

**RETHINKING THE BUSINESS MODELS
OF BUSINESS SCHOOLS: A CRITICAL
REVIEW AND CHANGE AGENDA
FOR THE FUTURE**

RETHINKING THE BUSINESS MODELS OF BUSINESS SCHOOLS: A CRITICAL REVIEW AND CHANGE AGENDA FOR THE FUTURE

BY

KAI PETERS

Coventry University Group, Coventry, UK

RICHARD R. SMITH

*Lee Kong Chian School of Business, Singapore Management
University, Singapore*

HOWARD THOMAS

*Lee Kong Chian School of Business, Singapore Management
University, Singapore*



United Kingdom – North America – Japan – India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2018

Copyright © 2018 Emerald Publishing Limited

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-78754-875-6 (Print)

ISBN: 978-1-78754-874-9 (Online)

ISBN: 978-1-78754-876-3 (Epub)



ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.

Certificate Number 1985
ISO 14001



INVESTOR IN PEOPLE

Contents

Acknowledgements	<i>vii</i>
About the Authors	<i>ix</i>
Preface	<i>xi</i>
Introduction	<i>1</i>
Chapter 1 The Current State of the Business School Industry	<i>9</i>
Chapter 2 Undergraduate and Pre-Experience Programmes	<i>41</i>
Chapter 3 Management Development (MBA, EMBA, Exec. Ed.)	<i>65</i>
Chapter 4 Business School Revenue Orientation	<i>91</i>
Chapter 5 Value Proposition and Portfolio Choices	<i>115</i>
Chapter 6 Innovation: Challenging the Business School in the VUCA World	<i>133</i>
Chapter 7 New Entrants, Strategic Alliances and Business Schools Closures	<i>151</i>
Chapter 8 Conclusion and Implications	<i>167</i>
Index	<i>181</i>

Acknowledgements

This book would not have come into being without the collaboration, stimulus and support from a number of people, and of professional organisations.

Strong support has come from funding provided by EFMD (The European Foundation for Management Development) and GMAC (The Graduate Management Admissions Council). In particular, Eric Cornuel, Director General of EFMD and Sangeet Chowfla, President and CEO of GMAC, became the catalysts for a project examining not only pathways in the global evolution of management education, particularly in Africa and Latin America, but also the need for innovation in the business models of management schools globally. Helpful advice in this effort has also been given by Matthew Wood, Director of Operations at EFMD, and Ron Sibert, Director for Africa at GMAC and Dan Le Clair, COO at AACSB.

Among collaborators and contributors to this project it is important to recognise the generosity and openness of Deans and faculty colleagues. For example, Andrew Pettigrew of Saïd Business School, Oxford and Ken Starkey of Nottingham University have urged the importance of undertaking research studies on the evolution of global management education and on the adaptation of business school models to different cultures, contexts and countries. Further, Deans and strong friends, such as Michel Patry (HEC, Montreal), David Schmittlein (MIT Sloan), and Ken Freeman (Questrom School, Boston University) in North America; Peter Lorange (CEIBS, Europe), Santiago Iniguez (IE, Madrid, Spain), Jordi Canals (IESE, Barcelona, Spain) and Simon Collinson (Birmingham, UK) in Europe; Nicola Kleyn (GIBS, South Africa). Nick Binedell (GIBS, South Africa), Enase Okenedo (Lagos, Nigeria) and Thami Gorfi (ESCA, Morocco) in Africa; and finally Gaby Alvarado (ITAM, Mexico) and Fernando D'Alessio (Centrum) in Latin America deserve special thanks and gratitude. We would also like to thank colleagues and former doctoral students such as Amanda Goodell (Cass), Alex Wilson (Loughborough) and Julie Davies (Huddersfield).

However, it is also extremely important to recognise the considerable institutional and personal support provided by Singapore Management University. Howard is director of ASMEU (The Academic Strategy and Management Education Unit) at SMU, which has provided research assistance, data analysis and administrative support to this project. Beyond that, Professor Arnold de Meyer, President of SMU has mentored and given advice in his inimitable, quiet, effective leadership style. His long-term friendship is much appreciated by Howard.

At SMU, we also owe a debt of thanks to many other colleagues such as Professor Gerard George, Dean of LKCSB, Gregor Half, Deputy Dean of LKCSB, and Professor Michelle Lee who is a co-author of Howard's papers and books about the evolution of global management education. We want to thank the research assistants, and especially Kashish Nain Israni, Geng Yun Sham, and Samantha Wong involved with this project. And our sincere appreciation goes to Jes Ong, Howard's PA, for assisting and managing the many stages and revisions that occurred as the project came to a successful conclusion.

We would also like to thank a number of individuals in the Ashridge/Hult ecosystem who have contributed through support in time or support intellectually over the years. A special thanks goes to Steve Hodges at Hult and Narendra Laljani and Martin Lockett who were Ashridge colleagues and co-authors for many years. Additionally, thanks must go to John Latham and other new colleagues at Coventry University who are disrupting not only the business school, but the overall university landscape.

Finally, the quality and readability of this book's contents is largely due to the professionalism of our consulting editor at EFMD, George Bickerstaffe along with our reference editor, Shirley James. However, we are solely responsible for the book's argument. We sincerely hope that it provides some insights and stimulates thinking about future directions and innovations in management education.

Kai Peters, Richard R. Smith, and Howard Thomas

About the Authors

Kai Peters is the Pro-Vice-Chancellor of Business and Law at the Coventry University Group in Coventry, U.K. Prior to joining Coventry, he served as CEO of Ashridge and the Chief Academic Officer at Hult International Business School. In addition to extensive management expertise in Business Schools, Kai serves on supervisory and advisory boards for a number of organizations in the academic and health care sectors. Kai is frequent speaker on the topic management education and the co-author of *Steward Leadership: A Maturational Perspective* and a board member of Centrepont, a London-based charity for homeless youth.

Richard R. Smith is a Professor of Strategic Management (Practice) and Associate Dean for General Management Programmes at Lee Kong Chian School of Business, Singapore Management University. Prior to academic roles, Rick served as a Partner and Managing Director at Accenture in the USA, Hong Kong, and Singapore. He serves on the boards of the Singapore Government Civil Service College, QUEST—the global leadership institute for women, and the International Consortium for Executive Development and Research. Rick is a co-author of *Human Capital and Global Business Strategy* and a frequent speaker on strategic human capital and leadership for competitive advantage.

Howard Thomas is the LKCSB Distinguished Professor of Strategic Management, Lee Kong Chain School of Business, Director of the Academic Strategy and Management Education Unit, Singapore Management University, and the inaugural Ahmass Fakahany Distinguished Visiting Professor at Boston University Questrom School of Business. As former business school dean in four schools in four continents and a highly cited scholar, Howard continues to serve the academic community through his roles and fellowships in organizations such as AACSB, GMAC, SMS, GFME, and EFMD. Howard is the author of more than 30 books and one of the foremost authorities on management education around the world.

Preface

This book is the result of a strong collaboration and friendship between three business school professors with different experiences in, and perspectives on, the field of management education.

Howard Thomas comes from a more scholarly, academic tradition and career path. A lifelong academic, he has also been a Dean on three continents, namely, Europe, North America and Asia-most recently as Dean at the Lee Kong Chian School of Business in Singapore Management University (SMU). He has also chaired many organisations in the management education field such as CABS (UK), AACSB and GMAC (US), and EFMD (Europe). Howard is active in business as a board member, advisor, and speaker. He is also acknowledged as a highly cited scholar in the fields of strategic management and management education.

From a more applied academic tradition, Kai Peters has embraced both a successful corporate career at IBM and Volkswagen and broad international experience as a Dean at Erasmus University in Rotterdam, as Chief Executive at Ashridge Business School (UK) and as Chief Academic Officer at Hult International Business School. He is currently the Pro-Vice-Chancellor of Business and Law at Coventry University Group in the U.K. He serves on a variety of boards in the academic and health care sectors. Kai is also known as one of the top 100 HR professionals in the UK. He has an enviable reputation as a scholar and leader in the management education field.

In an even more practical vein, Rick Smith has had a highly successful business and consulting career in the USA, China, and Singapore. He served as a Senior Vice President in the Manpower Group, CEO of SSI Asia Pacific Limited, and Managing Director at Accenture. He serves on a variety of boards including the management development think-tank, ICEDR and the Singapore government's Civil Service College. After retiring from business, he transitioned to academia as an Associate Dean for Postgraduate Professional Programmes and Professor of Strategy Practice at SMU. His research interests are in corporate governance and strategic human capital.

Our overarching aim has been to draw on our wide-ranging experience of management education at all levels to explain and understand, from a value - based perspective, the existing business and teaching models currently adopted in business schools. More importantly, we examine the need for ongoing innovation in these models given the challenges of such factors as technology enabled learning, competition and disruption.

We also believe quite strongly that business schools must continually address their legitimacy, identity and value in the context of higher education. Dialogue and debate should continue about the potential role of business schools as professional schools like those in schools of engineering, law or medicine. Such schools would provide society with a cadre of responsible, reflective and insightful professional managers possessing a strong ethical and moral compass.

We hope our arguments provide insights and challenges for management educators. As a consequence, we look forward to your comments, criticisms and constructive feedback.

Kai Peters, Richard R. Smith, Howard Thomas