Approaches
14 October

What’s new in Corporate Responsibility and Sustainability?
15 November

Defining a programme portfolio aligned with a school’s strategy and positioning
22 November

For further details visit the EFMD website:
www.efmd.org

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If your organisation would like to take part in this offer please contact:
Fabien Miard
Fabien@masterstudies.com
or
Linus Murphy
linus@masterstudies.com

For any other questions please contact Matthew Wood:
matthew.wood@efmd.org

Access Global Focus articles and past issues online. Visit:
www.efmd.org/globalfocus
Talking shop

2011 International Deans' Programme (IDP)

The role of a business school dean has become increasingly pressured and challenging in a highly competitive global environment. After three successful editions, the International Deans Programme (IDP) will run again this year, starting in March.

The IDP is aimed at recently appointed deans/directors of business schools that are members of the Association of Business Schools (ABS) and/or EFMD. It is a great networking opportunity to collaborate internationally.

The IDP enables a group of up to 20 international deans to visit business schools in three countries. You will gain a unique overview of strategy, operations, structures, and future markets in business and management education.

The 2011 programme will visit:

14-16 March 2011
Haub School of Business
St Joseph’s University
Wharton School
University Of Pennsylvania
LaBow College of Business
|Drexel University

25-26 May 2011
TiasNimbas Business School
Tilburg University
Rotterdam School of Management
|Erasmus University

27 May 2011
Alumni day, Amsterdam

25-26 October 2011
ESADE Business School
EADA – Escuela de Alta Dirección y Administración
IESE Business School

EQUIS accreditation seminar

EFMD Offices, Brussels, 3 March 2011

The objectives of the seminar are:

— Practical application of the ten EQUIS Standards and Criteria
— Understanding the key stages of the EQUIS Accreditation Process: application, eligibility, self-assessment, peer review and continuous improvement
— Making the most of the self-assessment process and preparing an effective self-assessment report
— Deciding whether you are ready for EQUIS accreditation: gap analysis
— Exploring alternatives: would EPAS accreditation be a better option?

Target audience

The seminar is targeted at both EQUIS-accredited schools that want to get a better understanding of the EQUIS standards and criteria and those considering EQUIS accreditation for the first time.

It is relevant for Deans and Directors, Directors of External Relations and those responsible for accreditation within the school as well as experienced EQUIS Peer Reviewers. (For peer reviewers and members of the EQUIS Committee & Awarding Body, the fee is waived).

For more information please contact Veronique Roumans: veronique.roumans@efmd.org

Chinese Global Focus launched

Global Focus is now available in Chinese and is widely disseminated to EFMD’s member schools and contacts in China. Copies are available to download as pdfs from the EFMD website: www.efmd.org/globalfocus/chinese

If you would like printed copies, or would like to be added to the mailing list for future issues, please contact: Matthew Wood: matthew.wood@efmd.org
Partnership in Responsibility:
Embedding the United Nations Global Compact’s Principles for Responsible Management Education in Support of the Corporation of the 21st Century

The Global Summit, which follows on directly after the EFMD’s Annual Conference, will be a value-filled event with highlights which include:

— Insights from business leaders who are signatories to the United Nations Global Compact to unpack the needs of companies in the context of the development of responsible managers
— Examples of emergent best practice in the application of the six principles of the UN PRME
— Practical “how-to” sessions on state-of-the-art Sharing Information on Progress (SIP) Report

Who should attend?
A must for anyone engaged in the development of responsible business leaders
— Business human resources executives responsible for the selection of business schools for executive education
— Leaders of PRME signatory business schools
— Those responsible for the implementation of the PRME principles and for the preparation of SIP reports
— Business schools considering becoming PRME signatories

When / Where:
7 – 8 June 2011
Crowne Plaza Hotel, Brussels, Belgium

Further information:
For further information contact:
Tavis Jules: tavis.jules@grli.org
or visit:
www.efmd.org
www.grli.org/prme

Co-Hosts and Co-Organisers:
Presented by EFMD and GRLI in partnership with the United Nations Global Compact Principles for Responsible Management Education
Thomas Sattelberger, Eric Cornuel and Wulff Plinke reflect on the results and implications of a high-level EFMD round table at ESMT in Berlin
Within the vibrant and inclusive community that is the EFMD network, we are always looking for new dynamics to improve our approaches and to make sure that our actions remain relevant.

Recently, intense debates have focused heavily on the share of responsibility of business schools in the state of the world today. Yes, there is a lack of confidence in the contribution of management. But management education has not been all wrong either. We believe now is the time to move forward. Today we need a refinement of the debate and we need to dig into the underlying issues.

Standing at this important crossroad, EFMD and ESMT European School of Management and Technology in Berlin brought together high-level experts representing top business schools and leading companies from the five continents. The event took place on October 15th, 2010.

Exploring the management education industry, the participants observed that “it is not a homogenous landscape and the diversity in schools’ missions implies a variety of appropriate approaches”.

Many of the principles of management education date from the 1970s. The credibility of business in general and business education in particular has gone downhill recently, very much shaped by the dynamics of globalisation and business practices around the world.

This is not an adventure into predictions but an attempt to gain a better understanding of the very diverse contexts with a focus on the uncertainties of the future.

Real paradigm shifts take a generation to materialise. However, we do not have a timeframe of 20 years to refresh and revitalise management education.

From the discussions, we can observe a consensus that the way forward is in multi-disciplinary approaches, recognising the larger models of our multi-polar world. Moreover, accreditation systems, such as EQUIS, do serve as powerful change agents within management education and now need to facilitate the upcoming change processes.
Governance

The roles and responsibilities of management education providers are now more important than ever. While recognising the different typologies of institutions, representatives from both business schools and companies observed a need for more transparency in a business school’s mission and strategy. Governance structures derive from the purpose of the institution and new governance models will enhance transformational change.

Participants, furthermore, recognised the need for more diversity in governance, a context in which the need for a re-think of faculty profiles naturally emerged. We believe more diversity is a plus at all levels: in the board, in management and faculty and staff, and in the student body; diversity also in a geographical, religious and gender sense.

We are in favour of addressing governance issues in concentric circles based on constructive interactions with the different stakeholders and integrating all stakeholders in a new business model.

In terms of underlying issues, multi-actor collaboration requires humility and the appropriate skills to engage in multi-actor activities. We see applied systems thinking as an example here. Additionally, there are the huge issues of ownership and accountability in an organisation – and in business schools.

The responsibility is ours, to build on the drivers for change and to increase the level of readiness for change in ourselves and in our respective organisations. We forecast that the role of deans in their institutions will become more important and more complex.

Dealing with organisational development challenges inside the institution, handling the expectations from the external world while allocating scarce resources and enabling the validity of business school activities requires true leadership.

We believe there is a need for more looking back and looking forward, both at the industry and institution level.

To accommodate the changing needs of society and companies, business schools probably need better feedback mechanisms allowing for fine tuning in the processes of strategy generation and strategy execution.

Business schools themselves need to develop a higher capability to scan the environment and be able to act on early signals. We believe that here institutions can leverage their own students better; they are the next generation of leaders and are most conscious of the changing nature of business and education.

Management education institutions should provide more space for innovation. Recognising the current broad strategic tensions between teaching and research, between practitioner and scholarly impact, we believe that institutions should dedicate more attention to change processes.

“Business schools themselves need to develop a higher capability to scan the environment and be able to act on early signals.”
A mechanistic view of society may be neat – excluding “messy” issues and irrational behaviours – but is too far from reality.

Powerful learning
Representatives from schools and companies alike are aligned in the request for a more humanistic, holistic approach in the curricula of business schools.

Additionally, it was observed that the focus on only the curriculum is too narrow. Business schools need to provide powerful learning environments. We share the conviction of the participants that there is a need for a more humanistic approach in management education, including perspectives from history and from philosophy.

In parallel, we believe that a more holistic understanding and deep exposure to roles, responsibilities and risks can only be beneficial.

Also, business schools were urged not to forget about the ambition to develop critical thinking skills in their students and to pursue richer objectives above and beyond employability. An expanded sense of responsibility will mature when management education providers give young people the capability for self-reflection.

In parallel, we believe that the skills and abilities of graduates are the essence of management education. What will people need to learn in five or ten years time?

Various studies and surveys indicate as core areas: collaboration and managing volatility, complexity, ambiguity and so on. We consider it as a given that management education is becoming more complex and interdependent. Managing complexity is for every day and everywhere.

Educating and developing people to cope with the unknown will probably build on learning processes that co-focus on academic/scientific methods and practice/applied connections.

Part of a solution, we believe, lies in moving beyond techniques and methodologies. A mechanistic view of society may be neat – excluding “messy” issues and irrational behaviours – but is too far from reality.

We want to underline that dealing with complexity and ambiguities is a core managerial competence.

Looking ahead
While some will argue that the likelihood of the current elite changing the current system is very small, we believe that management education providers are changing already, some in a more radical and some in a more incremental way.

We believe that interdependence and interconnectivity are key words for the future of management education. Re-addressing the purpose of the firm and re-visiting the purpose of the business school will lead to the tripod of knowing, doing and being moving to a better balance.

We all have to learn to learn. Too often we act without enough awareness of the consequences of our actions.

Implementing its mission, EFMD will facilitate scenario development thinking and acting on the future of management education and will support deans as change agents, involving companies and governments.

We believe the key is engagement in institutional development and organisational experiments. There is no simple answer but opportunities are greater than ever.

Implementing its mission, EFMD will facilitate scenario development thinking and acting on the future of management education.
Overview of the Discussions
by Martine Plompen

EFMD-ESMT Round Table Discussions
ESMT, Berlin, Friday 15 October 2010

37 high-level experts, representing top business schools and leading companies from five continents

Expert inputs and discussions focused on the management education industry and more particularly on the need to improve the contribution of management and management education to society.

Discussing the underlying issues, core areas of attention emerged. Actions envisaged are at the level of the management education industry and at institutional level.

Participants highly appreciated this timely EFMD/ESMT initiative and were very much engaged in the discussions on business school governance and the issues surrounding curriculum reform.

The role of accreditations and rankings in tending to create institutional standardisation was recognised and can be counterbalanced by business schools being more transparent about what they stand for. Accreditation systems, such as EQUIS, do serve as powerful change agents within management education, however, and now need to facilitate the upcoming change processes.

The group agreed that schools operating in a multi-actor role and model are more relevant for society than those taking a shareholder-based view.

Representatives from both business schools and companies observed a need for more transparency in a business school’s mission and strategy. Governance structures derive from the purpose of the institution and transformational change will be enhanced by new governance models. Participants recognised the need for more diversity in governance, a context in which the need for a re-think of faculty profiles naturally emerged.

Participants underlined the need for more room for stepping back or stepping ahead. To accommodate the changing needs of society and companies, business schools need better feedback mechanisms in parallel with a stronger role for deans as change agents.

Both representatives from companies and business schools recognise the need for a new business model for business schools.

- Is managing a business school as a business the answer?
- Is separating academic and commercial governance the way forward?

The agreed need for business schools to be more responsive to expectations from students, companies and society led to intense dialogue.

Representatives from schools and companies alike are aligned in the request for a more humanistic and holistic approach in the curricula of business schools. Additionally, it was observed that focus on curriculum is too narrow, business schools need to provide powerful learning environments and ongoing learning journeys.

Educating and developing people to cope with the unknown will build on learning processes that co-focus on academic/scientific methods and practice/applied connections. Interdependence and interconnectivity are key words for the future of management education and further EFMD actions will be announced in the future.
# 2011 EFMD Case Writing Competition

**Prize award:**
€2000.00 award per category

**Deadline for submissions:**
17 September 2011

**Online case submission opening:**
April 2011 via: www.efmd.org/case

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Excellent MBA programmes are now found all over the world and not just, as was once the case, in America. Richard Barker provides a checklist of what makes a programme world class.

DEFINING A WORLD-CLASS MBA

The MBA is an American creation and there was a time when all of the world’s leading business schools were American. Over time, however, several world-class MBA programmes have emerged internationally, first in Europe and more recently in Asia and elsewhere.

As the Financial Times writer Della Bradshaw has noted in the context of the FT’s MBA ranking, “in 1999, 20 of the top 25 schools were from the US, with the remaining five from Europe; however, in 2010 there are just 11 US schools in the top 25, a further 11 are in Europe and three in Asia”. In short, best practice has become more widely dispersed.

Benchmarked against America, however, the global market for business education remains greatly underdeveloped. One indicator of this comes from global GMAT test scores. In 2009 as many as 78% of scores were sent to American schools compared with 7% for the three leading European countries combined (Britain 4%; France 2%; Spain 1%) and with only 3% and less than 1% respectively for the potentially giant markets of India and China. The potential for growth in business education outside America is obvious.
Now is a good time to take stock, first to celebrate the international emergence of world-class business schools to complement those in America and second to learn from those schools in guiding ambitious future international growth in business education.

In that spirit, this article draws insights from some of the world’s leading non-American business schools in order to provide a “checklist” of the defining characteristics of world-class MBA programmes.

Specifically, the checklist is derived from semi-structured interviews, completed in 2009, with the then Deans and MBA Deans from seven of Europe’s leading business schools, namely Cambridge (Judge), HEC, IE, IESE, INSEAD, London Business School and Oxford (Said); the contributions from these interviewees is gratefully acknowledged.

Readers are asked to consider how well their own business schools and MBA programmes measure up against this checklist and it is hoped that this process will contribute to further success in the global development of business education. The checklist is also highly relevant, of course, to potential applicants to MBA programmes for whom evaluative criteria other than published rankings can be very helpful and instructive.

The checklist comprises 10 factors, broken down into three categories: there are three “enabling factors”, two “raw materials” and five “catalysts”.

The natural starting point is the enabling factors, which are reputation, resource and research. As will be discussed, they can be viewed as necessary but not sufficient conditions for a world-class MBA programme.

Enabling factors

- Reputation. Perhaps the greatest strategic asset that any business school can have is its established reputation. The effect of reputation on the ability to attract faculty, students, recruiters, benefactors and other stakeholders, and so to drive a virtuous circle, is profound: the business school market is reputation-driven. It is tremendously difficult to break into the global top tier of business schools in the absence of a reputational platform.

- Resource. A serious MBA programme is an expensive thing to provide, whether in terms of faculty resources, physical infrastructure such as amphitheatres and breakout rooms, or support functions ranging from career services and alumni relations to IT and library facilities.

- Research. A strong performance from faculty in peer-reviewed academic journals is a prerequisite for credibility in academia, as well as a general signal of quality.

It is essential to recognise the importance of these enabling factors: they are necessary conditions for success. Yet, from the perspective of the strategic management of business schools, recognising their importance only gets us so far. They are legacy assets in the sense that you either have them or you do not and the practical concern of business school management is not with their existence per se but instead with the drivers that bring them into existence in the first place.

Moreover, while the enabling factors may make future success easier to achieve, they do not guarantee it. Indeed, living off past glories is all too easy in a reputation-driven environment. There is a genuine risk that past success encourages present complacency and divergence from purpose.
This difficulty can be characterised as a problem of legitimacy and has been captured as follows by Rakesh Khurana, a professor at Harvard Business School, in his recent book *From Higher Aims to Hired Hands The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession*.

“Anyone who spends time in an elite business school today knows that it is a place riddled with contradictions,” he writes. “Faculty are hired and promoted on the basis of discipline-oriented research that ...often has little or no bearing on the practice of management...many business school faculty members no longer identify with their MBA students, and, not surprisingly, their students no longer identify with them.”

The challenge, then, is not just to establish the three enabling factors but also to make effective use of them. This requires, first, the careful recruitment of high-quality students (“raw materials”) and, second, the design and implementation of the transformational elements of the programme itself (“catalysts”).

**Raw Materials**

It is student quality that defines a programme more than anything else. There is an overlap here with the enabling factors because in the absence of those factors it would be very difficult to recruit quality students. Yet, even with current ability to recruit taken as given, there is also actionable scope in this area to make a difference, with potentially powerful long-term consequences.

- **Student quality (individual).** There is something inherently self-fulfilling about having a class full of accomplished, highly motivated achievers, blessed with academic ability, interpersonal skills and leadership potential. Almost independently of the quality of the programme itself, such students can be expected to be successful in their careers and thereby to reflect a positive light on their alma maters.

Accordingly, a high-quality business school invests heavily in its admissions process and can demonstrate outstanding student quality. Luis Palencia, MBA Dean at IESE in Spain, comments that “we have a great admissions department made up of five people, all of them having MBAs from IESE, which can be considered a luxury. We invest a lot in it since much of the quality of a programme is the quality of the candidates”.

- **Student quality (collective).** Critically, and unlike the majority of degree programmes, the MBA learning experience is not individualistic but interpersonal: students enter a world of mutual learning, between themselves and other students and with faculty, alumni and a range of other stakeholders.

For such a learning environment to work at its best, MBA students must have experience. Noting that “the entire case study system is actually based on the quality of the contributions of participants in class”, Santiago Iniguez, Dean of another Spanish school, IE, describes the need for an MBA student to bring experience to the class so that he or she “can actually contribute to the rest of the class and can benefit from these interactions with peers”.

In addition, in the class as a whole there must be genuine diversity among the experiences of individual participants, across sector, function and geography. It is only through this diversity that the value of interaction can be maximised.

An example of this - one of many - is provided by David Bach, MBA Dean at IE, who describes the value of leveraging diversity through interaction: “There is nothing we could do to teach cross-cultural management as effectively as putting our students in cross-cultural teams during the year with a lot of pressure”.

**Catalysts**

The factors described so far concern the foundations for an MBA programme but not actually the structure, content and method of delivery of the programme itself. Yet perhaps these are the essence of what makes an MBA programme truly world class. The following five “catalysts” summarise what it takes to utilise fully the five factors described so far and by so doing to maximise the MBA learning experience.

- **Organisational centrality.** The organisational context of the MBA programme within a business school as a whole matters greatly. It is unrealistic to expect a genuinely world-class MBA programme to be developed as a sideshow, without the benefit of serious organisational commitment and focus.

A key question, therefore, is whether excellence in delivery really matters to the business school as a whole or whether it is instead secondary to other objectives. In the case of the interviewee schools, the answer was clear.

Asked how the MBA contributes to the purpose of the school, INSEAD’s Dean, Frank Brown, replied that “the raison d’être for this institution is the MBA... it can’t get any more core than that”.

In a similar vein, IESE’s Dean, Jordi Canals, stated simply
that “the MBA for us is central to the mission of the school” while Cambridge’s Dean, Arnoud De Meyer, described the rationale for the existence of a business school as being “first and foremost built around the MBA programme”.

An important test of this centrality is whether faculty incentives are aligned with the aims of the MBA and in particular whether they lead to research relevance and programme innovation.

- **Research relevance.** The meaning of relevant research is expounded as follows by Dean Canals at IESE. “This is a business school, this is not just a department of economics, statistics or sociology; it’s a business school. You have to have an impact on the corporate world, one way or another ... whatever you do has to do with some type of problem that the business world is actually facing.”

In part this is about business schools themselves being commercially aware and responsive to their markets. There ideally exists a synergistic model, which can be termed a virtuous triangle, whereby MBA teaching, executive education and research inform and reinforce one another rather than each effectively operating in isolation.

- **Programme innovation.** The impact of research on teaching is evidenced by programme innovation. In-house case studies, for example, are symptomatic of both research relevance and of the motivation to invest time leveraging research for the benefit of education. Likewise, the existence of a dedicated learning centre, such as INSEAD’s Learning Innovation Centre, is symptomatic of a serious organisational commitment to pedagogy.

Importantly, and as described by London Business School’s Dean of Programmes, Julian Birkinshaw, a business school “can manage for innovation ... you can create the right ingredients out of which it will surface ... we do this by first of all making it clear that teaching really matters and teaching innovation really matters ... and we evaluate an explicit set of criteria... [such as] innovation in course design, building global capabilities into core structure and mentoring of colleagues”.

A consequence of innovation in content and pedagogy is likely to be heterogeneity, both within and between programmes. A world-class MBA programme is not defined by adherence to a homogenous set of standards or norms but rather by a relentless quest for improvement.

- **Centre of gravity.** For MBA students, an excellent business school is more than just a classroom environment. It is also a meeting place. It has the convening power to attract influential guest speakers, as illustrated by the Cambridge Leadership Seminars. It draws recruiters, executive education clients, conference participants, research collaborators and journalists and it is a centre of gravity for alumni long after they have graduated.

All of this creates a rich world of opportunity for current students, a place in which they can experience, learn, absorb and reflect and through which they can reach out to the world beyond through a network centred on the school.

It is a model that is described succinctly by Stephan Chambers, MBA Director at Oxford’s Said Business School: “The whole organisation is built around the principle that this is the place for smart and interesting people... a huge amount of what happens here is relevant to them, more than they could ever take advantage of”.

- **Learning Environment.** An essential catalyst in pulling together all of the above lies in understanding the inherent nature of the MBA learning experience and in particular how it differs from other degree programmes or from professional training.

A world-class MBA programme enables personal development by means of being experiential, collaborative and tailored.

For students at HEC near Paris, as described by MBA Dean Valerie Gauthier, “one-third of the credits that they get are on personal development. It’s one-third of the programme and its required... for me, it is the central element of the MBA”.

An important component of personal development is provided through the careers service, which can help guide and mentor each student into a role that provides the most rewarding fit. In general, it is a natural corollary of the diversity of experience in an MBA class that a “one-size-fits-all” educational model is inappropriate.

It is also natural that, given the huge diversity of knowledge, skills and experiences that are relevant to management, each student must make sense for themselves of all that they learn during their programme. There is no set body of knowledge and each student must be able to find his or her own way through the programme.

Perhaps it is the ability to create a unique learning experience for all students that is the hallmark of a truly world-class MBA programme.  

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Next year the University of Exeter Business School is launching the first “sustainable development’ MBA in partnership with WWF. George Bickerstaffe investigates the One Planet MBA.
Whatever the word “sustainability” brings to mind (and there are myriad, often conflicting, definitions) there is little disagreement that we are exploiting and extracting the world’s resources more quickly than they can be replenished. This is related to population growth but more importantly it is a factor of unequal access to, and over-consumption of, resources. It is a question of how we adapt our lifestyles to planetary limits.

Just as with excessive individual and national debt, we are spending our capital - effectively borrowing from our children and our grandchildren. As a human race, we are using up more of the planet than we are entitled to. In fact, we are currently using the resources of nearly 1.5 planets. In some countries, this figure is three or four times higher.

In September 2011 the University of Exeter Business School will launch the world’s first MBA systemically devoted to embedding the need for a sustainable approach to strategic business management. It is called the One Planet MBA.

According to Exeter, “One Planet” means a very specific kind of education. It refers to the fact that business planning of the future must recognise that we only have one planet’s worth of resources. Other MBAs appear content with the fact that the Western world is currently collectively using the resources of between two and five planets: the figures increase daily.

Exeter recognises that the combination of very significant and asymmetric population growth over the next 30 years, the inevitable tendency for increased consumption of natural resources, and expected developments in the political economy make it essential that business people are educated in a manner, and with a curriculum, very different from that of the past.

It may not be too surprising that this is happening in a rural city in the west of Britain. The University of Exeter is in Britain’s top ten and world 200 university rankings and it has a growing reputation for environmental research, particularly in the area of climate change.

And, as Stephen Hickman, a Senior Teaching Fellow, has pointed out, “these cross-disciplinary initiatives have already significantly informed the MBA faculty about what content will need to be fused together to produce an MBA that marries the business of science and the science of business. Exeter does not pretend to have all the answers to masters-level management education but critically it has moved beyond the dialogue of whether or not sustainability should be the catalyst for new business thinking”.

The human race is currently using the resources of nearly 1.5 planets. In some countries, this figure is three or four times higher.

The University of Exeter is in Britain’s top ten and world 200 university rankings.

The University of Exeter is currently doubling the size of the business school, investing £30 million over five years.
The design of the curriculum for the new MBA is currently underway. It is being “co-created” with the environmental and wildlife charity and action group WWF (a full partner in the project) and the current crop of full-time MBA students, known as the “Innovation Cohort”.

The current full-time students are working with Exeter academics and senior WWF staff to design a programme for the students that will follow them. However they are themselves a special group.

“I wasn’t even aware of the planning for a new MBA when I applied,” says one student. “It wasn’t what attracted me. But I have been very impressed by it so far.”

Though other Exeter MBA students entering last September were also initially unaware of their role, and students say there is a wide range of views on sustainability in the class, MBA Director Dr Malcolm Kirkup acknowledges that to an extent the admissions process was geared to selecting students who would “contribute to the process”.

He was greatly helped in this by the fact that though the Innovation Cohort concept was only lightly marketed, the applications pool for the 2010-2011 programme was greatly increased, allowing admissions to be almost doubled to 40 students (from 22 different countries) and to reach the magic 50/50 ratio for male and female students.

The Dean of the University of Exeter Business School, Professor Richard Lamming, glows with pleasure at this. He is currently doubling the size of the school, investing £30 million over five years and he sees the One Planet ethos as a key differentiator in the crowded MBA global market.

Alongside the students, WWF will provide advice on content and design and teach a number of modules.

Although WWF’s partnership with Exeter to establish the One Planet MBA is unique in the relationships of NGOs and academia, WWF has a long record of forging partnerships with the private sector, notably business.

“I’ve spent the last ten years working with the private sector,” says Jean-Paul Jeanrenaud, Director of Corporate Relations at WWF International (The WWF Network Secretariat) in Switzerland. “The private sector is part of the problem but it also has the potential to be a major part of the solution.”

Although naturally not as experienced as business schools such as Exeter in terms of management education provision, WWF has a track record in delivering training programmes in recent years, particularly its One Planet Leaders (OPL) programme, which in many ways can be seen as a precursor to the One Planet MBA.

OPL, which combines two three-day on-campus modules and web-based learning, explores the impacts of environmental, social and economic trends on business and how to turn these into strategic opportunities.

WWF has set itself a target of training a million managers in a sustainable mindset over ten years. The One Planet MBA will be an important element in reaching that target.
The programme benefits are claimed to be: understanding sustainability and learning to prioritise key issues for an organisation; embedding sustainability into core business strategy; developing clear communication strategies and measures for sustainable growth; and leveraging sustainability as a driver of innovation and competitive advantage.

The programme runs twice a year at IMD in Lausanne, Switzerland, once a year in Singapore, and is also available as an in-company programme.

In addition to their relationship with the business school, WWF has had involvement in masters-level programmes in the School of Geography at the University of Exeter.

“The partnership is committed to promoting sustainable business and showing that conserving natural resources is entirely compatible with winning and maintaining customer value and confidence”, Hickman wrote recently.

Exeter Dean Lamming is adamant about the necessity of maintaining the new MBA as a rigorous business programme.

“This is an MBA,” he says. “It is not a tree-hugging or indoctrination exercise. And it’s not a degree in corporate responsibility. This is a business school; our graduates will be business leaders, not clichéd environmentalists!”

Professor Lamming admits that completely changing the school’s MBA programme is a risk, though, he says, perhaps not so much a risk as not doing it. “We would rather be doing this than watch someone else do it.”

Certainly, Exeter is committed to full involvement.

According to Professor Lamming there was little interest in a half-hearted approach such as a specialised “sustainability” track within the traditional MBA or even placing the One Planet MBA alongside a more traditional programme.

The commitment to sustainability will be pervasive throughout the MBA and indeed throughout all the programmes Exeter offers.

“It’s not the bolt-on module that others provide; it will be everywhere,” he says. “Sustainable development in management education requires business schools to develop the skills of choice-editing.”

Such a wide-ranging change will have a significant impact on the school, Professor Lamming believes.

He expects the teaching style to change, with an even greater emphasis on interaction and action learning.

The school building is currently being expanded (the MBA will benefit from its own new purpose-built suite) and he also anticipates a greater use of communications technology.

Exeter does not believe, though, that the type of students attracted will be significantly different. Those joining the Innovation Cohort, for example, were looking for traditional jobs such as consulting or corporate finance though some would like jobs in the sustainability area.

However Professor Lamming thinks those graduating from the One Planet MBA will be quite different.

“I hope they will be different in the way they think and speak and act. They may well go into ‘traditional’ MBA-type jobs but the key thing is that they won’t ‘go native’,” he says. “They will have business heads and green hearts.”

It will also mean that the school will have to be highly active in attracting corporate recruiters who are ready and willing to hire students who will not compromise on sustainability issues.

This is something that Exeter is well aware will make the marketing message for the new programme very complex.

When the new programme at Exeter is working at full capacity it is likely to produce around 70 MBA graduates each year.

The plan now, which is being co-ordinated by Professor Jonathan Gosling, Director of Exeter’s Centre for Leadership Studies (CLS) and Jean-Paul Jeanrenaud, is to collaborate with universities and business schools globally to implement a rollout of similar One Planet MBA programmes over the next few years.

“The idea is to have one MBA programme in each country,” says Professor Gosling. “The MBA will be different in each country because of local circumstances and challenges. What we are now trying to articulate are the key principles that will be the core of the One Planet MBA.”

WWF has set itself the “ambitious” target of training a million managers in a sustainable mindset over ten years. The One Planet MBA will be an important element in reaching that target; it seems likely that a “sustainable” MBA will be reaching your corner of the planet very soon.
Julie Davies and Angus Laing look at the challenges facing deans in university-based business schools in Britain as public sector cuts begin to bite
In an ideal world, the university-based business school dean and the university’s chief administrator articulate mutual respect, support and appreciation, achieving win-wins and a natural symbiosis.

In reality, while a business school’s strategy might well be aligned closely to its university’s mission, creative tension and even overt conflict can emerge particularly at a time of draconian government cuts.

Here are composite opposing perspectives by two players based on actual comments. Do you recognise any of this rhetoric? Or is it all sweetness and light in intra-university relations?

Business School Dean: “They’re the green visor brigade, always trying to constrain us and always asking for a greater financial contribution. It’s like running up a downward escalator. We have to provide excellent customer service – executives have quite different expectations from undergraduates – so we employ our own careers, marketing, PR, alumni, IT support staff and so on to ensure high standards for high fees, which means we pay twice. We want them [at the centre] to appreciate we’re different. One size just doesn’t fit all – you can’t treat the business school the same as the department of medieval history.”

University Head of Administration: “They have so many administrators; they need to get much leaner. You attend an event in the business school, even for undergraduates, and there’s someone to meet you, someone to sign you in, someone to hand out the paperwork – a whole bunch of administrative staff involved. We want to bring their duplicated staff into the central administration and cut the excesses. When we visit the school annually to present to all the business school staff, something we do for all schools, the dean hardly says anything, which makes us feel quite awkward. We sense that the dean wants to disassociate himself from us rather than welcome us to his business school.”

A tug-of-war between degrees of desired and actual (de)centralisation is inevitable in any organisation but antagonism and defensiveness can be unproductive. The tall poppy syndrome operates even within certain business schools where university administrators feel that all students, irrespective of whether they are paying €3,000 or €30,000 in fees, should be treated the same.

The composite comments above suggest, however, that there is more to be done in terms of enlightening central university senior managers and others more fully about the actual intellectual, practical and financial contributions business schools make.

Political skills of listening, negotiating, communicating, influencing, mobilising others, lobbying and collaborating should perhaps form a greater part of the personal and professional development plans for boundary spanners in both camps.

There are many points of contact with colleagues within the university where business school discourse can be misunderstood.
Ask the head of a university with an established business school whether they could survive financially without their business school and it is highly unlikely they would reply ‘yes’

For example, specialists in the enterprise office with engineering or physical science backgrounds who speak the language of patents, intellectual property, spin-offs and equipment overheads find corporate overseas management consultancy or knowledge-transfer projects in SMEs require different types of contract negotiations.

Student finance and visa arrangements for EMBA students flying in for occasional weekends from outside the EU can also confound traditional university systems. The need in some business schools for the availability of 24/7 computer support and premium salaries for accounting, finance and other hard-to-hire research professors can generate slow responses from central university departments that are out of sync with the way business schools prefer to operate.

The premise of our argument is that, certainly in Britain, universities are heavily reliant on business schools since business and management is the most popular subject for students, particularly from overseas. It follows, then, that the cordiality of relations between the business school and central university protagonists merits serious attention, despite at times seemingly irreconcilable differences. Do they need us more than we need them?

Ask the head of a university with an established business school whether they could survive financially without their business school and it is highly unlikely they would reply "yes". In Britain, one in seven undergraduates, one in five postgraduates and one in 20 doctoral students studies business and management.

Ask any new dean how they are finding their job and many are surprised how their time is carved up: "I thought I was managing a business school but I spend huge amounts of time managing up," says one.

There are also positive examples of business schools pushing boundaries, for example in process mapping or student satisfaction surveys, then being asked by the university to facilitate such initiatives in other parts of the institution.

While a degree of budget envy coupled with a sense of academic superiority may at times be expressed by academic leaders outside business schools, business school deans themselves may reflect on the relative autonomy of individuals who are leading stand-alone schools such as Ashridge, IMD and INSEAD.

Others look askance at the phenomenal endowments of American Ivy League business schools or bemoan that their business school does not have the status of a faculty.

On the other hand, many value synergistic opportunities to collaborate in-house alongside medical, engineering, education, social sciences, arts, science and other faculties, and the benefits of the university brand.

So, what do deans currently think of opportunities and challenges for the second decade of the 21st century?

At an Association of Business Schools (ABS) event in October 2010 on the challenges and opportunities facing British business schools, delegates mused on skills that would be useful following the global financial crisis.

Harry Potter-like abilities such as operating in different dimensions, alchemy, hypnotism, time travel, super multitasking, a "stab proof" skin, being able to see the future, invisibility and a diplomatic passport to enable legal immunity were suggested.

On a more serious note, key challenges experienced included issues of uncertainty, lack of autonomy, increased competition and the need to differentiate the business school strategically in the context of market liberalisation.

The deans were preoccupied with “money, morale and movement” – income generation, pressures on staff and mobility in a climate of austere budget cuts by central government.

Other issues they discussed included improving quality, faculty recruitment, employee relations, and staff resistance to e-learning.

In terms of strategy, they were grappling with universities’ expectations of raised financial targets, reviewing business and educational models and portfolios to balance teaching and research, positioning the school and focusing on transnational education. A few questioned the value of accreditations.

Student issues discussed related to what prices the market will bear, student recruitment and consumerist attitudes, the changing profile of students, ensuring a positive learning experience and articulating the value proposition to students.

In the context of the changes in England to increase considerably the limit on undergraduate fees for European
In Britain, one in seven undergraduates, one in five postgraduates and one in 20 doctoral students studies business and management.

Union students from 2012/13, it was felt that the academic year 2010/11 would be reasonably OK but British business schools need to “get real” for 2012. There were particular frustrations about visa rules for overseas faculty and students.

The major initiatives the deans were already undertaking ranged from gaining a clearer understanding of their cost base, deconstructing the value chain, cost reductions, outsourcing and seeking opportunities for growth, scenario planning and lobbying.

Some deans are radically reviewing their curricula, focusing on employer-led and work-based learning courses, and using new teaching technologies. Others are issuing teaching-only contracts and voluntary severance notices, and renegotiating legal and psychological contracts.

Some said they are valuing teaching more, reviewing workload models, and redefining the nature of the academic career and incentives.

Greater collaboration to build reputation across the faculty and the university and with overseas partners, and social networking with alumni were other activities being implemented.

Generally, deans were focusing on greater engagement with stakeholders, making their school more distinctive with accreditations, professional recognition and rankings, and ensuring greater preparedness to change and differentiate a coherent value proposition.

Finally, in terms of what deans want, many said they would like to lobby government and vice-chancellors (the head of a university in Britain) more effectively, particularly about the unintended consequences of visa restrictions, to gain a better voice for the business school industry and to enhance their brand.

Deans also stated they value benchmarking, sharing data, mutual self-help, advice on fund raising and better access to the top table within universities. They want to highlight the achievements of business schools and influence government policy directly.

To reiterate, business schools matter and so do the relationships between business school deans and their central university counterparts. Certainly, the pace of change is accelerating, university departments are merging, there is more of a performance management culture and personal insecurity about pensions, contracts, roles and a general “twitchiness” in the public sector.

Private providers such as BPP, Hult, Kaplan, Navitas, Pearson, Rayat and others are beginning to populate the business and management education landscape and shared services providers (SSPs such as Cisco and Serco) are moving into the British higher education sector.

Finally, we would argue that the voice of business schools needs to be heard more clearly and championed. Moreover, funding should follow the student; if business school students are paying higher fees, then the income should not be siphoned off to less profitable or non-profitable parts of the university to the detriment of the business school.

The jobs of business school leaders and their teams are complex and difficult and require high levels of resilience. We would hope that business schools can communicate more fully their significant contributions to the well-being of universities and society and negotiate fair levels of financial autonomy so they can demonstrate their academic and social legitimacy. Higher education institutions certainly need the robust application of business and management concepts for their continued sustainability.

Choose your mantra: keep your friends close and your enemies closer, we’re all in this together, don’t let them grind you down, every one for him/herself. Better still, if you haven’t already, take your university head of administration out for a curry or a glass of wine and a chat.

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Engineering excellence

How Siemens engineers development excellence
Siemens recently gained CLIP accreditation for its in-house learning and development activities. George Bickerstaffe looks at what the 160-year-old company has achieved.

Siemens AG is a big company. Founded in Germany over 160 years ago, it operates globally in the electronics and electrical engineering, energy and healthcare sectors.

It is the world’s largest provider of environmental technologies, generating €28 billion – nearly one-third of its total revenue – from “green” products and solutions. In the financial year ending September 2010 it had a total revenue of €76 billion and net income of €4.1 billion and around 405,000 employees worldwide.

It is also totally committed to developing those employees and has a significant Global Learning and Leadership Development outfit headed by Marion Horstmann, Siemens Chief Learning Officer.

A likeable, no-nonsense mathematics graduate, she is also head of Siemens’ Leadership Excellence Program, and head of Corporate Human Resources Strategy, and additionally responsible for the Learning Campus and Talent Acquisition.

This year she led the team that won Siemens CLIP (Corporate Learning Improvement Process) accreditation from EFMD. The accreditation recognises the high standards and quality learning programmes offered and dispensed through the company’s in-house learning and leadership development providers.

“The peer review team was impressed by the originality of the Siemens approach to the task of combining highly focused leadership development with the broad-based co-ordination of learning and development provision across the company,” says Gordon Shenton, Associate Director of Quality Services at EFMD.

“Siemens is exemplary in its effort to manage a globally integrated learning function fully aligned with the strategic priorities of the company at large.”

“At Siemens, our learning activities are very closely aligned to the strategies and requirements of our businesses,” says Ms Horstmann. “Receiving this accreditation is an important confirmation for our way of organising learning.”
Although her job is so wide-ranging, she sees it in fairly simple terms. “What we do here is to bring the right people into the right jobs and make sure these people have the right skills and capabilities to be successful in our company,” she says. “Once we have the right person in the right job we are then concerned about unlocking the full potential of our employees. That means maintaining or increasing their engagement. We firmly believe that engagement is closely related to performance and is not just about satisfaction.”

This year, she organised Siemens’ first global engagement survey.

Given the success of learning and development in Siemens, why then did she feel the need to seek out accreditation? “I think the first reason was because of my background,” she says. “I was a consultant for many years and I really like benchmarking. I like to compete with the best companies in my area.”

“Second, I am always willing to learn – I think a Chief Learning Officer should be like that! So it was really to learn how we could do things even better.”

The global Siemens learning organisation is based on two key elements: the Siemens Leadership Excellence (SLE) programme and the Global Learning Campus (LC).

Siemens Leadership Excellence offers a comprehensive portfolio of leadership and organisational development programmes for Siemens leaders. Since its foundation in 2005, SLE has helped more than 3,500 global Siemens leaders in their professional development.

The LC provides Siemens with various types of business-related learning based on the company’s business requirements. Programmes include seminars, e-learning and workshops for individual employees and teams and organisational units. Together with an internal delivery network, LC provides training for over 70,000 employees a year.

Ms Horstmann divides Siemens’ learning needs into three types:

- product learning, which takes place within the main sectors and businesses because they are “close to the products and close to the customers”.
- the Siemens Leadership Excellence programme, “where we train our leaders in key leadership skills and also make them aware of the company’s strategies”.
- and business learning covering topics such as sales, quality, manufacturing and R&D.

“If countries or businesses have specific issues they want to cover, then of course we can do that for them,” she adds. “But we increasingly find that there are some topics, such as project management, that are crucial to Siemens and here we want to have very high-quality learning that is group wide.”

To decide on these so called Core Learning Programs there are regular meetings with the board members responsible for Human Resources and the three sectors Industry, Energy and Healthcare to discuss the demands for learning content that flow from their development plans.

Ms Horstmann says her organisation works very closely with Siemens’ various businesses through the HR Business Partner framework “so that when a manager sits down and starts to think about his or her future business strategy – where the customers are coming from, where the innovations will be and so on - for the next five years then there is a framework for HR to come up with a people strategy that matches it”.

Ms Horstmann says that the current major business challenge facing Siemens (and every other global company), particularly in emerging economies, is talent shortage.

“And this translates into a problem of retention, which is something we have to face up to,” she says. “There are so many companies growing so fast in these emerging countries that there is an enormous amount of competition for talented workers.”
One way a company’s learning and development function can help in this, she believes, is through the very fact of providing development opportunities.

“Learning and education are rated very, very highly in emerging economies,” she says. “So they really appreciate it when a company spends a lot of money on training and developing its workers, transferring the latest knowledge and generally looking after their employability – and this is what we do. This is not a USP, of course, because other companies do this, but it is an area where we can make a very big difference.”

The CLIP process draws extensively on EFMD’s successful EQUIS accreditation scheme for business schools and universities. Internal self-assessment against a set of rigorous standards is combined with an external peer review. The assessment process covers: the alignment of a corporate learning organisation’s mission and operational objectives with corporate strategy; the effectiveness of its governance and internal management systems; its ability to address key issues of concern to business units; the programme design process; the programme portfolio; the quality of delivery; and the impact of the organisation’s activities on individual and organisational learning.

Richard Straub, EFMD Director of Development & CLIP, believes the whole CLIP experience delivers a great deal of benefit to an organisation,

“In the past, corporate universities and training centres have either flourished or failed because of how they were perceived internally,” he says. “When we launched the process we thought that companies would only be interested in the benchmarking and quality improvement aspects of CLIP, and not the accreditation, quality label side of things.

“However accreditation has turned out to be a key element, as it establishes the credibility and internal recognition of the corporate university and gives a corporate university something tangible it can show to its board.”

Certainly one of the major lessons Ms Horstmann got from the CLIP experience was the need to improve the communication and marketing of all the things her organisation does at Siemens.

“One message we got was that everything we are doing is great but we should really market it better both internally and externally,” she says.

“The second was that, yes, we are able to change the company, we are part of the change process and are able to help to change the company very fast because we are close to the business and business strategy but we should be more of an innovator, bring more ideas that are new to the company. Not in regard to learning per se but thinking about how to make this company even more innovative.”

So the CLIP process seems to have been a win-win situation – added value for Siemens and endorsement for CLIP from one of the world’s most admired companies.

Ms Horstmann is fulsome in her praise for the CLIP accreditation team that visited the company.

But perhaps most importantly, she says, “it was fun talking to them”.

The CLIP process seems to have been a win-win situation – added value for Siemens and endorsement for CLIP from one of the world’s most admired companies.
Jonathan Scott encourages business schools to reach out to their business communities with an educational outreach initiative that can reap enormous benefits.

958m

Students successfully show their corporations how to cut the equivalent of 958 million kilowatt hours of electricity...
A recent headline splashed across newspapers and news websites read “EDF’s Climate Corps Finds $350 Million in Energy Savings at Leading Corporations”.

The story explained how, over a three-year period, students from leading American universities (including Duke, Stanford, Cornell and Yale) have conducted summer fellowships at corporations (Cisco Systems, Dell, eBay, EMC, Genzyme, HP, Sodexo and Sony Pictures Entertainment) with the goal of uncovering inefficiencies in lighting, computer equipment, heating and cooling systems, and other waste-laden systems and setups.

In the process, the students have successfully shown their corporate hosts how to cut the equivalent of 958 million kilowatt hours of electricity (enough to power 85,000 homes) thereby saving hundreds of millions of dollars at corporations and slashing carbon emissions by 557,000 metric tons – the equivalent of taking 86,000 SUVs off the roads.

This information is of particular interest to me because since 2005 I have been sending Kozminski University students, in Warsaw, Poland, out into the local business community to do the same thing.

And to date, we have shown over 100 businesses in 11 countries how they can save a combined total of over $2 million. Granted, this may seem like small potatoes when compared to the EDF (Environmental Defence Fund) programme mentioned above. But keep in mind that the average assessment my students carry out lasts three hours (not an entire summer), comprises mostly small businesses (not the millions of square meters of office space of a large corporation) and has an operating budget of zero.

The programme itself is simple to run. At the end of a 20-hour or 30-hour course that teaches the fundamentals of sustainability, I insist that my students (in groups of three) venture out into the local business community to conduct a waste assessment that applies the basic concepts learned in class.

Students are told well beforehand that they must find a company to assess and the completed assignment comprises 50% of their total grade.

Most choose to investigate a business run by family, friends or personal contacts. Sometimes I am lucky and one of my Executive MBA students volunteers his or her company.

Identifying energy savings is the easiest way to start, although we’ve also tackled production waste. This year, our greatest achievement was finding €236,000 in energy savings in a glass factory after two exhausting three-hour visits.

Additional successes include a group of first-year students that found €15,000 in waste (in two-and-a-half hours) at a juice-package plant and a student that saved his parents’ company €28,000 per year by switching off unneeded lights (his previously sceptical parents proclaimed afterwards that their son’s university education was “now worth it”).

The data we collect is invaluable and is used for a variety of purposes including research, recruitment, letters of recommendation for the students, promotional purposes, and so on.

Moreover, I have lost track of the number of times students have told me that this programme has improved their attitude towards academia, instilled them with previously unseen confidence and motivation, changed their lives and/or given their career direction a much needed boost.

In short, the programme has struck gold. Are you or your institute interested in reaping the same benefits?
Make no mistake, the business world is eager to learn more about sustainability, particularly when the subject is presented in a language that it understands. Students, too, are enamoured with a subject that many believe is the calling of their generation.

Please note that neither the EFMD nor I are suggesting forming a structured partnership. We merely invite you or your university to run a similar programme (under your own name and guidance) in which students are encouraged to venture out into local business communities (perhaps the companies where your alumni work) to conduct energy and waste assessments as part of their education. The results can then be pooled with other co-operating institutes for public display.

The difficulty, of course, is overcoming human weaknesses such as our innate need to feel in control (in an academic setting, this sometimes translates into a desire to work individually rather than in co-operation with others). Eliminate control (or the illusion of control) and people often experience depression, stress and even the onset of disease.

Human beings also have an inert dislike of delayed benefits. Research has shown that given a choice, we will more often choose to collect €20 now rather than wait a year and receive €100.

Knowing how much electricity a business consumes as it happens or displaying how many kilos of waste water or scrap are being disposed of in real-time appeals to the human need for short-term satisfaction as well as the desire to be rewarded for improvement (thereby allowing those involved to feel more in control).

The problem, of course, is that most people do not know how much they, or the businesses they work in, use or waste in any given period of time. Welcome to the challenges inherent in sustainable thinking.

Seen in this light, sustainability is about more than environmentalism – much more. Sustainable business practices embrace the legal, financial, economic, industrial, social, behavioural and environmental arenas.

To an astute company, sustainability is mostly about reducing expenses – including future expenses – in every conceivable form to facilitate longevity and competitiveness.

These expenses include the costs associated with waste, the spiralling cost of raw materials (resulting from an increasingly affluent and growing population all of whom are competing for the world’s finite supply of resources), costs created or exacerbated by poorly designed products and production processes, climate change expenses (such as property damage and crop failure) and the costs of unemployment and underemployment (the wasting of people).

Companies that experiment with sustainable practices (some have been doing so for 20 years or more) know that thinking in the long term carries an enormous capacity to generate greater wealth, facilitate job creation and maximise resource efficiency (that is, to reduce environmental degradation).

But lack of awareness, the mistaken belief that sustainability is solely about the environment and the inability of those that preach sustainability to relay their message in a way that intended recipients can understand remains problematic.

The good news is that governments (particularly those in Europe) are waking up to the fact that creating waste (and the inevitable future costs that waste produces) does not equate with freedom nor is it a basic human right.
Business schools need to get on board by accepting that sustainability (long-term thinking) goes beyond “green” and carbon emissions. More to the point, it is time to address the cause of the world’s most pressing current – and future – problems in the businesses where they occur rather than the symptoms.

To help explain the breadth and depth of sustainability in a business context - and provide a template on which a basic introductory course can be built – Walter Stahel, Hunter Lovins, David Grayson and I have put together a free 152-page resource guide, *The Sustainable Business*. This book is published by EFMD and is available as a free PDF download from the EFMD website as well as numerous other websites.

Its 24 chapters describe the fundamentals of sustainability while illustrating how a basic waste assessment programme can be conducted (one news website offering a link to the book received over 6,000 hits in 48 hours).

Two months after its initial release, *The Sustainable Business* is now available in Mandarin for dissemination across China. To date, English-language copies have been dispersed to over 1.3 million people around the world. In spring 2011, the book will be translated into Russian and Polish and, we hope, French and Spanish.

Moreover, a television producer who has worked with David Attenborough and Bono (among others) has expressed an interest in converting it into a six-hour documentary television series for the BBC.

Make no mistake, the business world is eager to learn more about sustainability, particularly when the subject is presented in a language that it understands. Students, too, are enamoured with a subject that many believe is the calling of their generation.

Join us by becoming part of an initiative that profitably reaches out to businesses while providing students with a unique hands-on learning experience. By combining our results (and you will see results), we can show the world that the academic institutes in which we work are not only current and proactive but are also more relevant – and needed – than ever before. 

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**ABOUT THE AUTHOR**

Jonathan T. Scott is a lecturer, entrepreneur, manager and business leader with over 25 years of work experience in nine different countries. Apart from his academic work he runs two businesses and is the founder and director of The Center for Industrial Productivity and Sustainability. Although based at Kozminski University in Warsaw, Poland, he also serves on the foreign faculty of the Rotterdam School of Management (Erasmus University), Bradford University, and the Audencia Nantes School of Management.

If you would like to find out more about starting a similar project at your own school or university please contact Jonathan Scott at jscott411@hotmail.com or Matthew Wood at matthew.wood@efmd.org.

[www.jonathantscott.com](http://www.jonathantscott.com)
Corporate scandals often provoke business schools to launch new courses on ethical behaviour. But, argues Mary Gentile, teaching students what is right is not enough. They need to know how to ensure the right thing is done.
Of late, we have all seen more than our share of headlines decrying business scandals, managerial negligence or both, all with devastating consequences for investors, consumers, the environment and the wider economy.

We wonder how the ABACUS CDO managed to pass muster at Goldman Sachs? Or why the voices of concerned engineers at BP, managers at Halliburton or TransOcean, and regulators at the Minerals Management Service were all ignored?

And every time one of these tragedies surfaces, a companion chorus of headlines questions and decries the lessons taught and learned at the world’s business schools. This is then followed by a flurry of activity at those schools as they give greater attention to business ethics and values-driven leadership.

However, each time business schools tend to do the same things.

For example, we argue about the relative merits of stand-alone courses in business ethics versus the integration of these issues across the entire core curriculum, with each school defending their chosen path.

We talk about the “trade-offs” between maximising shareholder value and paying attention to wider societal needs, as if this were always a zero-sum game.

Or on the other hand, we proclaim the need for a “business case” for corporate responsibility and ethical behaviour in an effort to re-frame the challenges as “win/win” opportunities.

And in our ethics classes, we talk about doing two things: raising awareness so that business students and future business leaders will recognise ethical challenges when they encounter them. And we teach analysis so that these same students will be equipped with ethical reasoning tools to determine just what the “right” thing to do may be when they encounter values-conflicts in their managerial careers.

Having worked in this field for two-and-a half-decades, having seen these moments of curriculum reform surface several times before and having engaged in all of the approaches above, I was reminded of the adage, attributed to both Albert Einstein and Rita Mae Brown (quite an unlikely pair!), that the definition of insanity is to do the same thing repeatedly with the expectation of a different result.
Each time business schools are caught in a public outcry about a new spate of scandals, they respond to the media, their alumni and their students alike with a slate of new curriculum offerings – whether they are required or elective – that focus on raising awareness and teaching ethical analysis.

Of course, these are unquestionably important and useful topics to discuss in the classroom but they are also most definitely not enough. They are not enough because the kinds of issues that cause us to question just what is being taught in business education programmes tend to be much more clear-cut than those thorny, “right versus right” sorts of dilemmas so often shared in the business ethics class. The issues that make the papers are often cases of downright fraud and illegality. And greater awareness and more sophisticated analytic tools do not necessarily help us in such instances.

What does help, I believe, is to add an attention to Action to our focus on Awareness and Analysis. With support from The Aspen Institute, which promotes leadership, and Yale School of Management, both in America, I developed an innovative pedagogical approach, Giving Voice to Values (GVV). This is now housed and funded by Babson College, also in America.

At its heart, GVV is about posing a different question in our classrooms. Rather than asking “what is the right thing to do?” GVV asks “What if I knew what I thought was right? How would I get it done? What would I say, to whom and in what sequence? What would they say back and then how would I respond? What supporting data and examples would I need? Who would I need as allies?”

This simple shift in educational focus – from figuring out what is right to figuring out how to get the right thing done – can be extremely powerful.

Too often, it can feel more important for students (and faculty) to prove they are not naïve than to demonstrate that they want to be ethical. The GVV pedagogy alters this equation.

With GVV, the way we demonstrate our sophistication and political savvy is by figuring out how to do the thing that feels impossible: that is, we ask and answer the question “how can we persuasively and effectively exercise values-driven leadership?”

The GVV curriculum is based on conversations with managers, from recent graduates to senior leaders, who share their stories of how they found ways to effectively voice their values, and on current management and social psychology research that explores decision-making biases, heuristics and framing tendencies that build effective and persuasive arguments to counter “reasons and rationalisations” for unethical choices.

Doing this, GVV identifies the many ways that individuals can – and do – voice their values in the workplace and provides opportunities to build the muscles necessary to do so.

**Distinctive features of the GVV business curriculum include:**

- a focus on how a manager raises values-based issues in an effective manner—what he/she needs to do to be heard and how to correct an existing course of action when necessary

- positive examples of times when people have found ways to voice, and thereby implement, their values in the workplace
The simple shift in educational focus with GVV—from figuring out what is right to figuring out how to get the right thing done—can be extremely powerful.

- the importance of self-assessment and a focus on individual strengths when looking for a way to align one’s individual sense of purpose and that of the organisation
- opportunities to construct and practise responses to frequently heard reasons and rationales for not acting on one’s values
- practice in providing peer feedback and coaching

This simple but powerful emphasis on pre-scripting and practising responses to predictable values-conflicts managers are likely to encounter, and engaging in peer coaching to refine and enhance these scripts and implementation plans, has many benefits.

It shifts the focus of business ethics classes from “thou shalt not” to “you can do,” appealing to the pragmatic, creative and action-oriented student. It shifts the conversation from one that relies on the language of philosophy to one that relies on the language and arguments of the discipline where the values-conflict occurs.

In other words, the script and action plan a student may develop to respond to pressures to, say, distort financial reporting will use the tools and the arguments of accounting rather than the tools and arguments of John Rawls or Aristotle (although both Rawls and Aristotle would likely approve).

This makes the conversation both more relevant and more comfortable for students and faculty alike and helps to address the stand-alone ethics course versus core integration debate. That is, the ethics class still teaches Awareness and Analysis, while the core courses can address Action, using GVV cases.
Drawing on the actual experience of business practitioners as well as innovative social science and management research, GVV fills a long-standing and critical gap in business education.

The GVV curriculum includes hundreds of pages of exercises, readings, cases and scripting examples along with teaching notes. The curriculum is available free at www.GivingVoiceToValues.org and increasingly faculty from around the world are collaborating to develop more function-specific and region-specific material.

Well over 100 business schools and organisations on six continents have tested and re-tested elements of the GVV curriculum and it has been featured in many leading business and management magazines.

Drawing on both the actual experience of business practitioners as well as innovative social science and management research, GVV fills a long-standing and critical gap in business education. It helps students identify the many ways that individuals can and do voice their values in the workplace and it provides the opportunity to script and practise this voice in front of their peers.

Giving Voice to Values holds the promise of transforming the assumptions on which the teaching of business ethics is based and, importantly, equipping future business leaders to not only know what is right — but how to make the right thing happen.

ABOUT THE AUTHOR
Dr Mary Gentile is Senior Research Scholar and Director, “Giving Voice to Values” at Babson College, Massachusetts, US, and author of Giving Voice To Values: How To Speak Your Mind When You Know What’s Right (Yale University Press, 2010).
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Previously she spent ten years at Harvard Business School where she developed and taught the school’s first course on managing diversity and helped design and teach its first required module on ethical decision making.
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Wondering How to Get There?

Educational leaders around the world are identifying project management education as a key pathway to thriving in these challenging times.

They’re reviewing the data: project-based work accounts for more than one-fifth of the global GDP. They’re examining the research: one million jobs must be filled every year for the next decade. They’re analyzing the marketplace: hundreds of schools around the world are establishing successful project management education programs.

To learn more about how project management is changing the face of academe, visit PMI.org/GlobalFocus2011.aspx. There you can view webinars, download whitepapers and case studies, read articles, and consult with your colleagues who have agreed to share curricula and serve as academic mentors.
MBA students need a coaching programme so that they gain the maximum commercial benefit they can from their MBA studies says Victor Loewenstein
An MBA degree is often the “icing on the cake” offered by executive search consultants to clients at the successful completion of their search processes.

Given comparable competencies and qualifications, an MBA graduate is more likely to be offered the job since he or she brings a more holistic dimension to the position and adds value to the external image of the company.

MBAs are therefore a natural target of search consultants and a great deal of research effort is invested in identifying this population, following their careers and recognising those able to respond to the demanding requirements clients include in their job specifications.

It is for this reason that current MBA students should be assisted in preparing their career decisions in a way that will allow them to appear on the “radar screen” of recruiters some years after their graduation.

Business schools should help students understand the process followed by search consultants as well as the “do’s and don’ts” of career planning. This allows them to attain the required professional positioning so they can be identified and approached.

Clearly this type of coaching will not facilitate nor accelerate a new graduate’s re-entry into the job market but it can certainly prepare him or her so that five to ten years following graduation they will “fall” onto the short-list of potential candidates whom search consultants want to meet, interview and possibly introduce to their clients.

A well-planned and successful career following business school will position executives to be at a level of professional reputation and visibility that will make them desirable for a variety of senior appointments.

As such, “growth potential” and a “fast learning curve” are evaluation criteria that cannot be used since the client needs to attract someone who can be rapidly operational and immediately command the respect of subordinates based on proven prior performance.

Executives are unlikely to immediately and radically change their career trajectory through the involvement of a search consultant.

Depending on the class size, and following the presentation session, breakout meetings of three to five students can be highly valuable since individual cases and challenges can be discussed.

Students should bring their CVs, which are critically reviewed. Subsequently the focus of their professional experience pre-MBA is defined in addition to establishing their future career objectives in both the short and long term.
The first job post-MBA should be seen as the grounding or foundation of a career and should be perceived as solid. As such, the recommendation to the class should be that it is more important to join the “right” employing organisation even in the “wrong” job rather than the “right” job in the “wrong” organisation.

The reason is that once in the “right” organisation one can more easily manoeuvre into the “right” job while the “wrong” organisation will negatively influence the perception of the CV, which can be detrimental to successful external career progression. While to the reader this may sound obvious, it is a statement that often raises a great deal of surprise and interest from an MBA class.

While search consultants are seen as agents that cause professional mobility, students are nevertheless advised not to move employing organisations without exploring internal opportunities.

Not only is job tenure in previous organisations seen as highly positive in the eyes of future employers but regular promotions within the same organisation clearly reflect recognised management performance, appreciation by the employer and acknowledgment that the person is able to take on greater challenges and move out of an established comfort zone.

Therefore, the advice given is that external opportunities should only be actively sought once one senses that the challenges the current position holds, in the near future, are not as relevant or professionally exciting as those tackled in the recent past or that the employing organisation does not have other attractive growth opportunities available.

For a search consultant it is more reassuring to see a stable career of ten years in one organisation with five different positions held rather than one showing five different employers in a period of ten years. “Job hoppers” are feared by headhunters!
Finally, discussion with the class should encourage the students to work on their network from their Graduation Day. Networks are essential in preparing one’s career, particularly as one approaches the pinnacles of management seniority.

Performing exceptionally well and being highly appreciated by the current employing organisation – but having no external projection – leads the executive to being “the best kept secret in town” and this does not facilitate external mobility.

If one has career aspirations one has to make sure that other constituencies are aware of one’s existence and accomplishments. This means that active participation in alumni and professional associations as well as external boards – including pro-bono work – are warmly encouraged. They allow the individual to gain visibility and respect in front of external business communities.

Headhunters do not “invent” people but find those who are known as being the confirmed and respected high performers. But such individuals need to make themselves visible outside their closed work environment so that opinion leaders and their own industry/sector peers can pick them out and recommend them when the consultant comes around “sourcing”.

Coaching sessions along the lines outlined above have generated feedback from students and faculty that has been consistently positive though it should be stated that this type of counselling is better appreciated by the older students who already have some five-years-plus professional exposure prior to entering an MBA programme.

Their previous experience and greater maturity allows them to better understand and implement the recommendations and advice given.

Business schools have an interest in assuring that their graduates obtain employment under good financial conditions as quickly as possible following graduation. A great deal of support is being given by schools in terms of career counselling and development to better prepare students to enter an ever-more competitive market.

However, schools should also have a longer-term vested interest in having their alumni attain senior executive positions in leading and highly respected organisations, whether corporations, not-for-profit institutions or multi-lateral agencies.

Longer-term career coaching should also be offered to help these graduates better prepare themselves to conquer the highest levels of the executive hierarchy and as such better serve the society in which they live while honouring the learning institutions from which they come.

“...For a search consultant it is more reassuring to see a stable career... Job hoppers’ are feared by headhunters!”

ABOUT THE AUTHOR
Victor H Loewenstein joined search consultancy Egon Zehnder International in 1970 and retired in 2003. During his tenure with Egon Zehnder International he was Partner, Regional Director, member of the Executive Committee and elected member of its Board of Directors. He was based in Brussels, Madrid, New York, Latin America and Geneva. Since 2003 he has held various Board appointments and conducted MBA coaching at several business schools. victor.loewenstein@skynet.be
In May 2010 the Peter Drucker Society of Europe with the support of EFMD launched the first “Global Peter Drucker Challenge”, an international essay contest for students, young managers and young entrepreneurs.

The Peter Drucker Challenge

The contest had the overarching theme “Continuity and Change – Balancing Innovation and Time-Tested Practices” designed to show the application or re-interpretation of Drucker’s way of thinking in the light of contemporary developments.

The response was overwhelming in number, the variety and breadth of topics, and by the quality of the submitted essays. A total of 214 essays were received from all over the world.

Here are edited versions of the three winning essays.

214

A total of 214 entries were received from all over the world.
Essay One
Florian Ramseger

The Silver Lining of the Cloud: Managing Cloud Computing for a More Equitable Knowledge Society

We are witnessing a tectonic shift towards a new era of mobile computing, where computing power, software and data are located in the so-called "cloud", to be accessed via the internet – at any time and from anywhere in the world.

But this is not just a new era of information technology. This is the coming-of-age of the Post-Capitalist Society that Peter Drucker foresaw many years ago. Drucker predicted that knowledge would replace capital as the defining factor of production; he predicted that we would be living in what he called a "knowledge society".

While Peter Drucker recognised that information technology plays an important part in this process, he could not have known what exactly the IT tools of the knowledge worker will look like. Today, we can see a little farther. In this essay it is argued that cloud computing will revolutionise the way we work and thus galvanise the transition towards this new society: it will help create information-based markets, it will facilitate teamwork, and it will liberate the knowledge worker.

The impact of this technological revolution on society will, however, not be the same everywhere. Only those who leapfrog to the opportunity frontier will experience the benefits; only those with access to the cloud can participate in the knowledge society.

The good news is that our generation’s opportunity to close the so-called “digital divide” has never been better than before. Software applications accessed via the internet, which lend themselves to “bottom-of-the-pyramid” pricing models, and end devices that become leaner as computing power shifts to the cloud both will make computing more affordable for the poor. What is more challenging is providing the infrastructure – fixed-line and mobile internet networks – that connects the two. However, if we meet this challenge and manage the transition to the new age of knowledge well, we can make ours a better and more equitable world.

"The insights of cloud computing will revolutionise the way we work: it will help create information-based markets, it will facilitate teamwork, and it will liberate the knowledge worker."
The term "2.0" first became famous with "web 2.0." It was perceived as a completely new way of using the web. However, in its essence web 2.0 is nothing other than the late breakthrough of the original ideas of the web. This happens likewise to the ideas, concepts and methods of Peter F Drucker.

The benefit of web 2.0 in the context of this article is not only to give a nice analogy illustrating the ultimate breakthrough of Drucker’s work (only the penetration of modern information and communication technology make his concepts of management applicable to their fullest extent) but also to help us to understand how Drucker’s concepts are propagated by modern technology.

Management in general – and especially in the knowledge economy – is still a young discipline, something Drucker often emphasised.

The benchmark of management is the increase of productivity. Being at the beginning of this journey we try to apply successful concepts of the past to the challenges of the future. We use scientific management methods to manage knowledge work and knowledge workers. We try to make the management of knowledge workers more efficient.

What soon becomes obvious is that solely increasing efficiency is not the right thing to do. It is comparable to simply transferring print brochures to online websites without exploiting the full potential of the web. As Drucker often pointed out, the productivity of knowledge work largely depends on doing the right things. And there is no shortcut for thinking through one’s own contribution.

At the beginning of the last century only a few could imagine that an efficient shoemaker making 20 shoes per month would be doing thousand shoes per month at the end of the same century. This and other productivity gains became possible with the right methods and tools.

With the evolvement of web technologies transactional costs have decreased dramatically. In order to fully take advantage of this situation, big corporations and organisations will have to organise themselves more along market mechanisms and individual interactions instead of pre-defined processes and structures.

In such an organisation intermediary middle management becomes obsolete. Aggregating information from the bottom, dispersing decisions from the top and all other kinds of transactional work are no longer necessary in the way they were done when information and communication technologies were not available.

The insights of Drucker turned the prevalent understanding of leadership upside-down.

Employees have to define their work, their tasks, their responsibility, their contribution, the quality of their work, and have to control themselves. Managers enable and support them doing this most important work.

With new technologies and the growing predominance of knowledge work it is even possible to turn the whole concept of the corporation upside down.

Why should a small group of very smart people at the top of a company solely govern where to go, what strategies to follow and what actions to take, rather than capitalising on the aggregated wisdom of employees, who know their customers and products best?

We are just at the beginning of a promising journey, not away from Drucker’s proven concepts but towards applying them more broadly.
When the national press in Britain branded social work a “failing profession” in the aftermath of the Baby Peter case in 2008, what nobody considered was that perhaps the reality was far worse. Perhaps social work is not a failing profession; perhaps ours is a failing society.

Social change, and the resulting problems of a society in transition, present perhaps the most important and most urgently needed opportunity for innovation today. The way we attempt to manage, monitor and support families through social change must be radically rethought.

The idea that management is a key function in modern society is fundamental, but can social change ever actually be “managed”? If to manage is to control, then no. Social change is a product of our times; it is the result of our changing environment, economy and population – it’s the way we respond as human beings to what we experience around us.

If our economies become weaker, the resulting social change may be embodied by a growing ethos of “thrift” and of collective “hard work through hard times”, echoed by a drive for re-skilling and seeking new forms of income generation.

On the other hand, the resulting social change may be towards an ethos of worklessness and the acceptance of benefit dependency as the social norm.

Clearly, the former type of social change would be preferable to the latter but can we “manage” and steer this change? With workers vilified in the press and national vacancy rates soaring, social work is far from a glamorous career choice. In most local authorities, staff stress levels and turnover in front-line teams are high and rising and large proportions of locum and international workers are used to plug the gap between demand and supply.

Resources are tight, need is rising and the current system for the education and training of practitioners appears inconsistent, at times inadequate.

The result is a profession where staff often appear to lack the vital analytical and communication skills required in order to effectively calculate and manage risk and promote safeguarding. In such a profession, the need for innovation is clear while the capacity to absorb such innovation is, in places, lacking.

The missing piece in the puzzle is the management card. Traditionally, social work managers are practitioners first, managers second – the management role is an add-on to the traditional social work task. Without any formally recognised national progression route or career structure, such as exists in other professions like teaching and nursing, the training of social work managers is inconsistent.

The result is a lack of the management capacity for innovation in a profession where innovation is very much needed.

As Peter Drucker pointed out, “increasingly, the success – indeed, the survival – of every business will depend on the quality of its knowledge workforce”. Social work managers often fail to recognise that social workers are knowledge workers and to create an environment where they are able to work most effectively, and it is literally a matter of life and death.

The insights of Drucker turned the prevalent understanding of leadership upside-down.
Leadership: The Indian *Mélange*

*Swar Kranti* describes how simple lessons from everyday life, in this case in India, can provide insight in how to build a real, humane leadership model.

We may or may not want to believe it but it is true that we are all a product of various influences, be they regional, national or global. Each one of us is a *mélange*, a mixture. Our sub-conscious thoughts and actions prove that.

Whether we pick up just a few words or a whole language, a single piece of clothing or an entire wardrobe, one recipe or a complete cuisine, one thought or a complete outlook, we are constantly absorbing and evolving.

Of course, the culture of our place of birth and our civilization has the maximum impact on how we turn out or conduct ourselves. The trick is in preserving the best of our own culture and appreciating meaningful aspects of other cultures, people and societies.

My topic, “Discovering leadership meanings from the Indian *mélange*”, took birth from this philosophy.

It was also, incidentally, the topic of my keynote presentation at the First Worldly Leadership Summit organised by The Leadership Trust in late 2009. (See “Looking beyond the West for leadership”, *Global Focus* October 2010 for a description of “Worldly Leadership”.)

My presentation unpacked episodes from India’s past, decoding certain traditions, customs and ways of its people, recounting the practices and ideas of Indian thought leaders and heroes over the centuries, and covering tales of business and the social sector from modern India. It took into account a number of right things that India carried out as well as some mistakes that it may have made.

Among all these leadership dimensions the objective was to provide the participants with an opportunity for introspection and to draw up deeper personal and professional agendas through thought-provoking questions discussed during the session. The underlying theme was to learn from an “India story” and apply it to establish leadership in the workplace.

So what are the things that come to our mind when one thinks of India? For some it is diversity, colour, aesthetics, culture, people (too many of them!) and for some it is stark contrasts and too many variants of everything.

“Drawing on the actual experience the culture of our place of birth and our civilization has the maximum impact on how we turn out or conduct ourselves.”
Leadership: The Indian Mélange by Swar Kranti
Diversity
An identity, a force, a paradox, a story, a curiosity – India is all of these and more.

A civilization that is 5,000 years old has now emerged as the world’s largest democracy and one of its fastest-growing economies. Every sixth individual on this planet carries that gene called Indian. This “homogenous” Indian gene and clan is known for its vast diversity. Its history, people and lifestyle can offer lessons on leadership and life to anybody anywhere.

India has eight religions, 23 major spoken languages and 22,000 dialects. Even though 80% of the people in India are Hindu, the diversity among them due to their language, caste and sub-caste can be bewildering for an outsider. India’s pluralism sets her apart. Constitutionally India is a secular country. Her secularism is unique among nations. For example, Indians freely practise their religion in public and in public places. Religious processions on the street are a common sight.

Not only in India but everywhere in the world, when “Diversity” walks, she immediately has “Stereotyping” to stalk her. Yes, some typical traits of a community are prevalent but how often do we accept and mutually benefit from this diversity rather than resist it and defame it? This is a question that we need to ask ourselves as people in organisations or in civil society.

Role of thought leadership
India can boast a universe of wisdom handed down over the centuries through scriptures and philosophical and political leaders. One such example is the Arthashastra, penned by Kautilya around the second century AD.

It discusses economics, administration and military strategy. In one chapter it outlines the role of a king and how he should divide his day wisely to accommodate the essential jobs required to be carried out by him.

Obviously, we don’t have to imbibe any ancient work in a sacrosanct way. But it can teach a lesson or two to modern-day leaders on the importance that should be laid on keeping a keen eye on ensuring the financial health of a company, on innovation, on affairs of internal/external customers and most importantly on personal reflection.

India is the land that gave rise to Mohandas Gandhi whom we refer to as Mahatma (literally “great soul”). He is not a hero just for his life’s contribution to bringing political freedom to India but because in the process he prescribed a philosophy, approach and way of life for the whole world. Corporate ideas such as a bottom-up approach might be tried today but he demonstrated it a century ago by working through the grassroots. His sole goal was truth and he thrived on non-violence, trusteeship and self-help. Leadership in his case was only a by-product.

Sustainable living
Recently, at a “green” resort in Madhya Pradesh (in the central part of India), I found that they were storing vegetables for days in a zeer pot (an earthenware system that utilises the cooling effect of water evaporation) instead of a refrigerator. The hotel managers had read about this technique during their research.

One can find numerous instances in the rural lifestyles of India that might appear traditional but are also greatly sustainable. These include eating off banana leaves, using earthenware pots to cool water, bowls made of dried leaves, various home remedies for minor ailments, developing kitchen gardens using waste water or growing basil (called tulsi in India) plants, which have medicinal value.

India has eight religions, 23 major spoken languages and 22,000 dialects
Role of Art
Art is often considered as an extra-curricular activity away from the workplace but I cannot emphasise enough the impact its practise and appreciation has on any individual’s effectiveness and well-being.

For example, if we take the case of any of the eight Indian classical dance styles, their practice can help to better understand human emotion in order to portray it. Second, in my opinion, its practice itself is a superior form of meditation. Literature, stories, mythology and films also have a tremendous capacity to bring about social change. The Indian epics Ramayana and Mahabharata, which most children in India will know, provide teaching on values, principles and a range of positive or negative human traits that can have miraculous or destructive consequences as the case may be.

Role of voluntary movements
At our business school, Welingkar Institute of Management, a few years back, we asked ourselves: “Are leadership positions only meant for the elite and crème de la crème? Can we create community leadership through our management education from the under-privileged society including those who are school/college drop-outs due to economic deprivation?”

Project Netrutva (which means leadership) was conceived to answer these questions. Every year since 2005 one or two under-privileged youths (often drop-outs) are brought into our institute and are put through our two-years post-graduate management studies and some of our regular MBA students mentor them.

The mentors are their peers studying in the same class and are given the mandate to bring them up to par with everyone else. At the end of the two years, it is not only an economic and social transformation for the Netrutva candidates but is a life-changing experience for all those involved in the project.

A non-profit organisation, Yuvak Biradari (Bharat), with which I am associated works in various spaces and here I would like to illustrate one of its projects called Ek Sur Ek Taal.

It is a value-education project for youths/school students wherein the medium of music is adopted to inculcate the concepts of peace, humanity, environmental preservation and other socially relevant messages. They are taught these concepts through songs in different Indian languages (beyond their own mother tongue) that are the works of well-known writers. Over the last three decades, more than two million students in India have been directly trained in this project.

Everyone talks of Return on Investment (ROI). I introduce ROSI, which is what we need to evaluate our “Return on Society’s Investment”. Volunteer work or working for a cause helps the “doer” to see things in a different light, which itself is a big type of “learning and development” intervention if he or she is a corporate executive.

Enterprise
The Indian company Infosys, which started in a humble way in the early 1980s, is now a global corporation with revenues of over $5.4 billion. Its original USP was its global delivery model but the foundation of this great business has been its fair practices and outstanding corporate governance. It has proved that profitability and sustainability need not be one at the cost of the other.

India, here, is a case in point. Every nation or society offers its own unique lessons on which one can build a real, humane leadership model. These leadership lessons that emerge from our roots and our everyday being will thus easily connect to the mind and heart. The outcome can be one of an ever-lasting impact. gf

$5.4 bn
The Indian company Infosys, which started in a humble way in the early 1980s is now a global corporation with revenues of over $5.4 billion
Society, business & crisis
What can we learn from the recent financial and economic crisis? Marcelo Paladino suggests that we should concentrate on analysing the role of business in society.

A positive result of the crisis the world is currently emerging from—and, fortunately, all crises share this trait if we look hard enough—is that it perhaps presents an opportunity to ponder how companies operate and how business executives behave in their immediate environment.

It is obvious that companies do not exist in a void; rather, their actions carry an impact that goes well beyond their respective stakeholders and shareholders, reaching into society at large. Indeed, today’s global crisis provides an opportunity to discuss the role of business in society, focusing specifically on its search for legitimacy within society.

Businesses are necessary institutions for any society that wants to grow and thrive. However, the current crisis brings into question the legitimacy of business operations, forcing us to consider whether the state or other actors in society could perform better the role of business.

Any analysis should focus on how to legitimise business as a desirable, necessary and relevant institution in societies seeking political, social and economic development.

This is a very complex issue. And as such it sparks a debate among two often extreme positions: one based on preconceived ideas and dogmas, trying to justify actions and outcomes; and another, more suitable in my opinion, that delves into the causes underlying the loss of legitimacy plaguing business in order to build stronger foundations for the future.

To this end, I think it is helpful to lay out a rationale for analysis along the following lines.

For starters, this issue is complex because the world is dealing with a multi-level crisis. What does that mean?

On a technical, superficial level, the crisis was brought about by a breach of contracts and an imbalance of macroeconomic variables. Several techniques can be applied to correct that imbalance. Of course, with this approach, what may subsequently happen will be much like what has happened following previous crises.
Then, on a psychological level, the analysis should zero in on what optimism, safety and risk-taking mean in society nowadays. At first glance, it would seem that society believes business operations lead to an artificial sense of reliability or optimism, underestimating the risks actually involved and avoiding any correcting measures.

Third, this analysis should also encompass a moral perspective, as many people were aware of an impending danger but did not want to put an end to it or raise any red flags or question excessive risk-taking. Naturally, this part of the analysis looks at moral issues that may stem from a simple reluctance to address a complex problem as well as a certain complicity to make profits.

On a historical level, which cannot be ignored, a look at how the crisis unfolded reveals a systemic rift between the original definition of business and its current way of operating. Business companies are meant to be long-lasting institutions in society while, recently, their scope has shifted towards short-term goals. This historical move from long-term vision and continuity to short-sighted decisions should also play a role in this analysis.

The fifth level of analysis hinges on a philosophical approach.

As business endeavours shift from a long-term to a short-term focus, in what seems to be an extreme expression of rationalism, companies are now ruled by tools or instruments and an excessive trust or indulgence in them to do business.

Here, business schools are criticised as being part of the problem, teaching a lot of tools and rationalising extensively on possible courses of action, often without much regard for potential consequences.

In fact, the past decades have been marked by a growing claim for an ethical assessment of business decisions, as the debate continues to try to determine how business schools should lecture on ethics.

Thus, it is necessary to understand that this crisis has not only unveiled a business problem but also a host of issues that need to be addressed with a multi-tiered analysis.

If we conclude that this crisis encompasses all these levels, then they will all have to be taken into account to find suitable solutions at all levels. The question is: are we going to use knowledge based on existing paradigms to fix it, or will we create new knowledge to do so?

One way to tackle the problem at all levels is to determine the context in which companies operate.

The business environment features at least three dimensions.

The political context is shaped by the quality of democracy, institutions and political parties, as the strength of these components determines whether or not a company will be able to embark on any ethical wrongdoing.

The economic context also influences business operations, as a nation’s development, its competitive environment, inflation rates and market volatility can also lead to undesired pursuits.

Finally, the social context must also be taken into account. In a world besieged by poverty, inequity, social tension, educational deficits and corruption, business endeavours need to include solutions to these problems since these problems are both caused by and affect companies operating in specific settings.

Indeed, bearing in mind the manifold nature
of this crisis, it is necessary to broaden our knowledge of business environments. If this problem is not properly tackled, business legitimacy will be at stake and, in time, business schools also will see their legitimacy jeopardised. To review the legitimacy of business, our analysis should focus on the purpose of business in society.

What society expects of business is a relevant issue as it actually involves a human dimension of business.

To serve a purpose means to zero in on long-term results, to understand the impact of actions and to live up to business leaders’ values and attitudes. Indeed, sometimes the purpose of organisations does not match the life purpose chosen by those at their helm, creating the psychological conflicts that are very common today.

I would suggest aligning crisis levels to environmental impacts in order to find a new purpose that addresses a key question: what are the bases that provide a better result for business endeavours? In other words, what are the foundations for good business practices that lead to both rewarding work for executives and thriving societies?

Without exploring the notion of goodness, some elements do help us to determine the desirability of business operations.

First, business contributes to the common good, creating opportunities for individuals to grow and prosper and promoting solidarity, which basically means understanding that we are surrounded by people and our job is to help others.

In addition, business relies on subsidiarity, a principle that rests on the ability and strength to act, whenever possible, to solve problems that others cannot fix.

It also hinges on fairness – assuring that everyone gets what they deserve – and a concern for the universal purpose of goods and services.

Finally, the underlying and overriding issue is the dignity of human beings, ensured by a dignified job, dignified treatment and a dignified livelihood for their families.

In short, I believe this past (?) crisis can provide a very useful opportunity to reconsider business legitimacy as a means of contributing to building good societies. Indeed, good societies are built when every institution abides by and promotes these principles. This pursuit may not solve all problems but it will certainly help avoid future crises.
In the second of two articles on how the MBA might be developed for a new world order, Jopie Coetzee looks at how the curriculum could be revised.

The postmodern MBA: curriculum design principles

In the June 2010 issue of Global Focus, the article “The postmodern MBA: breaking the glass ceiling” set out the key building blocks of what we can call the postmodern MBA. These include critical metasynthesis as the research methodology, a Socratic dialogue with global leaders and a social contract with business.

The unique distinguishing features of the postmodern MBA are that:

– it is based on an original and research-based revision of the MBA, which yields a new educational context, a new vocabulary as well as guidelines for a new canon of knowledge for business education

– it anticipates the next fundamental deflection in the evolution of the MBA, namely a new world order reflecting the re-balancing of global economic and political power as well as the emergence of a holistic society

– it opens a new school of philosophical thought, namely to develop leaders specifically for the turn-around from today’s world of destructive globalisation to a world of inclusive globalisation (WOIG), stepping away from today’s character-building, functions of business and the input-process-output modes of MBA educational philosophy

– it is aligned with the aspirations of humanity, embracing Western, Eastern and Southern wisdom, values and knowledge.

This article introduces some thoughts in the way of curriculum design principles, each of which is another distinguishing feature of the postmodern MBA.

Principle 1: Kairos (καιρός)

The premise is that a global mindset and an ability to make holistic decisions are the pre-requisites to lead to a sustained world –the educational kairos events.

For a global mindset, selected readings should include an economic history of the world, globalisation, global political economy, universal ethics and values, sociology, and the dynamics between global business, social and political leadership. These readings need to be complemented with a personal renaissance towards self-discovery and social, ecological and cultural intelligence. The outcome should be a global mindset oriented towards the values of, and the turnaround to, a WOIG (world of inclusive globalisation).

For holistic decision-making, selected readings should include: a) a focus on decision-making, namely creativity, critical reasoning, philosophy, systems thinking, learning from the classics, global learning, intergenerational business models, management decision making, as well as business analysis and research techniques; and b) a focus on getting buy-in of decisions, namely communication, negotiation, influencing, crossing cultural divides, and dealing with power and ambition. The outcome should be an ability to exercise entrepreneurial judgement to advance the ideals of a WOIG.

The business leadership challenge is to understand the historical context of our time, as well as an ethic of responsibility towards the future.
Principle 2: 

Consicentiação

The premise is that business is an organ of society.

For this premise to happen in practice a purpose-driven awareness of, and a sensitivity towards, societal aspirations is required – conscientização (a conscience-driven sculpting of a specific kind of future). This calls for business to become co-responsible (together with civil and political organs) to deliver on humanity’s global sustainability mandate to its leaders, termed the End-purpose Statement of Visions, namely:

What kind of future does humanity want?
A WOIG-kind of future, where systemic poverty has been permanently removed and where humanity’s broad security is assured.

What kind of society can deliver and sustain such a future?
A kind of society that finds its greatness in protecting both its humanity and its economy as a whole.

What kind of business would such a society require?
World-class enterprises – financially robust across business cycles, with global stewardship as the dominant business logic.

What kind of leaders would such a business require?
Global leaders with an ability to envision the WOIG and then to lead to it in an entrepreneurial and path-breaking manner taking the role and meaning of business leadership to a higher level.

Principle 3: 

The social contract with business

The premise is that the social contract with business is an intergenerational business case.

The social contract with business guides business leaders towards global stewardship, which for operational reasons consist of eight relationships, or domains of leadership responsibility, directed:

- towards business itself – to become financially robust across business cycles
- towards direct stakeholders – sustainable development and environmentally friendly practices
- towards the Earth – business models that respect the finite nature of the Earth
- towards the global commons – co-responsible for humanity’s common heritage, culture and natural ecologies which no one person, firm or state own and which are central to life
- towards society – co-responsible for societal rights, values and aspirations
- towards democracy – co-responsible to uphold democracy and the free market
- towards politics – co-responsible to deliver on national and global priorities
- towards global crime – co-responsible to reduce the role and influence of the underworld in global business

The business leadership challenge is to ensure that all eight responsibility domains are attended to in a balanced manner - there should be no blind spots because any one neglected domain can scuttle the entire stability of the business environment.
Principle 4: Entrepreneurial services

The premise is that the drivers for sustained business success must be considered as WOIG-kind leadership competences.

The original four drivers of long-term sustainability of the firm as outlined in Edith Penrose’s classic *Theory of the Growth of the Firm* can now be expanded to eight drivers, termed entrepreneurial services, namely:

Entrepreneurial versatility: moving beyond management and technical competence to build a WOIG-kind enterprise as an organ of a WOIG society

Trust-building ingenuity: convincing a sceptical audience about the merits of the enterprise’s intent to turnaround to a WOIG, and to invest in it

Entrepreneurial ambition: moving away from the comfort zone of destructive globalisation towards building a new WOIG-kind future

Entrepreneurial judgement: having the ability to make holistic decisions through analysis and wisdom to advance the cause of good for all stakeholders

Entrepreneurial innovation: having the ability to innovate in technologies, education, mindsets and value-propositions necessary for a turnaround to a WOIG

Entrepreneurial implementation: having the ability to master the art, science and craft of implementation without compromising on quality, time, budget and integrity

Intrapreneurial operations: having the ability to exploit technologies and opportunity to optimise the firm’s assets towards delivering sustained prosperity to a WOIG society

Entrepreneurial stewardship: having the wisdom to exert path-breaking leadership to apply the social contract with business as an intergenerational business case

The business leadership challenge is to master the above competences, on an individual and enterprise-wide basis.

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**Table 1:**

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<tr>
<th>Pre-requisites to cross the Rubicon</th>
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<tr>
<td><strong>Criterion</strong></td>
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<td>Mindset</td>
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<td>Cultural orientation towards nature</td>
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<td>Institutional delivery</td>
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<td>Culture of business</td>
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<td>What kind of future?</td>
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<td>What kind of society?</td>
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<td>What kind of business?</td>
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<td>What business leader?</td>
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<td>Firm’s kosoryoku</td>
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**Principle 5: Kosoryoku**

The premise is that a fundamental mindset re-orientation is required for a successful turnaround from a world of destructive globalisation to a WOIG.

Table 1 outlines the specific success criteria, which provides for clarity of end-purpose as a pre-control measure (kosoryoku) – thus applying a well-proven project management principle.

The business leadership challenge is to articulate its own reality in the turnaround to WOIG, while remaining financially robust – requiring acts of wisdom, love and courage.
Principle 6: WOIG-kind leadership-in-practice

The premise is that hard skills are required to design, build and manage the WOIG-kind enterprise. Table 2 summarises other business leadership competences to master.

The business leadership challenge is to apply entrepreneurial and path-breaking solutions to build and sustain the WOIG-kind enterprise.

Table 2: Path-breaking leadership-in-practice of the firm

<table>
<thead>
<tr>
<th>Craft wealth</th>
<th>Build wealth</th>
<th>Manage wealth</th>
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<tbody>
<tr>
<td>Strategy</td>
<td>Leadership</td>
<td>Management</td>
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<td>Finance</td>
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<td>Marketing</td>
<td>Building the enterprise</td>
<td>Functional management, e.g.</td>
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<td>Business development</td>
<td>internal organisational design</td>
<td>human resources management</td>
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<td>Holistic innovation management</td>
<td>external design of global footprint</td>
<td>operations management</td>
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<td>Strategy implementation</td>
<td>through project management</td>
<td>information technology management</td>
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<tr>
<td>Holistic risk management</td>
<td>through turn-around strategy</td>
<td>technology management</td>
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<tr>
<td>through culture and mindset</td>
<td>through change management</td>
<td>budget management</td>
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<td>health &amp; safety</td>
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In conclusion

The postmodern MBA provides for intellectual leadership to break the glass ceiling towards higher modes of thought and to equip business leadership for its postmodern role as co-architects of a new world.

With its flexible pedagogical approach, it can be offered as an MBA, an Executive MBA or as educational modules along the leadership development pipeline. An alternative brand name for the postmodern MBA may be desirable to clearly distinguish it from today’s MBA paradigm.

Business school faculty needs to apply the scholarships of discovery, synthesis, integration and teaching to craft lecture material for the postmodern MBA as their gift to the future.

The postmodern MBA stands ready to contribute to humanity’s global sustainability mandate to its leadership, namely to deliver a world of inclusive globalisation.

For those who are ready to break the MBA’s glass ceiling to higher modes of thinking and practice, may you find inspiration from the Norwegian poet, Olav H Hague’s It’s the Dream:

It’s the dream we carry in secret
that something miraculous will happen
that must happen
that time will open
that the heart will open
that doors will open
that mountains will open
that springs will gush –
that the dream will open
that one morning we will glide into
some harbour we didn’t know was there. gf
Andrea Gasparri describes how the Rolex MBA’s Conference and Regatta sailing competition came into being.

Ten years of competitive MBA sailing

A fair wind
It all started in 2001 with an interesting discussion. A group of MBA students asked for economic support to participate in a regatta abroad with other business schools.

Our reaction, as SDA Bocconi School of Management, was that our duty was to support ideas that involved most of the class and not just a few individuals. In other words: if you want money, suggest something of general interest and prepare a business plan as might be expected of MBA students.

The students went away very dissatisfied and full of complaints. But our MBA students are not easily put off. Since 1971 the SDA Bocconi School of Management has been teaching its students to approach problems analytically, logically and creatively. So it came as no surprise when, after a couple of weeks, they came back with the suggestion of starting some structured sailing activity that would be open to any interested students.
In this way they were trying to reach three objectives:

– do something that was open to everyone and share their passion for sailing with other classmates
– use the sailing boat as a metaphor for a company and put into practice what they had learned in the classroom
– promote SDA Bocconi School of Management through a sporting activity

We immediately warmed to their proposal, especially because the metaphor of a boat for a company is very interesting. In a boat and in a company you need a leader, a team, individual roles and co-ordination. You also need a general strategy and specific tactics to overcome your competitors; you need to be able to react to unexpected events, to have technical knowhow, personal qualities, training, motivation and team-building skills.

It seemed to be a perfect way of putting the learning achieved in classes into practice.

The project was therefore approved and the SDA Bocconi Sailing Club was founded.

In the first year, the activity involved participating in the already existing Cranfield Business School Regatta but not much more. Little by little the activity grew over the years to follow and soon included the organisation of an annual sailing weekend that was generally held on the Isle of Elba and more recently in the waters of the Cinque Terre, near La Spezia. This event is attended every year by up to 40 boats and 300 people.

Eventually our Sailing Team won the Cranfield Regatta in 2003.

The team came back very proud of their victory and suggested doing what is the rule in the America's Cup: the winner has the right to organise the next challenge!

We explained to them that the tradition was not the same and that we were not authorised to transfer the regatta to Italy.

That did not stop them; they looked for another way to get what they wanted. They came up with the idea of organising a Mediterranean Regatta as an additional event. To do things differently and to make this a unique event, it was decided to add a conference to the Regatta in order to combine sport and culture. An agreement was signed with Yacht Club Italiano, the oldest Yacht Club in the Mediterranean, and the MBA's Cup - Mediterranean Regatta and Conference was born.

The event grew bigger and bigger and more popular due in part to its fabulous location in Portofino and the surrounding area and also to the excellent skills of SDA Bocconi MBA students. The greatest challenge every year was finding sponsors to cover all the costs of the collateral activities of the event, since the direct costs for renting the boats were covered by the participants.

The event is rather expensive to run as it includes a welcome reception, a gala dinner at the Brown Castle in Portofino or at Villa La Cervara, a nearby 13th century Benedictine monastery, for up to 500 people, a marquee on the quay, hospitality for the conference guest speakers and so on.

Fortunately, several sponsors have supported us over the years including BMW, Deloitte, Gabetti Real Estate, Pirelli, SIAD, Samsonite and Morgan Stanley.

The conference has always enjoyed great success,
After six years, in 2010 we were honoured to be given the opportunity to take the event one step further thanks to the willingness of Rolex to become ‘title sponsor’ of the event.

The conference was organised with the participation of various speakers led by Professor M Dallocchio of SDA Bocconi with an attendance of almost 500 people in the church of La Cervara. The title of the conference was “Excellence as an Antidote to Crisis”.

On Sunday September 26, the four finalists – Cranfield, Kellogg, Sauder and SDA Bocconi – had to wake up early after Saturday night’s big party. This was a challenge in itself.

The SDA Bocconi team was not only able to co-ordinate and run such a complex event smoothly but also win the race. “We worked on this event for a whole year,” says Federico Albano, 2010 President of the SDA Bocconi Sailing Club. “We were responsible for the organisation and the pressure of getting good competitive results. The event was a great success and the win was the crowning moment of a dream come true.

“Participants appreciated Saturday’s conference very much and the setting at Villa Cervara ensured an unmatched location. And the enthusiasm, hard work and commitment we put into all this allowed us to have fun and be happy.”

PARTICIPATING SCHOOLS

SDA Bocconi (Italy) Event Organiser
Athens University of Economics and Business (Greece)
Chicago Booth (America)
Columbia Business School (America)
Cranfield University School of Management (Britain)
Harvard Business School (America)
HEC (France)
IESE Business School (Spain)
IMD (Switzerland)
INSEAD (France)
IE Business School (Spain)
Kellogg School of Management (America)
Kellogg / WHU (America / Germany)
London Business School (Britain)
Manchester Business School (Britain)
MIT Sloan Management (America)
NYU Stern (America)
RSM Erasmus University (The Netherlands)
Sauder School of Business (Canada)
Warwick Business School (Britain)
Wharton University of Pennsylvania (America)
WHU Otto Beisheim School of Management (Germany)

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attracting speakers such as Andrea Guerra of Luxottica, Alessandro Profumo of Unicredit, Marco Tronchetti Provera of Pirelli, Andrea Illy of Illy Caffé and Yoel Zaoui of Goldman Sachs.

After six years, in 2010 we were honoured to be given the opportunity to take things one step further thanks to the willingness of Rolex to become “title sponsor” of the event.

The name of the event was changed to the “Rolex MBA’s Conference and Regatta” in recognition of the special support of Rolex. This prestigious endorsement allowed us to enrich the event and increase its visibility.

We decided to add a final match race for the winners of the fleet races.

In 2010, 22 business schools attended the event, held from September 24 to September 26. Forty-seven boats were rented and over 400 people from 64 countries were on board, representing the students and alumni of business schools from around the world including Harvard, Wharton, Chicago Booth, MIT, Columbia, Kellogg and Stern from America, Sauder from Canada and INSEAD, LBS, IMD, IESE, IE, Rotterdam, HEC, Cranfield, Athens University of Economics and Business, and SDA Bocconi from Europe.

Two fleet races were organised: one for the official challenge and another, more relaxing, competition reserved for alumni. The traditional gala dinner at La Cervara was preceded by an informal “get together” event on the Portofino quay that continued, due to a sudden thunderstorm, at the marquee in Santa Margherita Ligure.
European Business Schools: A Growing Market

Alex Chisholm discusses the implications of GMAC research that reveals the growing popularity of business schools in Europe.
The attraction of business schools in Europe has increased dramatically in recent years.

A decade ago, when aspiring graduate business students around the world were contemplating which schools to apply to, it generally meant they were planning to study in America.

Today those students are much more likely to be on their way to Britain, France, the Netherlands, Spain or elsewhere in Europe, according to the latest Graduate Management Admission Test (GMAT) figures released by the Graduate Management Admission Council (GMAC).

From July 1 2009 to June 30 2010 (Testing Year, or TY, 2010), European schools received more than 85,000 GMAT scores, an increase of 90%, or about 40,000 score reports, compared with TY2006. This was very impressive given that the total number of GMAT scores sent worldwide increased by only 30% over the five-year period.

The top destinations in Europe for potential applicants remain unchanged: Britain, France, the Netherlands and Spain received about 80% of the 85,000 scores. However, schools in an additional five countries—Germany, Switzerland, Sweden, Italy and Greece—each received more than 1,000 score reports from prospective students.

What’s behind the numbers?

At least two noteworthy trends are driving this increased interest in European business schools.

**Trend 1:**

More non-European students are considering Europe as a top destination for graduate management education

Of those 85,000 score reports received by European business schools in TY2010, a majority—64%—came from non-European examinees. Many were Indian and Chinese citizens, who represent a large proportion of the GMAT pipeline. In fact, Indian citizens outnumbered local talent in some countries and were the leading source of talent in TY2010 for schools in Britain, France, Spain and Switzerland.

**Trend 2:**

More European citizens are opting to attend schools closer to home

The popularity of America as a study destination for European citizens has significantly declined. Compared with ten years ago, when more than 60% of GMAT scores from European test-takers went to American schools, the figure in TY2010 stood at just 37%—the first year that the proportion has fallen below 40%.

Although America still remains the top destination country for GMAT scores, it stands as the only country outside Europe on the top ten list of European test takers. Domestic talent has largely driven growth in some countries. In TY2010, the preferred study destination of citizens from France, Greece, Netherlands, Switzerland and Portugal was their own country.
What's driving the trends?

In part, the numbers are shaped by the fact that more European business programmes are relying on the GMAT exam to help them make admissions decisions in evaluating new and diverse talent from home and abroad.

However, several other factors seem to be in play as well: Because European programmes attract a mix of international talent, they offer students an appealing opportunity to study in a truly global classroom.

Of the top ten European destinations, eight received the majority of scores from non-domestic citizens. (The two exceptions were Germany, which received 61% of scores from domestic citizens, and Greece, which received 95%.) Among the top five destinations—Britain, France, Spain, the Netherlands and Switzerland—fewer than 20% of scores were sent by domestic residents.

The quality of European business schools has been on the rise.

More European programmes are gaining international accreditation and climbing the global rankings, signalling an increase in quality and reputation.

Rankings shine a spotlight on schools as potential destinations for students from around the world who seek opportunities to learn about business, gain new skills, network and advance their careers. We know from GMAC survey research that rankings serve as a leading information source for mobile students, who often are simply looking to identify quality programmes far from home.

The influence of the Financial Times among European and non-European prospective students is especially strong. The fact that all the schools represented on the Financial Times 2010 ranking of the top 100 MBA programmes now also use the GMAT to evaluate applicants might correspond to European growth trends observed within the GMAT student pipeline.

Many European business schools offer programmes that students can complete in less time—and thus for less money.

Especially when compared with America, the European marketplace is heavy on one-year programmes, whether full-time MBA programmes or specialised masters programmes in business fields such as management, finance or accounting. Students may be motivated to get the most they can for the money, time and energy they are willing to invest in a business degree.

In addition, they may be trying to time their studies strategically. Graduate school may have provided a safe harbour in the weak global economy for the past two years but today a one-year programme may offer more flexibility for jumping back into the job market as employment conditions gradually improve.
What are the lessons for Europe?

These trends obviously bode well for the position of European business schools on the global education stage. They indicate that the region is increasingly a preferred destination for business school talent from all over the world. Not only is this talent arriving from sources such as India and China, but it is coming from domestic and regional locations as well.

How can schools build on the advantages of this favourable new market reality?

Keep the foreign talent channel as open as possible

One reason for the cross-border growth in Europe has been a relatively receptive system towards mobile students and workers. As the European Higher Education Area further develops, barriers to entry should continue to decline. This will be important as other parts of the world focus on stimulating “brain gain” following decades of “brain drain”.

Several countries around the world are already starting to compete more aggressively for this traditionally mobile talent. For example, over the past five years business schools in India have seen a steady increase in the proportion of GMAT test-takers intending to remain in India to study.

Tout the career value of an internationally diverse environment

When classrooms look like boardrooms, business school graduates have a head start when entering the international corporate world. The authentic experience of interacting with individuals from different cultures, attitudes and perspectives is an invaluable asset for future business leaders.

Arguably, the requirement by some European business schools for graduates to speak two, if not three, languages can be a real differentiator. Being multi-lingual is excellent preparation for a global business environment.

Stay alert on market trends to see which countries and regions will be tomorrow’s competitors

Recently there has been increased interest in studying management education in Asia, specifically Singapore, Hong Kong and China. To date, this growth has been largely based on regional talent. How long before unprecedented economic growth opportunities in Asia begin to attract talent on a global scale?

Employment opportunities have historically been a leading motivation for prospective students looking to go abroad. As new and exciting labour markets expand around the world, prospective students might consider attending business schools in the very markets experiencing such growth.

With the increased popularity of European schools, regional competition will most likely intensify. The struggle to keep domestic students may lead to a fierce contest among European countries, especially if demand among non-European markets softens as the global economy slowly recovers. Right now, countries such as Germany and Greece rely heavily on a domestic talent pipeline; what if Spain and Italy, with declining student populations, make themselves more attractive destinations for those students?

New sources of student talent from within Europe are also emerging.

For the second year in a row, Germany represented the largest European citizen group in the GMAT pipeline after three years of significant growth.

Russia is also a new player in the European arena. In TY2010, Russians became the third-largest group in Europe to take the GMAT exam, passing British citizens for the first time. What kinds of marketing and programme characteristics would best attract these candidates, who represent a growing piece of the European student market?

Clearly, business schools in Europe face opportunities on both a regional and global scale. But given the complex talent mix in an unpredictable global economy, they also face uncertainty as market realities continue to shift.

Perhaps the best way to ensure continued interest from abroad is in keeping the door open to international student pipelines, so that tomorrow’s global business leaders have foundations set by diverse education and cultural environments offered by European business schools.

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ABOUT THE AUTHORS

Alex Chisholm is a senior research analyst at GMAC, which has headquarters in Reston, Virginia, in America and offices in London and Hong Kong. He monitors key shifts in the GMAT student pipeline and explores the effects of macro dynamics, such as changes in demographic and economic conditions, on the supply of and demand for higher education worldwide.

The 2010 European Geographic Trend Report for GMAT Examinees will be available online in February 2011 at: gmac.com/geographictrends.
Ana Janeiro Dias and Eugénio Viassa Monteiro look at the beginnings and on-going influence of the Grameen Bank in Bangladesh and the worldwide microfinance revolution it began.

The Grameen Bank

Credit as a Human Right

“...To recover the sense of human dignity, at least in the eyes of others, that can be obtained by work as opposed to begging is the greatest transformation...”
Professor Muhammad Yunus was once asked which was the most meaningful micro-credit he had ever granted. After reflecting for a few seconds, he told the following story.

He often met a woman who begged for a living. He got her to accept only half a dollar, after an initial refusal. He made her take a dollar and a half and she bought trinkets to sell from door to door.

"Some time later, I met her and asked about the business. She did not mention money. She told me she had knocked at the door of one of the houses where she used to beg. The answer she got was “Come another day.” She insisted, “I have things to sell.” They opened the door. “Mr Yunus” she said “I showed them my trinkets and for the first time in my life I was asked to sit down in a house!”

This is the great transformation. Not only obtain bread to eat but disproportionately more. To recover the sense of human dignity, at least in the eyes of others, that can be obtained by work, as opposed to begging.

Being acquainted with the work of Professor Yunus, we invited him to come to Lisbon to give a lecture at the AESE Business School. After which, we prepared a case study about an organisation so active and effective in the fight against poverty.

Just consider the millions and millions of people who still go hungry. War or tribal quarrels are undoubtedly the first causes of human misery. But also the poor quality of rulers, who often forget that a great part of their policies should be directed towards the poor and the unprotected.

The Grameen Case, as well as many others written in AESE about Indian organisations, such as the Aravind Eye Care System, The Jaipur Foot, Barefoot College, Dr Devi Shetty and Healthcare revolution, The Narayana Hrudayalaya Healthcity, and others provide examples of individual people trying to do what they can, even when they start off small with no great pretensions, then grow to become huge to the great benefit of those who are lacking and suffering.

The Grameen Bank was born from the perception that in the village of Jobra $27 would be enough for 42 women to buy raw materials, transform and sell them, with profits that would be enough to feed all their families. The initial impulse of Professor Yunus was to solve the matter himself but he instead tried to find an institutional solution, for there were millions of poor people in Bangladesh.

He went to the commercial banks to try to convince them to lend, even without collateral, for there would be no problems, as the poor are people of honour and always keep their word even if they have no assets or other guarantees to offer.

For traditional bankers, the mental leap to consider extending credit to the poor and illiterate was too much. It is difficult for traditional banking minds to move away from what they have always done to something more rational, simple and different.
The whole system seemed absurd to Professor Yunus, beginning with the fact that banks lend to those who can put up collateral; that is, to those who have. Those who do not have are deprived of credit. The poor were left with one very bad way out, which was to go to the money lenders, who charged excessive and disproportionate interest.

Professor Yunus says that he looked at the traditional banking system and decided his organisation would do everything in the opposite way:

Banks lend to the rich; we lend to the poorest. Banks demand collateral; we do not. Banks ask for signed papers; we do not, most poor people can neither read nor write. We trust in their word. Banks wait for the client to go to them; we go to them, to where they live and work, and so on. And the rate of performance for a micro-credit institution is the envy of any traditional bank.

When he had exhausted all the possibilities of existing banks, state-owned or private, Professor Yunus decided to create the Grameen Bank, handling micro-credit operations for the poor.

With the bank established and doing business, ideas for ways to expand its activity gradually came forward. At first it was thought that half of its clients would be women. In fact, more and more women turned up, with proven and effective work, a great sense of responsibility and with strong influence on their families.

Next came the diversification of the type of loans. For business, interest was 20%; to build a house it was 8%; for university studies 5%. Later on, loans were made to beggars at no interest.

Meanwhile, Professor Yunus noticed the Bank was a great way to extend his activity in depth, going well beyond the mere objective of providing a means of subsistence, itself no small thing.

In one of the first seminars with micro-company entrepreneurs, the 16 “Decisions” were approved. [See www.grameen-info.org] These include guidelines on hygiene, food, social behaviour, personal and group discipline, the education of children and so on. While at first the Grameen resorted to bank loans and donations, with an increasing number of clients and the deposits that came from them, a whole line of new financial products meanwhile developed including health insurance, insurance of debt in case of death, pension plans and more. All these made the bank self-sufficient.

With the exception of a few years of natural disasters such as floods or typhoons, the bank was profitable. Professor Yunus himself states, “we do not distribute profits to shareholders in the form of dividends but we try to give them more and more service which may be useful to them.”

The bank built up internal procedures to obtain more dynamic and motivated staff and shareholders. Each branch gets a star of a certain colour as a prize for the services it rendered:

a) because all clients repaid their debts

b) because all of the school-age children of clients are studying

c) because there is a surplus between the values deposited and the loans granted, which makes the branch self-sufficient

To reduce the average time people take to move beyond the threshold of poverty, which was about eight years, and to obtain their autonomy earlier, the Grameen set
up a network of businesses, in which it invested no capital, where poor people can work and improve their income.

There are now 27 companies, one the very well known Grameen Phone, a cellular telephone company, in which the “telephone ladies” buy a phone with micro-credit and provide communication services for their area. Over 391,000 telephone ladies are now operating.

Micro-credit operations are now numerous. In spite of this, there is an immense need for more, as there are still many people who might use it and change their lives and those of their families.

It is suggested that 51% of the world population does not have a bank account, and these might be potential users of micro-credits, a total of 2,500 million people. Widespread use of micro-credit is still in its infancy and reaches 154 million clients.

Meanwhile, many varieties have appeared, corresponding to various forms of social organisation so that they may be more effective and more easily accepted by traditional banks.

Among these are the SHG – Self Help Groups. These are groups of 18 to 20 people, usually women, one of whom is the leader, who approach a bank. A bank has more trust in group solidarity, even with no legal identity. Various commercial banks are involved in this format.

Another way is, to support experienced micro-finance institutions so that they may expand their activity.

An Indian bank that attempted to create its own micro-credits gave up almost immediately as it realised this was not its business. But as it wanted to support micro-credit, it selected about 50 micro-finance institutions to arrange for loans at a reasonable rate. It also carried the risks. It thus allowed the micro-finance institutions to reach a considerably greater number of clients.

The Grameen Bank. Credit as a human right by Ana Janeiro Dias and Eugênio Viassa Monteiro
## Upcoming events

### February 2011
- **EFMD Advisory seminar**
  - **DATES / VENUE**: 8 February / Brussels
  - **THEME**: Creating Competitive Advantage with Pedagogical Innovation
  - **HOST**: EFMD

- **EPAS Accreditation seminar**
  - **DATES / VENUE**: 10 February / Brussels
  - **THEME**: EPAS Manual & Application Datasheet, EPAS Standards and Criteria
  - **HOST**: EFMD

- **Joint EFMD-EURAM Programme on Developing Research Managers: Creating Research Leadership in Europe & Alumni Day**
  - **DATES / VENUE**: 16-18 February 2011 / Brussels
  - **THEME**: Module 3
  - **HOST**: EFMD

### March 2011
- **EQUIS Accreditation seminar**
  - **DATES / VENUE**: 21/22 February 2011 / Estonia
  - **THEME**: Does Entrepreneurship Matter? A view from Educators, Researchers, Policy makers and Entrepreneurs
  - **HOST**: Tallinn School of Economics and Business Administration (TSEBA), Tallinn

- **EFMD Advisory seminar**
  - **DATES / VENUE**: 10 March / Brussels
  - **THEME**: How do Governance, Leadership and Strategy make a difference in the Quality of Business Schools?
  - **HOST**: EFMD

- **2011 International Deans’ Programme**
  - **DATES / VENUE**: 14 –16 March 2011
  - **HOST**: Haub School of Business [St Joseph’s University]
  - **THEME**: Bridging Business and Academia in the Classroom: the Role of Adjunct Faculty and Faculty Consultancy

### May 2011
- **EFMD Advisory seminar**
  - **DATES / VENUE**: 10 May / Brussels
  - **THEME**: Meeting the CR and Ethics standards in Accreditations
  - **HOST**: EFMD

### June 2011
- **2011 EFMD Annual Conference**
  - **DATES / VENUE**: 5-7 June 2011 / Brussels

- **2011 EFMD Doctoral Programmes Meeting**
  - **DATES / VENUE**: 16–17 June 2011
  - **THEME**: Why do we need doctoral programmes? accreditation, portfolio and business models
  - **HOST**: Copenhagen Business School, Copenhagen, Denmark

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“Having been Dean at the National University of Singapore for three years and now at the University of Connecticut, I found the IDP provides both an engaging network of fellow deans from around the globe as well as a great opportunity to expand my personal experiences and contacts in radically different global business communities.”

Prof. Chris Earley
Dean
University of Connecticut, School of Business

“Visiting the facilities at Harvard, MIT Sloan School of Management and other leading business schools globally, and discussing with colleagues about the different ‘unique selling proposition’ each school had identified and was attempting to create, was invaluable. Just as valuable was the group dynamic within the IDP. Our discussions identified lessons to be learned, and we have continued to network.”

Prof. Jonathan Michie
President
Kellogg College, University of Oxford

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Dates for 2011:

14-16 March
Philadelphia
Wharton, Drexel, Haub

25-27 May
The Netherlands
TiasNimbas, Rotterdam School of Management, + alumni day in Amsterdam with a company visit

October
Barcelona
Barcelona: ESADE, EADA, IESE
President Dominique Turpin on Real Learning that Starts with the GMAT Exam

— Dominique Turpin, President, IMD

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