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Reigniting growth in the aftermath of the global financial crisis remains the underlying priority for the government. The members of the Association of Business Schools (ABS) make significant contributions to their regional economies and the broader national economy. Encompassing the production of the type and calibre of graduates required by an innovative knowledge based economy, the management development support necessary for British business to be competitive on the global stage, and research that spans the spectrum from underpinning new business models to improving operational systems and processes, the business school community provides important props for the British economy.

Despite the unquestionable success of the UK business school community, it is evident that the full potential of business schools to maximise innovation and stimulate business growth has yet to be fully realised. This collection of comment pieces arising from a series of policy roundtables held across the UK, Canada and Australia provides an interesting insight into the scale and nature of the challenges faced
by business schools in the UK and overseas in meeting the demands of students and the needs of business. We are extremely grateful for the support for the Policy Network provided by Bloomberg, the Financial Times, UPP and Hobsons.

Against the backdrop of significant macroeconomic challenges, microeconomic levers to promote growth and innovation have become increasingly prominent in policy debates. Successive reports from Lord Heseltine and Lord Young have focused attention on providing the economic infrastructure to support the small to mid-sized business community and generating the local conditions conducive to rebalancing the economy away from over dependence on the City. These findings were reinforced in the final report of the ABS Innovation Taskforce which earlier this year identified key ways in which business schools could more effectively support business development and growth. There is more, much more, that business schools can do to balance the needs of students and provide support to the business community that will transform the economic fortunes of the country.

That there are examples of outstanding practice is indisputable. What is equally clear is that engagement of individual business schools with this agenda both at local and national level has been variable. Given the prevailing performance metrics and the competing demands on, or opportunities for, business schools such variability is not surprising. It has to be acknowledged nevertheless that this variable engagement also reflects significant debate within the business school community as to the role and orientation of business schools. That debate, however, is now playing out against a radically different backdrop from that which business schools have faced over the past decade. The collateral impact of the financial crisis in terms of changes to the undergraduate fee regime, declining corporate spend on management development and changes to research funding, including both the impact agenda and the prioritisation of STEM research, are necessitating a reconsideration of the function and operation of business schools.

This unfolding debate, in which the Association of Business Schools is playing a central role, has as a result of engaging with policy makers, both highlighted the potential contribution of business schools to economic recovery and generated new opportunities for business schools within the post-crisis economic and policy environment.
With over 130 members the ABS has a pivotal role to play in being the lynch pin between academia and business. At the invitation of Lord Young (Economic Advisor to the Prime Minister), the Association is taking the lead in a national program to develop the skills of graduates and support the growth of SMEs. Business schools have a vital role in providing advice and support for growing businesses and helping them to succeed. We need to position business schools as ‘translators of invention’, as agents of innovation and growth in the business and policy communities. It is about defining the very rationale for business schools in the 21st century. It is about transitioning from being seen as institutional cash generators to innovation generators for society. We need to move the debate from STEM to being about STEM^2 where M is for MANAGEMENT as well as Maths, and where management is core to the policy discourse.

I hope that you find the comment pieces included in this publication stimulating and that you will be encouraged to engage with the Association of Business Schools in building a stronger business school community which actively contributes to the success of UK business and the broader economy.
It is an enormous pleasure to be asked to provide input to this publication which could scarcely be focused on a more important subject. I would like to use my time straddle the subjects the Policy Network has been focussing on.

There has been much discussion since the 2008 financial crisis first struck about the need to “rebalance the British economy” but on the whole this has been taken to refer to changing the mixture between financial services and manufacturing or other aspects of the service sector. I think this is a mistaken debate. We desperately do need to rebalance the economy but that rebalancing must be much more geographical than sectoral. So what I would like to do is make the case for that supposition, look at the truly unique role which universities in general and business schools in particular can play in this and then flag one policy assertion which would assist that cause in terms of the venture capital sector.

Any discussion about the character of the British economy, society and culture should surely have some reference to where much of the British people live and how they live those lives. Yet Britishness is too often
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either an abstraction which lacks such pertinent roots or, in so far as it is considered at all, engages in a misplaced myth in which village life is offered, as John Major once memorably did (old maids on bicycles, warm beer etc), as the essence of what Englishness or Britishness is, when the bulk of the British population do not reside in such small locations and have not done for a very long time.

The tiny settlement might have some claim to represent La France profonde (although there is a very strong element of false romanticism to this notion as well). In this country, the city is the true Britain.

The Nature of British Cities As Economic Actors

Yet the British do not think about cities enough and when they do they fail to appreciate what it is that is special about them. Comparisons with our continental neighbours are rarely sought. They should be. Doing so assists the process of reaching three truly seminal observations.

An Urban Nation

The first is that Britain is a very urban nation. Its population is approximately equal to that of France despite being notably smaller in land mass area. It is around three-quarters that of Germany even though it occupies a much more modest proportion of the European continent. Our population is larger than that of the geographically more substantial states of Italy, Spain and Poland. Not only is Britain heavily populated but its population is skewed towards major urban areas much more dramatically than its European equivalents. No other major European state has such a bias and only a few of the smaller ones such as The Netherlands and Denmark exhibit the same tendency.

Some striking figures illustrate this forensically. Comparisons across local government divisions are difficult because not every nation defines cities in the same fashion. Despite this, a crude argument can be drawn. About half of the UK population lives in cities that have more than 150,000 citizens to them. In Germany and Spain that figure is just above a quarter. In Poland it is a shade below a quarter. In Italy it is a touch above one-fifth. In France it is scarcely one-tenth. The only large countries in Europe (if they are purely European) which are remotely as based on cities as is the case for the United Kingdom are those of Russia, Belarus and Ukraine (in all three cases, about a 40% urban ratio).
Cities are also responsible for the vast bulk of the ethnic and religious diversity of the United Kingdom (and probably the same for sexual orientation as well). The term “multicultural Britain” (whether deemed benign or not) is actually inaccurate. Britain is not multicultural, its cities are. Smaller towns and villages most certainly are not. Cities should, therefore, dominate the language and substance of our politics. This rarely happens. If there is a cities lobby, then it is sadly ineffective.

Yet A Mono-City Nation

That it is ineffective is related to the second crucial element. Britain is dominated by a single city – London – to an extraordinary and exceptional extent. The population of London was, at the 2001 census, some 7.17 million. The second most populous was Birmingham at 971,000. This is a seismic disparity. London was slightly more than seven times the size of its rival. By the time of the 2011 census, the population of London had increased to 8.174 million in contrast with Birmingham’s 1.072 million and the ratio of the capital city’s advantage had stretched to more than 7.6. The population of London today is about the same as that of the next 17 largest cities (Birmingham, Leeds, Glasgow, Sheffield, Bradford, Edinburgh, Manchester, Liverpool, Bristol, Cardiff, Coventry, Leicester, Belfast, Nottingham, Newcastle, Hull and Plymouth) combined. While London has had a massive edge on other cities in Britain for a long time, it was, for instance, many times larger than the next most sizeable place in the mid-seventeenth century (Norwich), its dominance diminished somewhat during the Industrial Revolution and in Victorian Britain (which saw vast urban innovation outside the capital). Its almost suffocating advantage over all other cities has reasserted itself awesomely over the last 100 years or so.

It is virtually never acknowledged in Britain how stark this division between London and all other British cities is. A few European comparisons would, again, be instructive. Paris is only 2.5 times largest than the next French city, Marseilles. Berlin is but twice as huge as Hamburg. Rome is about double that of Milan in numbers. Madrid holds slightly less than that margin over Barcelona. Warsaw has a similar edge over Lodz. London dominates city life in Britain to an extent that is unknown among the major nations of the EU and only matched by certain of those with far smaller populations such as Vienna for Austria and Budapest in Hungary.
Britain’s population distribution is more like that of Africa, Latin America and Asia in many respects than Europe. The only other heavily populated nations (those with 50 million citizens plus) on the planet that are even more dominated by a single city than the UK are Ethiopia, the Philippines and Thailand. So Britain is not merely a very urban nation by relative standards but almost a mono-city nation as well. But in fairness, by “Britain” what I really mean is England. After all, Scotland’s capital city is not even its most populous place. Cardiff is less than twice the size of Swansea. Belfast is just over three times Derry. London’s dominance is as English issue but one with British consequences.

**An Administrative Anomaly**

This produces the third distinctive feature of British cities – their administrative arrangements. London dominates all other cities culturally, economically and politically. Yet it is the single one which is permitted substantial institutional devolution. London is one of only three of the 20 biggest cities in the United Kingdom to have a directly elected mayor of any kind. The other two cities which have introduced this innovation – Liverpool (9th more populous) and Bristol (10th) – have created their directly elected mayors very recently (last November and this May respectively). After Liverpool and Bristol, the next three largest places to have elected mayors are in fact three London boroughs (Hackney, Lewisham and Newham). It is a reflection on the size and complexity of public life in the capital that the legislation which brought about the directly elected mayor and Greater London Assembly in 1998 was the longest such parliamentary measure in terms of pages of law since the Government of India Act 1931.

This is, to put it mildly, a very strange outcome. It leaves the United Kingdom with a surreal form of quasi-federalism in which there is significant decentralisation for London in a nation which is universally recognised to be highly centralised from London alongside more formal (and different) models of devolution for Scotland, Wales and Northern Ireland. There would seem to be no other equivalent administrative and political structure in the democratic world that matches it.
Universities, Business Schools and Rebalancing The British Economy

The central argument made here so far is that the UK needs more growth and innovation, which is perhaps obvious, but needs that activity to be more diversely distributed geographically in the future than it has in the recent past. If this is accepted, then it seems to me that the higher education in general and business schools especially have an absolutely critical part to play in that process. This is because:

Firstly, universities and business schools are overwhelmingly located in UK cities and outside London.

Secondly, the expansion of higher education over the past two decades has already had a beneficial impact on the economies of many cities outside London throughout the United Kingdom.

Thirdly, that same expansion has been associated with a notable increase in entrepreneurial activity through university spin-outs and business schools which represent a base to build on yet further.

There is a more expansive assertion to be made, to my mind, however, which is that universities and business schools should be at the absolute heart of official policy both in regard to the promotion of growth and innovation and also to the rebalancing of the UK economy on a regional basis.

Most of the forces acting in our national life serve to propel talented young people away from their place of birth and initial education in the direction of working in a very small area of the capital city. When I was an academic at Oxford University, then teaching predominantly American and British Government and Politics, I often used to feel an affinity with those responsible for the smooth operation of Clapham Junction station. We were each organising transit systems to central London.

Furthermore, it is often the case that ambitious individuals who do start their careers in what are patronisingly described as “the provinces” feel compelled to move to London by their late 20s or early 30s to ensure that they have the best possible opportunity for promotion within their company or sector.
Yet there is one important counter-example to this, namely student behaviour in the United Kingdom. In most countries not only in Europe but across the world it is the norm for students to attend their local university unless the individual concerned wishes to apply for an elite or highly specialist institution. In this country, that is not the case outside of the FE space. The norm in the UK is for the applicant to choose from a long menu of enticing locations with the nature of the course on offer not always being the conclusive factor in the final decision on where to spend three or four years. The net effect of this is to take an undergraduate constituency which is still disproportionately born and raised in the South East of England and then dispersing them to cities all over the country. It is a rare example of extremely effective and utterly voluntary “regional policy”. The vast majority of students in higher education, including business schools, acquire considerable affection for the city to which they move between the ages of 18 and 21 or 25, and if the economic opportunities existed a larger percentage than currently do stay and build a career in their adopted locations would I think choose to do just that.

A principal objective for policymakers should be to encourage students, especially those who have acquired the skills which business schools alone can offer, to join established companies and better still participate in start-up businesses all across the cities of the United Kingdom.

If we are to achieve this then reforms across the board need to be contemplated. A compelling blueprint has been set out by Lord Heseltine. There is a strong argument for encouraging regional banks to be established as has long been the case in Germany and of course the United States. It will take time for these new bodies to be created, realistically, and more demanding capital requirements mean that even if they could take root swiftly they are unlikely to be the salvation of business let alone early stage companies with considerable growth ambitions.

Venture capital can be the financial catalyst for such businesses and ideas. It is absolutely critical for this, though, that venture capital has deep regional roots in Britain and operates right across Britain. We are all familiar with the contention that UK (indeed EU) venture capital lacks the scale of its American counterpart with the consequence that many venture capital-backed companies here sell up earlier than they
should. I note Mike Lynch offered a version of that observation recently. The risk in the scale debate, and a serious one, is that we conclude that what is needed is a smaller number of larger venture firms rather than a larger number of smaller ones. While that answer might seem rational, indeed to be candid when I first started working at the BVCA it is what I thought myself, let us be in no doubt what it would almost certainly mean in practice. It would ensure a more centralised venture capital sector, located disproportionately more in London than before and with a bias in its decisions about where to invest money which again favoured companies based in the capital city. It would, in short, be the opposite outcome in practical policy terms to that which we should be seeking to encourage and to implement.

What we need instead is a larger number of larger venture capital funds, not a smaller, richer, more London-centric market. I will have other opportunities to set out the policies that I believe would allow us to bring this about but I wanted to use this opportunity to make the case for a different stance on the scale question. The quest for scale must not be at the expense of regional diversity. I am a passionate believer in our business schools and the higher education sector in the UK as national assets. I want them to maximise their enormous potential as precisely that, national assets for the whole of the national economy and for an economy in the future which relies on a constellation of city clusters, and not one alone.
The growth of private higher education provision has been one of the marked successes of the coalition government. Supported by the favourable and generous state backed student loan system the number of students choosing to study in private higher education providers has increased considerably. This has particularly been case in business and management. As business and management education is so popular with students and less expensive than science or medicine to deliver, you would expect that private and alternative providers would be happy to offer management courses more cheaply, efficiently and faster than the traditional sector without the overhead costs of the REF, pensions, and so on.

The private or alternative model can be highly successful. For example Europe’s top ranked MBA according to the FT is at Instituto Empresa
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in Madrid. IE is owned by Azalvaro holding company which has one individual as its majority shareholder. Ironically, IE bought a public sector university in Segovia and became a private university, IE University. In Europe, BI Norwegian Business School is the largest business school in Norway, a country where higher education is mostly free yet students register with this private school because they know BI focuses on employability and industry engagement and their job prospects are enhanced. Similarly in Barcelona, local students choose to enrol at IESE and ESADE, two leading global business schools that are private, because these schools are perceived as being more effective at helping students secure jobs.

When ABS first discussed the admission of for-profit providers as full members, there was considerable resistance. We realised, however, that if a potential full member is offering QAA approved programmes, we should be working with them rather than keeping them out, we have plenty to learn from each other and we have.

There can, however, be spectacularly bad private providers, rogue traders with no sense of scholarship or what a university is for. I think we need to learn from the worst horror stories from the US in the *Harkin Report* on For Profit Colleges. We absolutely must avoid scenarios of students having to pay off huge debts to diploma mills with nothing to show for their studies. We don’t want the UK to get a reputation for mis-selling sub-prime degrees. We don’t need private equity backed organisations spending more on marketing than on instruction.

I would like to move away from discussing a private alternative, traditional public provider split. I would like to imagine even greater diversity. What I find particularly interesting are examples of collaborative provision between public, alternative and private providers. The Management School at the University of Liverpool has a highly profitable collaboration with the Dutch company Laureate Online Education to provide 100% online Master’s and doctoral programmes. Laureate is responsible for marketing and admissions processes and Liverpool is responsible for quality of programmes, admissions and instructors. Kaplan Open Learning delivers on-line degrees in business as an affiliate college of the University of Essex. Cambridge Judge Business School collaborates with the private Cheung Kong Graduate School of Business, Bejiing, on executive education programmes. The University of London’s
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International section is collaborating with Coursera which is backed by venture capital. Clare Business School offers another model. It is a partnership between three educational providers: Buckinghamshire New University, Aylesbury College and Buckinghamshire Association of Secondary Heads in collaboration with Clarenco, a business group that focuses on investments, new business ideas, properties, and the provision of a business support service for local businesses.

Private providers are not going away. There are good quality traditional, alternative and private providers and there are examples of poor quality in all sectors. I personally welcome the openness and encouragement to diversify education in England but we must be super vigilant about lessons learned from US for profit fiascos. At the end of the day, business schools are in the reputation business. The proviso for me in these debates on provision has to be that all parties are committed to the UK’s reputation for high quality education. The quality of the education should be innovative and support the growth of the economy, a public as well as a private good. So, yes to diversity and differentiation in provision, but a definite no to mediocrity.
How do we solve a problem like postgraduate funding? In an age of difficult spending decisions and state retrenchment, it is unrealistic to expect Government to find and pay for a solution – yet the impact of increasing undergraduate debt on the appetite for postgraduate study threatens social mobility and risks undermining Britain’s skills base in an ever more competitive world. We need to identify new and innovative means to finance postgraduate education – a solution based on the principles of social equity and sound finance. That is why, in my submission to the Higher Education Commission, I argued that two key principles must underpin any reforms in this area:

• There should be more commitment from those that benefit from the continued access of students to postgraduate study – yes students, but also universities, government and even business. To date postgraduate study has often been viewed as a matter of personal cost-benefit analysis, however, as the engine of innovation, new technologies and business, funding for postgraduates needs to
change to reflect more readily its social and economic good.

- Any scheme should remain fiscally neutral in terms of its impact on public borrowing, complying with the debt management objectives of the UK Government, namely minimising the costs of meeting the Government’s financing needs over the long term.

Of course, finding a solution that meets both these objectives is easier said than done.

It was the experience of UPP’s undertaking a £400m issuance with six of our university partners – and of gaining an investment grade rating for university based schemes – that first made me consider bonds as a way of squaring this policy circle. Bonds have the potential to drive investment and recruitment in postgraduate education, to open-up access and to limit the risk to the taxpayer.

**How would it work?**

How would a bond-based postgraduate loan book work? The basis of the idea is one that seeks to utilise the stable risk profile of HE institutions for the benefit of postgraduate students by providing a loan facility backed by a Bond Issuance. Approximately a dozen UK universities currently have investment grade ratings, and this reflects a strong academic profile, continuing student demand, continued funding from Government; the active administration of HEFCE and the flexible capacity of each to increase tuition fees in order to offset reductions in Recurrent Grant funding. The foundations for a postgraduate bond scheme are already in place.

This type of bond scheme would involve creating a vehicle which would itself be rated - albeit that its rating would reflect either actual or shadow ratings of the institutions involved. This would allow institutions to raise money in order to provide financing to their own postgraduate students, money which would be repaid over time by the students who benefit. It would avoid some of the existing pitfalls of bank lending by establishing universities as shareholders in the Issuer company and in turn allowing universities to agree the lending criteria. Furthermore, the risk of repayment default could be insured against and managed by the university in each case.
Of course, Government would need to play a role too. There is a huge social and economic benefit from increased participation in postgraduate education and its right to ask Government, therefore, to do what it can. If Government were to act as the ultimate guarantor – dealt with as a contingent liability on the UK balance sheet – it is likely that we could achieve a still higher grade rating; further driving down the cost of borrowing for students.

For Government, any potential risk either financial or operational, caused by institutional underperformance could be adequately managed by HEFCE – and any risk to the taxpayer would be substantively lower than that created by simply extending current, undergraduate financing arrangements.

The maturity of any bond would be driven by the number of academic terms for which loans might be drawn down, and the agreed repayment conditions applied to students. Were loans repaid at source, and based on a lower earnings threshold, it is likely that a late medium term maturity (circa 10-12 years) might be applied. However, were an institutional investor involved, a longer term maturity in excess of 12 years would prove preferable. Each bond issuance would be listed and tradable. It is likely that a structured priority would exist for bondholders.

**Why would universities do it?**

The current funding system for postgraduate education serves institutions at best erratically. Too often, quality has to be offset against ability to pay and recruitment remains artificially low because too few students can afford to reach their full potential. By adopting a bond approach, universities, groups of universities and/or mission groups would be investing in future demand for their own postgraduate courses – they’d be creating their own market for their own product.

This is especially important in a more competitive recruiting environment – both at the undergraduate and the postgraduate level. Such a scheme would act as the cornerstone of differentiated go-to-market strategy. Whilst it would act as a direct incentive for postgraduates, it could also help to firm up undergraduate demand.
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Participating universities would be sending a powerful series of messages regarding:

- their commitment to participation;
- their belief in higher education as one of the critical vehicles of social mobility;
- both that they were actively providing sources of funding and that they are prepared to put an element of their own balance sheet behind such a scheme to ensure a more equitable and affordable source of borrowing than those currently available.

Where universities are clear that there is an existing shortfall between the cost of providing courses and what they are currently charging, such an approach would provide a context within which this situation could be resolved without damaging demand and participation rates.

With their commitment to such a scheme – and in particular insuring against and/or managing the risk of non-repayment – institutions would be incentivised still further to ensure their postgraduates find long term employment or further research/training. This will provide an incentive to measure and monitor postgraduate destination data and on a long term basis – it will reflect both the success of the institution for prospective students but might also resemble a repayment risk profile.

*What would be required to kick start such a scheme?*

Establishing a bond structured in this way would require a significant commitment on the part of Government to whom the role of facilitator would fall, albeit in the first instance.

A working group bringing together relevant parties together, as well as identifying interested funding partners would be a first step.

Initial first steps would need to include:

- Soft market testing of funder appetite for such an issuance
- Identification of key sector advocates – Government, HE sector, industry, business
- Clarifying the technical architecture of such a bond
• Initial financial modelling estimating loan uptake and repayment terms

Working together, Government and Higher Education institutions can and should start to resolve this pressing higher education policy dilemma – what’s more, we can do so without recourse to massive new Government investment or further restriction of access. Bonds represent a chance to square the circle of postgraduate funding and to ensure that we have the funding mechanisms in place to ensure Britain stays ahead in the global skills race.
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IMPACT IN ESRC

Andy Gibbs
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The research funding of the UK Research Councils, of which ESRC is one, is built around a commitment to excellence with impact. Allocation of funding is driven by the linked objectives of investing in the best research, the best people and the best infrastructure whilst also aiming to enhance the impact of that funding on society. These impacts from the research we fund can be found as both academic and economic and societal impacts.

The academic impacts are seen through the contribution to scholarship within and across disciplines, including advances in methods, theory, understanding and application, and to an active researcher are probably the most easily recognised.

The impact that excellent research makes to society and the economy can be seen through the diverse ways in which research-related knowledge and skills benefit individuals, organisations and nations, through contributions to global economic performance and more specifically fostering the economic competitiveness of the UK; through increasing
the effectiveness of public services and policy; and through enhancing quality of life, health and creative output.

Drawing on the work of Nutley et al (2007)\(^1\), economic and societal impact from social science research can be represented as lying on a broad continuum including conceptual impacts and instrumental impacts as well as capacity building impacts. It is recognised that social science impact is often multi-faceted, and may be only one of a number of influencing factors in the complex and non-linear processes through which policy and practice develop.

Pathways through which impact is achieved occur in a multitude of forms and the resulting impacts can be clearly defined or very subtle. Conceptual impacts are a key area for impact from social science, contributing to developing understanding of issues and reframing debates. Instrumental impact is often easier to identify, with clearer links from research evidence to effects manifested as shaping legislation, influences on the development of policy, practice and service provision, and changes to behaviour. Capacity building impacts take place through the flow of people and knowledge into user organisations through training, skill development and employment of doctoral graduates.

ESRC has been carrying out a programme of impact evaluation which aims to both identify and analyse evidence of research impact, but also to understand how impact is generated (http://www.esrc.ac.uk/research/evaluation-impact/impact-evaluation/index.aspx). Findings from this programme demonstrate the importance of designing research activities with impact in mind, and have identified a number of key enablers of impact from research and the importance of understanding the context in which the impact-generation takes place.

Researchers who were able to tap into existing networks and relationships with users used those connections to help build shared understandings of the environment and context within which the research users operated, and to engage the users at an early stage in the

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**Reference**

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design and delivery of the work to help shape it around their operating contexts to make it relevant and timely. The studies demonstrated the value of such co-design and co-production relationships in developing both researchers’ and research users’ understanding and engagement with the outcomes of the research.

The studies also identified the importance of credibility of the research teams in the eyes of potential user contacts. Research teams with a reputation built on a portfolio of successful previous work were more likely to forge effective relationships with users, and to attract more research users to participate in their work. The importance for users of findings being designed to be accessible and meaningful for non-academic audiences was also noted. In many cases researchers produced multiple outputs from the same research, using different media, different formats, and variable language to communicate with different user groups and communities.

The role of intermediaries in helping researcher engage with research users, and in promoting the policy and practice impacts from research work was observed in the course of the studies. Bodies such as think tanks, trade organisations and professional groups were demonstrated to play important roles translating and channelling research findings into the development of policy and practice. Social scientists working as analysts and advisers in bodies such as government departments were also noted to be effective intermediaries both in packaging research evidence for use in policy and practice, and also in communicating the needs for research evidence to researchers who may be able to satisfy those needs.

To illustrate the impact that can be achieved from social science research on business, a research project carried out at Warwick University in collaboration with Barclays Bank developed a survey into the impact of the financial crisis on the cost and availability of credit to SMEs. The results showed that loan rejection rates increased significantly during the financial crisis and that lending switched towards lower risk firms, and particularly those with collateral. These results attracted funding for two further studies, from the Department for Business, Innovation and Skills to carry out a policy analysis to help inform future policy options, and from Barclays Bank to develop new models of small business default risk to be used to inform lending decisions. The user relationships developed
in the course of these projects have continued into the work of the Enterprise Research Centre (enterpriseresearch.ac.uk) funded by BIS, the British Bankers Association, and the Technology Strategy Board alongside ESRC.

The evaluation of impact from ESRC funded research has shown the broad range of types of impact that can be attributed to evidence produced by research, and how well planned impact generation activity can affect economic performance, effectiveness of public services and policy, and quality of life. The studies clearly showed how the development of relationships and networks with research users is the key enabling factor for generating impact.
The challenges of implementing Lean

There is little doubting the current popularity of the ‘Lean’ approach to public service reform. In the current era of constrained public spending it offers the seductive promise of being able to do ‘more with less’. However, recent research has argued that its implementation has been defective and without a business logic to validate it. We argue that Lean can only achieve its potential in public services within an externally focused public service-dominant business logic (Radnor & Osborne 2013).

Developed within the manufacturing sector, the key assumptions of Lean are: determining ‘value’ and ‘waste’ from a customer’s point of view, creating value either by reducing waste or by increasing value-adding activities without increasing the cost, appreciating that there is
an identifiable benefit to the organisation in reducing non-value adding activities, and understanding that at the heart of Lean is the concept of ‘customer value’.

Applying these principles uncritically in Public Service Organisations (PSOs) is problematic for a number of reasons:

- they are not manufactured goods but services,
- their indicators of success are different than for private sector businesses,
- the commissioner and end-user of public services are differentiated, which presents difficulties in determining ‘customer value’,
- public services are designed to be capacity-led, and hence there is restricted focus on limiting demand, and
- public services have to consider effectiveness and equity as well as efficiency and cost reduction.

Lean programmes have been ‘rolled out’ across UK public services since 2006. Their evaluation has identified four key challenges:

1. There is an over reliance on Lean workshops (‘Rapid Improvement Events’). These involve staff from across the organisation coming together to make small and quick changes. Although PSOs have claimed to be carrying out integrated Lean reforms, the evaluations revealed only pockets of short-term impact around these workshops rather than a systemic embedding of the principles of Lean.

2. A tool-kit based approach is taken to Lean implementation, without an understanding of its key principles. Although these tools can lead to short-term success in improving the internal efficiency of PSOs they rarely engaged with the core principle of Lean - the centrality of the service-user and external orientation to organisational effectiveness.

3. The evaluations found Lean to be designed to the exclusion either of the professional staff who were responsible for its implementation or of the service users who were purportedly to benefit from its impact. Consequently these Lean initiatives became inwardly policy, or finance, facing rather than outwardly facing to the benefits of service-users – a core element of true Lean.
4. Within a business, the definition of the customer is directly linked to turnover and profit. This makes identifying value adding activities comparatively straightforward. For PSOs, the concept of a ‘customer’ can be contested. It can include direct end-users, unwilling/coerced users, multiple users, and indirect and future users of a service. In the HMRC, for example, the response to the question “who is the customer” was often ‘everyone’! Such generality does not allow the focused objectives of Lean to be achieved.

Failure to address these challenges has limited the impact of Lean on public services. It is true that some initiatives have made some savings. HMRC, for example, saved £400m from the implementation of the Pacesetter initiative. However, these savings were primarily a product of addressing the prior poor service design – what we have termed ‘picking the low hanging fruit’ (and windfalls!) of public service reform. This is important, but it is not the intent of Lean. This is rather to improve the effective delivery of outcomes to the external end-users of public services and to add value to their lives by doing so.

Towards successful Lean in public services

It is vital to its success to understand that Lean is context dependent. It derives originally from a private sector, manufacturing context. It cannot simply be transferred to a public service context and assume that it can offer the same benefits. We must develop principles of Lean suited to the public service context.

Elsewhere, Osborne et al (2013) have argued that much public management theory is not fit for purpose. It derives from a body of generic management theory that has its roots in the experience of the manufacturing sector and which has invariably treated services as anomalous or fragmented. It has assumed a product-dominant logic dominated by discrete transactions and where the production and consumption processes are entirely separate. For services, however, the production process is iterative and relational and production and consumption occur simultaneously. This failure of public management theory has had damaging consequences for the delivery of public services, as successive public management reform initiatives has attempted to find the ‘missing product’ (Gronroos 1998) of public services delivery rather than embracing and working with their service-dominant
logic. A public-service dominant logic will transform the implementation of Lean for PSOs in two ways. First it will focus its intent upon external effectiveness rather than solely upon internal efficiency. Second, it will make extant that the purpose of eliminating internal waste in PSOs is in order to redistribute resources towards adding value to the end-users of public services (i.e. improving their external effectiveness).

A public service-dominant logic can therefore provide a meaningful context for implementing Lean in public services, rather than its tools simply being applied in a mechanistic manner. To date, the success of Lean has been to address the prior poor design of the public service. Once this is achieved, however, the larger issue still remains of designing public services to meet the needs of end-users and to add value to their lives. This is true effectiveness and is essential if Lean is to make a genuine contribution to the reform of public services. If this leap is made, then Lean has the potential to support the development of public services fit for the twenty-first century. Without it, Lean will continue to be the fragmented approach to efficiency gains that it currently is.

References


The general theme of this series of events is ‘Is it possible to balance student demands with business needs?’

I believe it is indeed possible to balance these two things, but I don’t think we are anywhere near doing so with the current institutional set-up. I query whether the UK’s typical business schools can ever be sufficiently businesslike, and look to a future outside the conventional university sector.

Let’s begin by looking at the needs of students and other client groups.

- Higher education is too expensive, and business schools are no exception. Technical and organisational change is bringing down the cost of most services, but higher education is becoming ever more expensive.

- Students want more contact with staff, and business feels that this is a reasonable aspiration. It is difficult to believe that there isn’t more we
could teach and students could learn in the time potentially available. At the moment business students appear to work less hard than other undergraduates.

- There is a need for more student contact with business and better preparation for employability and job search. Many students go through their undergraduate and even postgraduate programmes with little contact with those currently employed in business, particularly since placements and internships have gone into decline, admittedly partly as a result of employment and immigration regulation.
Is it possible to balance student demands with business needs?

- Support is needed beyond the initial student years. Few schools give “after-sales service” – support after graduation.

- More support is needed for students with weak study backgrounds.

- More support, and curriculum relevance, is needed for overseas students. They account for 36% of all business students, and 30% of all overseas students in the UK (also need to add in franchise partners etc).

- Dedicated support and greater flexibility is needed for business short courses, training and consultancy. Many university schools find it impossible to offer flexible and timely response to client needs.

- More understanding is needed of the market for and purpose of business school research. UK business research is highly respected by academic peers – but how much use is it outside academia? It will be interesting to see demonstrations of impact in the forthcoming REF.

Turning to wider issues, **business schools are not sufficiently business-like.**

- We still have limited/inappropriate use of buildings and capital equipment outside the academic year and weekends.

**Academic staff use of time, Transparent Approach to Costing (TRAC) data**

Source: UCU

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<tr>
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<th>Teaching</th>
<th>Research</th>
<th>Other (mainly admin and management)</th>
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<tr>
<td>Russell Group</td>
<td>23.7</td>
<td>39.9</td>
<td>36.4</td>
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<tr>
<td>All other with &gt; 22% of total income from research</td>
<td>31.6</td>
<td>34.1</td>
<td>34.3</td>
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<tr>
<td>Institutions with 5-8% of income from research and total income &gt; £120 million</td>
<td>48.5</td>
<td>13.3</td>
<td>38.2</td>
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• Has IT use been sufficiently developed? Much depends on enthusiasts and across-the-board policies for example on-screen marking are limited.

• Too much time is spent on (ineffectively organised) research – look at TRAC figures. Average research revenue for business schools cannot be more than 10% of income, if that. But look at the time spent on research.

• Too much academic time is spent on administration. Face-to-face meetings, committees etc are excessive and examination and assessment generally takes too much time.

• Over-regulation by government and quasi-government bodies is gold-plated by universities with little reference to student and other stakeholders. There is a cadre of professional “quality” people who didn’t exist twenty years ago. Do we need them all, and all their procedures? Much is box-ticking, while direct monitoring and assessment of teaching is resisted by unions. Let’s shed some of the regulatory baggage. We need more reliance on quality assessments (such as AACSB, EQUIS and the various professional bodies) which exist independently of state regulation, rather than the dead hand of the Quality Assurance Agency.

Comparisons with Senior Lecturer starting point, pre-1992 universities
London £48,775  Outside London £45,941

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<tr>
<td>Lancaster</td>
<td>13,305</td>
<td>144,884</td>
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<tr>
<td>Sheffield</td>
<td>12,453</td>
<td>150,460</td>
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<tr>
<td>Newcastle</td>
<td>12,676</td>
<td>170,617</td>
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<tr>
<td>Norwich</td>
<td>13,332</td>
<td>180,970</td>
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<tr>
<td>Cardiff</td>
<td>13,870</td>
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<tr>
<td>Ealing</td>
<td>18,257</td>
<td>524,781</td>
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<tr>
<td>Basildon</td>
<td>16,024</td>
<td>223,064</td>
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<tr>
<td>Welwyn</td>
<td>18,540</td>
<td>330,844</td>
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<tr>
<td>Bromley</td>
<td>17,646</td>
<td>336,700</td>
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</table>
Is it possible to balance student demands with business needs?

- Too much work is done expensively in-house and business schools are not free to contract out. *Each university has its own HR etc. The sector hasn’t experienced the focus on core business characterising much of the private sector.*

- Academic contracts are too inflexible – teaching hours, academic year, national contracts. *Note that living costs vary significantly around the country, but salaries don’t.*

- There is too much cross-subsidisation within a university context. *Indeed, the effective over-charging of business students to keep arts and humanities departments open is a hidden national scandal. Business lectures are often overcrowded and students can get too little personal attention and support. In the case of overseas students, who sometimes get a very raw deal indeed, there is often a perverse income transfer from very poor individuals, who have borrowed from friends and family, to far richer people.*

### Percentage of young full-time first degree entrants not continuing in HE after their first year 2009-10

*Source: HESA*
• Too many weak students are accepted without adequate back-up because the state bears the cost of unemployable students – a classic case of moral hazard. This may be related to relatively low admission requirements, as vice-chancellors demand that business schools expand recruitment to cross-subsidise other less popular subjects.

• There is no effective market for corporate control – mergers and closures are rare. While nobody wants to see their institution close, higher education lacks genuine market discipline.

Should business schools be privatised?

• When the first UK schools were set up in the 1960s there was a real debate about whether these schools should be free-standing, or lodged in traditional universities. Many wanted to see business part-funding schools and exercising influence over their governance, curriculum and teaching.

• This debate should be revisited. My view has for some time been that business schools should be encouraged to break away from universities, to encourage a greater emphasis on preparation for employment, more effective and focused learning, and cost savings to government and students.
Is it possible to balance student demands with business needs?

- To whom? It could be to not-for-profit corporations, management buy-outs, charities, local chambers of commerce. But such institutions lack capital and are unlikely to be able to run large schools effectively. In the longer term the development of more for-profit schools on the model of the successful BPP Business School, which can award its own degrees (taken in an intensive two-year programme) to a high standard at half the cost of conventional university schools, seems a more promising prospect.

- The government does not own universities and cannot compel them to sell off their business schools. But it can emphasise that this is the way it wants the sector to develop, and can make it clear that there will be no more public funding for business teaching. It can allow universities to keep the proceeds of the sale of their schools, a one-off gain at a difficult time. The rest of the higher education sector would profit from the example of the innovation which will be unleashed, and it may be that other parts of universities could seek to follow in due course – law schools are promising candidates.

- I would also look to reductions in the huge burden of student loans, both on individuals and the taxpayer. Business schools should create a new private student loan system in conjunction with the financial sector. The MBA/career development loans model could be much more widely extended for business students, whose long-term career prospects are stronger than those of the average undergraduate whose loans they effectively subsidise.

- Direct links between business schools and banks could also reduce the moral hazard inherent in the present undergraduate loan system – where universities are insufficiently penalised for recruiting weak students and producing unemployable graduates. Schools should explicitly share the financial risk involved in recruiting students who may not be fully committed. This would be a strong inducement to improve selection and support of students. This is becoming an imperative as it becomes clear that up to 40% of students in the sector as a whole will never repay their loans.

All-in-all, I am arguing that we need to be far more radical than simply trying to adopt selectively new management fashions and hoping for the best.
Continuing business scandals and their negative consequences for society have led to increasing calls for business schools to incorporate corporate social responsibility (CSR) into the curriculum. However embedding CSR issues across the business school curriculum is not always effective due to factors such as lack of expertise, confidence, resources and/or motivation on the part of faculty staff. On the other hand, stand-alone courses tend to be optional, thus allowing many students to graduate with little to no coverage of ethical issues. In addition, the effectiveness of business ethics and CSR education has been challenged by a number of studies, raising the question of how to measure effectiveness and which pedagogical methods to use.

The main contention of this chapter is that the underlying aim behind efforts to integrate ethics into the business school curriculum is in order to motivate and enable future business leaders to manage ethically and respond effectively to the challenges of sustainable development.
Conceptualising ethics education in terms of eliciting behavioural change enables access into the insights provided by social psychological research into factors affecting behaviour, such as self-efficacy, subjective norms, knowledge, awareness, attitudes and role models. These insights suggest exposure to role models of ethically motivated enterprises via an experiential service learning initiative best addresses these key factors identified as predicting behavioural change. This contention is supported by a content analysis of reflections of MSc students who took part in a service learning initiative, whereby they applied their entrepreneurial skills to assist local social enterprises as part of their assessed coursework for their entrepreneurship module.

Many believe we are suffering from an ethics crisis (Perry and Nixon, 2005). The increased incidence of irresponsible behaviour by business, recent examples being the global financial crisis and the BP oil spill, and the devastating consequences on society has focused attention on the role business schools play in educating future business (and other) leaders. Indeed, business schools have been criticised for encouraging a self-interested, profit oriented focus that ignores the wider responsibilities of business to society (Gioia, 1992, Kochan, 2002, Mitroff, 2004). Starkey, Hatchuel and Tempest (2004) for example, claim that the business school has become “ethically compromised because the values it espouses have been implicated in recent corporate scandals.” McPhail (2001) suggests the inclusion of business ethics into accounting and business education as a possible remedy. Cant and Kulik, went further and claimed that ‘business schools would be remiss, if not unethical themselves, if their ethics education efforts were not increased in light of recent events.’ (2009).

These concerns have spawned debate on how business schools should respond. The introduction to papers on business ethics education typically begin with the context for this increased interest in business school education, namely the increasing scandals and consequences of unethical business behaviour. Therefore, implicit, but rarely stated, in this debate is the desire that business education will equip students with the tools, skills and motivation to identify and resist unethical behaviour in the workplace and to adopt responsible and sustainable business practices.
Historically the goal of education was centred on the notion of moral character (Hill and Stewart, 1999). However in the last century, with increased emphasis on scientific method and objective rationality, the focus shifted to the role of universities as creating knowledge, rather than character (Marsden, 1994). With respect to business ethics it was concluded by the Hastings Centre in 1980 that it was not the role of higher education to change students’ behaviour (Callaghan and Bok, 1980). However there has been increasing dissatisfaction with this approach with many management scholars calling for morality to be put back into business education (Cant and Kulik, 2009, Ghoshal, 2005, Leavitt, 1989, Starkey et al., 2004, Bernstein, 1995, Salbu, 2000). Hill and Stewart (1999), for example proclaim the need for business schools to explicitly change their focus from knowledge production to character development, and there is now growing pressure on business schools to turn out more ethical or moral graduates (Sims, 2004).

The increasing number of authors who share this opinion (LeClair et al., 1999, Taft and White, 2007, VanSandt, 2002, Woo, 2003) suggests that the time might be right to explicitly include behaviour change as a legitimate goal of business ethics education. The hesitancy apparent up until recently in adopting this position may derive in part from sensitivity to cultural differences in ethical judgements of right and wrong, and a fear of Universities being seen to engage in prescriptive cultural imperialism. While these are understandable and legitimate concerns, these issues arise in any kind of teaching. For example, it has been argued that the very assumptions underlying our teaching of economic rationality present a specific worldview that has influenced managerial behaviour in a destructive fashion (Ghoshal, 2005, Ghoshal and Moran, 1996, Giacalone and Thompson, 2006). Here the cultural imperialism in the teaching is implicit and therefore largely unseen. Its very visibility in ethics teaching renders it less insidious as lecturers and students alike are more alert to such issues.

The argument is that attempting to influence future workplace behaviour is not only a legitimate goal of business ethics education, but is the outcome that most authors in the field have either explicitly called for or have implicitly implied as a goal of such teaching. The benefit of making such a goal explicit is that it enables a more tactical and focused debate around which pedagogical methods can best achieve this aim,
Is it possible to balance student demands with business needs?

and conversely, to avoid the over-use of pedagogies that are unlikely to achieve this aim. For example, a plethora of studies have failed to reach consensus on the effectiveness of ethics teaching (Lau, 2010, Waples et al., 2009, Winston, 2007), in part because of the diversity of methods used to teach ethics, and also because the outcomes are unclear. Many have measured effectiveness via scales measuring cognitive moral development (CMD), for example, despite the empirical evidence that CMD correlates little with actual ethical behaviour (Perugini and Leone, 2009, Blasi, 1980). According to a survey carried out by Dean and Beggs (2006) even business educators themselves had little confidence that their teaching had much impact on students’ actual behaviour.

McDonald and Donleavey (1995) critique business ethics education on the grounds that its abstract nature precludes effective learning, and that ethics training has little effect on behaviour as students are unable to apply the ethical skills they have gained in the real world of business. The practical relevance of management education in general has been questioned by many management scholars who have expressed doubt that management pedagogies have affected actual management performance in the field (Linder and Smith, 1992, Donaldson, 2002, Mintzberg, 2004, Pfeffer and Fong, 2002).

As there is little in the literature that compares management pedagogies in terms of their effect on actual ethical behaviour, a useful place to start is by examining what has been learned so far from the large body of research relating to behaviour change, and relating it to our experiences of embedding ethics education in our curriculum. Like many other business schools we have debated the relative merits of embedding ethics education throughout the curriculum versus stand-alone courses. Disadvantages of embedding ethics is that instructors are unlikely to be expert in teaching that subject, and may lack either motivation, skills or confidence in teaching outside their area of expertise (Cant and Kulik, 2009, McDonald, 2004, Dean and Beggs, 2006). Another difficulty is sourcing materials and texts, as few core course set texts include a sufficient coverage of ethics (Baetz and Sharp, 2004).

However the disadvantage of most stand alone courses in business ethics is that they are almost always optional courses, so many students will not take them. Indeed it is a plausible concern that those that do are already more inclined to care about ethical issues than those that don’t,
hence the likelihood of ethical education being focused on those least in need of it. Conversely, and even more importantly, leaving out those potentially most in need of it! When the School of Management in the University of Southampton signed up to the UN Principles of Responsible Management Education (see www.unprme.org), this provided a framework within which we began to consider how to deal with such issues and more effectively embed ethics education throughout our curriculum, and avoid the danger of always ‘preaching to the converted’. Like many other business schools, timetabling constraints made it extremely difficult to introduce business ethics as a core subject, so we sought more innovative means of embedding ethics into our curriculum. The tradition of service-learning, which can also be classified as a type of experiential learning, presented itself as an alternative approach to ethical education.

In accordance with the first principle of the UNPRME to “develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy” we wanted to find a way to embed ethical awareness into our MSc entrepreneurship module. Very few (4/41) of the students on this course chose to take the business ethics option, and like many Business/Management School students (Chen and Tang, 2006), appeared to be embedded in the culture and values of profit maximisation, thus there was little danger of ‘preaching to the converted’. Indeed, of all business people, entrepreneurs especially have been accused of anti-social tendencies by some researchers (King and Roberts, 1992, Morris et al., 2002). While this is a stereotype that has been contested (Longenecker et al., 2006), the typical entrepreneurship curriculum often draws on case studies that present role models of entrepreneurs who have achieved success by breaking the rules and operating at the margins of ethically acceptable behaviour (Bhide and Stevenson, 1990) and role models of enterprises that are ruthlessly profit driven with little if no attention paid to social or environmental impacts.

“There are many ways in which the business schools of tomorrow could meaningfully engage with alternative organisations and contribute to debates about the development of more socially and environmentally sustainable economic relations, if they cared to do so. This would require business schools not only to question the holy grail of growth, efficiency,
competition, and consumption, but also to actively explore alternatives: how can we organise economic activities so as to privilege dignity, justice, well being, the environment? How can we consume less, produce less, work less? How can we respect each other and our environment more?"

**This is an excerpt; the full paper can be obtained via Dr Baden.**

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**Reference**

Humpty dumpty sat on the wall, humpty dumpty had a great fall, all the king’s horses and all the king’s men couldn’t put humpty together again. Michael Heseltine and Lord David Young have been trying again with business schools.

To understand what government, and therefore the REF mean by “impact” business schools need to understand what government thinks is broken and what they are trying to put together again.

In this case it is the business, research and innovation and civic collaboration that was at the centre of the growth of the UK, is at the centre of growth in the huge cities in the developing world and that policy makers identify as being at the centre of Germany’s success.

Imagine the drivers of growth in Britain’s cities during the industrial revolution. Businessmen (it was all men then) meeting and exchanging ideas in institutes (now universities) mixed with the people who run the great cities (the planning and infrastructure). When they could march in step, in collaboration, and something in conspiracy, they could get a lot done.
All that was firmly broken between 1986 and 1994. And policy makers realised they had thrown the baby out with the bathwater and have been trying to find a way back.

When Mrs Thatcher nationalised the business rates and then later when the polytechnics were nationalised into university status and the further education and training run through Manpower services or funding councils the separation of business, from education training and research and the separation of both from local government (the infrastructure and planning people) broke an important link.

Labour tried to put some of it back together with Regional Development Agencies but with mixed success.

For business schools and business associations there is the painful message that “nobody is in business” any more except perhaps some of the consultancies. Companies are in industries, - telecoms, transport, hospitality, pharma and many more focused niches where the real business edge is developed. This recognition is the driver behind the plea for new missions, specialism as the only way to keep world leadership. And we can think of the Warwick example on manufacturing, Robert Gordon University on oil technology and many more - but not enough in the view of policy makers.

There is a growing recognition that most local government units (the council) are too small so we see attempts to get Manchester and Birmingham wide collaboration through mayors or Local Enterprise Partnerships.

There is also recognition that Universities, which have grown fast and very large, lack some of the focus for talking to business or particular industries. And that has led some policy makers to conclude that perhaps some of the dynamic necessary for innovation and new business formation might be driven through business schools.

Thus the focus in Heseltine’s work, and that of Lord Young, combined with the support of David Willetts the Minister for Universities and Science has resulted in the new match funds coming in the autumn.

But universities and business schools need to understand that policy makers imagine this happening on several different levels, not all of them
comfortable for business schools and the Universities that host them.

1. They are looking for much more specialisation - direct connection to particular industries or emerging streams.

2. They want to see research projects devised that link more to UK industries, regional clusters – even if that makes recognition in US journals or access to good data more difficult.

3. They want to see more examples of research that is conducted with other departments and disciplines, including across the sciences – cross disciplinary clusters – again all creating problems for REF recognition and journals which are themselves specialist.

4. They imagine that there should be more faculty with direct business experience, even though this presents all kinds of problems for achieving recognition of work in journals.

5. They note the number of German business leaders who have doctorates and a longer engagement with their universities, often on a continuing basis.

These are the academic, faculty and choice of research projects issues which alone would be enough to cause sleepless nights for business school heads.

But there is more, they also hope that business schools might become the ringmasters in their locality, their region or their specialist business sectors. They know that local government and business struggle to speak to one another at the best of times, they have nowhere to meet, speak a different language and have lost sight of the fact that if they don’t hang together they will hang separately.

Who can bring business together to network with their peers, to articulate what they need from the local colleges and education, what they need and can bring to local infrastructure, prosperity and planning?

Who can connect them to the science and innovation which they might adopt but for which they need to be ready if others adopt it. Who can put two businesses together with an innovation that creates a third business greater than the sum of the first two.
They know that the Chambers of Commerce around the country are of very variable quality and that many of the biggest local employers are branches of national and multinational companies and don’t engage (but do send managers to the business schools).

They know that the big trade associations (with some notable exceptions like the EEF) have become deadlocked by dominant members, and are reduced to common denominator issues like employment law.

So this is the background against which the new language of “impact” in the REF and the attempt to recognise and reward it is creeping forward.

And it is a strategic dilemma for universities and business schools because to be blunt some business schools are looking to make this kind of impact in other countries, through international partnerships which accelerate growth in those economies rather that engaging with the sclerotic business environment in the UK.

Also who would want to bet on the business school on a specialism, or a trade sector, or the regional regeneration of some part of the UK and then not win the race?

There is a sustainability premium in management education and professional qualifications. And they bring in overseas students, are flexible. Is there a risk that in specialising to make an impact business schools might be entering a form of “picking winners”.

But there are big prizes and big potential too as demonstrated by those universities and business schools that have carved out a world leading position.

Universities need to have a clear portal for business, and that perhaps should be the business school, but that implies the business school has to learn new skills, evolve its faculty, and diversify to work with other parts of universities and research beyond management and professional education.

No pressure there then.
The Association of Business Schools

BIZARRE LOVE TRIANGLE: THE TENSION BETWEEN EMPLOYER, STUDENT AND UNIVERSITY

David Edmundson-Bird
Principal Lecturer in Digital Marketing Communications,
Director of the MSc Digital Marketing Communications,
Manchester Metropolitan University

Let’s start out with some facts and identify some problems.

- There are some lecturers who don’t teach well and/or the stuff they teach isn’t useful to students once they graduate. You know who they are, students know who they are. Attached to that there are some universities where the courses don’t prepare students well for the world of work. These are harder to identify but we know they are there.

- There are some students who don’t turn up for lectures, don’t (want to) learn very much and themselves aren’t well prepared for employment. Lecturers know who these students are but aren’t allowed to tell you.
Is it possible to balance student demands with business needs?

- There are some firms that never get involved in the provision of experience to students whilst studying or the experience they provide is poor and of no value to the students. At the same time there are many adverts for graduate roles which state, “Graduate with experience required.”

- There are some firms who say they cannot or will not pay any sum of money to a student who comes and learns the ropes. Meanwhile the law expressly forbids that anyone should be expected to work for nothing.

- Students now pay for their own education through great fees and many of them work part-time throughout their time at university. They don’t have a lot of spare time.

- There are some lecturers in some universities who teach well, the stuff they teach is really useful to students once they graduate, the students themselves are motivated and well equipped for employment life and they’ve benefitted from great experience with employers and have skills they can use straight out of University in their first job.

The last statement is the sweet spot. Thankfully it’s becoming a little more common than before, but it relies on us managing the tensions between our three stakeholder groups – and that responsibility lies with each of the stakeholders equally.

At MMU we’ve tried to do this with an experiment in experience-based learning. We ran a pilot unit called Agency Life in the past year (it wasn’t perfect, we learned a lot and will be changing a lot about it – but that’s for another article entirely). Let’s talk about the new version that will run this year. How does it handle these tensions?

Level 5 (2nd Year) undergraduate students on marketing, advertising and PR programmes can choose to do a highly-structured ‘day release’ as part of their curriculum. This is called “MMU Agency Life Internships” and it’s a 30 credit level unit. It forms 25% of their grade for their 2nd year.

Students spend, on average, about a working day every week during term time at an agency or client-side communications function. They learn the ropes and acquire skills that those employers feel will a) allow them to
add a little value back to the host employer at some point during the b) make them more employable and therefore more desirable for sandwich year employers and employers after graduation.

Assessment is based on successful submission of Professional Development Planning documents and personal reflections. There’s also a considerable assessment of progress and competence by the employers themselves.

As the module is part of a taught course, it’s part of a student’s timetable. This means that employers can safely accept these students without worrying about HMRC knocking on the door with claims for unpaid wages. Better still, students from widening participation backgrounds can take part in the programme knowing that they can get experience timetabled into their curriculum without having to worry about taking unpaid work just to get experience.

Manchester’s (and the North West as a whole) digital, communications and creative sector faces a severe shortfall in talent and is beginning to struggle to acquire new blood (there is a brain drain problem – the causes are again subject for another article). Agency Life allows firms to get an early insight into the talent supply chain and influence its professional development. Firms road test the students with no risks on either side. Many of these employers are using Agency Life to determine who will join them for part-time work, a sandwich year placement and ultimately a graduate career.

It’s required a change of heart in the stakeholders.

The students must be committed and hard-working, focused on their employability prospects. For some, Agency Life might be a bit too soon but for others, particularly those from a widening participation background, this is one of those game-changers.

Employers have accepted that if they want experienced graduates, then experience can only come through the workplace. By not relying on kids who can afford to work for nothing over Easter or Summer, the have access to the whole talent pool. They also accept that managing the talent supply chain is a long game and requires thinking about who to recruit in 24 or 36 months time.
Is it possible to balance student demands with business needs?

And the University accepts that the learning that takes place in the workplace has equal merit and validity as the learning that takes place in the classroom.

But it’s not an easy option, it requires resources and commitment from all.

You can find out more about Agency Life at our web site: http://mmuagencylife.com
WHAT DO INTERNATIONAL STUDENTS REALLY WANT? UNDERSTANDING THEIR MOTIVATIONS AND EXPECTATIONS TO SUPPORT MARKETING AND RECRUITMENT

Marie Clark
Marketing and Communications Manager, Hobsons

Earlier this year we undertook the largest survey of students thinking about study in the UK; Competing Globally: Understanding Prospective International Student Decision Making. As competition becomes increasingly global a real understanding of student motivations and expectations will become increasingly important.

The key principle underlined in my contribution to the Policy Network was to support students to achieve their ambitions by:

1. Fully understanding their ambitions and expectations; and
2. Using available technology to communicate more effectively and meet their expectations.
Is it possible to balance student demands with business needs?

Background and research

We know that prospective international students now have more choices than ever before, and that the UK is competing on a global stage for their attention. Hobsons and our partner universities wanted a better understanding of why and how international students make their choices, and of their ambitions and expectations of study in the UK.¹

The contribution of international students to the UK is without doubt of great importance; international tuition fees alone are estimated at £4 billion. Their contribution to UK business schools is even more concentrated, where they make up over 35% of students and this number is only predicted to increase.

We wanted to get to the bottom of who these students really were and most importantly who the UK’s competition is!

Working with a group of our partner universities we were able to mobilise a unique dataset of prospective international students, by surveying over 70,000 students who had enquired to UK universities within the last two years. Our conclusions are based on the 5000+ responses we received.

Our key findings included:

• The primary motivation for students wanting to study in the UK was to improve job prospects in their home country.

• There are definable and distinct types of students looking to study in the UK, each of whom consider information available on the country and the university in different ways.

• Most international students were applying to more than one university, in more than one country, and nearly three quarters decide where to go after they apply.

• The other main countries considered by students looking to study in the UK were the US, Canada and Australia. European Union countries were considered by less than 1% of students.

¹ Hobsons works with over 40 universities in the UK providing technology and services that support their marketing and communications. For many of these universities we provide an additional enquiry and offer conversion service; Enrolment Management Services.
Recommendations for business schools

Fully understand their ambitions and expectations

- **Key finding:** International student ambitions and expectations are not all the same!

This is probably not terribly insightful on its own; instinctively all marketers know that international students are not one homogenous group! Our breakthrough in this research was that we were able to delineate the respondents based on behavioural characteristics, and map these against demographics to identify clear clusters. We identified seven key student clusters, each with very different expectations and ambitions. We also found that each country has a slightly different make up of each cluster as did each university we work with.

When it comes to employability ambitions, the topic of the policy forum, it came as a surprise to many that across all the categories the primary motivation for students wanting to study in the UK was to improve job prospects in their home country. In fact only one category, making up only 6% of students, wanted to stay in the UK.

If we take one of the larger clusters ‘The Aspirational Returner’; they want to come to study at a university in the UK for the specific purpose of improving their job prospects in their home country post study. They also plan to return home immediately post study.
Is it possible to balance student demands with business needs?

They are an academically good, but not excellent, with 37% self-classifying as grade 'A' students. They have the lowest self-declaring income; 77% with a household income below $50,000 and so for them costs and ability to fund study is a major consideration. Accordingly, putting aside the financial factors, they are looking for universities with high graduate employment rates and links with employers.

**Country criteria**

![Bar chart showing country criteria preferences]

**University criteria**

![Bar chart showing university criteria preferences]
Key recommendation: Understand the different groups and their ambitions and expectations and which students your business school is attracting. If you are targeting a new country, the expectations of their students may be different.

In practice this means that Aspirational Returner, identified at first enquiry, would receive marketing targeted at showing success stories of other alumni from that student’s country.

Targeting the marketing is important; there is competition on a global stage. Most of our respondents had either enquired or applied to one or more universities in one or more countries, and 72% of them told us they decided where to go to university after they applied.

Key recommendation: Making an offer to a student isn’t enough. There is global competition. If you aren’t talking to them you can be sure someone else is.

In practice this means that you should be communicating regularly with the student either by email or phone. The second most important source of information for students was direct electronic communication, and direct email or phone conversation was more than twice as important as social media.

Use the technology to more effectively communicate and meet expectations

• Key finding: Effective communication

A university will have a percentage of enquirers and applicants to that you consider probable, unlikely and maybe likely to convert into an enrolled student. Most universities have about 20% at maybe. Our experience is that is the effectiveness of the pre-enrolment communications and their experience that dictates what percentage of that 20% actually enrolls.

Key recommendation: Use the technology at your disposal to improve communications and increase efficiencies, but don’t lose sight of applicants as individuals.
Is it possible to balance student demands with business needs?

Of the respondents 42% were completely unlike any other. When we asked them about the importance of certain factors in deciding which country to apply to, 78% had unique opinions.

One thing that all prospect students have in common is emotions: hopes and fears. Factors relating to employability ambitions feature heavily. Students told us they fear visas, funding, post study work options. Conversely they told us they hope for social life and career opportunities.

**Key recommendation:** *Use a pyramid marketing strategy to address hopes and fears, focus the most attention on deal breakers, then decision makers and then aspirations.*

Back to the Aspirational Returner; a deal breaker for them is equivalency of qualifications, a decision maker might be availability of scholarships and an aspiration could be seeing an alumnus from their own country successfully working back home.

**Conclusions**

The research clearly showed that student experience is no longer just what happens on campus, it starts long before then. In a world with increasing global mobility, UK business schools must have a real understanding of the motivations and expectations of their prospective students to maintain their competitive advantage. It starts with an applicant's very first interaction with us. Of most importance is how we show we understand them and tailor our communications.

The international student recruitment market is one of fine margins. Anything that we can do to better understand student decision making, allay their fears and encourage their hopes will be beneficial for your own institutions and the UK as a whole.

If you are recruiting internationally ask:

- Do you have a clear idea of what type of prospective international students you are attracting?
- What information do you collect at the outset? How does this help you understand your prospective international student?
- Do you have a clear idea about the factors that international students consider, and the weighting they give them?
• Are you doing enough active follow up, either after an enquiry or at offer stage?

• Do you understand which prospective students are converting from enquiry to application and offer to enrolment at the highest rates?

• Who would you say your main competitors were? How do students measure your institution against them?

• Do you have appropriate tracking and reporting in place to measure the success of any of your processes and technology managing offer conversion activity?

• Do you run a decliners survey to understand why students didn’t choose your university, what they did instead and the reasons why?

For more information about the research or Hobsons you can visit hobsons.com or follow them on twitter @HobsonsEMEA
Is it possible to balance student demands with business needs?

Business schools in the UK have often been burdened with the challenges and choices of identity: choices which continue to unnecessarily inhibit recognition of their contributions and their appetite for risk and innovation. For many, identity was one of seeking to follow the lead of US business schools in seeking to develop and demonstrate industry relevance, hoping that that recognition of ‘relevance’ would feed and sustain their existence, through future employer support and employer engagement. Recent reports in the UK, such as the Wilson Report, pay little regard to the contribution and connection, through relevance, of many UK business schools. Despite this, the commitment to connect and demonstrate ‘relevance’ continues to drive and shape the agenda of those who lead business schools. That agenda is likely to continue through the need to demonstrate and capture impact through the migration of the RAE to the REF. Thus the business of business schools, remains one of relevance through connection and demonstrable impact.
The positioning of the student at the ‘heart of the system’ has unleashed a whole host of regulatory, disclosure and reporting mechanisms, which seem to shape the commodity of education as one focusing upon the need to demonstrate and delivery tangible returns to those prepared to invest in the costs and time of further study. The challenge is even greater to the postgraduate school where the measure of employability appears to have been replaced with the measure of size of salary increase. The ‘business’ for schools, persuaded to follow this agenda, is increasingly becoming one of delivery efficiencies combined with the promise of personal reward to the ‘purchasers’. Within this agenda the ‘listening’ institution is being required to demonstrate listening and impact through an enhancement process of student engagement and, for some, a creative approach to the co-producer role of student engagement – or perhaps it always been that these disclosures are part of the respected delights of the secret garden of the UK higher education, much anticipated and coveted by those entering the garden and protected by those understanding students and the process of engaging with knowledge. The explicit focus on the personal return on investment model of higher education has encouraged the growth of the for-profits and ‘private’ business schools. Many of those colleges are respected for their ability to respond, at speed, to the inculcation of employer needs, and to develop and deliver relevance. Many universities, particularly in the business discipline areas, have recognized the skills and levels of market connection of the for-profit colleges, and their increasing innovations in quality enhancement (a by-product of listening to their ‘customers’), and have begun to form strategic alliances and partnerships with those colleges. Some university business schools perceive this as a threat while others openly welcome the ‘incubator’ role of assimilating market knowledge quickly and promoting creativity in response through these alliances. Central to all those partnerships remains relevance and connection; and one suspects that inhibitors in organizational and legal structures will lead to the emergence of innovative partnership structures to maintain the flexibility and speed required for successful market assimilation and response. It is within that context of the partnership driven innovation that the UK business schools need to secure a specific lead: namely through the exploitation of online provision capabilities and MOOCs. It is suggested that these will become increasingly relevant modes and ‘products’ to the learner and should be promoted as such. In respect of online capability and its acceptance, the position of the UK
is strong in enjoying one of the most advanced online markets in the developed economies and the largest e-retailing economy in Europe. This is supported by one of the highest penetration rates of universal broadband services. On the surface the business school response has been good: arguably UK business schools have the leading global share of the largest online business programmes, the majority developed and delivered in partnership with technology companies or for-profit education providers. Beneath the surface we discover that the impact is through a relatively small number of business schools and the offering limited to a very narrow range of programmes and levels of study. The space and capability for growth is clear.

If we place this alongside the MOOC phenomena, the space and capability emerge as need and relevance. Within the MOOC landscape, lessons can be taken from the very ‘mixed’ US experience; namely the need to provide a clear focus and to ensure quality of provision. A framework for targeting MOOCs and for controlling quality, will enable UK business schools to build upon their capabilities and the willingness and capabilities of their local communities. The recent development in Japan through Schoo demonstrates how such a focus can further connect with businesses and enhance and permit the growth of personal and employment skills. Through Schoo, 130 MOOC courses have been developed for office workers in their late 20’s and early 30’s – targeted and capability driven. Perhaps this is where business schools and the call of the Wilson Review, enable the relevance agenda to perpetuate. It will demand the need for the innovation through partnership, so readily demonstrated by the business school communities, combined with the appetite of the UK citizens to embrace the e-environment: an exciting new chapter!
WHAT IS A UNIVERSITY FOR?
AN AUSTRALIAN CONTEXT

Dr Andrew Webster
Dean, Murdoch University International Study Centre Dubai

The question at issue in this roundtable discussion might be characterised as the following: what is a university for? Is the purely functionalist narrative which currently defines the debate in Australia – with its assertions that the value of education lies in its ability to contribute to the ‘productivity’ of the nation – really the right one? Not in my opinion.

From left to right:
Jon Baldwin, Paul Marshall (Chief Executive, Association of Business Schools), Bec Thompson (President, Student Guild), Dr Andrew Webster (Dean, Murdoch University International Study Centre Dubai), and Katie Williams (Director, KPMG).
It has been said that one goes to university to learn to be a citizen, not to learn to be an employee. This is the difference between saying “educate me” and “train me”, or to put it another way, between knowledge and competencies. What university study should teach is the irreplaceable core that shapes balanced, critical, socially responsive and reflective individuals. And this is what employers want, I believe, as they increasingly recognise themselves. It is inherent in their messages to us: “Send us graduates who can write, who can independently conceptualise and research a problem, who can think”.

Hence the values and skills built in a university course that takes a broader conception of educating its students do matter a great deal in the workplace.

So what are the characteristics of good graduates?

- Communication skills, written, oral and visual, practiced in multiple settings.
- Research skills, which have been learned, honed and proved over the course of years.
- The ability to work in groups, to develop creative solutions.
- The ability to think critically and laterally.
- Strong ethical values, derived from sustained self-reflection and from mature discussion.

Another way to think about this is the difference between knowledge and mere information. Consider the iPad. Generally perceived as being the most advanced way to view the world, in terms of the amount of information it puts at one’s fingertips, it is nonetheless only a tool. It contains unthinkable amounts of information, true, which can be accessed and manipulated in almost unlimited fashion. But how can you understand that information, how can you assess its accuracy and value, how can you analyse its meaning and significance, how can you respond to it with your own contributions, if you don’t have the analytical, disciplinary and communication skills that come from an education that teaches how to ask good questions rather than upon providing focused technical answers to highly specific problems?

Another example: Wikipedia is rightly praised as being universal, accessible, democratic, and at times very useful. It is indeed all of these
things. But by its very nature it is also biased, inaccurate and incomplete – how can we evaluate what we find there without being equipped with core critical and analytical skills?

Thus the functionalist narrative that considers tertiary education only in terms of productivity and training misses the fact that it is about preparation for a full lifetime, not just the first job after graduation. Equally mistaken is the all-too-common descriptions of undergraduate courses which divide them into “useful” and “worthless” subjects, usually in a fashion that is dismissive of the arts, social sciences and humanities is badly mistaken. All our graduates should be considered as “work ready”. University study is able to teach students to communicate with greater precision and style, to think more clearly, to analyse more rigorously, to become more ethically discerning, and to acquire the knowledge needed to be informed citizens in a democracy. So it should equip them to do almost anything. It is an often overlooked fact that an enormous number of national leading figures in Australia who influence and interact with the ‘productivity’ narrative – politicians, CEOs, public servants – come from an arts, humanities or social sciences background. (And everyone benefits when a sense of history, philosophy, art, community, society and sustainability, when comfort with numeracy, information and communication technologies, etc., suffuses a society.)

However, there is another side to this, in my view. For sometimes there seems to be a certain self-satisfaction and sense of purity among parts of the academic community, in its view that ‘mere’ practical issues such as job preparation are not something we need engage with, nor dirty our hands in addressing. This view is equally mistaken, because employers are interested in the core skills we promote, and do recognise their fundamental importance, but can differ in their assessment of the ability of our graduates. We might claim that they can do all these great things, and that they possess these fabulous skills, but how are we so sure that they can apply them in the practical contexts that the economy demands? Do our students possess, for example, the ‘emotional intelligence’ to be the confident, interactive and self-directed individuals that we assume they must be? Thus when we rightly proclaim that university is about imbuing our graduates with these vital skills and values, we must constantly and continually strive as scholars and teachers to make those claims meaningful.
Is it possible to balance student demands with business needs?

THE ROLE OF HIGHER EDUCATION IN ENTREPRENEURSHIP AND EMPLOYABILITY

British Council – Canada

This report summarizes the context, presentations, conversations, emerging themes and partnership/exchange opportunities generated at the British Council’s Higher Education Series event. Over 30 attendees from UK and Canadian higher education institutions, professional organizations and government, participated in The Role of Higher Education in Entrepreneurship and Employability Roundtable in Toronto, Canada in March 2013.

The British Council’s two-year Higher Education series is focused on enabling a senior level dialogue on relevant higher education themes around the US, the UK and Canada to build opportunities for increased collaboration and partnerships. The one-day Roundtable on The Role of Higher Education in Entrepreneurship and Employability was convened to share best practices, explore new ideas and highlight engagement opportunities between Canadian and UK institutions.
The interactive afternoon opened with four context setting presentations by subject matter experts, followed by facilitated roundtable discussions based on the presentation themes and concluded with reports back to the larger group. Energy was high, participation lively, and feedback about the value of the day was positive.

Main themes
The afternoon began with opening remarks from Ashley Prime, Deputy Consul General, British Consulate General who provided insight into the status of international trade between the UK and Canada and the need for increased cooperation and trade. The role of the British Council around the world was articulated by Sarah Dawbarn, Director Quebec, British Council Canada speaking on behalf of the Director, British Council Canada. Ms. Dawbarn explained the British Council’s extensive work in convening lasting international cultural opportunities that build the prosperity, trust and security for the UK by working with educators, artists, language specialists, scientists, sports figures, policy makers and young people to build the skills, language, international experience and global outlook to increase economic development, employability and participation in civil society.

The first presentation by Joe Wilson, Education Lead, MaRS Discovery District on the role of higher education in addressing the shifting demands and interests of students and learners, described the services provided by MaRS (incubation, mentoring, advice, access to funding) and its approach to addressing the need to teach entrepreneurial thinking and confidence skills from a very young age. MaRS runs a week long boot camp for youth that has them rapidly prototyping, cold calling, selling their idea and pitching at a dragons den by the end of the week. Mr. Wilson pointed to the need for entrepreneurial skills in all aspects of life, in school and in employment and self-employment. He felt that the educational system starts far too late in encouraging entrepreneurship, “At MaRS, we teach the value of failure. We want young entrepreneurs to fail quickly and fail often in order to learn. The educational system does not currently embrace failure.”

The presentation on the role of higher education in the translation of emerging industry demands by Catherine Chandler-Crichlow, Executive Director, Centre for Excellence in Financial Services Education – Toronto
Financial Services Alliance, focused on her organization’s work in identifying emerging needs of the financial industry in recruiting the brightest global talent. She emphasized the need to really drill down through a gap analysis, to specify what skills are lacking or weak in graduates in order to inform educational institutions so that they may respond with specialized programs. Some of the gaps included offering courses in compliance, design-thinking, collaboration and negotiation as stand-alone courses rather than embedded within a broader program. “When students say they have completed courses in compliance, communication and collaboration, they are far more attractive and desirable candidates. We must teach our graduates cultural competence to sell themselves as the best and the brightest. There is a major disconnect when we have graduates who can’t get jobs and an industry desperately in need of talent.”

Abi Bradbeer, External Relations Manager, Faculty of Business Economics and Law, University of Surrey (member of ABS), spoke about the role of higher education, specifically business schools, in cultivating the workforce of the future. Ms Bradbeer presented Surrey’s innovative practices in connecting students to alumni, brokering diverse partnerships with community and industry, its business incubation and on campus studio (retail) space for entrepreneurs, and the school’s international partnerships in research and exchange programs. She also emphasized that the value proposition or return on investment for education defined by employment outcomes, is useful as a recruiting tool as it appears to be high on parent’s priorities in choosing a school.

Surrey also offers a unique guarantee, if students are challenged in finding work, they have the opportunity to take an additional year to take other courses and find a work placement. “Business schools are moving away from finance as a focus, to entrepreneurship as a focus.”

Tom Brennan, Regional Business Manager, Services for International Education Marketing Americas, British Council provided an extremely informative context piece on the role of higher education in addressing the growth of a competitive global workforce. Data shows that China and India are the still the leading sources of international MBA students going to the UK, Canada and the US.
However, international enrolment is declining due to the global economic crisis and more stringent visa requirements coupled with a decrease in the time allowed to stay in-country after graduation, especially in the UK. International enrolment is further hampered by stricter employment laws, as a result the trends point to increasing numbers of students staying home to study and more schools in Asia and Africa are now offering MBAs. Internationally, schools are turning out graduates with little or no work experience, while in the UK, MBA programs require 5 – 10 years of work experience at minimum. Employers are recruiting internationally – so the talent pool is expanding and competition is tougher. “Schools are being forced to provide massive employment statistics to indicate the value of their program. Students are choosing schools based on employment statistics and higher competitive salaries upon graduating rather than the value of the education and quality of the institution itself.”

Sandra Druxbury, Director, Entrepreneurship Policy and Services, Alberta Enterprise and Advanced Education led the discussion on the role of enabling government policies and higher education in cultivating a workforce that espouses entrepreneurship modes. Key points included the need for more programs like Ontario’s Global Edge that sends students abroad for education. Other best practices discussed, included providing more flexibility in program requirements to include entrepreneurship competencies in all programs including the skilled trades, these approaches are required in all fields, not just in business. These changing demands will require an increase of funding by the federal government for applied research and development and more support from industry and the community. “We need to find a way to broaden opportunities for youth entrepreneurship and develop more practical just-in-time learning models.”

What we heard:
- Collaboration and partnerships between institutions are key.
- Cross collaboration between educational institutions with incubators, accelerators and increased information sharing about “zones”, studios and other state of the art innovations will help everyone keep up.
- Higher education is increasingly demanded to demonstrate return on investment through employment and competitive salary statistics.
Is it possible to balance student demands with business needs?

- Entrepreneurship and employability skills must be built into all programs.
- Specialised courses that connect to industry are vital for higher education institutions to produce the global talent pool that industry needs.
- Effective student placements require specialists in institutions, the community and industry.
- Students are demanding more flexibility in curriculum, including mentorship and more ‘soft skills’ as a valuable part of their education.
- The value of courses in leadership, decision making, design-thinking, communications, collaboration and negotiation are increasingly in demand by employers.
- While youth may not identify as entrepreneurs, they increasingly want to work for themselves.
- Entrepreneurship has transferable skills that increase employability.
- Create the conditions to take risks and fail in the classroom to offer learning that will help in real life.
- Recruit faculty with industry skills and connections.
- Leverage the power of your alumni.
- There are great things happening – let’s share and build on them.
- Teach students how to sell themselves with confidence.

Emerging opportunities

Specific action points that emerged from table discussions:

- The British Council plays an important international convening role through capacity building forums, learning exchanges, and bringing senior thought leaders together to explore changes in higher education.
- Higher education institutions, government and professional organisations must shift focus from pure business and finance to new entrepreneurial skill sets that respond to student interests and new workplace demands – these skills are transferable and relevant even if not self-employed.
• Higher education needs to create specialized programs that respond to industry demands and increase graduates’ capacity to confidently market their soft skills and competencies as valuable and competitive assets to employers.

• Failure should be encouraged as a learning strategy; by creating the conditions to take risks in the classroom, students build their own capacity and resilience.

• Higher education institutions should offer mentorship and international research partnerships and exchange programs in course offerings.

• Higher Education institutions will need to employ future forecasting using data and include practical constraints of the changing labour market, economic drivers and visa restrictions, to position student opportunities and recruit globally.

There is a case for the transformative role of higher education in the areas of entrepreneurship and employability beyond employment statistics.

The British Council has the opportunity to leverage this event and build on the shared information, new connections and established support to follow-up with research, convening events or partnership brokering around the theme of higher education.
Is it possible to balance student demands with business needs?

STATE OF THE (DEVOLVED) NATIONS

Stephanie Strickland
Research and Development Manager (Devolved Nations)

This year has seen the ABS launch inaugural policy network meetings in Scotland, Ireland and Wales, responding to the need to recognise and align our activities with three very different higher education sectors. Each of these sessions worked around the same theme as the London and international meetings, but gravitated around a central question: “What do organisations want from business schools?” The meetings drew on thought provoking presentations from key individuals from the HE sector of each region. Engaged stakeholders were then able to discuss and debate the points made. The central question and associated presentations were designed to provoke and catalyse some lively discussions... it is fair to say that goal was achieved.

As challenges facing business schools continue to grow, whether due to internationalisation, mass online open courses, or tightening budgets, sharing best practice remains a valuable tool for progress and development. Where business and management schools in Scotland, Ireland and Wales are operating within different policy environments, it may be the case that differences in practice, structure and strategy can provide valuable alternative models. One purpose of the policy network sessions were designed to uncover these strengths.
In addition, different systems also present new challenges. Each session helped the ABS to identify key areas of priority, where our future work can be focused and tailored to the needs of our members in devolved regions. Through bringing together influential and knowledgeable stakeholders, it has been possible to identify these spaces and start to develop positive, constructive plans and alliances for the future.
Our economic growth relies on being able to mobilise the UK’s medium-sized firms into a powerhouse to match the German Mittelstand.

Despite GE Capital’s encouraging research, which shows that many medium-sized businesses are at the top of the growth table, we cannot ignore the fact that two thirds of them have little or no growth.

Boosting productivity in those firms could be worth an additional £20 billion to the UK economy by 2020.

We need to broaden the skills base and capabilities of MSBs so they can get on and help themselves.

These firms need better management capabilities, and the skills and knowledge to grow, export and innovate. And right near the top of this list is the capability to find, develop and retain top talent.

With the help of business schools, our medium-sized businesses can become the Boeings or Vodafones of tomorrow.
It’s also important that business is involved in curricula - developing what is learned as well as researched.

I want to see business schools leading the way – reaching out to firms in their area to help them fulfill their growth potential and in turn creating graduate employment opportunities locally.

Business schools should always be with business, not just about it.

The Association of Business Schools Innovation Report provides key direction for such initiatives. In addition, the upcoming Witty review offers us an opportunity to discuss how best to seize this opportunity – building business-oriented universities across the country and working to drive growth and innovation.

Delegates at Queen’s University Belfast, Northern Ireland Policy Network event.
SCOTTISH DEVELOPMENTS

Linda Murray  
Senior Manager, Company Growth, Scottish Enterprise

Scottish Enterprise, as Scotland’s principal economic development agency, supports the development of more globally competitive companies and Scotland’s growth sectors that have the biggest opportunity in global growth markets.

Our business plan priorities are focused on nurturing and developing growth in Scotland’s companies. We’ve identified five strategic priorities to guide our response to the economic opportunities we face, and to ensure we allocate resources where we know we can have the greatest impact on Scotland’s economy. These are renewable energy, growth companies, innovation, international trade and investment and low carbon.

To make sure our approach is as effective as possible, it’s built around those sectors identified by the Scottish Government Economic Strategy as offering particular opportunities for growth – creative industries, energy, financial and business services, food and drink, life sciences, tourism and universities, including the significant opportunities from Scotland’s science, technology and advanced engineering assets.
Collaboration with sectors where we, as a national economy, already have a competitive advantage and with a wide range of partners underpins a strong partnership approach which is vital to achieving our goals. We recognise and acknowledge the value and potential business and management schools in Scotland have in driving growth and meeting the needs of innovative business. But to fully capitalise on that potential we need to connect with the contextual specificity of the Scottish economy.

Scotland’s economy is relatively small, linked and experiencing a growth in exports and in sectors such as food and drink, life sciences and energy. There are 340,000 businesses in Scotland, an impressive figure. However, only around 100,000 of these companies have employees. Of that 100,000 there are about 10,000 in a growth mode. More significantly, only 800 of those organisations are in a high growth mode.

The focus therefore, is on creating opportunities for company expansion and employment. We need to ensure that businesses are provided with the necessary support, talent and policy infrastructure to enable them to enter into a significant growth mode whilst ensuring that Scottish businesses and the Scottish economy remain competitive in an international business environment. Business schools are especially well positioned in all three of these regards.

Firstly, the research and existing collaborative initiatives that business and management schools drive forward provide excellent opportunities to translate extensive knowledge, best practice strategy and deep thinking into the work place. Communication here is key. To realise the maximum impact of this valuable research and study of business and management, it must be transferred into organisations, be that through consulting, applied research and practice courses, seminars or collaborative initiatives.

Schools must remain flexible and adaptable and ensure there is sufficient scope to meet the demand for specific research and teaching, as opposed to trying to sell ‘stock’ services that may not be immediately useful. Business and management schools in Scotland do well in this regard, but the challenge is ensuring the effective promotion, marketing and communication of their work, demonstrating its value and position at the heart of business and organisational development.
Is it possible to balance student demands with business needs?

Businesses are experiencing circumstances and pressures now that does not afford them the luxury of doing in depth research into the business school offer. They need tailored messaging that clearly articulates the added value to their business of engaging with business and management schools and that process of engagement needs to be as straightforward as possible. Increased investment in websites and advertising where the school is able to clearly identify its services to both students (as education providers) and businesses (as centres for knowledge, research and excellence) could help to address this issue.

Secondly, business schools are able to deliver skilled and knowledgeable graduates into the work place, with a clear understanding of the opportunities and challenges afoot for business. If Scottish businesses are to benefit from the work of business and management schools however, there is a clear necessity to tailor the focus in those institutions that are best positioned to maintain a regional focus. A small fraction of graduate destinations are those of huge international businesses with developed graduate schemes. The majority of graduates will join small or medium sized enterprises (SMEs) with a less established graduate programme or development track.

Businesses want strong relationships with institutions that understand their needs. If business schools seize this opportunity to connect, they need to ensure that their graduates possess not only a firm grasp of their subject but that they are also equipped with the softer key business skills.

Development of skills such as communication, leadership, flexibility, negotiation, networking, and even office etiquette and telephone manner produce far better rounded individuals, more adept at fitting into the work place and adapting to a new professional environment. This requires more cross-collaboration with universities and between departments. Developing close relationships with local companies in order to secure placements and internships should also remain a priority given the huge benefit such experiences have for student development. There must be space here to develop opportunities to connect with businesses for this exact purpose.

Finally, the international reputation of Scottish institutions and their associated business and management schools represents a huge competitive advantage. International students in Scotland, as well as
the hugely successful track record of Scottish business school expansion abroad, presents significant channels of opportunity. Opportunities exist to align the international networks fostered and maintained by the schools with existing or potential business networks in Scotland. Such connectivity would further develop the reputation of specific schools as well as enable Scotland’s international economic strategy to develop with as much momentum as the international strategies of Scottish business schools.

Business and management schools in Scotland have a key role to play in developing the economy in the interest of both businesses and students. Innovation, knowledge exchange, employment opportunities and an international focus lie at the heart of these institutions and our priorities. We must work toward connecting these streams for the mutual benefit of those involved.
Is it possible to balance student demands with business needs?

Dr Ron Livingstone
Head of the Business School, University of the West of Scotland

There is an interesting category of question which is characterised by the fact that the query itself, rather than leading to a straight answer, in fact actually leaves you with far more questions than you started off with. The topic set for discussion as one part of the ABS Policy Network, ie: “What do organisations want from business schools?”, definitely falls into this “interesting category”.

There are many challenges arising from this apparently innocent question. On the face of it, the answer should be extremely helpful in informing business schools across the UK to address the oft-quoted challenge that business schools (or indeed the wider University community) are “not engaged enough” with industry. However, is this a fair criticism to level against business schools? Is it the actual reality that business schools are not as engaged as they should be with businesses, communities and wider society? Is there a full understanding of the many different ways business schools do engage with industry and others? How can you know what you don’t know? Yet more questions……..

From all these reports and recommendations there is unanimity on the position that business school and business engagement is a good thing. It is something that should be supported. It is something that benefits all stakeholders.

The exact nature of such linkages can, and necessarily should be, quite varied. Coming back to the question posed: “what do organisations want from business schools?”, part of the issue is that organisations – from the private, public and voluntary sectors – do not necessarily know what business schools actually do and can provide. Therefore they cannot then enter into a fully informed discussion. How can they, if they “do not know what they do not know”? 

sources
1. http://www.hm-treasury.gov.uk/media/9/0/lambert_review_final_450
Similarly, business schools need to understand the demand side of this equation and to have the skills, capabilities and capacity to be able to respond and engage in a meaningful way with organisations across a broad spectrum of interests and requirements. In this context it is important to recognise that business schools cannot do everything and that there may be an increasing move towards distinctive missions across the sector. Hence the management of expectations in terms of what business schools can and should do, may be a key feature of any dialogue.

The range of activities business schools are already offering to the benefit of organisations is both impressive and wide-ranging. Just some examples of categories of engagement include:

A. **Example activities focused around students:**
   - Provision of employees (with strong graduate attributes).
   - Student placements, internships, sandwich courses.
   - Student projects based on real-life issues proposed by organisations (at undergraduate, post-graduate and PhD level).
   - Companies and their staff involved in the development and delivery of courses, ensuring business-relevant content.
   - Development of case studies, highlighting best practice and lessons learned.
   - Support for student business start-ups.
   - Business games and student enterprise challenges with company involvement.

B. **Example activities involving research/knowledge exchange:**
   - Contracted research projects.
   - PhD “deepening” research (funded).
   - Funded/part-funded projects (Knowledge Transfer Projects, innovation vouchers, etc).
   - Corporate, public and/or third sector partners in significant research grants, European and other funded projects.
   - Wider collaborative research projects.
The Association of Business Schools

- Outputs and good practice from conferences and workshops.
- Access for organisations to a wide body of knowledge, skills, expertise and research infrastructure.

C. Examples of executive education and support for organisation and people development.
- Short courses, both off-the-shelf and bespoke.
- In-company training and development; including the University offering recognition/accreditation of in-company courses.
- Accredited learning with the potential to lead to named awards and/or recognised continuing professional development (CPD), etc.
- Consultancy and contracted projects.
- Staff enrolled on University courses for personal and career development (full-time, intensive blocks, part-time, blended learning, distance learning, work-based learning, etc.)
- Providing credit for prior learning and entry with advanced standing onto existing courses.

D. Examples of broader community and society engagement
- Alumni activity.
- “Town and gown” events (including Business Masterclasses).
- Professional body links.
- Outreach activity in schools and communities (e.g., enterprise education and events).
- Staff secondments (into the business school and from business schools to organisations).
- Business School Advisory Boards.
- Business school academics sitting on other organisation's advisory boards.
- Building on opportunities from existing business school international experience, links and partners.
- A multi-disciplinary/“one stop shop” for cross-University(ies) opportunities (involving other discipline areas and/or other areas of other Universities/academic partners).
Is it possible to balance student demands with business needs?

- Incubators and business school support and advice for University-supported start-ups and spin-offs.

The above thirty examples are by no means a definitive list of the various ways business schools engage with organisations; nor are the four sections above meant to be a typology of engagement. However, how many organisations are fully aware of the range of activity which business schools do offer; and have offered for a long time now?

Indeed, how many organisations immediately think that they need to turn to a business school to help them with what they want?

So, again turning to the question “what do organisations want from business schools?” how can this question actually be fully and properly answered if the organisation does not know (a) what a business school can actually offer them; and (b) that they should in fact be turning to a business school in the first place? How can they know what they do not know?

There is no doubt that there is an active willingness both within the business school community and from organisations (micro, small, medium sized, large and/or multi-national) to do more. In addition to the business schools and the organisations, there is a third important constituency with a key role to play in addressing this question. This is the part to be played by the Government and Government Agencies.

It is clear that the various policy initiatives over time have sought to promote business-university interaction. The role that government agencies play as facilitators, enablers, motivators and drivers cannot be underestimated. However, more important that the single, individual players, is the overall interaction between business schools, organisations and Government agencies. The interaction between these stakeholder groups is key to a model which will deliver results. Working together in a “triple helix” model of cooperation is critical to the success of further, sustainable partnership working, to the benefit of all.

The benefits to the economic, social and cultural development of our communities and the wider UK are plain to see. As highlighted in the ABS report on “The Role of Business Schools in Driving Innovation and Growth in the Domestic Economy” this relationship is of fundamental importance to the UK economy.
If the question “what do organisations want from business schools?” is to be readily understood by all and then the answer(s) more easily arrived at, there needs to be greater understanding across all three stakeholder groups.

There needs to be movement closer towards the position of “all knowing what we all know.”
1. Introduction

The purpose of this section is to revitalise discussions and encourage strategic and practical actions about developing the future UK business school leadership pipeline. It is useful at some point in this policy document to consider those individuals who are responsible for driving changes to balance students’ demands with business needs.

Firstly, we consider different models of business and management education. Secondly, I report on several surveys, including three recent ABS questionnaires and a round table meeting with head hunters and chairs of business school advisory board members. The final section reflects on the need to sensitise individuals and institutions to the distinct, rather than special, case for capacity building within UK business schools so that they continue to contribute as major export earners, valuable sources of thought leadership and R&D, and important economic anchors.
2. Rethinking existing paradigms

In considering whether it possible to balance students’ demands with business needs, many deans would admit that their time is spent more on faculty than on students. The UK government’s policy of students at the heart of the system means this should change. According to the latest survey by Markit and the Chartered Institute of Purchasing and Supply (CIPS), the UK service sector grew at its fastest pace in six years in August, yet within this publication Tim Hames emphasises the need to reflect on a geographical rather than on a sectoral imbalance in the UK’s economy. When the former perspective is applied to the market for business school deans, Christopher Lake at Syllogism argues that while business school faculty operate as part of a global market, the business school deanship still remains largely national. This is despite recent appointments from the USA for deanships at Saïd, Imperial College and Aston Business Schools. Perhaps the policy turbulence in the UK makes the role more complex than the externally facing mainly fund raising remit for deans in the USA. The complicated mix of changes mentioned in this publication in relation to tuition fees, postgraduate funding, private providers, lean services, cross-subsidies, curriculum and technological changes, and regional engagement, etc. appear rather daunting for non UK-based faculty. While the UK has eighteen universities in the 2012 top 100 QS World University rankings, only eleven UK business schools feature in the 2013 FT Global MBA Rankings despite business schools cross-subsidising their universities.

Short long lists, revolving doors, protracted recruitment campaigns – these are some of the anecdotes head hunters recount about seeking talent in the UK business school sector. Other accounts include comparisons between the business school deanship and the precarious tenures of premier league football managers. Executive search firms find that candidates for business school deanships are the most likely to withdraw from interview panels in higher education as interviewees realise the job has been oversold. Indeed, one head hunter reported that he refused a job for a leading business school that had been looking for a dean for almost two years because expectations were unrealistic and potential candidates not forthcoming.

The installation of a new vice-chancellor is often a critical trigger for changes in the deanship. There are examples of deans who suddenly find
their contracts not being renewed by new VCs who expect deans to be
current well cited scholars, to achieve triple accreditation, dramatically
and instantly to improve rankings, NSS scores and revenues from a cash
cow operation, to be industry facing, etc., etc. In one case, a new VC
offered the dean a different role as a teaching fellow because the dean
was ‘unREFable.’ Some deans are not included in their school’s Research
Excellence Framework submission as their scholarly output has declined
over the deanship because they have been overloaded with academic
leadership responsibilities. Others entered academia without doctorates
and became professors, arguably successful deans, in institutions at a
time when an established research record perhaps mattered less for
promotion than excellent teaching, business development, or effective
managerial capabilities.

Does your business school have a clear succession planning and talent
management strategy? Are you confident of sufficient leadership capacity
to sustain UK business schools in future despite the dearth of home
doctoral students? Do the business school deans and their teams that
you know spend sufficient time on strategic challenges, adding value,
engaging with students, and differentiating your offering? Or are they
struggling with no direct reporting line to the VC, distracted by internal
HR battles, the operational details of workload allocation models and
accreditation and regulatory requirements? Just how much autonomy
does your business school operate within a faculty structure? What levers
are available to build remarkable business schools in austere times within
a context of hyper-competition and an age of complexity?

Certainly, there is a need to rethink business and management education
in the light of changing business models (Schoemaker, 2008) following
the 2008 financial crisis (Currie et al, 2010). Prospective deans would
benefit from mentoring and insights from successful deans, for example
Dawson (2008) and Davies and Thomas (2009), as well as engagement
with questions about legitimacy raised by Thomas et al (2013a, 2013b).
Ferlie et al (2014) call for greater interdepartmental research collaboration
by business schools within their host institutions. While deans of private
Spanish business schools (Morsing and Sauquet Rovira, 2011) contend
that business schools have made valuable social contributions and are
reinventing themselves (Iñiguez de Onzoño, 2011), those with public
sector university-based business school deanship experience in the UK
such as Wilson and McKiernan (2011) argue for greater differentiation
and strategic choice to allow business schools to address the grand
challenges the world faces beyond accreditation games.
Ivory *et al* (2006: 16) characterise a model of four different activities in business schools based on professional school, knowledge economy, liberal arts, and social science depending on orientations to teaching, research, organisational or scholarly impact.

Ferlie *et al* (2010) offer another typology:

(i) business schools that are more school than business and ape the behaviours of natural scientists and economists with a form of pseudo-science;

(ii) business schools which are more business than school, pale copies of consultancy firms;

(iii) the agora (Starkey and Tiratsoo, 2007) which Thomas *et al* (2013a: 184) describe as: a ‘fourfold knowledge strategy – knowledge for management, knowledge for society, knowledge about management and knowledge about society.’

(iv) critical management studies; and

(v) the public interest school of management.

Augier and March (2011: 276) recommended that business schools in future should ‘veer away from dominance by economists’ to become more ethical and professional. More radically, Thomas *et al* (2013a: ix) argue that management education and business schools have reached a tipping, even a tripping, point where ‘they can reinvent themselves and regain a new sense of identity and legitimacy.’ The key protagonists in this project will be business school deans.

### 3. Recent surveys

At ABS we have recently conducted three surveys that provide evidence to support the case for rethinking the business school leadership pipeline in the wider context of PA Consulting’s survey of UK vice-chancellors.

#### 3.1 UK vice-chancellors

PA Consulting’s (2013) survey reports that over half of the UK vice-chancellors who responded expect the sector to decline. More than 90% of the VCs cited improving the student experience as their top priority. This entails enhancing staff contact, new technology, and placements. Twenty-five per cent of VCs said they are frustrated by staff resistance
to change and lack of relevant skills. Internal rationalisation rather than mergers (which 78% expect) are currently key responses to funding constraints. Consequently, conventional models of universities are being challenged by the need for greater differentiation in response to student demand as universities can no longer rely on the government cash cow and must fight to recruit quality students. Mike Boxall (2013) at PA Consulting warns of three distinct types of university emerging in the UK: oligarchs (a small league of large, research intensive universities working globally), innovators (enterprising institutions that generate new sources of revenue and business models) and zombies that will fail to change.

### 3.2 Women deans and deputy deans

The gender balance of deans also remains an issue in business schools world-wide. The gender profile of business school deans does not mirror the student body. AACSB International (2013a) reports that amongst its members, US business schools comprise 19% female deans compared with 8% for business schools outside the USA. In the UK, 23% of deans are female. This is only slightly more than the 21% of UK schools where deputy dean roles exist. ABS will hold its third women business school deans’ networking event on 20 June 2014 in Berlin as part of our capacity building activities.

### 3.3 Business school leadership survey 2013

Following workshops on the business school deanship at the annual ABS conference with AIM fellows in 2007 (Ivory *et al*, 2008), ABS (in collaboration with a German colleague, Wolfgang Amann, on the current International Deans’ Programme) launched its first business school leadership survey in June 2013. To date, 129 deans internationally have responded.

Of the 17 UK deans who replied to this survey, four commented that dealing with the central university, its bureaucracy and lack of understanding of the business school environment, was their greatest priority. Three respondents listed people, markets, and balancing research and teaching respectively as their top priority. Two deans prioritised finances, while one dean each mentioned performance and the need to retain a focus as a primary challenge.
In response to what advice they would give the next generation of deans and school leaders, some of the following interesting comments were noted:

‘Have a very clear idea of what business your Business School is in and what business your University perceives you to be in.’

‘Be prepared for one of the most demanding roles in academic leadership that you can take on.’

‘Don’t take it on until you have built a strong research record.’

‘Carve out research time for yourself!’

‘It’s lonely at the top.’

‘The dean must lead, but only a good team can succeed.’

‘Choose your people well and take them with you. Challenge the larger university and integrate with it. Innovation is key.’

‘Focus outward, not just inward. Leverage the university’s resources. Ensure you have sufficient energy.’

‘Broaden your experiences. Actively plan your career to ensure you gain the experiences that you need to gain confidence in your abilities. Engage with the international and employability agendas. Keep abreast of the changing HE environment internationally as well as at home. Build your network.’

3.4 ABS annual deans’ salary survey

For the annual ABS survey on business school deans’ remuneration, we received 40 responses (22 from pre-1992 universities and 18 from post-1992 universities). All respondents had a PhD, apart from six deans with a Master’s as their highest level degree at post-1992 institutions – two of these are studying for a doctorate. Three of the 22 respondents from pre-1992 institutions and seven of the 18 replies from post-1992 business schools were women. It appears that age correlates with an increase in salary in pre-1992 institutions but not necessarily in their post-1992 counterparts. Salaries were highest in triple accredited business schools. As in our previous three annual remuneration surveys, generally a higher salary is paid to deans running schools in pre-1992 institutions compared
with those of a similar size in post-1992 business schools although there are exceptions. Eight respondents (20% – 6 pre- and 2 post-1992) reported receiving market supplements. Ten respondents (25% – 5 pre- and 5 post-1992) reported that they received performance related pay, ranging from £2,500 to £25,000 or 15% of basic salary. This did not seem to correlate with the size of the school, but all bar one individual who received PRP had not received a market supplement. Nine respondents (22.5% – 6 pre- and 3 post-1992) recorded additional benefits, four were private health insurance and others included additional consultancy allowances, responsibility allowances and retention bonuses. From this sample, the mean basic salary was £151,978 pa in pre-1992 institutions and £94,222 pa in post-1992 business schools, of course with considerable standard deviations which were detailed in a report sent to those who participated in the survey.

3.5 ABS leadership pipeline survey

In the third ABS survey conducted during the summer of 2013 on business school leadership pipeline issues, 22 respondents (split equally between pre- and post-1992 institutions) revealed that all post-1992 roles represented in the sample were permanent and included additional faculty or PVC responsibilities. In pre-1992 institutions, five people were on renewable five year contracts, two heads of school were on three year rolling contracts, one individual has a seven year term and the other two are permanent. Three on fixed-term contracts for their academic leadership roles held permanent contacts as chairs.

In terms of their predecessors, ten previous deans chose to retire after an average of seven years in post, nearly all at the end of their contract if it were time limited. Two previous deans at pre-1992 institutions saw out their contracts before returning to professorships in the same institution. Five predecessors had moved to other roles in higher education, one returned to industry. Two had left relatively quickly (less than three years) after a breakdown in the relationship with the VC. One left after 12 years for this reason when a new VC arrived. The average length of tenure of the respondents’ predecessors was six years for pre-1992 respondents and 6.6 years for their post-1992 counterparts.
Two appointments to pre-1992 institutions were previously deans in other countries, one was approached by a head hunter, the other heard about a vacancy via a colleague. Ten appointments (five each in pre- and post-1992 institutions) were internal, two had acted in the role after the previous one left. Seven appointments (three pre-, four post-1992 universities) were from other UK higher education institutions, as a promotion or from a deanship somewhere else. All of these seven were approached by a head hunter and most reported that they would have not considered applying without being invited. Three appointments were from industry, all in post-1992 institutions. One of these was via an advertisement, one via a head hunter and one via contacts in university governance. For first recruitment rounds, the time was quicker for internal candidates (one to three months), than for external applicants (three to seven months). Five respondents reported knowledge of more than one round of recruitment which took between four and 12 months. Most respondents did not know whether salaries had been increased, however, six (mostly internal appointments) said that they had not. There was no mention of ‘golden handcuff’ deals.

When asked what skills and experience were emphasised during the interview and subsequently in the role, there was broad consensus in answers to this question: (1) leadership (leading change, clarity of vision, strategy); (2) people skills (influencing, communicating, building consensus, management); (3) financial management were mentioned by most people, the first two were stated by all respondents. Some referred to the need for business school and or higher education experience. International experience and academic reputation were mentioned by one.

In reply to why they had decided to become deans, many respondents talked about the challenging, exciting, and varied nature of the role and the chance to ‘make a difference.’ What ‘making a difference’ was seemed to vary, but the opportunity to be in a position that commands sufficient resources to create significant change was important. The change could be in mobilising schools and their students to perform to their potential, contributing to the university’s success or helping the wider economy to do business better. One respondent clearly viewed the role as a way to help business leaders become a force for good, rather than just for profit. Two people remarked that the job was fun.
Is it possible to balance student demands with business needs?

With respect to trade-offs in taking up leadership responsibilities, many recognised that personal research time was reduced, a couple mentioned increased working hours impinged on their lives outside work and the recruits from industry said they could earn two or three times more elsewhere but they were happy to accept this.

Two people thought that more remuneration would be attractive but most mentioned more support would be useful to enable more time for research or a greater focus on strategy and external stakeholders. The importance of key deputies and support staff was mentioned by most. When asked about their future career plans, three respondents planned to retire, six said their next move would be to another business school, seven stated that they would be interested in a general higher education management role and six considered all three options as possibilities depending on the roles and circumstances at the time.

The most common response to what surprised them about the job was the amount of time spent on staff, HR, and operational issues. Some people also thought that they should have investigated more how much autonomy the dean’s role would offer. Three were surprised by how much they have enjoyed the role.

Finally, most respondents thought that business schools and universities had a responsibility for better succession planning. They felt that more investment in leadership development is required in many institutions. Increased opportunities for people to work internationally were mentioned by many. A need to recruit more diverse types of academics with differing skills was noted by three people. Three people said that a way needs to be found to stop a deanship meaning that research ambitions are put on hold. Two of these suggested the rotating responsibility model favoured by other disciplines.

3.6 Business school leadership pipeline round table

Following analyses of these surveys, a first round table meeting was held in early September 2013 with head hunter firms and chairs of business school advisory boards. The aim of the meeting was to explore difficulties in recruiting UK business school deans in terms of supply and demand factors. It was agreed to review the wide range of deans’ roles, how the job is portrayed and advertised, and to explore ways of how to mitigate potential barriers that deter capable candidates from applying.
Head hunters typically view the business school deanship as a high risk appointment because of unrealistic expectations. While medical schools may be more homogenous as academic departments compared with each other than business schools, usually they avoid the university’s one-size-fits all approach because salaries and funding are determined by the NHS. As very few vice-chancellors have direct experience of the business school deanship (with the current exceptions of VCs at the universities of Derby, Middlesex, South Wales and Teesside), most fail to appreciate that business school deans are operating in an intensely competitive global market for talent. University finance and HR directors do not understand that there can be significant salary differences between UK business school deans and their international counterparts, particularly in the USA and Australia, where there are larger elements of performance related pay.

There is a perception that business school academics are less interdisciplinary and cross-institutional than their medical counterparts which could count against them in applications for VC roles. Moreover, many business school deans enjoy the international deans’ club networking and feel the deanship is more rewarding that the vice-chancellorship. Associate deans, however, can find it difficult to become sufficiently high profile or strategic to be considered for any deanships outside their own institutions.

At the professorial level, business schools are very international, but this is not the case at level of the dean. It was thought that this could in part be because international academics are not interested in management roles that require a long-term commitment to a place, the reduction in time that may be available to do research and recruiters are sceptical about recruiting people without direct experience of UK higher education.

4. Conclusion

I argue that for the ambition to be realised of a high-quality, effectively connected management and business education sector as a vital part of a prosperous modern economy’ (Thorpe and Rawlinson, 2013: 3), we need to balance the rhetoric of business school branding with current realities. Deans’ abilities to behave with integrity and high levels of resilience, synthesizing a range of stakeholder expectations, facilitating enterprise, championing visibility and practical optimism to implement
effective performance management and strategic goals are paramount. UK business schools can communicate more clearly their distinct contributions and challenges. They have to recognise formal and informal leadership development needs.

What are the solutions to a shortage of business school deans? The creation of super deans like super heads of consortia of secondary schools, a return to sourcing academic leaders from science and engineering, educating VCs to understand better what is distinct about business schools are some options. Bradshaw (2010) is amused that business schools ought to be much better at practising what they profess about succession planning. Government policies and institutional structures and systems must incentivise current business school leaders to generate future leaders.

Ralph Nader suggested ‘the function of leadership is to produce more leaders.’ In an age of complexity in knowledge intensive organisations such leadership can emerge at any level and, of course, followership is important. Tushman and Nadler (1986: 74) contend that: ‘In today’s business environment, there is no executive task more vital and demanding than the sustained management of innovation and change.’ Yet in academia, typically five year fixed-term appointments may mean deans lack courage and know-how to accomplish necessary disruptive reforms while ‘managing’ disengaged faculty. It can be difficult to be business-like where there is a strong public sector mentality. Academic faculty may be highly focused on the currency of totemic journal articles and personal citation indices in a global academic labour market rather than on the daily management concerns of their current employer or pressing social challenges. The powerful drivers of REF impact case studies, media rankings criteria, accreditation standards that promote impact and innovation (AACSB, 2013b), questions about the legitimacy of business and management education and greater student choice mean that leading and managing business and management schools post the 2008 financial crisis merit serious attention.
5. Next steps

As a follow-up to the initial ABS leadership pipeline round table and recent surveys, the Association of Business Schools will organise further opportunities to raise issues with other relevant stakeholders such as university vice-chancellors, BUFDG (the British Universities Finance Directors Group), and UHR (Universities Human Resources association). We will consult with our members about enhancing sources of future business school leaders in the context of very low numbers of UK business and management doctoral students and an increasingly specialised academic profession. We need to address the seemingly closed loop of supply of deans. Future sourcing considerations may include a greater focus on leadership teams, dyads of deans and COOs/deputies, redefining job descriptions, dialogue with vice-chancellors about the market and reasonable expectations, clarifying research support for deans and incentives, recruiting from industry or other disciplines, international placements, mentoring and coaching.

In addition to our established portfolio of development programmes and networking events, the Association of Business Schools is launching the AACSB/ABS European Bridge Programme at Cass Business School 22-27 June 2014 to support executive level practitioners who wish to teach in UK business schools. Please do get in touch with me if you would like to engage directly with these evolving policy agendas:
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ABS/EFMD International Deans’ Programme participants (cohort six) in Singapore
References


CELEBRATING DIVERSITY

Joe Clark
Assistant Director (Research and Development),
The Association of Business Schools

The second annual ABS policy network brought together a variety of stakeholders around different facets of a central question: “Is it Possible to Balance Student Demands with Business Needs?”

The notes from each of these interesting and frank exchanges are available elsewhere in this document, but there was one point that seemed to crop up again and again, that UK business schools are all trying to do everything, all of the time, with varying degrees of success. A glance at a few mission statements will show that we are all trying to be all things to all people, with research-infused, employer-focused curricula inspiring the socially aware entrepreneurs and business leaders of tomorrow.

As to what may have caused this state of affairs, the importance of research outputs in forming reputation, the demise of regional development agencies and other regional bodies, restrictive accreditation criteria and the reduction in Knowledge Transfer Partnership (KTP) funding were all mentioned.
In opposition to this, it should be pointed out that UK business schools have been extremely successful in recruiting large numbers of high quality students from around the world.

What we are seeing now, however, is an unprecedented level of intense competition in the business and management subject area both at home and abroad coupled with a less favourable visa regime which means that no school can rest on their laurels.

Acting against these forces are others now pulling in other directions. Businesses and universities have recently looked to central, rather than local government, but Local Enterprise Partnerships (LEPs) offer the opportunity for business schools to lead the regional agenda. The impact of ‘impact’ on research behaviour is as yet unknown, but the hope is that it increases the links between business schools and business.

If we can, individually and en masse, identify what we are trying to achieve we can then seek to collectively change any accreditation and other processes to support the incentives that we are looking for.

We need to support our members in identifying their strengths, celebrating their diversity as a group and encouraging universities to enable their business schools to be more entrepreneurial. Business schools are at the forefront of international competition and technological disruption in education and need the support of their universities to tackle these issues.
Is it possible to balance student demands with business needs?

MARKETERS MATTER – INSIDE AND OUTSIDE OF THE CLASSROOM

Vicky Robinson
Chartered Marketer, MA
Director of Communications, The Association of Business Schools

2013 has been a massively busy year for the Association, we are growing in our rationale, reach and remit – and face many of the hurdles and barriers (whether they be financial, technological etc) that business schools themselves are facing. I was taught that everyone in an organisation should have a bit of a marketer in them and I think that now more so than ever generation ‘y’ are showing this to be the case!

Marketing and communications clearly have an influence on the external facing brand of a business school, not only represented in the logo (or visual identity) but qualities, standards and values - all the things that attract both potential students and world class academics to an institution – and more importantly create that illusive buzz around a name that makes it desirable and a must have.

What is it that the student wants? Do they want work experience? Access to global leading academics? The ability to have a classroom
experience with other likeminded international/entrepreneurial students or is employability the baseline requirement - especially in the current economic climate where good jobs are hard to come by, the job for life no longer exists and thousands of graduates apply for every trainee position advertised.

The messaging is only one part of the marketers toolbox – this could be recruitment via the prospectus, fairs and portals all with an increasing eye on marketing spend – business schools should encourage more creative ways of working, both on and off line to ensure students are still keen to sign up to business and management as a study option and then become ambassadors of the brand. Apps are more prevalent especially for the undergraduate market, students expect information 24/7 and at the touch of a button – however we all know the value of a friendly voice to speak to when you can’t get all of your answers online. The hard copy prospectus is a moot point with some saying it will never disappear.

Perhaps the ABS has a role to play with working more closely with the British Council in raising the brand of UK Business and Management as a whole, this is something we are talking about to act as a UK hub.

Differentiation, now more so than ever is key, what is your school/institutions USP? Why would a student choose you over another institution – turn the tables and approach this from an outsider’s point of view - just because ‘we have always done things like that’ doesn’t mean it is effective. How much do rankings and NSS results influence a decision compared to peer to peer advice and online conversation – how do you monitor this? Do you mystery shop?

From a marketing and public relations point of view business schools have relied and thrived on reputation, rankings, employability, alumni, research and links to business as well as their esteemed academics. There are some fantastic examples of business schools nurturing successful fledgling companies to become regional employers and contributors to UK Plc. But also business schools must not be seen to be churning out graduates with heightened expectations of what they deserve in their first job with little likelihood of that being reached without the practical work experience under their belts.
Is it possible to balance student demands with business needs?

The world is changing:
The higher education landscape has changed and students now have more choice, not only of institution but mode of delivery, choice and weight of subjects (i.e. marketing, accounting, sports management) which the rise in specialised masters clearly evidences.

Employers want graduates that can demonstrate both hard and soft skills, demonstrable project management skills, preferably vocationally/project based and not learnt by rote with little understanding of the impact of actions/decisions made.

Evidently the key thing here is balancing student demands against expectations of employers. Interestingly the theme of our policy network series and indeed this brochure!

A recent survey by Carrington Crisp shows that fifty per cent of employers would not consider recruiting someone who had studied for their degree wholly online. Indeed, only a third of employers responding to the survey said they would consider online graduates at all, and more than 70 per cent of these same respondents said they did not believe that an online degree offered the same opportunity for students as a campus-based one.

The research is a blow to the growing number of universities teaching online programmes, and for the Moocs (massive open online courses) that are becoming increasingly prevalent in business and management teaching. “I think it’s a job for the Moocs to sell themselves to employers as well as to students,” says Andrew Crisp, one of the founders of the research company.

Many students have a small business running alongside their own studies and this should be encouraged, the prevalence of competitions both on TV and in the media to pitch successful business ideas has been around for a while now but I think that this encourages students to think outside of the box and has highlighted the fact that you can work for yourself and be your own boss – a pleasing thought to many I am sure! We can see why studying via a Mooc would be enticing in today’s busy times.

So how do we link business schools with business, another hot topic which has resulted in the recent announcement from the Department for Business Innovation and Skills (BIS) that a team of experts are set to
develop a small business charter to help incentivise business schools to help small firms to grow is an important step in putting business schools at the forefront of ensuring the longevity of the UK’s SMEs and cementing the importance of them as a lynch pin in the community.

The management board, which will be overseen by former BT chief Executive Sir Peter Bonfield, and made up of Deans of business schools, business representatives and leading academics, was announced by Universities and Science Minister, David Willetts and the Prime Minister’s Enterprise Advisor, Lord Young. In his recent report on barriers to growth faced by small firms, Lord Young recommended business schools work closely with small businesses, acting as anchor institutions in the local economy. The work will be overseen by the Association of Business Schools (ABS) assisted by the Department for Business Innovation and Skills.

Universities and Science Minister David Willetts said:

“I want to see business schools providing small firm growth programmes and advice clinics for small business because it will enable them to grow and strengthen our economy. Allowing business school graduates to take up placements in small companies as part of their course will give them invaluable experience that will prepare them for the world of work.

“The Small Business Charter will help turn this vision into a reality and help our young graduates gain the skills they need to launch successful careers for themselves.”

It is fundamental that we are all pulling together in the same direction to promote the benefits of a business school education and indeed the valuable research that emanates from them.

Marketers must be at the forefront of how students are recruited, retained and channelled through the student life cycle. The importance of how the brand and offer are marketed and received and viewed both on and offline is paramount. Students expect information to be available twenty-four-seven and want to filter out the ‘noise’ from mass untargeted messages – this landscape has never been so competitive and technology so widely available – marketers need to be represented on senior committees and have an input into strategy – no one is closer to the market.
Is it possible to balance student demands with business needs?

The student should be at the heart of the marketing offer and business schools should be nimble and able to react to dare I say it customer needs! Key is being seen as practicing what they are teaching.

Interesting times......
ANNEXE

POLICY NETWORK SESSION OVERVIEWS
OVERVIEW OF SESSION 1

Keeping it Lean – how can we improve services and maximise expenditure on the student experience

25 February 2013

KEY THEMES

Lean tools don’t work in isolation

The context in which institutions are operating is important – reductions in government funding have lead to the introduction of lean in many public services. Problems can arise when efficiencies and reduction of waste become the focus rather than effectiveness, value or flow. The notion of a user is paramount and it is important to focus on engagement of staff and users rather than just establishing and embedding certain practices. A good case study is how the University of Derby have identified ‘failure points’ in the student experience in conjunction with students. Lean tools will not generate long term improvement on their own – they need underpinning.

Correctly implemented, it should re-engage people rather than making them feel more distant or undermining of the value of vocation. Lean can successfully be applied in HE if you can find a way to engage and encourage individuals in the system.

Value can be more difficult to define in these public systems than in the private sector, but it can be done. Data is not used well enough currently in HE and can help more if used correctly.

If an institution’s mission and how it is to be delivered are understood, then changes can be made. A shift in culture and staff are often both required.
Private / public sector

Business schools in the public sector can appear too homogenous, having emerged in the UK in response to incentives, rather than being designed. Universities need to bear some of the risk of encouraging business schools to become more entrepreneurial.

In order to be more closely linked to the business world business schools may need to become more or completely independent.

There is a perception that the academic area of the student experience is shrinking in the public sector, whereas this is the bit that the private sector focus on above all else.

Conclusions

Business schools, individually and collectively, need to be clearer about what they are trying to achieve. If this happens, accreditation and other processes can be collectively changed to support the incentives that we are looking for.

PROFILES

Andy Gibbs joined the (then) Social Science Research Council in 1981, initially in the Research Grants team, and has worked in a variety of roles in the Research Councils since then. He currently leads the Economic Performance and Environment team within the ESRC’s Research, Partnerships and International Directorate. The team has lead responsibility for Economics, Management and Business Studies, Human Geography, Environment and Planning areas of research, and for the ESRC contributions to the RCUK programmes on Living With Environmental Change, Digital Economy, Global Food Security and the Energy programme.

Stephen P Osborne is Professor of International Public Management and Vice-Dean for the University of Edinburgh Business School. He is also Director of the Centre for Public Services Research in this School, as well as Co-Director of the ESRC Research Centre on Charitable Giving and Philanthropy and Associate Director for Scotland of the ESRC Third Sector
Research Centre. His research and teaching interests include innovation and change in public services, the role of the third sector in providing public services, co-production, and public service reform.

**Zoe Radnor** holds a Chair of Service Operations Management Loughborough University School of Business and Economics. Her area of interest is in performance and process improvement and, service management in public sector organisations. Zoe has recently been a Management Practice Advanced Institute of Management (AIM) Fellow considering sustainability of Lean in public services. She has led research projects for the Scottish Executive, HM Revenue and Customs, HM Court Services, HealthCare, Local Government and Higher Education organisations which have evaluated how ‘lean’ techniques are and could be used in the public sector. She has developed a House of Lean for Public Services.

**Len Shackleton** is Professor of Economics at the University of Buckingham and Economics Fellow at the Institute of Economic Affairs. He was formerly Dean of the Westminster Business School and the Royal Docks Business School, University of East London.
OVERVIEW OF SESSION 2
Embracing change in development and delivery of teaching and learning in business education
22 March 2013

KEY THEMES

Students as active partners
Graham Gibb’s work, published through the Higher Education Academy, talks about strategic behaviours by universities in response to the National Student Survey (NSS) and an overconcentration on the individual academic rather than programme teams. Gibbs calls for team recognition, more formative assessment and developing the role of the student as an active partner.

Innovative examples of learning and teaching are disseminated by conference and publication, for example involving enterprise students getting involved directly in projects with social entrepreneurs. This experience suggests that exposing students directly to a business culture predicated on social responsibility is an effective means of embedding sustainable values.

Quality and accreditation schemes
The UK business school experience is very attractive to students from outside the UK. Some of the main reasons for this are thought to be the permanency of our institutions, international recognition of our qualifications and quality kite marks, particularly that of the Quality Assurance Agency (QAA). While some bemoan these institutions as designed to protect management rather than enhance the student experience, they are designed by the sector and can be changed by the sector and are more flexible than is often reported.
Technology enabler is real
The expectations of students and staff with regards to technology can be different and support is required. Cloud-based libraries are now available that can transform access to knowledge.

Celebrate diversity
As made clear in the recommendations of the ABS Innovation Task Force, business schools should celebrate their differences, rather than all trying to compete for the shrinking pot of research funding.

Conclusions
Sharing good examples and positive role models are very important, as is linking central mission statements that claim innovation in the student experience with the academics who are trying to deliver this. The technology enabler is real, but there are fundamentals of teaching and learning that should not be overlooked.

PROFILES
Dr. Denise Baden – following several years in industry, both employed and self-employed, Denise returned to academia to do a doctorate in psychology, which was awarded in 2002. Dr Baden worked in the area of social psychology for 3 years, and then joined the Southampton Management School in 2005, where she has been engaged in research and teaching in the areas of ethics, entrepreneurship and corporate social responsibility.
OVERVIEW OF SESSION 3
Relevance and impact of business schools to business and government
7 May 2013

KEY THEMES

Impact types
The research councils are tasked to only fund excellence with impact.

There are three identified types of research impact:

1) **Instrumental** – this is the easiest type to count, but the smallest area
2) **Conceptual** – this is harder to track but is the biggest effect, translating new thinking into business.
3) **Capacity** – the effect on participants after a research project. An ESRC report on this is due in the autumn.

Research council studies show that the biggest indicator of impact for a research project is that they are delivered in partnership with businesses from the start. The second most important is accessibility and use of appropriate language. A range of channels for dissemination should be used – working with knowledge brokers may be appropriate.

Recent examples of research with impact include Warwick Business School and Barclays bank working together to put data behind discussions on credit flows to SMEs – this has now attracted further funding from BIS and the British Banking Association. Aston Business School has also been working with companies in the insurance underwriting sector on the difference in decision making between face-to-face and electronic decisions – outputs from this research have fed into training programmes for new staff.
Is it possible to balance student demands with business needs?

**Links to the regional agenda**

Businesses increasingly look to central, rather than local, government. The recent Heseltine report calls for more clustering of local leadership and there is a potential role for business schools to lead in these areas in conjunction with Local Enterprise Partnerships (LEPs). Listening to business and allowing networks to set their own agendas is important. Trade bodies can be dominated by a small number of large firms but could be incentivised to link with regional bodies.

Business schools can be key with thinks to SMEs through voucher schemes which can lead on to research projects.

**Incentives for diversity**

Business schools have been successful in responding to incentives – surpluses have been generated and academic recruitment on research profile dominates. Increased funding for Knowledge Transfer Partnerships (KTPs) and research council recognition of academic practitioners could go some way to addressing the issue.

There is a detectable direction of travel in research funding for things like partnership funding schemes and joint programmes with the Technology Strategy Board (TSB), but these schemes can be too large scale for many smaller firms to participate in.

There needs to be recognition by all stakeholders that all institutions cannot do everything, and a diverse business education sector is desirable.

There may be things to learn from the further education and apprenticeship experiences that have close links with business.

**Conclusions**

Practical research, links to business and student employability are closely related issues. The value of working with all types of employers needs to be recognised by students, staff, university management and other stakeholders and structures and incentives designed to encourage this behaviour. We need to be clear on the metrics for success in these areas and ABS needs to support its members in identifying their strengths and celebrate their diversity.
Neil Stewart is Chair and Chief Executive of Neil Stewart Associates. Neil is a former Director of Communications for the Royal College of Nursing, a post he held between 1984 and 1989. From 1989-1992 he was Political Secretary to the then Labour leader, Rt Hon Neil Kinnock MP. He established Neil Stewart Associates in 1992. Neil Stewart is a former President of the National Union of Students. He has a postgraduate qualification in Communications, Advertising and Marketing and is a member of the Institute of Public Relations and was awarded the IPR prize for non commercial organisations in 1981 while still a student.
OVERVIEW OF SESSION 4
Supporting students to achieve their employment ambitions and beyond – aided by technology
17 June 2013

KEY THEMES

Don’t waste students’ time
For a student comparing financial information on a number of companies, internet research can give you the answers but it takes a lot of work. Software can do this in a matter of seconds and this is the way that analysts operate in the workplace.

Free to use aptitude tests are also available that use real world examples to give students the chance to find out if they are suited to working in certain industries. These tools can also be used by companies for recruitment in a way that is much more accessible for small firms not used to dealing directly with universities.

Digital literacy and enterprise education by stealth
Launching a marketing course with the word ‘digital’ in the title can prove difficult, because of an association with programming. Success can be had by designing curriculum to include the creation of digital artefacts – the trick is not to single out digital marketing as special. This also gives students the equivalent of a portfolio that they can show to prospective employers. This proof of skills, combined with good links to industry can give students an excellent chance of finding the job they are looking for, or the confidence to start their own business.

An entrepreneurial mindset is important for all careers, not just those of people wishing to start a company and a similar approach to enterprise skills can also be effective.
Extra-curricular activities can also be important in students learning skills when curricula are being squeezed to include more and more.

**Using data to understand ambitions**

Analysis of survey responses of prospective international students can give a business school important insight into what matters to people thinking of studying with them.

Students from different countries can be interested in different things and market intelligence can help an institution direct their marketing accordingly, and even adapt courses.

**Conclusions**

Business schools are working in a variety of ways to equip their students to be successful, but there is still some rhetoric from employers that graduates do not always have the required skills. Technology can help institutions to understand their students and help them engage directly with employers in order to close this gap. The challenge for business schools is to develop strategic partnerships to enable this process while engaging existing faculty.

**PROFILES**

**Marie Clark** is Marketing and Communications Manager EMEA at Hobsons, leading the development and implementation of their communications, public and media relations strategies. Previously she worked for four years in policy communications, leading a team that provided communications consultancy, research and events to partners in the higher education, skills and business sectors.

**David Edmundson-Bird**, a dot-com casualty from 2001, is Principal Lecturer in Digital Marketing Communications, Director of the MSc Digital Marketing Communications at Manchester Metropolitan University and founder of MMU Agency Life. He has enjoyed several spells in academia as well as senior management roles in the digital media industry.
Is it possible to balance student demands with business needs?

ABS POLICY NETWORK: IRELAND

19 May 2013

KEY THEMES

Institutional division of labour
Business schools exist at an intersection of several key expectations. They must negotiate their roles as mass education providers, innovators for business, elite research institutions for society and often financial subsidisers for their home universities. Mission drift in business schools is therefore hardly surprising and such confusion can be understood as a symptom of poorly organised staff and academic commitment to specific roles.

During discussions, it was suggested that one solution could be a division of labour, where different academics focus on different roles; the deep thinkers, the general researchers, the teachers, the consultants for industry etc. This would need an honest and radical shift in the reward structure and career progression trajectories to ensure that real development is being achieved and focus maintained.

Research impact and the challenges
Dissemination of research for the benefit of society and business remains a paramount priority. Consistent effort should be made to ensure this process is effective. Whilst the introduction of impact into the Research Excellence Framework (REF) has refocused thinking within business schools, there remains a perception that the career trajectory of academics relies on the volume and quality of publications, regardless of whether they teach that research or if that research is consequential. There is a deep structural issue that needs to be addressed with honest conversations that can create meaningful change. Perhaps then we should be asking: “Is it possible to balance academic’s careers, with the needs of business…”
Focused and innovative teaching
During discussions it was suggested that staff are not encouraged to be innovative with their teaching. Often what is being taught has no local contextual gravity or relation to the research being carried out by the lecturer in question. Business school teaching needs to be grounded in real case studies that can then be critically examined in a global business context by the student. In the division of academic labour previously mentioned, teaching represents an opportunity to synthesis business engagement and research and more effort should be made to encourage this.

International outlook
The challenges outlined above represent a global issue. An international outlook and awareness of the processes abroad is integral for the success of business schools in Ireland. Whilst principle concerns are largely orientated around the recruitment of international staff and students, the question of competition, academic migration, and the global awareness of students deserves equal attention.

- Increasingly organisations adopt a more global focus. They require graduates with a similarly international outlook and understanding. Business schools need to develop global business citizens able to compete in a global economy.

- Students and graduates who go on placements abroad return as much stronger individuals with marked improvement in basic employability skills. Facilitating international placements for business students significant scale ought to remain a focus. How do we ensure that resources aimed at facilitating this (scholarships etc) are not siphoned off by the home university?

Employability skills
Related to the above, a continued emphasis on equipping students with relevant skills through placements and practice based learning. Skilled graduates leaving business schools in Ireland, facilitate government priorities for attracting inward investment and company relocations to the region. Ensuring these skills based programmes and initiatives are in place requires significant resources and a certain amount of institutional autonomy.
Business schools and cross-subsidisation

The cash-cow/business school association remains resilient. High students enrolments translate into low spend per head. Combined with significant numbers of high fee-paying international students and the business school starts to represent a financial resource for the university as opposed to legitimate school.

Business schools need to draw on the skills at the heart of their disciplines to re-design business and management education; selecting the key competitors, identifying the real barriers and designing the best strategies for success. The ‘disconnect’ that appears to exist between government policy and the business school’s ability to adapt and respond is understood to be largely down to the governance policies and structures of the home university. There is little benefit of splitting from the university but a relationship has to be forged where the business school is not burdened by financial expectation.

Conclusions

- Through the process of engaging multiple interested stakeholders, the ABS policy network provided a forum for discussing the key challenges facing the Irish business school community and how these inter-relate with business and government.

- The themes identified provide clear channels to pursue a collaborative agenda in Ireland, in an effort to align government priorities, industry requirements and business school best practice.

- Developing these relationships across a triple-helix of stakeholders will help ensure that the research, advancement and teaching within Irish business schools is effectively communicated and therefore best positioned to further innovation and economic development.

- These aims are fundamentally related to ensuring that graduates from business schools are fully equipped with the necessary skills and presented with the best possible opportunities to apply them.
PROFILES

Kirsty McManus is Assistant Director at CBI Northern Ireland responsible for a diverse portfolio of members and lobbying responsibility for employment law, skills, education and energy policy in Northern Ireland. CBI is the voice of business and represents over 240,000 businesses across the UK. Kirsty has a degree in Information management from Queens University and an MBA from the Ulster Business School. Kirsty has over 12 years of industry experience and has previously worked in both the US and UK as an IT Project Manager. Kirsty is also a board member of the Northern Ireland MBA Association Chapter and the BITC Arena Network.
ABS POLICY NETWORK: WALES
23 May 2013

KEY THEMES

**Innovation and growth**
Long term prosperity and growth in Wales, relies on the ability of organisations to innovate. A strong track record of university collaboration with business in Wales has significant potential to support this innovation led growth through research and practice. Business schools in Wales ought to lie at the heart of this agenda given their expertise and strong industry links.

**Supporting small and medium sized enterprises (SMEs)**
The economy of Wales (in particular South Wales) is largely built on small and medium sized organisations, very few large multinational companies are head quartered here, with GE Aviation being an exception.

Subsequently, a key challenge for Welsh business schools is how to engage and support SMEs. Given their hugely significant role in driving innovation and growth in the Welsh economy, business schools should be working to facilitate and enhance this economic contribution.

Business schools in Wales are faced with a dual challenge:
- Producing relevant and applicable research into SME development
- Deciphering effective ways to connect and build relationships with businesses that may not have developed organisational structures that facilitate university collaboration
Employability and skills
Related to the above, the theme of enhancing the employability of graduates frequently emerged. Moreover, working with business to meet their needs in regards to skills. This is applicable across small, medium and large organisations.

Stakeholders spoke extensively on the process, challenges and benefits of developing more meaningful employer engagement in order to shape teaching and assessment.

Points that were raised included:

- Ensuring graduates are equipped with basic business skills; communication, project management, presentation and negotiation
- The need to enhance and develop engagement with business to ensure the delivery of effective and valuable student placements – understood to be the most effective way to ensure graduates have the skills required.

Internationalisation
Developing and maintaining international links emerged as a key topic of conversation throughout the network event.

- Business schools have the ability to play a hugely supportive role in tapping into international alumni networks, promoting the Welsh HE and business education brand abroad, and attracting and retaining foreign investment and business.
- To do this requires a fundamentally collaborative approach.

Understandably, recent visa restrictions make this agenda more difficult.

- Limiting international graduates not only promotes a hostile higher education reputation abroad, but also impacts the talent pipeline within companies. If placement and intern schemes are developed, international students who benefit from this initial training will be unlikely, or unable, to stay on after graduation. In addition, company sponsorship of visas is often limited to senior positions thus undermining the talent pool and pipeline for industry.
- Limiting international graduate numbers not only restricts the talent pool but also places organisations with a less diverse workforce on a back foot in an international business environment.
Supporting learners

One theme that appeared to draw many of the other topics together was that of supporting learners from multiple-demographics, backgrounds and countries into higher education.

• Higher levels of deprivation in some areas of Wales sometimes results in students arriving at university with a more limited skill set than those from more affluent areas. Welsh business schools face the challenge of developing courses that can account for this.

• Supporting learners also applies to post-graduate students from both home and abroad. This relates to the need to promote a Welsh HE brand abroad, as well as the need to address financial constraints that may discourage individuals or entrepreneurs returning to study. One idea that was suggested was that of condensing an undergraduate and post-graduate qualification into a three year degree that would still qualify for student finance.

Collaboration

The higher education landscape in Wales is unique given the number and proximity of large universities, especially in the south of the region. Competition for student recruitment, funding & reputation, recent mergers and the politics associated, has produced a decidedly fraught environment. Whilst competition of this kind is perhaps limiting for some forms of collaboration, there is significant scope to further the interests of all institutions through working together. Challenges that would benefit from closer ties include: increasing and promoting an international welsh business school and HE brand, attracting and retaining international students, producing and developing national student placement initiatives and SME engagement, amongst others. With support from the Welsh government closer institutional links could provide significant opportunities for Welsh business schools in their efforts to meet both student demands and business needs.

Conclusions

Through the process of engaging multiple interested stakeholders, the ABS policy network provided a forum for discussing the key challenges facing the Welsh business school community and how these inter-relate with business and government.
• The themes identified provide clear channels to pursue a collaborative agenda in Wales, in an effort to align government priorities, industry requirements and business school best practice.

• Developing these relationships across a triple-helix of stakeholders will help ensure that research, advancement and teaching within Welsh business schools are best positioned to further innovation and economic development.

• These aims are fundamentally related to ensuring that graduates from Welsh business school are fully equipped with the necessary skills and presented with the best possible opportunities to apply them.
ABS POLICY NETWORK: SCOTLAND

11 June 2013

KEY THEMES

Competition
Business schools in Scotland are set in the broader international environment of business and management education. In addition, the significant rise in online and free learning provision for management education poses a significant challenge to in-situ schools. This is especially pertinent for those school considered middle tier. Business schools must therefore be able to adapt and compete effectively in order to sustain their relevance and embed the advantage for school based learning in relevant materials.

Communications and promotion
During discussions, it became apparent that the ‘disconnect’ that is often thought to exist between business schools and businesses may largely be down to a lack of awareness or appropriate communication. Initiatives that address the needs of business are being taken up by some schools, in most cases very successfully, but this evolution has yet to be noticed by parallel sectors. It has become apparent that effective communication and tailored, front-end image development (through effective and cutting edge website development, marketing campaigns and testimonies) is integral to ensuring business can relate to educational institutions and their multiple offerings.

Orientation and presentation
Image creation and development must be supported by a business and management school attitude that matches and complements that of industry. Business schools that have industry engagement quoted in their
strategic missions should ensure this is supported with a professional and business-like organisational structure and process; pace, following up and following through, customisation and polished communication should all be priorities.

Harnessing existing capacity

Communications, promotion, orientation and presentation would pose significant strategic challenges to some organisations. However, business schools are the home to leading academic and innovative thinking about these exact aspects of organisational success. Experts in strategy, marketing, project management, and much more exist in these institutions and could be drawn upon to increase the success of institution. Moreover, processes of this kind would present an opportunity to draw on industry to be involved, which in turn may result in relevant and accessible case-studies for students or opportunities for student participation and consultation.

Internationalisation

Scottish business schools have a very strong track record when it comes to international strategy. The international student population in Scotland contributes a significant amount to the Scottish economy, business schools are well placed to enhance this contribution through attracting and retaining international students, but also through maintaining these networks post-graduation in order to harness international links for the future.

Supporting small and medium sized enterprises (SMEs)

The economy of Scotland largely relies on small and medium sized organisations (SMEs). Subsequently, a key challenge for Scottish business schools is how to engage and support them. Business schools in Scotland are faced with a dual challenge:

- Producing relevant and applicable research into SME development,

- Deciphering effective ways to connect and build relationships with businesses that may not have developed organisational structures that facilitate university collaboration.
Is it possible to balance student demands with business needs?

Understanding the role of business schools

Business schools are incredibly diverse across the sector; they focus on business, management, undergraduate, postgraduate, doctorate, research and executive education to varying degrees. Diverging demands articulated by different stakeholders at different periods in time, largely pulls the school in a number of conflicting directions. This often results in ambiguous missions and imprecise focus. What we understand is that business school have multiple service users; students, industry and public policy/society. It is not therefore a lack of understanding of what needs to be delivered but rather a lack of practical action towards focused and realistic goals. This fundamentally related to the need to manage the expectations of business schools.

We need to select the challenges that business schools can realistically address (within either their existing, or slightly adapted, institutional framework and economic capacity). Such challenges may highlight the need to differentiate business schools depending on their ability to meet such distinct challenges. For instance some schools may be more suited to driving forward local business and SME engagement and support, and some maybe better equipped to facilitate policy development for business and society.

Conclusions

• Through the process of engaging multiple interested stakeholders, the ABS policy network provided a forum for discussing the key challenges facing the Scottish business school community and how these inter-relate with business and government.

• The themes identified provide clear channels to pursue a collaborative agenda in Scotland, in an effort to align government priorities, industry requirements and business school best practice.

• Developing these relationships across a triple-helix of stakeholders will help ensure that the research, advancement and teaching within Scottish business schools is effectively communicated and therefore best positioned to further innovation and economic development.

• These aims are fundamentally related to ensuring that graduates from Scottish business schools are fully equipped with the necessary skills and presented with the best possible opportunities to apply them.
Ron Livingstone joined the University of the West of Scotland (UWS) as its head of business school in August 2010. Previously, he worked at Glasgow Caledonian University where he held positions including director of the MBA programme and associate dean. Ron has worked in management roles for some 30 years across blue chip companies and small to medium-sized entities, as well as running his own business. He has research expertise in strategic change management and has a wealth of consultancy experience on the strategic development of tourism businesses and developing strategic approaches for competitive advantage in the public sector.

Linda Murray currently leads the Leadership and Organisational Development team in Scottish Enterprise. Her main objectives are to develop and establish appropriate services for companies and sectors to enable Leadership Development, support culture change and address barriers to growth. Linda currently chairs a cross agency working group on behalf of Scottish Government, charged with driving up leadership, ambition and entrepreneurship in Scottish companies. Following the publication of the Scottish Government Strategy on Youth Employment Linda is leading the SE response focusing on how we connect our growth and productivity agendas to youth employment and encouraging a more proactive approach within SE as an employer.
OUR MISSION

The ABS is the voice for the UK’s business schools and independent management colleges. The Association was established to promote the excellence of business and management education in the UK and to improve the quality and effectiveness of managers in the UK and internationally.

The ABS (including its subsidiary companies and charities) exists to support its members. The Association provides a central vehicle to help members promote their common interests in business and management education, respond efficiently to key policy issues, develop institutional capacity, and share best methods and practice.

We work with over 120 UK business schools and partners around the globe.