

Excellent MBA programmes are now found all over the world and not just, as was once the case, in America. **Richard Barker** provides a checklist of what makes a programme world class



## DEFINING A WORLD-CLASS MBA

**The MBA is an American creation and there was a time when all of the world's leading business schools were American. Over time, however, several world-class MBA programmes have emerged internationally, first in Europe and more recently in Asia and elsewhere.**

As the *Financial Times* writer Della Bradshaw has noted in the context of the *FT's* MBA ranking, "in 1999, 20 of the top 25 schools were from the US, with the remaining five from Europe; however, in 2010 there are just 11 US schools in the top 25, a further 11 are in Europe and three in Asia". In short, best practice has become more widely dispersed.

Benchmarked against America, however, the global market for business education remains greatly underdeveloped. One indicator of this comes from global GMAT test scores. In 2009 as many as 78% of scores were sent to American schools compared with 7% for the three leading European countries combined (Britain 4%; France 2%; Spain 1%) and with only 3% and less than 1% respectively for the potentially giant markets of India and China. The potential for growth in business education outside America is obvious.



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Now is a good time to take stock, first to celebrate the international emergence of world-class business schools to complement those in America and second to learn from those schools in guiding ambitious future international growth in business education.

In that spirit, this article draws insights from some of the world's leading non-American business schools in order to provide a "checklist" of the defining characteristics of world-class MBA programmes.

Specifically, the checklist is derived from semi-structured interviews, completed in 2009, with the then Deans and MBA Deans from seven of Europe's leading business schools, namely Cambridge (Judge), HEC, IE, IESE, INSEAD, London Business School and Oxford (Saïd); the contributions from these interviewees is gratefully acknowledged.

Readers are asked to consider how well their own business schools and MBA programmes measure up against this checklist and it is hoped that this process will contribute to further success in the global development of business education. The checklist is also highly relevant, of course, to potential applicants to MBA programmes for whom evaluative criteria other than published rankings can be very helpful and instructive.

The checklist comprises 10 factors, broken down into three categories: there are three "enabling factors", two "raw materials" and five "catalysts".

The natural starting point is the enabling factors, which are reputation, resource and research. As will be discussed, they can be viewed as necessary but not sufficient conditions for a world-class MBA programme.

**Enabling factors**

– **Reputation.** Perhaps the greatest strategic asset that any business school can have is its established reputation. The effect of reputation on the ability to attract faculty, students, recruiters, benefactors and other stakeholders, and so to drive a virtuous circle, is profound: the business school market is reputation-driven. It is tremendously difficult to break into the global top tier of business schools in the absence of a reputational platform.

– **Resource.** A serious MBA programme is an expensive thing to provide, whether in terms of faculty resources, physical infrastructure such as amphitheatres and breakout rooms, or support functions ranging from career services and alumni relations to IT and library facilities.

– **Research.** A strong performance from faculty in peer-reviewed academic journals is a prerequisite for credibility in academia, as well as a general signal of quality.

It is essential to recognise the importance of these enabling factors: they are necessary conditions for success. Yet, from the perspective of the strategic management of business schools, recognising their importance only gets us so far. They are legacy assets in the sense that you either have them or you do not and the practical concern of business school management is not with their existence per se but instead with the drivers that bring them into existence in the first place.

Moreover, while the enabling factors may make future success easier to achieve, they do not guarantee it. Indeed, living off past glories is all too easy in a reputation-driven environment. There is a genuine risk that past success encourages present complacency and divergence from purpose.

This difficulty can be characterised as a problem of legitimacy and has been captured as follows by Rakesh Khurana, a professor at Harvard Business School, in his recent book *From Higher Aims to Hired Hands The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession*.

“Anyone who spends time in an elite business school today knows that it is a place riddled with contradictions,” he writes. “Faculty are hired and promoted on the basis of discipline-oriented research that ...often has little or no bearing on the practice of management...many business school faculty members no longer identify with their MBA students, and, not surprisingly, their students no longer identify with them.”

The challenge, then, is not just to establish the three enabling factors but also to make effective use of them. This requires, first, the careful recruitment of high-quality students (“raw materials”) and, second, the design and implementation of the transformational elements of the programme itself (“catalysts”).

### Raw Materials

It is student quality that defines a programme more than anything else. There is an overlap here with the enabling factors because in the absence of those factors it would be very difficult to recruit quality students. Yet, even with current ability to recruit taken as given, there is also actionable scope in this area to make a difference, with potentially powerful long-term consequences.

– **Student quality (individual).** There is something inherently self-fulfilling about having a class full of accomplished, highly motivated achievers, blessed with academic ability, interpersonal skills and leadership potential. Almost independently of the quality of the programme itself, such students can be expected to be successful in their careers and thereby to reflect a positive light on their *alma maters*.

Accordingly, a high-quality business school invests heavily in its admissions process and can demonstrate outstanding student quality. Luis Palencia, MBA Dean at IESE in Spain, comments that “we have a great admissions department made up of five people, all of them having MBAs from IESE, which can be considered a luxury. We invest a lot in it since much of the quality of a programme is the quality of the candidates”.

– **Student quality (collective).** Critically, and unlike the majority of degree programmes, the MBA learning experience is not individualistic but interpersonal: students enter a world of mutual learning, between themselves and other students and with faculty, alumni and a range of other stakeholders.

For such a learning environment to work at its best, MBA students must have experience. Noting that “the entire case study system is actually based on the quality of the contributions of participants in class”, Santiago Iniguez, Dean of another Spanish school, IE, describes the need



for an MBA student to bring experience to the class so that he or she “can actually contribute to the rest of the class and can benefit from these interactions with peers”.

In addition, in the class as a whole there must be genuine diversity among the experiences of individual participants, across sector, function and geography. It is only through this diversity that the value of interaction can be maximised.

An example of this – one of many – is provided by David Bach, MBA Dean at IE, who describes the value of leveraging diversity through interaction: “There is nothing we could do to teach cross-cultural management as effectively as putting our students in cross-cultural teams during the year with a lot of pressure”.

### Catalysts

The factors described so far concern the foundations for an MBA programme but not actually the structure, content and method of delivery of the programme itself. Yet perhaps these are the essence of what makes an MBA programme truly world class. The following five “catalysts” summarise what it takes to utilise fully the five factors described so far and by so doing to maximise the MBA learning experience.

– **Organisational centrality.** The organisational context of the MBA programme within a business school as a whole matters greatly. It is unrealistic to expect a genuinely world-class MBA programme to be developed as a sideshow, without the benefit of serious organisational commitment and focus.

A key question, therefore, is whether excellence in delivery really matters to the business school as a whole or whether it is instead secondary to other objectives. In the case of the interviewee schools, the answer was clear.

Asked how the MBA contributes to the purpose of the school, INSEAD’s Dean, Frank Brown, replied that “the *raison d’être* for this institution is the MBA... it can’t get any more core than that”.

In a similar vein, IESE’s Dean, Jordi Canals, stated simply



that “the MBA for us is central to the mission of the school” while Cambridge’s Dean, Arnoud De Meyer, described the rationale for the existence of a business school as being “first and foremost built around the MBA programme”.

An important test of this centrality is whether faculty incentives are aligned with the aims of the MBA and in particular whether they lead to research relevance and programme innovation.

– **Research relevance.** The meaning of relevant research is expounded as follows by Dean Canals at IESE. “This is a business school, this is not just a department of economics, statistics or sociology; it’s a business school. You have to have an impact on the corporate world, one way or another ... whatever you do has to do with some type of problem that the business world is actually facing.”

In part this is about business schools themselves being commercially aware and responsive to their markets. There ideally exists a synergistic model, which can be termed a virtuous triangle, whereby MBA teaching, executive education and research inform and reinforce one another rather than each effectively operating in isolation.

– **Programme innovation.** The impact of research on teaching is evidenced by programme innovation. In-house case studies, for example, are symptomatic of both research relevance and of the motivation to invest time leveraging research for the benefit of education. Likewise, the existence of a dedicated learning centre, such as INSEAD’s Learning Innovation Centre, is symptomatic of a serious organisational commitment to pedagogy.

Importantly, and as described by London Business School’s Dean of Programmes, Julian Birkinshaw, a business school “can manage for innovation ... you can create the right ingredients out of which it will surface ... we do this by first of all making it clear that teaching really matters and teaching innovation really matters ... and we evaluate an explicit set of criteria... [such as] innovation in course design, building global capabilities into core structure and mentoring of colleagues”.

A consequence of innovation in content and pedagogy is likely to be heterogeneity, both within and between programmes. A world-class MBA programme is not defined by adherence to a homogenous set of standards or norms but rather by a relentless quest for improvement.

– **Centre of gravity.** For MBA students, an excellent business school is more than just a classroom environment. It is also a meeting place. It has the convening power to attract influential guest speakers, as illustrated by the Cambridge Leadership Seminars. It draws recruiters, executive education clients, conference participants, research collaborators and journalists and it is a centre of gravity for alumni long after they have graduated.

All of this creates a rich world of opportunity for current students, a place in which they can experience, learn, absorb and reflect and through which they can reach out to the world beyond through a network centred on the school.

It is a model that is described succinctly by Stephan Chambers, MBA Director at Oxford’s Saïd Business School: “The whole organisation is built around the principle that this is the place for smart and interesting people... a huge amount of what happens here is relevant to them, more than they could ever take advantage of”.

– **Learning Environment.** An essential catalyst in pulling together all of the above lies in understanding the inherent nature of the MBA learning experience and in particular how it differs from other degree programmes or from professional training.

A world-class MBA programme enables personal development by means of being experiential, collaborative and tailored.

For students at HEC near Paris, as described by MBA Dean Valerie Gauthier, “one-third of the credits that they get are on personal development. It’s one-third of the programme and its required... for me, it is the central element of the MBA”.

An important component of personal development is provided through the careers service, which can help guide and mentor each student into a role that provides the most rewarding fit. In general, it is a natural corollary of the diversity of experience in an MBA class that a “one-size-fits-all” educational model is inappropriate.

It is also natural that, given the huge diversity of knowledge, skills and experiences that are relevant to management, each student must make sense for themselves of all that they learn during their programme. There is no set body of knowledge and each student must be able to find his or her own way through the programme.

Perhaps it is the ability to create a unique learning experience for all students that is the hallmark of a truly world-class MBA programme. **gf**

#### ABOUT THE AUTHOR

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