

Kangaroos to Ancient Greece: how IE sees the world

SANTIAGO IÑIGUEZ DE ONZOÑO IS AMONG EUROPE'S MOST THOUGHTFUL AND OUTSPOKEN DEANS AND A STRONG SUPPORTER OF EFMD. INTERVIEW BY **GEORGE BICKERSTAFFE**

IE has expanded rapidly in recent years, particularly in the number of faculty it has hired. Has that been a difficult process?

The job of business school faculty nowadays is very demanding. They need to combine both a solid research background with very good teaching and communication skills, and they must also be very knowledgeable about business and management practices.

So as well as what used to be called “gurus” – those able to frame brilliant and original ideas – what we now need are faculty who can combine many different abilities and skills. I call them “kangaroos” – people who can jump from one thing to another. They need to jump from academia to business, from business back to a classroom – and to be excellent in all those different facets. And these “kangaroos” are very scarce in the market and the leading business schools all find themselves competing for them.

In addition, PhD programmes do not always prepare their graduates to be able to cope with these challenges. They come out of PhD programmes with a very solid research background, very good research skills but most of the time they lack communication and teaching skills and they can be very distant from the real business world.

Does that mean you have to have your own faculty development programme?

Yes. We run a faculty development programme every year and that has three different tracks. We run a series of seminars on teaching methodology, which includes how to teach using the case method, how to improve your communication skills in class and generally how to improve the formats used in the classroom.

A second series of seminars relates to executive education. Given that the sort of relationships that professors have to develop in executive education programmes are very special they need to understand



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50 years

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the real problems that executives and managers face. To a large extent the professor becomes more of a coach, an advisor, rather than a teacher.

Another track is how to deal with the other stakeholders – such as the media and publishers for example – and especially how to translate the research they develop into an understandable language for the general public.

The main arena now for diffusing knowledge is the Internet. You cannot use the same language in these channels that is used in academic journals. You have to translate your ideas into a language that reaches a wider audience. The concept of authority in knowledge is changing. The authority and legitimacy of an idea is no longer given by, for example, a particular journal or an academic conference but rather by whether it gains acceptance and recognition by the wider Internet audience.

Do you think, then, that we need a reappraisal of the role of academic journals?

I believe the Internet is changing the rules. I think we need wider referee panels composed not just of academics but also qualified managers and consultants in order to evaluate the appropriateness and relevance of research.

My belief is that we need to revisit the way that we select management ideas, the way we hire and promote professors, the way we disseminate research. For example, we require our faculty to produce a piece of research every year in order to evaluate them. Sometimes that forces them to produce imperfect research. Maybe we need to wait for good ideas to emerge.

The whole issue of business school research and its relevance, or otherwise, to business, is a very hot topic. Where do you stand?

I was the chairman of a team organised by the EFMD some years ago to explore the concept of research and development within business schools for EQUIS. It showed that European schools, compared to their American counterparts, developed a more applied management research. European schools are probably closer to the market. There are not the same numbers of academic journals here and most of our faculty have a more consultant-like profile compared to the more academic staff in the US. So we are more accustomed to the applied and pragmatic side of research compared to the more academic research in the US.

There was an interesting newspaper article recently concerning ideas produced by academia in the last 50 years, mainly in the UK. There were no management ideas in the list despite the fact that business schools have been in the market for more than 50 years. There have been very few ideas produced by business schools that have been of real use to the business world. Many of the tools we teach in business school have actually been developed by consultancies or by academics in their role as consultants rather than as pure researchers

So you think research in business schools is too academic?

I don't want to be over critical because my perception is that many deans and business schools are aware of this.



The problem is that they only talk openly and publicly about the problem when they step down as deans!

But I think we have to be prudent. We have to avoid throwing the baby out with the bathwater. There are many advantages to academic research but we now need to bring together the Agora and the Academy.

In ancient Athens the Academy created by Plato and the Agora, where people did business, were close to each other. In the Middle Ages the monasteries, which were the predecessors to the universities, were very closed places that had no time for business. That was probably the beginning of the malaise, the thinking that universities are the reservoirs of knowledge and that producing pure research has value for its own sake. I think we need to go back to the old times of bringing the Academy and the Agora together, bringing business and business schools close to each other.

Do you think that is going to be reflected in a divergence of the European and American models of management education?

I think that many American schools are aware of this problem. The thing is that the academic research market in America is self-sufficient. If you look at their tenure-track system, look at the size of the market for their academic journals, look at the number of academic conferences and congresses, look at the number of universities, then it's a self-sufficient market. At the same time, many of the universities have big endowments that allow them to continue to develop a research-oriented paradigm.

But in Europe the leading business schools, many of which are independent, are very oriented to the market mainly because their income comes from tuition. That means they have to be very responsive. We have to develop educational approaches that are wanted by business. So it seems to me that European schools are more market-oriented. But given that we compete in an increasingly global management education industry I also believe there will be some sort of convergence.

Of course management education is not just about America or Europe. Do you think business schools might emerge in China or India or elsewhere that might follow a "third way"?

China and India will probably pick the best things from America and Europe but my impression is that they will follow more closely the European rather than the American example, given that they share many features with European institutions.

A similar thing has happened in Latin America. If you look at Latin America and some of the emerging countries there then the educational and business school situation resembles some of the characteristics of European business schools.

It has to do with the business models of business schools. In India or China most of their income comes from subsidies from the state and from tuition, similar to Europe. This means that universities cannot rely on endowments that allow them to follow some autonomous mission or object, independent from their customers or stakeholders.



A business school needs to become either a big institution with critical mass, in terms of faculty and programmes, or become a niche school



You have taken IE into a broader remit than many others business schools, including areas of the humanities as well as business law. Why is that?

The globalisation of business education has meant the growth of two alternative types of institutions. At one end of the spectrum are the full-service business schools, covering all segments from undergraduate programmes to executive education and also delivering different masters degree programmes, not only generalist but also specialised. At the other extreme are the focused, boutique business school, for example IMD, which is excellent in executive education but does not have a large presence in other areas of business education.

So business schools have had to opt for one of these alternative approaches. Either they become a big institution with critical mass in terms of faculty and programmes or they become a niche school. If you don't go for one of these two alternatives you will end up trapped in the middle. You can survive in the middle – but strategy is about winning, isn't it? It's not about surviving.

Becoming a full-service business school is dictated by the market. That's why we need to have a very wide portfolio of masters programmes. We need to cover different areas of specialisation, have diverse methods of program delivery, a big faculty and be present in different parts of the world. As you know, we have developed considerable expertise in designing and delivering online programmes and I think these will have a growing influence in the future.



Also, we want to cover not just management but also applied management, including business law, which is becoming a global segment of business education.

IE recently acquired an 80% stake in SEK University in Segovia, near Madrid. Why have you done that?

Business schools in Europe don't really need the umbrella of a university so it is not a defensive move. We actually acquired this university in order to project IE into other disciplines. We will use the same teaching methodologies, apply our knowledge and expertise in online teaching and programmes, and bring in the humanities as a core subject to all the different degrees.

We want to build up a modern, international, very competitive university. And we will grow in a very organic way from management and business law into related disciplines.

We are also determined to create a centre of excellence in higher education. We don't want to replicate what already exists in Europe or America; we want to create a new concept of a university – a “multiversity” – an institution that responds to the different stakeholders in higher education, not only academia but also business and other social agents.

If we live in the knowledge economy then I believe it is time for universities to become real players. We have to interact; we have to get close to the Agora, the market.