

Global Management Education: A Perspective from the Dean of Lancaster University Management School

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Abstract: Higher education is a sector on which globalisation has a strong impact. This paper discusses the many ways in which globalisation influences management education. These include the content of management education, the threat of competition from both UK and international competitors, the role of world-class research, reputation- and capacity-building, and the formation of collaborations with like-minded institutions around the world. The paper illustrates the ways in which Lancaster University Management School (LUMS), as a leading global business school, has faced these challenges.

1. Introduction

There is little doubt that the practice of business has contributed enormously over time to the enhancement of both the quality of life and to individual well-being. As a consequence business and management education has been taught at institutions of higher education since the beginning of the twentieth century. The first business schools were established within the US and since then the field of business education has witnessed an explosive growth, with the MBA being one of the most popular advanced degrees in the world (Olian 2002).

UK business schools have also grown rapidly over the last 20 to 30 years. Recent data presented by the Association of Business Schools (ABS and CIHE 2006) suggest that business and management education was the most popular choice of subject in 2003/04 within UK higher education institutions, with 221,664 FTE students enrolled (Higher Education Statistics Agency 2004). This equates to 13.6 per cent (nearly one in seven) of the total number of higher education students and represents a growth of 1.6 per cent on the 2002/03 census data. At first degree level, 13 per cent of the total undergraduate population and 13.7 per cent of the foundation degree market are studying business and management subjects. Whilst at postgraduate level, 21.6 per cent of the total population are studying within business schools (Higher Education Statistics Agency 2004). Moreover, the attractiveness to non-UK students of studying at UK business schools has also increased. European Union (EU) students represent 18.4 per cent of the total population; whilst, 26.6 per cent of the total population of students is represented by overseas (non-EU) students (with China being the most significant supplier of overseas students).

Management education graduates generally acquire knowledge and skills that can enhance and enrich their working lives, enabling them to make meaningful contributions to their organisations. As a consequence, organisations become more successful in meeting their goals and are thus enormous assets to their societies fostering greater productivity (AACSB 2005). However, business education is not without its critics. Writers in this area criticise business schools for adopting an academic approach:

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Adopting the ways of other academic social science departments has produced a new set of problems including concerns about the relevance and centrality of business schools and business education to the world of management (and led) to an overemphasis on analysis at the expense of both integration and developing wisdom as well as leadership and interpersonal skills, or teaching the wrong things in the wrong ways to the wrong people or at least at the wrong time in their careers.

(Pfeffer & Fong 2002: 79–80).

Notwithstanding such criticisms business, schools are a success story and competition for students in a global market place is acute. The development of global management schools is an issue that has been strongly debated in a large number of gatherings of Business School Deans (Cornuel 2005). It is the focus of this brief paper.

2. Globalisation of Business Schools

Large organisations have long operated internationally; however the days of even small businesses being able to operate only in their local markets with no thought of external competition are a feature of the past. Furthermore, such businesses typically need to grow and widen their markets to survive. In order to achieve this, they now choose to compete internationally (Hawawini 2005). Even if they were to continue to operate locally, they will now be faced with international competition at home.

This market expansion has a knock-on effect for all schools of business and management. First, business schools, as small businesses, face increasing competition from other global education providers within their own locale. For example, INSEAD has set up a School in Singapore which is in direct competition with the National University of Singapore. In many UK locations, there is an increasing number of providers in direct competition. In the North West of England we have over ten business schools. Each School operates in distinct markets but still competes, for students. For example, the University of Pittsburgh has recently joined the ‘pack’ and has set up business courses in Manchester.

Second, the needs of business schools’ potential students and client organisations have changed (Starkey and Tempest 2005). As previously mentioned, managers and business leaders now operate in international markets and have to better understand globalisation. This has a direct consequence for the body of knowledge and the mode of delivery utilised within business schools (Starkey and Tempest 2005). There is thus a strong argument that not only is there an expectation of global education but it is now perceived as an imperative.

In a recent edition of the Financial Times (25 June 2005) one of the leading articles focused on China’s Government appointed Chief Executive of the China National Offshore Oil Corporation (CNOOC), Mr. Fu. He recently launched a USD19.6 billion unsolicited bid for UNOCAL; pitching CNOOC against Chevron and incurring the wrath of US politicians. Fu (who joined CNOOC in 1982) rejected suggestions that this was a historic moment in China’s transition from command to market economy. He is also quoted as saying ‘This is not a pioneer transition. That is a common view from those outside China’. He further goes on to say ‘People inside the country have been taught more about globalisation than people in other countries’. As management educators, we clearly need to take note of this assertion.

3. Key Issues for Business School Deans

From the author's experience, business school Deans are now experiencing the impact of globalisation within our sector. Several questions emerge as a consequence including (*inter alia*):

- What does being 'international' really mean?
- What are the characteristics of a global business school?
- What should be its research and teaching priorities?

International business schools, by definition, operate in global markets; students register from all over the world and their alumni base is international and growing in stature within local economies. Such schools both welcome and celebrate diversity and are attuned to international business. Research covers international business issues and is internationally ranked (HERO 2001). Schools have an 'international brand' and 'brand' is further enhanced by 'international reputation', thus providing a virtuous circle. At this level, being international is not only a reputational issue but it is also about the quality of the institution.

Lancaster University Management School (LUMS) is now a recognised player in the field of global business schools. So what is the international standing of LUMS? From the author's perspective, our international standing is a product of (i) the growing brand of LUMS (MBA ranking 39th in world, ranked alongside The Marshall School); (ii) the international recognition of LUMS' research; (iii) LUMS has a global reputation for research which has enabled us to support policy developments in an international arena; (iv) the School's pedagogy which both contemplates and celebrates diversity, for example the International Masters in Practicing Management (IMPM) in collaboration with McGill, INSEAD, and IIM Bangalore; (v) the large (and growing) body of international students and close contact with global companies; (vi) the large number of student exchanges across many different countries; and (vii) an experienced international officer to co-ordinate strong alumni groupings. Looking towards the future there are a number of ways in which UK business schools such as LUMS can further develop into leading providers of global business and management education.

In the symposium, we heard much about globalisation and the emerging economies. Lancaster has played a key role in producing international managers in developing economies. In the past, managers attended business schools in the UK and curriculum was broad-based. However, issues surrounding globalisation are complex and we now have to think more laterally and provide local exemplars. This raises a number of questions, for example, how do UK business schools more fully accommodate issues of global finance (such as those discussed at the symposium)? It is clear that UK schools need to adapt their provision in order to develop their curriculum to accommodate different markets. In this respect, LUMS as a leading UK business school needs to leverage our research in order to develop our unique and high quality flagship programmes. At the same time, LUMS will need to organise more international seminars and work in partnership with our international friends and alumni. LUMS also needs to rethink educational models and approaches. No longer is the model that sees the US or UK School as provider of all the answers appropriate for emerging economies. There is a need to embrace multiple delivery modes and work more closely with leaders and managers world-wide (The Lancaster Leadership Centre is an example of such collaboration).

Furthermore, LUMS staff will have to consider whether they deliver their programmes

so as to increase their impact. They will also have to consider partnering in order to better utilise resources. Tricia Bisoux writing in *BizEd* succinctly demonstrates this:

While it is imperative for business schools to globalise, going it alone can strain an institution's resources. Many schools are solving this problem by sharing the costs and the benefits of forming multi-lateral alliances with their international peers.

(*BizEd* 2003).

In conclusion, the future challenges for business schools are legion. They face much more competition and the market is increasingly becoming price sensitive; they face a global talent war for faculty and have to meet increasing standards of quality in order to meet accreditation demands. There is a need to become more enterprising and less risk averse but at the same time more protective of reputation. Flexibility and speed of response now provide competitive advantage and partnering provides a vehicle for enhancing 'brand'.

Global collaborators and friends such as the Malaysian Institute of Economic Research provide a model partner for LUMS. The author thanks all of our friends for their support in jointly hosting our meeting. It has provided an exemplar of best practice in a truly international setting.

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