The business school in the new millennium

Gerald Viten
Southampton Business School, Southampton, UK

Keywords
Business schools, Globalization, Knowledge economy, Internet, Management development, Entrepreneurialism

Abstract
Controversy has always surrounded business schools: they are almost regarded as a necessary evil. Their credentials have been impugned from within academia, and from the outside business community. Periodically committees are formed and reports written on how to overcome the perceived deficiencies. From contemporary literature themes emerge, and the opportunity is taken to look back and to look forward. Globalisation, partly mediated through the Internet, presents even greater challenges, as do the rise of corporate and virtual universities, heightened competition among schools, finding and nurturing appropriate staff, achieving critical mass and serving the entire economy, working with relevant partners inside and outside the university setting, maintaining quality, and undertaking research meeting the needs of various constituencies. Schools cannot be all things to all people, and need to prioritise their mission objectives in the light of those stakeholders for whom they will decide to dedicate most of their energies.

It is very vulgar to talk about one’s business. Only people like stockbrokers do that, and then merely at dinner parties (Oscar Wilde: The Importance of Being Earnest, 1895).

I’m still convinced that successful business is devastatingly uninteresting (C.P. Snow: Strangers and Brothers, 1951).

By design, the “B-School” trains a senior officer class, the nonplaying captains of industry … This elite, in my opinion, is missing some pretty fundamental requirements for success: humility; respect for people on the firing line; deep understanding of the nature of the business and the kind of people who can enjoy themselves making it prosper; respect from way down the line; a demonstrated record of guts, industry, loyalty, judgment, fairness and honesty under pressure (Robert Townsend: Up the Organization, Knopf, 1970).

If Thomas Edison had gone to business school, we would all be reading by larger candles (Mark H. McCormack: What they didn’t teach you at the Harvard Business School, 1989).

Introduction
These opening quotations provide the flavour that over a century there has been sustained criticism of both the credentials of business as a subject for serious academic pursuit, and of the ability of the business school to satisfy either the demands of academia or of the world of business. Nevertheless the business school has become part of the economic landscape, and in the USA, the country where the “modal” business school is to be found, there is little serious discussion to abolish the business school. What is of more concern is the globalisation of the economy, and the ability of the business school to make the best response to ensure national competitiveness. To this extent, other subjects are forming alliances with business studies, and this is to the mutual good, especially with the view that business studies has reached a plateau, and should not increase any more in size if it is not to take over universities, and lead to a skewed academic community. It is an optimal combination if, for example, the engineers and technical faculty team up with the business school faculty towards enhanced realism. This should serve as a learning curve for the business school faculty who, since the insistence on the PhD in US business schools, in deference to the 1959 Ford Foundation and Carnegie Corporation Reports (Porter and McKibbin 1994, p. 131), have possessed less by way of first-hand experience than previously. Even such a successful economy expresses worries. The United States Commission on Excellence in Education (1983) declared the risk at the outset that “our once unchallenged pre-eminence in commerce, industry, science and technological innovation is being overtaken by competitors throughout the world”. About a decade later, the message that the nation’s competitiveness remained an issue of critical importance was equally strong (Office of Research, 1994). Three key factors emerged:

1. Both in the 1970s and 1980s the USA’s relative position in the world economy suffered continuous decline in favour of high-skilled manufacturing economies employing new technologies and new forms of work organisation, and nations with less well-educated but highly disciplined workforces. They were able to perform the type of semi-skilled work which had been the backbone of American manufacturing, but for lower wages.

2. Workers were no longer cogs in machines. Martin and Dowling (1995, 1996) and Martin and Riddell (1995) make a similar point in the context of Dundee, Scotland where two of US transplants, Timex and NCR, a major factor why the first fails and the second succeeds, is enlightened human resources practice. Two
“accidents” in the 1970s were prerequisites for NCR’s success. One was the faulty belief of the Dayton-based US parent that ATMs had a dubious future in the USA, and so the product idea was transported to Dundee. The second was the divisionalisation policy which permitted Dundee to obtain design and development facilities and, ironically, eventually brought down sister plants in the USA. However, beyond that success was achieved and sustained through the Dundee CEO Jim Adamson, acting as a buffer between the more cog-like attitude of headquarters, and what worked best for the local workforce.

The report views the Japanese model as achieving higher levels of productivity, quality and satisfaction, particularly since it makes much greater use of the skills and abilities of frontline workers. With layers of managers eliminated, frontline workers are assigned more responsibility for supervisory functions such as improving operations, solving problems and enhancing quality. Teamwork and job rotation are commonplace. The report draws the clear implication for education: “this system requires more active thinking, communication and collaboration amongst workers than the old one. Hence it requires better educated, more flexible and more socially adept workers.”

3 Technological change, especially as mediated through computers and telecommunications.

Those on board did well. In the 1980s the earnings of college graduates in the USA rose by 10 per cent in real terms. However high school graduates suffered a 9 per cent drop, and high school drop-outs a 12 per cent fall. Clinton’s 1993 Educate America Act pledged world class education for all, such that by 2000 every American was to be literate, possess the knowledge and skills to compete in a global economy, and exercise the rights and responsibilities of citizenship.

As to the business school response, Shipper (1999) returns to the landmark US Porter and McKibbin report (1988), in which business deplored graduates’ lack of soft skills, including managerial skills. He investigates whether middle managers who hold MBAs have better managerial skills than middle managers with other masters or undergraduate degrees. A survey of 1,035 middle managers of a US multinational, high-technology company used a structured questionnaire and performance data from personnel files. Managerial skills were related to managerial success (with the exception of goal pressure and delegation/permissiveness). Middle managers with MBAs scored equally to those with other masters or undergraduate degrees. The recommendation is that business schools redesign their curriculum to include teaching managerial skills if their students are to have competitive advantage.

Elliott and Glaser (1998) discuss the ongoing debate in Australia over the content and future of management education after the Karpin report, which shows that the issue is truly global. The mechanisms for delivering management education, collaboration with industry, focusing on curriculum renewal, collaboration between management schools, the use of technology in delivering management education, and accreditation.

When it comes to the UK, a whole cacophony of reports in the 1980s, such as Handy et al. (1988), drew attention to the inadequacies of business-based education and training, the unwillingness of Business UK to invest, and the poor international comparability of UK managers and directors (Vinten, 1988). This reflected an age-old British phenomenon which some have called the British disease, and which consists of a disdain of the world of business in favour of elite culture, the arts, and careers in the civil service and armed forces, and at one time in the church. In the first and most high profile national report on the business school, Franks (1963, para. 17) encapsulated the situation:

… the most difficult single issue of British business schools [was] the unease felt in some academic circles about the intentions of business, and the unease felt in many business quarters about the intentions of the universities.

This ambivalence was quickly demonstrated when the Foundation for Management Education was raising initial funding for itself in 1960, and there was little interest outside a few large multinational companies. Following the Franks Committee recommendation to establish two world class business schools in London and Manchester, although 350 companies contributed to the appeal with pledges of £5 million, some of significant magnitude, Remington Rand thought the venture was worth all of £2, and a company of the size of EMI would only fork out £500. It seemed clear that business schools had been created “in a climate where the traditions were against the view that education for business was a respectable subject” (Owen, 1970, p. 22).

Although the situation is more favourable in the USA, where business schools started to
appear from the 1880s, there is not an absence of critique, which is unsurprising given the need for periodic structural and curricula adaptation. The US Accounting Education Change Commission of 1989 is one such influential example. Feeding into this in the same year was the American Accounting Association Education Monograph “Accounting Education: Reports on the Environment, Professoriate, and Curriculum of Accounting” which painted a bleak picture: little curriculum innovation, stale and tradition-bound teaching methods, and professors with greater rewards and job satisfaction in research. However despite this mention of research, all was far from well there, with the “market failure” of no significant impact on professional practice or accounting regulation over a 20 year period (Mueller, 1994).

Then we have ambivalence towards business schools from within their host institutions, with “a distinctively discomforting arrangement” being the comment of the medieval historian, Alexander Murray, who led resistance at Oxford University to the rounding of the business school. Even in the more receptive USA, humourist George Ade mocked the lack of fine graces in the Chicago Record on 16 March 1898:

“Whom are you?” he asked, for he had attended business college.

Thorstein Veblen (1918) was uncompromising in his critique of the undue and overwhelming influence of businessmen in university affairs, referring to it as mutilation, retardation, academic accountancy, producing houses of correction and penal settlements. Despite the value of the business school as cash cow, such ambivalence has sometimes turned to hostility.

Griffiths and Murray (1985) argued for privatising business schools, and the now Lord Griffiths, then Dean of the City University Business School, held discussions with the then Secretary of State for Education behind the back of the Vice-Chancellor. Constable and McCormick (1987), one of the 1980s reports, failed to find any support for such privatisation, although Cannon (1994, p. 51, para. 17) does urge operational autonomy to enable close working relationships with managers and organisations. In another context it was Tom Cannon, as Dean of the Manchester Business School, who led a campaign for autonomy which eventually led to considerable fallout, and mass resignation, including his own. At Bradford University in the early 1990s, hostility was so high that the then head of the business school took the opportunity of a plenary session at the British Academy of Management conference, there to issue a public denunciation of his Vice-Chancellor. The American Assembly of Collegiate Schools of Business, founded in 1916, for the first several decades of its existence, upheld as a major criteria for admission the independence of the business school, and its comparability to other professional schools within the university. This included the possession of sufficient autonomy and having a dean with clout (Porter and McKibbin, 1988, p. 197).

The UK Council for National Academic Awards (1992), writing just prior to its abolition as its former constituents of polytechnics were about to all become universities with their own degree-awarding powers, and colleges of higher education were to be accredited by the university sector, commends the competence-based approach, as in the Management Charter Initiative (MCI), and fruitful partnerships with employers, as in new learning and assessment devices, such as portfolios, learning contracts, and mentors. All this has led to excitement and freshness. There were fears that the competence/National Vocational Qualifications (NVQs) would lead to an emphasis on assessment at the expense of learning. The link between the MCI and NVQs was not well understood. With the former CNAI institutions leading on the use of NVQs, there was a need to widen their use, and the setting up of a verifying body through the Association of Business Schools was seen as a major facilitator in this direction. Not all businesses can do everything well, and so niche strategies and strategic alliances may be appropriate. The wish of employers to exercise greater control over the content of programmes was not seen as a threat as long as the business school maintains authority over standards. Some academics feared that if trends persisted, most learning and assessment would be based in the workplace, leaving the business school merely as a verifier.

Cannon (1994) and Taylor (1994) revisit and update the 1980s reports. Taylor (1994, pp. 79-80) found that 71 per cent from all levels of the 1,245 managers surveyed, supported the continuing role of business schools, and did not think that they had had their day and 77 per cent stated that they would seek management training based on specific disciplines. The 30 influential opinion-forming senior managers interviewed considered the challenges to the millennium to be:
Business schools are not seen to either compete or collaborate. They were accused of providing similar course content without attempting to combine their expertise, or alternatively differentiate the services they offer.

They do not practice what they preach (such as TQM and delayering), and they need to become more proactive in becoming the transformational organisation that the best businesses around them aspire to become.

They need to improve their own learning approach to sustain themselves, to exemplify best practice, and remain at the leading edge.

Even blue chip school cannot afford to rest on their laurels. According to Reingold (1998) Meyer Feldberg, dean of Columbia Business School since 1989, revived the school, making it even more popular than in the 1980s. Feldberg’s strategies have been: establishing personal relationships with alumni, corporate leaders and recruiters and exploiting the school’s location close to Wall Street to develop its market and finance-based studies. Columbia still has its problems: lack of space, uneven teaching standards and a concentration on finance.

Columbia is exploring media, entrepreneurship and real estate courses.

Crainer (1998) describes the business-school industry as one of the great success stories of the past 50 years, with a buoyant UK market. However, he doubts that sustained growth will take place, with pressure on the volume of MBAs, and a lack of definition. He examines the competition from corporate universities, “virtual” universities (as with British Aerospace) and technological innovation, and the possibilities for partnering between business schools and corporate universities. However Crainer and Dearlove (1998) portray something sinister in the soul of business schools, which are fundamentally flawed and require radical change. They teach strategic thinking without following it, and seem ignorant as to what business they are in – management development, research or the provision of degrees. Schools should forget fads and fancies, and put more emphasis on teaching soft skills and the provision of lifelong learning, they opine. Obviously unbeknown to either of them is the large amount of time and energy within business schools and the trade bodies, the Association of Business Schools, the British Academy of Management and the Association of MBAs, devoted to such topics.

An example of hiatus in communication and understanding is contained in Dellana et al. (1998) on the implementation of total quality management (TQM) activities in US business education. Although it finds that industrialists believe that business schools should teach TQM principles, most managers in the study suggest that TQM literate graduates are not favoured in hiring decisions, and that industry is not the most important customer for the business school. Business educators and industry managers need to work together more closely in order for business schools to implement successful TQM programmes.

The recurring theme of the business school sticking to its own agenda come-what-may is echoed in Henninger (1998). He examines the five-fold set of standards of the American Assembly of Collegiate Schools of Business (AACSBB), which have the purpose of encouraging diversity in US management education. The five are business school mission and objectives, faculty composition and development, curricula content and evaluation, instructional resources and finally, the students. A survey of the marketing and management departments of four comprehensive business schools, re-accreditation during 1995-1997, provides the assessment of deans, chairs and faculty of the appropriate standards on staff hiring, promotion and tenure. The potential effect of the revised AACSBB standards turns out to be minimal, with only minor opportunities available for persons with non-business discipline doctorates, and zero scope for the professionally qualified. Pressures to liberalise the curriculum are irresistible, whoever is hired to deliver, and an obvious way forward is to work jointly with those in the liberal arts, as is the case with the Project Arete at Clarkson University, Potsdam, New York State. Equally irresistible is the dictate of the American Institute of Certified Public Accountants, and the broadening and liberalising of the curriculum in the five year degree.

Globalisation
Globalisation is a compelling force in world markets, which leads one to ask whether there is a global model for MBA success. Segev et al. (1999) compare the content of MBA programmes from leading North American schools, finding that they cluster into six types. The top five schools are each located in a different cluster, indicating that there is no one “best” structure for an MBA course.

Business schools are increasingly interested in the China market, as Asia Pacific recovers from recession. Southworth (1999) argues that there had been little need
for Western-style “managers” in the Chinese planned economy, but that with the market economy there is now a shortage of trained managers in the Western sense. The common language of management is English, and traditional Chinese teaching methods are inappropriate to management education, he states. The China Europe International Business School in Shanghai, independent of any Chinese university, exercises complete academic freedom and has financial support from the European Union. Mak (1999) describes a partnership between Hong Kong Polytechnic University and Zhejiang University relating to enterprise management. With China’s reunification with Hong Kong and increased co-operation, there is now greater exchange between Western management theories and Chinese practices (Vinten and Cui, 1997). Chinese scholars need to consolidate and integrate management education programmes in China in order to contribute further to the world economy.

Bradhshaw (1999a) reviews the Rotterdam School of Management, with courses taught in English, and an international mix of students from some 40 countries – a unique mix brought about by the fall in US students from 1995. This mix creates its own problems, including a need to be aware that students from different cultures settle in at different rates. Howe and Martin (1998) indicate the pressures on UK, US and Australian university business schools to internationalize their postgraduate programmes and transfer best practice across borders. The Dundee Business School (Scotland) illustrates the issues involved in entering the international business education market, including developing links with Asia. Languages run hand-in-glove with globalisation, and business schools are increasingly making provision, even if just on a self-study basis, although with varying degrees of intensity. Relying upon English as the international language of communication as a counsel of laziness for native English speakers carries distinct disadvantages. Languages need to be present and integrated.

**Critical mass and the survival of the smaller business school**

Bradhshaw et al. (1999) find business schools increasingly entering into alliances, especially with technology partners towards distance learning via the Internet. There are risks when it comes to the role of star lecturers, and the possibility of diluting the reputation of the best known schools. Smaller business schools may benefit from alliances with better known schools. Bradshaw (1999b) reports that the four Paris-based business schools will merge following the decision of their main financial supporter, Paris’ chamber of commerce. HEC and CPA will form one school, and ESCP and EAP another. Critical mass is a significant challenge given the diversity and complexity of global business, and to span this, part-time and visiting staff are used, but at the risk of loss of continuity, and staff who may not contribute exclusively or at all in their host institutions. Schools with 100 full-time staff will generally be self-sufficient, but beneath this, conscious effort will be necessary to guarantee reasonable coverage, particularly if a spread of options is on offer.

**Relevant research**

The Economic and Social Research Council (1993), believing that relevance is suitably guaranteed through business and academic research collaboration, outline common practical problems, as well as solutions that have been found to work:

**Problem A. Publication rights and confidentiality**

The interests of customers, as well as commercial and strategic issues need protection, and so flexibility is called for. Possible solutions:

- A good reference from a business in the same sector both overcomes apprehension, and develops further contacts.
- Inclusion of terms in the initial collaborative agreement and adherence to those terms.
- Presentation of aggregate or less detailed results in publications, with some loss of colour.
- Delayed publication, so that the business partner may have access to, and comment on, results before publication.

**Problem B. Free riding**

Competitors have equal access

Possible solutions:

- Provide a quick response to questions raised by business partners - even if not directly related to the research programme.
- Give briefings on current issues.
- Contribute to company training schemes.
- Invite sponsors to research centre seminars.
- Publish research newsletters and bulletins.
- Set up opportunities to meet with other key players in a non-competitive situation.
- Ensure the partner receives other benefits over and above the delivery of results, however intangible.
Problem C. Staffing constraints
The business school and the research staff themselves prefer continuity of employment and respectable time periods, whereas businesses may wish for quicker results, with shorter term contracts.
Possible solutions:
• Maximise the commitment from the business partner. Negotiating long-term contracts takes longer, but permits a more acceptable staffing arrangement.
• Use of rolling periods for subscriptions, renewed annually, helps to provide continuity for funding in club structures.
• Use funds arising directly or indirectly from collaboration to establish contingency reserves to meet short-term staffing needs.
• Explore potential collaborative opportunities with other disciplines or institutions to provide skills not otherwise available.

Problem D. Maintaining commitment and motivation
This also helps win future opportunities. If a key member of staff leaves the research may become jeopardised.
Possible solutions:
• Obtain support at the highest possible level, and use a formal contract to establish terms.
• Involve senior managers.
• Encourage the use of regularly reviewed operational budgets, reflecting a business’s interests or needs. Marketing and Research and Development funds tend to promote greater commitment and active participation than funds used for corporate donations or public relations.
• Keep the partner informed on progress and delays and changes.

Problem E. Goodwill of contacts
Continuous use of contacts minimises their goodwill and influence.
Possible solutions:
• Cultivate and extend personal networks in business and academic circles, as through participation in business seminars and training courses organised by the institution or other departments.
• Establish a good track record in collaboration, which increases the likelihood of direct approaches from business.
• Publicise results of successful collaborative research in non-academic fora, for example professional journals and conferences.
• Establish a track record which demonstrates ability to handle sensitive issues to the satisfaction of the business partner.

Problem F. Financial aspects
This can cause discomfort.
Possible solutions:
• Specialist staff at either departmental or institutional level assist in negotiation skills.
• Create an awareness, based upon experience, of the value of academic expertise to business.

Problem G. Image of collaboration
There is a perception, especially among social science researchers, that one is selling out, and forfeiting independence, plus a commitment to short-term applied work at the expense of higher valued theoretical work.
Possible solutions:
• Insist on the maintenance of research standards and a high quality academic reputation.
• Demonstrate the potential benefits, to both the individual researcher and his or her institution.

The Commission on Management Research (1994) recognised eight broad, overlapping user communities:
1. Managers at all levels in the private, public and voluntary sectors, including directors and chief executive officers.
2. Entrepreneurs and owners of small businesses.
3. Policy makers and analysts.
5. Professional associations and trade unions.
7. Management researchers.
8. The academic community as a whole, including academics in other fields.

The Commission then refers to the double challenge of perceived poor quality of management research, followed by the apparent lack of relevance of some research to users and the failure to disseminate it in a language that they can understand. State funding should take account of this, and publication should be in both refereed academic journals, and professional and trade journals – twin track publishing.

In an insightful contribution, Dehler (1998) in the USA looks at whether research and practice should be linked, or whether they serve different purposes of which “relevance” is one outcome, but not necessarily the most important. Three conclusions are drawn on relevance: first, that academic management research may be more influential than supposed, but at a conceptual rather than instrumental level, and that academic researchers may be more influenced by practical concerns than has been
acknowledged; second, that managers may be asking too much of academic research when they demand practical answers which encompass all organizational situations and requirements; and third, that pursuing a "solution" to the problem of relevance would prevent academics from opening up debate on management practice and theory – the main goal of research not being to answer problems but to "problemize" answers.

Quality considerations
A joint accreditation of a business school took place in February 1999 at the UK’s Warwick Business School between the American AACSB and the UK’s Association of MBAs. This aimed to reduce the time accreditation takes and increase the international attractiveness of Warwick Business School to potential students. The different systems used by each of the accreditation bodies, including Equis, might be the source of difficulties should joint accreditation become more popular. Those involved found the process invigorating. How the different accreditation bodies will succeed out of their home markets is an intriguing question (Bradshaw, 1999c).

Liedtka et al. (1999) evaluate a customized action-learning leadership programme developed by a major US business school for a financial services organization. Research into effectiveness covered: the effects of demographics; the role of support and reinforcement from bosses, immediate subordinates and peers; and the role of sharing learning. The demographic factor of age made no difference but job grade and gender did, but the sharing of learning with subordinates was the strongest factor in producing sustainable learning. There was a significant influence from the organization’s human resource staff.

Sadler-Smith (1999) surveys 226 undergraduates on business and management degree programmes at a UK university business school. Learning performance improved when learning preferences matched style. However learners should expose themselves to other than their preferred methods of learning to gain a "meta-cognitive advantage". To improve efficiency and effectiveness in management and business education, it is worth profiling students’ learning preferences. Success in both classroom and workplace depends on balancing right-brain, creative, intuitive thinking with left-brain, analytic thinking to produce a holistic approach.

Perceptions of value affect customer retention in a business school (Leblanc and Nguyen, 1999). A better understanding of value from a customer perspective can aid academics and administrators in allocating resources and designing programmes for improved customer satisfaction. An interview survey of 402 business students found that there is a significant relationship between students’ overall evaluation of service value and perceptions of price in the form of the price/quality relationship. As a result, management must strive to provide quality services while keeping tuition fees at a reasonable level, and academics should inform students of the needs of industry and career opportunities. It is important that careers advisers give an accurate impression of the business school facilities and environment so students have realistic expectations.

In the stakeholder approach to higher education, all partakers expect to have their expectations met. Based on interviews with ten management lecturers in two UK business schools, Macfarlane and Lomas (1999) evaluate stakeholder interest in single company management education. The conflicting expectations of quality of key players can be considered within such programmes, and these are closely linked to different operational conceptions of quality.

Bhattacharya et al. (1999) applied to the operation of Cameron University School of Business’s accounting department and business research centre Deming’s 14 points for management, including: the continued development of the business research centre; increase in scholarly activity; teaching priorities; faculty development; and integration of TQM. After 12 months, the programme had elicited considerable interest, with a general awareness of the school’s goals and the need for continuous improvement.

Laughton and Ottewill (1998) look at commissioned projects in business education, with considerable benefits for students, tutors and clients of examining “real life” situations. Careful planning falls into four stages: initiation, engagement, completion and review. These need to be supported by a coherent curriculum, integration into course design, rigour in learning outcomes, emphasis on the process as well the substance of learning, a bias towards the application of knowledge acquired, and a belief in “learning by doing”. Mallinger (1998) advocates collaborative learning in US management classrooms, focusing on self-managed learning. There remains faculty resistance, and guidelines aim to build quality control yet encourage student development, and address widely-held fears. A carefully structured guide to implementation outlines the phases of preparation and classroom activities, peer
evaluation, group self-assessment and progress reports.

There is sometimes a temptation to stick with the empirical and measurable, at the expense of the softer side of management. Thus McCormack (1984) comments on what the Harvard Business School did not teach, particularly street sense, how to read people, how to influence their reading of you, and how to apply or customise both to any likely business situation. In fairness to Harvard, he does indicate that what they do not teach is what they cannot teach, although many business schools go further on the softer skills than they do. One certainly wants to avoid graduating the type of MBA he describes as congenitally naive, victims of their business training, with a kind of real-life learning disability (McCormack, 1984, p. 12).

Brewer (1998) contradicts this, and takes head on the US emphasis on the liberal arts. Using the University of Akron’s Fisher Institute of Professional Selling he shows how useful a university training in sales, rather than in the liberal arts, can be for a sales career. The institute is one of the few in the USA to offer such a programme. Over 90 per cent of the graduates readily find sales jobs because students are exposed to the real world of selling, through placements, skills improvement, shadowing and talks by sales professionals, as well as being trained through role-play.

Mullan and Gillin (1998) consider that business schools can be the enemy of entrepreneurial education. This Australian programme started in 1989 at Swinburne and is three-year, half-time, devoted to creating new growth businesses, with almost all participating professors possessing entrepreneurial experience, and students selected for entrepreneurial potential. Their survey purports to show that would-be entrepreneurs are better off with an entrepreneur programme than a business programme. It is better to start entrepreneur programmes from scratch to avoid having to fight well-entrenched traditions in traditional business schools, they claim. Working models for effectively educating entrepreneurs are particularly vital to governments faced with unemployment and/or the need to regenerate an economy.

**Serving the entire economy**

The business school needs to include within its net the entire economy, including the public and not-for-profit sectors. The “hidden” and fraudulent economy should also be included. Reingold et al. (1999) comment on this annual survey into executive education which includes business schools, private companies and not-for-profit providers, largely in the USA. More and better executive education courses are available; consultants are rated more highly than business schools; and the Internet is changing how courses are offered.

The small and medium enterprise (SME) has had mixed fortunes in the extent to which it is regarded as crucial to all round economic success, or merely being an addendum to the big players. The 1971 Bolton Committee was the watershed for recognition in the UK, and it is instructive to observe the ambiguous attitude to the business school:

Academic institutions of most kinds arouse in most small businessmen a degree of mistrust second only to that accorded to Government … (Bolton Committee, 1971).

… the Business Schools should carry out research into the role of individual entrepreneurs and provide courses for them (Bolton Committee, 1971).

Vinten et al. (1997, p. 26) find that SMEs did not find training important for small businesses in general, although it was for their own company. Even though they did not do it very often, when they did do it, they rated it as useful.

**Electronic learning and knowledge management**

There is a growing field of literature on the buzzword of knowledge management, much of it uninspiring and repetitive. Nevertheless there is an abiding core that needs to be abstracted. Cavanagh (1999) argues for spirituality in business, with the adverse effects of denying spirituality being separation from other people, alienation from work and a feeling of meaninglessness. Indicators of an increasing interest in spirituality include: the 1998 Annual US Academy of Management included sessions on spirituality; an increasing number of books and articles on the subject, and courses and conferences in spirituality and contemplation. US companies that are including community service on management education programmes or employing poets to give reading to executives to stimulate their creativity.

Bill Gates (1999), chairman and chief executive of Microsoft, coins the phrases the Web lifestyle – people who use the Internet regularly without considering it special; the Web work style – instant availability of relevant information; the “digital nervous system” approach – the conversion to totally electronic internal communications. He notes the role of business schools in the development of e-commerce. A new Web site from the International Enterprise Centre,
part of Madrid’s business school, the Instituto de Empresa, brings together entrepreneurs and potential investors. Other business schools participate free of charge, with investors being charged to access the site. Students from around the world will be able to work together to develop their ideas. The site is being sponsored by IBM and Airtel, a Spanish mobile phone company. The Instituto de Empresa has a reputation for entrepreneurship among its students, with an online course on entrepreneurship in the offing (Bradshaw, 1999).

The Sloan School of Management at MIT added another track in e-commerce and marketing to its MBA from September 1999. This was instigated by the students, since having the Internet as part of other courses was no longer reckoned adequate. There were not yet any course books available on this topic. Numbers will be kept down to about 100, to avoid it becoming too big to run effectively. Uncharted territory is being entered here (Griffith, 1999). Some business schools have followed MIT with such specialised concentration, while others are absorbing the subject into existing courses, such as at Stanford. For many schools it can be a considerable revenue earner. Demand for e-commerce courses is high and often exceeds supply. Several schools are involved, including the UK’s Imperial College. Anyone starting up an Internet-based venture still requires basic business skills if the venture is to be successful.

With rapid growth in UK business schools, distance learning and the Internet emerges as the most convenient medium for delivery. The growing dominance of Web-based databases and intranets supply both the core needs of business and management schools and the supporting functions of their libraries (online catalogues, periodicals control, document delivery). Strathclyde Graduate Business School’s MBA International Business Environment Intranet integrates with other electronic course packs, with other projects planned for the near future (Reid and Clifford, 1999).

Theakston (1999) finds employers increasingly demand postgraduate qualifications for their employees but give little time off to study; hence the impetus this has given to the growth in distance learning. The Durham University Business School MBA distance learning course dedicates a central role to the library. However a user survey reveals the recurring concerns with the distance learning sector as a whole. There can be over-reliance on course materials, lack of communication between course providers and library staff, over-reliance on public libraries, lack of meaningful user education and lack of reciprocal borrowing rights between university libraries.

Miesing (1998) examines the proliferation of virtual colleges in the USA. He argues that computers are best for developing problem-solving skills and developing knowledge of the technology itself. Computers in no way substitute for the interaction which takes place in a college environment. At the State University of New York, students were good at collecting information but failed to undertake any analysis or exploration of issues. The use of a class electronic bulletin board was far more successful. Bradshaw et al. (1998) mention the practice of business schools giving their alumni permanent e-mail addresses, which is valuable for maintaining links.

**Business ethics/corporate governance**

There is no doubt that business ethics has become an important ingredient in the business school curriculum. It has long been so in the USA, and is becoming more significant, to the extent that, in the UK Association of Business Schools benchmarking exercise of 1999, it only narrowly missed being prescribed as core and essential, as opposed to being an indicative subject. The debate is not around including it or not, but whether to integrate it, or have it as a special subject. Houlder (1999) suggests the company-specific nature of business ethics, which may lead business schools to take this lead. Park (1998) presents a new model for business ethics education, claiming that current ways are “denatured” and inappropriate. Problems with existing methods are: the subject is taught largely within the framework of cognitive reasoning, which does not connect learning to the experiential and practical arenas; current methods are restricted to a responsive and adapted level of conduct and so do not change ethical values; and strategic and ethical thinking are taught separately. The new model is based on ethical reasoning, moral sentiments and ethical praxis. Empirical ethical knowledge is necessary for ethical reasoning and this may be developed through systems thinking to develop moral imagination, meta-strategic competence and ethical wisdom and courage. An integrated curriculum with ethics being taught as part of a general business course is the outcome.

**Staffing – mavericks**

When the newly established Manchester Business School was recruiting staff in 1965, its first director, Grigor McClelland,
specified he was favouring “the Maverick” as a necessity for an effective business school. These were:
academic disciplines, either through disaffection with their knowledge of a single discipline, or by coming into contact with other disciplines in the application of knowledge through empirical research. In this way, he hoped that the abstract teaching of single, unrelated disciplines could be avoided, and an attempt at integration could be made, impressing upon the student the need to approach problems from a variety of angles (Wilson, 1992, p. 24).

Golzen (1998) finds Leo Murray, director of the Cranfield School of Management (UK) after a career in international sales, with academic staff with considerable autonomy, needing to rely on influence to make changes. Business schools are knowledge organizations, and managing and gaining commitment from the teaching staff is key to success.

Piercy (1999) achieved national media coverage when he argued that the high salaries and attractive terms and conditions given to business school professors in the UK have failed to drive business schools forward to be world class. He identifies four categories of business school professor: cowboys, chameleons, question marks and quislings. Each is criticised for failing to provide adequate leadership to business schools, with possible ways forward suggested to deal with the problems stemming from each type of professor.

Sonsino (1999) describes his first few months as a lecturer at the UK’s Cranfield School of Management. He only completed his MBA there at the end of 1998 and went straight into lecturing, following a career as a management consultant. He teaches leadership and strategy. His job is busy and demanding, with reduced time for his family.

A questionnaire of business schools determined how management had reacted to external changes, and concluded that decisions need to rest more with line managers and less with subject experts (Gore et al. 1998).

Corporate business schools
Corporate universities may be no more than the tailored programmes that many UK business schools are delivering for corporate clients. They may not be a threat to business schools, since many companies will not have the resources to run such a university in-house, and will have to use the expertise of the business schools to deliver the course. In company-university partnerships, the university supplies lecturers to teach on company premises. There are advantages for firms and universities setting up consortia to share the costs of developing large learning programmes for employees, such as Lufthansa, which participates in several successful consortia (Lester, 1999).

Burack et al. (1999) focus on the need for and advantages of learning partnerships between business schools and industry. There is pressure on business schools to adapt educational programmes to changes in the economic, competitive and social milieu of business to survive.

Mavin (1999) discusses the developmental partnership through postgraduate management education between Newcastle City Council (NCC) and Newcastle Business School (NBS), which focuses on management development, notably organizational development and culture change. Changes in the public sector require related changes in management skills. Developmental partnerships with further and higher education can bridge the gap between the cost of external training and the narrow scope of internal training resources. Management development pathways of national qualifications have been devised by NCC, encouraging employee commitment to life-long learning. The Diploma in Management Studies is offered by NBS. The School benefits through strengthening its expertise through the interaction between lecturers and NCC managers; the NCC benefits through exposing its managers to alternative approaches to management other than the “public sector” approach, thus allowing greater understanding of how management processes can be applied in different organizational contexts.

Conclusion
There is no doubt that business schools may be regarded as a success story of the last century, with a much longer track record in the USA. They have established themselves as a fixed part of the academic and corporate landscape and will undoubtedly remain entrenched in the new millennium. Nevertheless, they have experienced challenge and even hostility throughout their entire existence, based on both valid considerations, and also sheer prejudice, envy and organisational politics. The debate continues as to the role of liberal arts and even “spiritual” disciplines in widening the curriculum towards encouraging greater creative and entrepreneurial talents. Business schools need to take the initiative to counter criticism, and they are already doing this through various professional
associations. In addition evaluation of teaching, learning, assessment, and training approaches is an urgent mandate, as well as evidence from the range of stakeholders that real added value has been obtained. The valid use of new technology, and Internet learning, will be an even greater issue into the new millennium.

References
Commission on Excellence in Education (1983), A Nation at Risk, Department of Education, Washington, DC.
Economic and Social Research Council (1993), Forging Research Partnerships, ESRC, Swindon.
Franks Report (1963), British Business Schools, British Institute of Management.
Houlden, V. (1999), “Schools in no hurry to plug the ethics gap (teaching ethics at business schools)”, Financial Times, 18 October, p. 17.