



CEEMAN

Manifesto

Changing the Course of
Management Development:
Combining Excellence
with Relevance

EXECUTIVE SUMMARY

Over the past year, CEEMAN's Board has repeatedly discussed the role that CEEMAN could play in engineering a badly-needed course correction in management education and research. With some 240 members representing institutions in Central and Eastern Europe, Russia, Central Asia, China, Africa, and Latin America, as well as participation from the more established economies of Western Europe and the US, CEEMAN is uniquely placed to play such a role. The center of gravity of innovation in products and services as diverse as high-speed rail transport, container lifting cranes, hotels, and internet shopping platforms has already shifted from West to East, and there are strong reasons to believe that management development may be next in line. Management development institutions from the established economies of the world appear to be drifting ever further away from practice, and there is a vacuum waiting to be filled!

During the last 60 years, since the almost simultaneous publication of the Carnegie Foundation and Ford Foundation reports on management education, and particularly in the last few decades, there has been a decline in the attention given to teaching relative to research publication, and the widespread adoption of "A" journal publications as the new gold standard. Published in the late 1950s, business education was criticized in both the Carnegie and Ford Foundation reports for having weak scientific foundations and curricula for being "too narrow and simple-minded". In the intervening years the definition of excellence has been steadily narrowed to this singular "A" journal publication yardstick and the quest for relevance, which characterized the first 50 years of professional education for managers, largely put to the side. Faculty promotion criteria have been similarly narrowed with the result that change has been increasingly difficult to undertake. While it may seem unlikely to many that the winds for change might originate in the world's rising markets, it is exactly in these markets that the beliefs and practices of many "Western" institutions and the "one size fits all" approach of their accreditation schemes seem particularly at odds with what is needed. This

misfit appears however not to be limited to the rising economies of the world; it is in varying degrees a global phenomenon.

Over the last 20 or so years there have been rumblings of dissatisfaction with the course on which management education and research has been headed. But the rumblings about the perceived shift away from practice and its search for scientific status have not yet produced significant change – they have remained rumblings, not powerful eruptions. Only now, and originating as often in the developing world as the so-called developed world, does a consensus seem to be emerging that a change of course is long overdue and increasingly imperative. The world in which real managers live is becoming increasingly complex and challenging as technological change accelerates, digitalization and globalization upend one market after another, and responsibilities “beyond the bottom line” multiply. Theory disconnected from practice no longer stands up as the only medicine managers need.

The Swedish scholar Johan Roos, himself a well-trained theoretical and quantitative researcher summed up the current situation aptly when he stated:

“We are now stuck with an academic system in which business schools are run as if they are deaf, blind, and dumb to a completely new emerging world... too many professors have never worked outside of academia and are unfamiliar with the day-to-day operations of companies or the intricacies of how decisions are actually made.”

Roos’s comments speak to the fact that in many management institutions today, not just in the West but around the globe, powerful formal and informal forces exist which favor:

- research publication over teaching excellence
- quantitative deductive research methodologies over more qualitative inductive approaches
- methodological precision over pertinent substance

- specialization in underlying disciplines and functions over more holistic and integrative approaches
- theory over practice
- academic peer recognition over bridge building to the business community

At the root of all these skewed orientations is the belief that management is indeed a science and that as in the physical and in many social sciences, research, teaching **and** practice should look to the scientific method for insight.

We at CEEMAN have a more contoured view—and in the following Manifesto, to which all members of the CEEMAN Board are signatories, we attempt to understand the real nature of management and leadership, and from that draw conclusions about what the future shape of management education and research should look like. As the reader will discover it is neither a return to the founding years of management development, nor is it a continuation down the cul-de-sac towards which many management schools now appear to be headed. Rather it is to reestablish relevance alongside excellence as the way forward. Relevance, it will be seen, has three distinct requirements:

- to be relevant to managerial practice
- to be relevant to the needs of participants in the markets that any particular institution serves – often requiring one eye on local issues and the other on global best practices and latest thinking
- to be up-to-date, or even better, anticipatory with respect to upcoming challenges.

The further requirement for **overall** quality is to rebalance attention to teaching as well as research, and to see research as a support to teaching as well as for publication purposes. Inevitably this means pursuing the ideal of a single faculty whose members are each engaged in both teaching and research with all its benefits for both.

The Manifesto goes much further, and was prepared with large ambitions in mind – no less than to trigger a change of course in management teaching and research worldwide. To trigger this process a number of specific initiatives and steps are planned, including:

- wide distribution of the Manifesto in all the markets mentioned earlier where CEEMAN is active
- a targeted PR campaign to get the messages across – not only to management schools themselves, but to the university bodies within which management schools are embedded, to business, and to government ministries with responsibility for funding
- changes in CEEMAN's own accreditation to bring it into line with the principles of the Manifesto, and to use accreditation as a change agent
- the formation of an alliance with like-minded accreditation agencies in Russia, Central Asia, Africa, Latin America, and China to mobilize change across several continents
- program and seminar activities aimed at promoting the needed changes among deans, presidents, senior institutional leadership teams, and faculty themselves

Only a reading of the complete Manifesto will fully illuminate the shortcomings of where management development has landed today and the full measure of what has to be done by whom, if what amounts to an about-turn from the current course is to succeed.

Changing the Course of Management Development: Combining Excellence with Relevance

This Manifesto has a high-minded purpose and large ambitions – no less than to trigger a change of course in management teaching and research worldwide. Over the last 60 years, and particularly over the last few decades, there has been a steady drift of management development institutions away from actual management practice, a decline in the attention given to teaching relative to research publication, and the widespread adoption of “A” journal publications as the new gold standard. The definition of excellence has been steadily narrowed to this singular yardstick and the quest for relevance, which characterized the early years of management development, has been put largely to the side. It is high time for a course correction! It may come as a surprise to some that this movement for change has its origins in CEEMAN, an organization whose mission is primarily to support the development of management education in rising markets. But it is exactly in these markets that the beliefs and practices of many “Western” institutions and the “one size fits all” approach of their accreditation schemes seem particularly at odds with what is needed. This misfit, however, appears not to be limited to the rising markets of the world; in varying degrees it is a global phenomenon.

The fact that this initiative for change comes from the rising world should actually not surprise us. It is happening in sector after sector as this rising world finds that many of the tried and true formulae which have worked well in the West are lacking – not only in their own different circumstances, but often also more generally. The first instinct is to copy “the best from the West”. But in a second stage this initial enthusiasm often cools as excellence in Western terms fails the test of relevance to the problems at hand. The third stage is inevitably one in which innovation replaces imitation as new solutions to new problems are sought. In the fourth and final stage these new innovative solutions are found to be relevant also to the West. This fourth stage ushers in a complete reversal of what took place in the first stage. It is now the rising world that leads the way, and the so-called developed world which follows. The center of gravity of innovation in products and services as diverse as high-speed rail transport, container-lifting cranes, hotels, and internet-based shopping platforms, to mention but a few, has already shifted eastwards. Management development is next in line for an analogous shift – a shift that will almost certainly also have global repercussions.

Some History

Management education as a field distinct and different from an education in economics or other social sciences was born in the US at the turn of the last century. Its birth was in response to calls from pioneers in American industry, particularly the booming railroad industry, which felt that Harvard and other “Ivy League” universities were not doing enough to prepare their graduates for careers in management. Joseph Wharton, who was subsequently to give his name to the Wharton School at the University of Pennsylvania, argued that “what is needed are institutions of practical education which will provide the tools and skills to become a successful business person.” Soon after, the founding of the Harvard Graduate School of Business Administration proved to be a landmark event for two reasons: First, there was a will from the very beginning to better understand and conceptualize the complexities of management practice (with inductive case-based research as the main tool); and second, to connect this research to teaching. Teaching was to be at the graduate, not undergraduate level, with the assumption that only those with a certain experience of practice would comprehend these connections.

This orientation to conceptualization rather than “theory” in the sense understood by those in the physical, natural and (later) social sciences, was to color the development and growth of management education throughout its first 50 years. And since the US still accounted for the vast majority of graduate students in management globally, “what was good enough for America was good enough for the rest of the world”. The Harvard Business School was cloned in France, Spain, Switzerland, the Philippines, and Central America, in the belief that practice-oriented teaching and research were the only ways to go. The US led, and Western Europe and later outposts in the developing world followed.

There were isolated attempts at schools like MIT’s Sloan School, and at Carnegie Tech (now Carnegie Mellon), to take a more quantitative, deductive, and “scientific”

approach to management education and research, but these were, until the late 1950s, regarded as outliers in the general scheme of things, not the mainstream. In Europe, when management studies were pursued at all, they often came in the form of industrial engineering studies, or what the German-speaking world called “Betriebswirtschaftliches Ingenieurstudium” – an attempt to meld micro-economics and engineering together to prepare engineers to take on management responsibilities in Germany’s post-war boom.

All this changed in 1959 with the almost simultaneous publication of two reports – one by the Carnegie Foundation entitled *The Education of American Businessmen*, and the other by the Ford Foundation. Both reports were highly critical of the approach that had been taken by America’s management schools over the first 50 years of their existence. Business education was criticized for having “weak scientific foundations” and it was even suggested that professors were more like “quacks” than serious scholars. Curricula were criticized for being “too narrow, simple-minded, and weak”, while professors and students were often “unimpressive”.

Schools, and their professors, took it on the nose, but sat up, listened, and reacted. Many, following the lead of the previous outliers like the Sloan School and Carnegie Tech, added courses in Management Sciences, Operations Research, and a wide range of quantitative approaches to managerial topics. Statistics, Econometrics, and Bayesian probability and decision theory, as well as courses from the social sciences, dotted the business school landscape. Research took a turn from an inductive, qualitative orientation to a more deductive quantitative one. Theory and the scientific method trumped practice and attempts to conceptualize it. The audience for this research was primarily other academics, not the practicing managers who had been the target of management journals and other publications during the first 50 years. The new publication ambition for management schools and their professors became the “A” journal – rarely if ever read by managers themselves, but carrying enormous prestige in the hallowed halls of academia. Along with these changes came a greater separation between research and the classroom, since student needs to come up to speed on management essentials was far from what most highly specialized faculty research was addressing.

In the fifty-plus years since the late 1950s, the divide between the more theoretically-based business schools and the practitioners has continued to widen. The underlying assumption of both the Carnegie and Ford Foundation reports was that management is indeed a science, and that quantitative deductive research methods can be used to decipher the underlying relationships involved. Practitioners have largely been left to fend for themselves, which they have done with alacrity, often founding their own internal corporate universities to take up the slack left by many management schools and by the academics who populate them. These corporate universities seldom if ever develop new insight themselves; rather they outsource their teaching to the best practice-oriented professors who teach executives in leading management schools, and who are mostly under-appreciated in their own theoretically-oriented research environments.

since the late 1950s, the divide between the more theoretically-based business schools and the practitioner has continued to widen

The assumptions and practical consequences of the Carnegie and Ford Foundation reports were, in subsequent years, not only incorporated into the research and teaching practices of US management schools, they soon became the new mantra of existing and new management schools around the globe. Particularly in the developing world, where literally thousands of new schools sprang up at the end of the 20th century and first part of the 21st, having little else to go on, many followed suit. The best among them eagerly sought the accolade of AACSB (or sometimes the European EQUIS) accreditation, believing this to signify a universal standard of excellence, even though it had little to do with relevance to their own more local problems. Those who could not qualify struggled along on the same developed world path hoping in this way to qualify in the future. Dilemmas were plenty as students and participants in executive programs in these newly developing countries expressed their disappointment and dismay with overly theoretical and uninspiring offerings. But the market of academic recognition proved stronger in most cases than the market of the business customer. Companies voted with their feet and simply stayed at a distance from such institutions. Ministries of

education in one country after another, in both the developing and developed world, followed down the path of valuing academic research, and theoretical rather than practice-based research, far ahead of teaching. Public funds continue to be channeled to those institutions with the strongest records of “A” journal publications rather than to those which have attempted to tackle the complex and difficult problems of practice in their research and teaching.

In 2011, the Carnegie Foundation did an about-face, implicitly admitting that their 1959 recommendations had led management education into a too narrow path. The new report argued for the inclusion of more “arts” (humanities) and more social sciences in the management curriculum. It’s perhaps too early to cast final judgment on these recommendations but it is evident that the new recommendations do not address head-on the problems of relevance in either research or teaching. The case for participants to be inspired from the arts is hard to argue against – but whether the management school is the right and main place to do this is another matter. What is curious is that no mention is made of possible inspiration from other fields, particularly sciences such as the life sciences, from other professions such as medicine, and from other non-US cultures. The recommendation to include more social sciences in management curriculum is harder to understand. It appears to harp back to the belief that management itself is a social science and is best understood by mastering underlying social science disciplines like economics, psychology, sociology, law, and the like. It assumes that such a multi-disciplinary approach can provide answers to the many complex challenges that confront managers today – an assumption that would have to be questioned if management is not just a summation of other social science disciplines, but a human endeavor which demands theories of its very own.

Over the last 20 or so years there have been rumblings of dissatisfaction with the course on which management research and education has been headed. But the rumblings about the perceived drift away from practice and its search for scientific status have remained just that – rumblings, not powerful eruptions. None has so far had any material effect in triggering a change of course. Only now, and originating in the developing world, does a consensus seem to be emerging that a change of course is long overdue and increasingly imperative. The world in which real managers live is becoming increasingly complex and challenging

as technological change accelerates, digitalization and globalization bring new threats as well as opportunities, and responsibilities beyond the bottom line. Theory disconnected from practice no longer stands up as the only medicine that managers need. This document should provide ample evidence an eruption **is** now taking place, and that the direction it will likely take resembles neither the first 50 years nor the nearly 60 years since. We are entering new, relatively uncharted territory. What now follows is first a hard look at the real state of affairs today and then some signposts to help management education find its way forward.

Management Development Today

The renowned Swedish-born scholar Johan Roos, himself a well-trained theoretical and quantitative researcher who has combined a successful faculty career with leadership positions in management schools as well as research organizations, had the following to say about where we now stand¹:

“We are now stuck with an academic system in which business schools are run as if they are deaf, blind, and dumb to a completely new emerging world... too many professors have never worked outside of academia and are unfamiliar with the day-to-day operations of companies or the intricacies of how decisions are actually made.”

Roos’ comments speak to the fact that in many management development institutions today, not just in the West but around the globe, powerful formal and informal norms exist which favor:

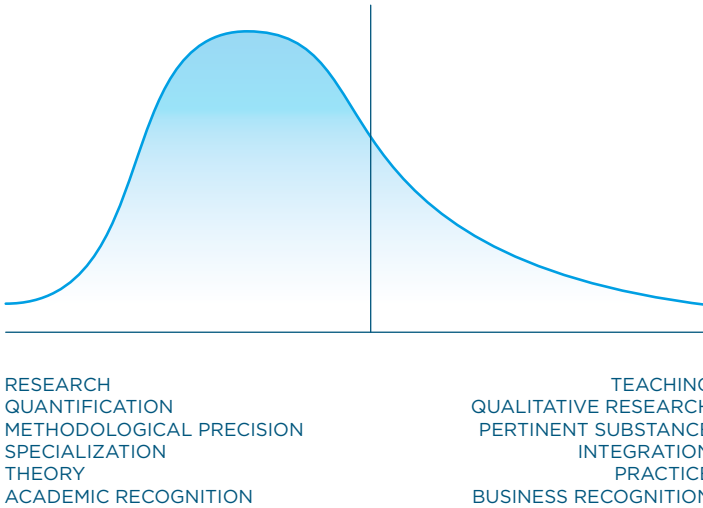
1 Johan Roos, The Renaissance We Need in Business Education, Harvard Business Review, July 2014

- research publication over teaching excellence
- quantitative deductive research methodologies (a usual requirement for “A” journal publication) over more qualitative inductive research and reasoning
- methodological precision over pertinent substance
- specialization (and often functional compartmentalization) over attempts at more holistic integrative approaches
- theory over practice (or in Aristotle’s terminology, “Sophia” (knowledge) over “Phronesis” (practical wisdom)
- academic peer recognition over bridge building to the business community

Diagrammatically, this leaning to one side on all or most of the six dimensions might be shown in terms of a typical bell curve, where the horizontal axis shows the average relative leaning of individual institutions and the vertical axis the number of institutions that exhibit that particular leaning. We make, with such a diagram, the not unreasonable but obviously not tested assumption that in most environments, whether developing or developed, the plot might look similar to the one on the following page. Whether the bell is actually flatter or more pointed, and whether there are different forms in different environments, has little bearing at this point on the general line of argument.

It also must be remembered that wherever any individual institution is positioned within such a bell curve, within this institution there is another distribution of individual faculty members along the same six dimensions. In those institutions that have one group of professors who research but do little teaching (and certainly little executive teaching), and a second group who do the reverse, this bell curve may well have two humps, not one!

If we focus for now on the distribution of institutions rather than that of individual faculty, we might well expect to see something like the following:



Edgar Schein² teaches us that the organizational cultures that lie behind such a skewed bell curve are likely to have deep roots. According to Schein:

“Culture is not a surface phenomenon, it is at our very core. Culture operates at many levels and certainly ‘how we do things around here’ is only the surface level. I like to think of culture to be like a lily pond. On the surface you’ve got leaves and flowers and things that are very visible. That’s the ‘how we do things around here’, but the explanation of why we do things in that way forces us to look at the root system, what’s feeding it, and the history of the pond, who planted what. If you don’t dig down into why we do things the way we do, you’ve only looked at culture at a very superficial level and you haven’t really understood it.”

If we dig down into the roots and history of the management development pond, we see that many different forces have combined to create the current state of affairs. The historical triggers were of course the original 1959 Carnegie and Ford Foundation reports, but the last 60 or so years have added many reinforcements:

2 From an interview with Edgar Schein by Tim Kuppler, Culture University, dated March 3, 2014

- faculty selection and promotion criteria which heavily weight not only research over teaching, but weight particularly that kind of research that finds its way into the top-rated academic journals
- appointment committees to tenure and full professorships manned by those senior professors who have had themselves to jump over the same academic hurdles earlier and are unlikely (and perhaps afraid?) to change their spots
- the belief of faculty in non-business areas that management professors have to perform against the same scientific standards as other university faculties
- the ongoing compliance of management school deans and directors themselves with these “externally set standards” when it is time for promotion decisions. How many times have we all heard that the system makes little sense but that nothing can be done about it?
- the dearth of really high-class publishing outlets for those few who do still attempt to understand and conceptualize practice and write for the practitioner
- accreditation and ranking systems which not only are stacked to perpetuate business as usual, but whose effect is to channel institutions into a single common mold
- the shrugging off of management schools by the business community who settle for taking trained (but not practiced!) minds and provide reality “training” (but not necessarily a practical management “education”) on the job
- public sector funding criteria that heavily weigh the sheer volume of “A” journal research output, whatever its relevance, and give little attention or weight to what is taught, how it is taught, and how much learning actually takes place
- and, at the very bottom of the pond, the continuing belief in many circles that management is indeed a science, and that deductive scientific methodologies are as appropriate and required as they are in the study of a “hard” science like physics, or social sciences like economics or psychology. It is difficult to imagine triggering a change of course in management development without addressing this fundamental issue. It requires a much deeper understanding of the real nature of management and management responsibilities than those who believe it is a science have so far considered.

Franz Kafka also had something important to say about such confluences of forces and the reason that even though there is widespread understanding of the weaknesses involved, no one steps up to the mark to initiate change. He wrote on December 2, 1917, in a short note entitled *The King's Messengers*³:

“They were given the choice of becoming kings or the messengers of kings. As is the way with children, they all wanted to be messengers. That is why there are only messengers racing through the world and, since there are no kings, calling out to each other the messages that have become meaningless. They would gladly put an end to their miserable lives, but they do not dare to do so because of their oath of loyalty.”

Let us therefore turn now to the central questions at the very bottom of the management development pond – what is really the nature of the beast we call management? And are the messages and messengers of the “A” journals meaningful or meaningless? Only with answers to these questions in hand will it be possible to make sound judgments about whether or not management can legitimately be called a science, and whether or not deductive, quantifiable, and theory-based research should lead the way to understanding its mysteries better. And if not, what should any new aspirant for kingship offer as a vision to bring a complex self-reinforcing system of messengers with meaningless messages to adopt a new set of oaths?

3 From late 1917 until June 1919, Franz Kafka stopped making entries in his diary which he kept in quarto-sized notebooks, but continued to write in octavo-sized notebooks. “The King’s Messengers” was written in this form and dated December 2, 1917.

The Inherent Nature of Management, and the Implications for its Treatment as a Science

The dictionary defines science as “a body of knowledge or truths” systematically arranged and showing the operation of general laws. An alternative dictionary definition is “systematic knowledge of a physical or material world gained through observation and experimentation.”

The scientific method is defined as a body of techniques for investigating phenomena, acquiring new knowledge, or correcting and integrating previous knowledge. To be termed scientific, the method of enquiry is commonly based on measurable evidence subject to specific principles of reasoning. The Oxford dictionary defines the scientific method a bit differently, namely, “as a method or procedure that has characterized natural science since the 17th century, consisting in systematic observation, measurement and experiment, and the formulation, testing and modification of hypotheses.” It continues: “Experiments need to be designed to test hypotheses and are an important part of the scientific method.”

We wish here to avoid a lengthy and likely fruitless debate about whether or not management qualifies as a science, and whether management research is susceptible to the scientific method. Rather we shall start by elaborating on the inherent and unique nature of management. If this is undertaken seriously and carefully, the debate can proceed at least on some common ground. The following distinct features of management seem worthy of our attention:

The Inherent Characteristics of Management

- Unlike physics or chemistry (which are high on “knowing”), bicycle riding (high on “doing”) or nursing (high on “being”), management requires capacities in all three dimensions, and on the personal dimension, a deep understanding of self and others is imperative.
- Managers are more in need of conceptual spectacles to understand their complex world than they are of parameterized and quantified “theory”.
- The world of management is a world of dilemmas and trade-offs. Data are of course important, but judgments have to be made which invoke personal and organizational values, and these values are difficult to quantify.
- A crucial skill to be developed is “to get to the essential.” Often this is more about defining the problem than resolving it. Managers have to learn to stand back to see the “big picture” before focusing back in on the essential. This requires a different approach than to look for “general laws”.
- “Management” involves three main areas of responsibility: performing today; moving the organization to the future to be ready for tomorrow; and doing both in an ethical and responsible manner.
- Management requires a constant alertness for secondary and tertiary effects. Asking the right “what if?” questions is a key requirement.
- Management is a catchall term that extends from relatively routine rule-based activities such as bookkeeping to more complex functional activities such as marketing, finance, operations, and HR, to inter-functional issues like innovation management, to general management, to leadership, to entrepreneurship. Some of these, like operations, may well be susceptible to scientific inquiry; at the upper end of the spectrum, the development of conceptual insight may be more important. Issues related to responsible leadership, ethics and sustainability are particularly complex, and still need new conceptual insight rather than formularistic approaches.

- The hierarchical level in the organization and the breadth of responsibilities carried largely determine what is needed in terms of development – albeit with substantial differences from one sector to another and from one organization to another.

The Inherent Character of the Research Challenges

- Conceptual structures in some areas of management are well advanced and lend themselves to parametrization and hypothesis testing; in others useful conceptual frameworks are embryonic and still need developing. More inductive qualitative research is then first needed to develop robust structures. There is therefore no single answer to the deductive/ inductive debate.
- Research in management is a moving target. New issues are constantly being brought to the manager's table, each requiring new conceptual frameworks and insight. This is in sharp contrast to the natural and physical sciences where the basic questions do not change and the task is to discover (uncover?) universally applicable general laws.
- Managers need normative as well as descriptive research, i.e.: in this or that situation, how should I think and act? The study of physics is by contrast largely descriptive in character. It only becomes normative when we consider, using an aerospace example, such issues as the right reentry points in the transition from elliptical orbit to parabolic descent.

The Inherent Character of Management Teaching and Learning

- A lot depends on whether participants/students are being prepared for a lifetime or for immediate challenges they will face as they leave the management school for the job. The answer to this question is now changing, as lifelong learning opportunities rapidly expand and not everything has to be acquired at the outset of a career.
- Both what is to be taught and how it is to be taught is very dependent on the offerings involved. These range from undergraduate to (post)graduate specializations to general management, or more specialized MBA education to “executive MBAs” to many different levels and foci of executive education, to highly customized education for individual companies and organizations. Each offering needs to be fed with insightful research if it is to remain at the cutting edge.
- As already mentioned earlier, inspiration from other fields beyond management itself can play a large role in management development. The arts, sciences, other professions, and learning from other cultures and other times are all important. Pattern recognition is a key requirement for managers at all levels whatever their particular responsibilities, and patterns from fields far beyond management itself can be instructive (the so-called product life cycle that was borrowed directly from the life sciences is an example). It is imperative always to ask: “What’s the same here, but what’s different? Can the scientific method help here?”

It is left to the reader to answer the question, with the above in mind, as to whether management overall can be considered a science or not, and whether the scientific method can be applied to management research. Many will conclude that the answer is both yes and no to both questions.

It obviously depends on whether we are talking about relatively narrowly-defined and well-developed fields of study like the optimization of material flows in an operations setting, or the challenge of broad and complex leadership dilemmas involving multiple stakeholders where experience, values, and measured judgment are of uppermost importance, and where, as with issues of responsible leadership, ethics and sustainability, a solid conceptual basis has still to be established. All the more surprising therefore that over the last 60 years the idea that management can and should be studied more generally as a science has gained so much traction.

systematically favoring research over teaching, deductive and quantitative research over inductive research, method over substance, specialization over integration, theory over practice, and academic peer recognition over business relationship building, lacks balance

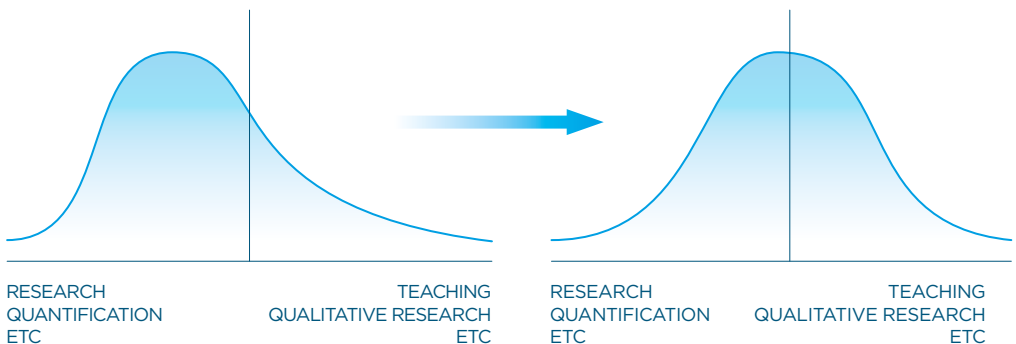
What does seem undeniable is that systematically favoring research over teaching, deductive and quantitative research over inductive research, method over substance, specialization over integration, theory over practice, and academic peer recognition over business relationship building, lacks balance. It also fails to recognize the wide differences that exist between the various sub-parts of the overall management field. It is to correcting these imbalances that we now turn.

Changing Course

This Manifesto will not argue for a complete about-face, a course change that would seek to reposition all institutions that are now off-center on the left side of the bell curve to the right. This would only invite an equally unbalanced future, and one which would fail to recognize either differences in the subject matter being treated or healthy differences in mission and strategy among the institutions themselves. What instead appears to be needed is rather a more centered bell curve in which around one third of the institutions lie on either side of the center. The needed shift is shown in the diagram below.

This is obviously easy to draw, but extremely difficult to realize in practice. Certainly it would be foolish to expect hundreds if not thousands of management schools to even agree on their current positioning on the six dimensions, yet alone make changes that would move those who are very left of center on each more toward the middle. And it must be remembered that whatever the positioning in the bell curve of any individual institution, within this institution there is a further distribution of individual faculty members along the same six dimensions.

We recommend the use of **excellence** on the one hand and **relevance** on the other for this task. Putting relevance alongside excellence as an essential ingredient of overall management development quality raises two related questions: First,



relevant to **which stakeholder groups?** (i.e. the needs of students, business and employers, society at large?); and second, by implication, what is the **purpose** of management development in general and of any specific management development institution in particular? Developing students to enter/re-enter the job market? Providing a platform for long term career success? Providing business and employers with “trained” raw material to pursue their growth and development with the leadership competences to go “beyond the bottom line”? To benefit society more directly? Or, from a completely different perspective, to search for the “universal truths” which underlie management and leadership, where the stakeholder groups of prime importance are other academics, not students, business, or even society in the first instance?

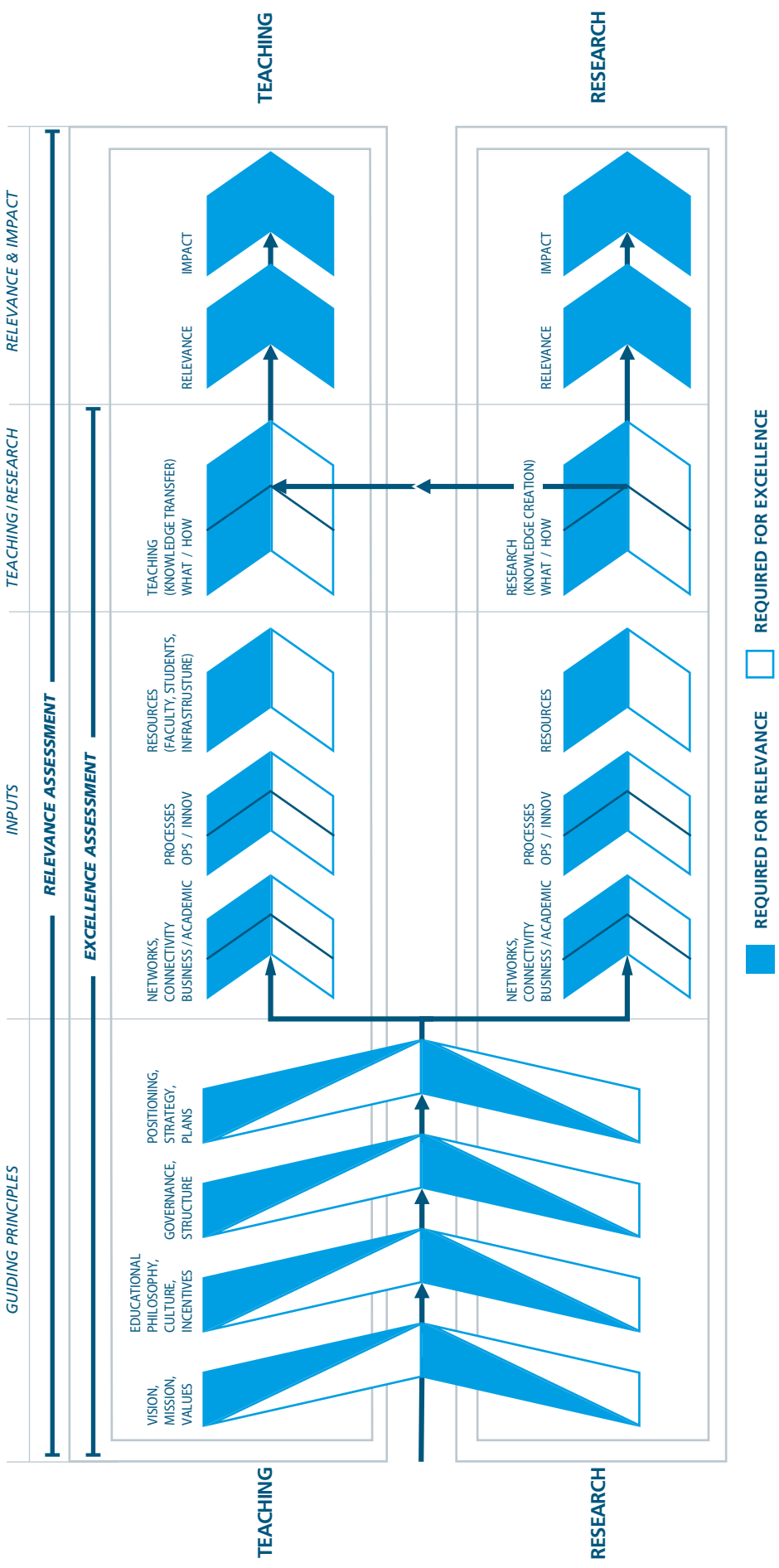
If change is to take place, a significant proportion of the institutions that are now positioned to the left of center on the bell curve will have to move rightwards. The point of departure for such a shift will be statements of institutional purpose which recognize students, business, and society as prime stakeholders to be served, place teaching on a par with research, and demand relevance as well as excellence for the achievement of overall quality. It should be remembered that Plato, Socrates, and later Aristotle distinguished “Phronesis” (often described today as practical wisdom) from “Sophia” (a concern for universal truths), and we may well ask, given the turn that management development has taken, whether it is Sophia rather than Phronesis which has become the central purpose of many institutions?

Whatever the status quo, we take the position here that both Phronesis and Sophia are needed, that management development institutions exist primarily to develop students for careers in management, that the enterprises for which they will work will have purposes “on” the bottom line (for short-term performance), “behind” the bottom line (for longer-term growth and development), and “beyond” the bottom line (to “make a difference”), and that management development institutions should be regarded as professional development institutions and change agents. In these roles, both students and the organizations that they will work for must depend on these institutions to also develop new insights into the burgeoning complexities of practice.

The diagram on the facing page shows the relationship between **excellence** and **relevance** and how both must be considered in any **overall** evaluation of institutional **quality**.

There are several key points to note in this diagram:

- While excellence can be assessed by looking only at teaching or research per se as outputs, and the various “upstream” elements of the business system as inputs (unshaded), an assessment of relevance requires a further spotlight on “downstream” assessments of relevance and eventual impact, and a quite different assessment of the adequacy of the inputs to deliver this relevance (shaded).
- Relevance, as shown in the diagram, can be assessed for both teaching and research at two progressively downstream levels. First, in terms of its relevance per se, but second, in a more exacting way, by its impact on actual practice. With respect to teaching, this means students making a real difference as they move from school to the workplace; with respect to research, it means that research communications, either through the classroom or via publications, have to have a measurable impact on actual management practices.
- The diagram separates “what” and “how” questions for both teaching and research. With respect to teaching, relevance and eventual impact almost certainly require practice issues to be brought into the classroom for discussion, definition, solution, and conceptual learning. This can be in simulated (e.g. cases) or real (e.g. action learning via project work) form. With respect to research, relevance usually requires methodologies which address the need to develop new conceptual frameworks, often starting with small samples and inductive research methodologies rather than statistical testing of large samples.
- Excellence and relevance depend not only on teaching and research themselves, but also on “upstream” inputs to these in terms of the adequacy of external networks, institutional processes, and resources, and further back on a number of “guiding principles” including: vision, mission and values; educational philosophy and culture, and the alignment of incentives



with these; governance; and institutional positioning, strategy, and plans. Among these, as pointed out earlier, mission must stand out and be broadly defined to include the essential purposes of the institution (“what” we do and “why”) and the key stakeholders to be served (“for whom”). It is precisely here that any needed course correction has to start since many institutions currently see their primary purpose as producing “A” journal research not providing relevant insight to their students, and their key stakeholders as the academic rather than business communities.

- Overall institutional quality requires a joint evaluation of excellence and relevance, and of three different relationships between teaching and research: First, of the relative importance and balance given to each in the institution’s vision, mission, culture and values, strategy, faculty promotion criteria, compensation and incentive schemes etc; second, of the degree to which teaching and research are both seen to be key responsibilities of all faculty, i.e. not one faculty sub-group doing the teaching and a second sub-group doing only research; and third, of the extent to which research is used to keep teaching relevant and “fresh” (the vertical connecting arrow in the diagram).
- Overall, institutional quality also depends on an institution’s capability to continuously monitor and adapt to changes in its external environment and market context (technology, economic, political, demographic changes etc, and customer needs, competitive moves). Leading the way in management development means to recognize patterns, anticipate change, and innovate with new approaches ahead of others.

Relevance must be considered here, for both teaching and research, in three different ways – all of which must be fulfilled if teaching and/or research are to be relevant:

- relevance to practice (and in several subdivisions of this depending on whether the practice referred to is more functional, cross-functional, or general management in nature). With respect to research particularly, relevance means, first and foremost, the choice of a “meaty” and relevant issue to address.

- relevance to both local and/or global management challenges – since the task of high quality education is to have an eye towards both local and global challenges and ways to meet these.
- relevance in terms of being up to date or, even better, anticipatory of upcoming challenges.

It should always be remembered that relevance to practice does not mean practice at the expense of theory. On the contrary, as the expression “there is nothing more practical than a good theory” attests, sound practice depends on clear conceptual insight. Leibnitz articulated this with his plea for “Theoria cum Praxi” (maybe he should better have said “Praxis cum Theoria”!). What is less well understood is that the “theory” that is required to support practice is seldom just an assemblage of several different disciplines i.e. interdisciplinary or multidisciplinary; rather, an understanding of practice demands holistic and integrative conceptual insight, which often has its origin not in any underlying disciplines, but in the study of practice itself.

relevance to practice does not mean practice at the expense of theory

To achieve this relevance, the upstream elements of the business system that lie behind relevant teaching or research must also be appropriately aligned. In practice this means a vision, mission, and values dedicated to relevance, an institutional philosophy, culture, and aligned incentives which value relevance, governance which exacts relevance, positioning and strategy designed to achieve relevance, networks between the institution, its faculty, and business, which encourage relevance, processes, including innovation processes, which are directed at relevance, and a faculty, student body and physical resources (e.g. classroom designs) with which relevance can be delivered.

As pointed out earlier, the determination of “mission” is of paramount importance to this overall alignment, and must be considered in the broadest possible terms. This must go beyond the usual slogans and “motherhood statements” to

a precise articulation of purpose and which stakeholder groups are being targeted with which needs in mind, so that any determination of relevance can be properly assessed. Research aimed at the complex judgments required by leaders as they try to balance the short term with the long term and try to balance company agendas with broader societal needs obviously entail different demands for relevance than many more straightforward operating decisions. And to reiterate what was said above, it is a clearly articulated and unambiguous statement of purpose which puts relevance for students, business, and society ahead of “A” journal research publication, and teaching on a level with research to accomplish this. That will be required as the essential point of departure.

Excellence must also be considered in several different ways, ways which differ slightly depending on whether we talk about teaching or research, and whether we talk about content or process. As for relevance, all of these conditions should be fulfilled:

For excellence in the content of teaching:

- excellence in terms of covering all the universal and timeless “essentials” of management. These include the underlying disciplines of management, functional abilities, cross-functional abilities, and the more holistic integrative abilities of general management – all in a measure appropriate to the audience at hand. Essentials also include the “soft” as well as “hard” aspects of management and leadership.
- excellence in terms of up-to-dateness with best practices and latest thinking in management and management development on “breaking” issues of high importance, which would today include such topics as digitalization, globalization, innovation, corporate social responsibility and ethics, leadership, and entrepreneurship.
- wherever possible, excellence in terms of being on the leading edge and actually innovating in either curricula and/or the teaching process and teaching materials,

For excellence in the teaching process:

- adapting the approach used to the learning purpose and learning task.

For excellence in research content:

- excellence in choice of research topic, with either a substantial contribution to theory or new insight into practice, in view.
- coupling the above choice with a thorough review of all previous research directly or indirectly related to the chosen topic.

For excellence in the research process:

- excellence in research design and methodology, particularly with respect to the appropriateness of these to the research issue and challenge (and when relevance is also sought, then with the right balance between deductive and more quantitative methods vs. inductive and more qualitative methods).
- excellence in publication and communication (and when managerial impact is sought, using publications and other communications that reach and are read by practitioners).

excellence and relevance are not the same, and each requires attention in setting guiding principles, in building networks, in designing processes, and in assembling the resources on which both teaching and research depend

And as for relevance, the upstream elements of the business system that lie behind excellence must also be appropriately aligned in order to achieve it. This means a vision, mission and values dedicated to excellence; an educational philosophy, culture and aligned incentives which value excellence; governance which exacts excellence; positioning and strategy designed to achieve excellence; networks with academia and practitioners which encourage excellence; processes, including innovation processes, which are directed at excellence; and a faculty, student body, and physical resources with which excellence can be delivered. Just as with research, “mission” must be broadly understood to require a precise articulation of both institutional purpose and the stakeholder needs which have to be met if excellence is to be achieved. And analogously with relevance, these statements should put students, business, and society ahead of academia as stakeholders, and teaching on a par with research, as points of departure.

In short, excellence and relevance are not the same, and each requires attention in setting guiding principles, in building networks, in designing processes, and in assembling the resources on which both teaching and research depend. Excellence is defined in the dictionary as “possessing superior merit”, whereas relevance is defined as “germane to” or “fitting”. With respect to management education and research, we may therefore interpret excellence as meaning that an institution is among the best in its class on the criteria outlined above - where class may be narrowed to countries or regions at a similar stage of development (e.g. rising markets, mature markets, or still-developing markets), and further narrowed to those with similar positioning (e.g. left leaning, centered, or right leaning on the aforementioned bell curve). By contrast, we may interpret relevance as serving, in both their teaching and research, the needs of practitioners in the particular markets that the institution chooses to serve. Excellence therefore refers to the quality of products and services per se; relevance adds the additional requirement that these products and services “fit” the practical needs of the market in question.

Excellence can and does exist without significant attention to relevance. The institutions that focus mainly on quantitative theoretical research aimed at “A” journal publication and give little attention to teaching in faculty promotions, and which lie to the left hand end of the bell curve cited earlier, provide just such examples. Equally, relevance can and does exist without excellence. Those institutions that rely on “outsourced” teachers coming largely from the world of practice, and which as a result do little or no significant research, may fall into an opposite trap which lies at the extreme right of the bell curve. **Overall high quality can only be achieved when excellence and relevance are both present.**

To shift the current off-center bell curve described earlier more toward the center, i.e. to achieve a better balance than at present between research publication and teaching, between quantitative deductive research and qualitative inductive research, between methodological precision and pertinent substance, between specialization/compartmentalization and more holistic integrative approaches, and between academic peer recognition and bridge building to the business community, the following four steps will be required:

- to pursue relevance in addition to excellence – both along the lines described above, and for both teaching and research.
- to pursue overall quality in the ways described above, i.e. rebalancing attention to teaching as well as research and seeing research as support for teaching, not only for publication purposes.
- to pursue the ideal of a single faculty whose members are each engaged in both teaching and research with all its benefits for both, but necessarily in different proportions at different career points and with recognition of different core competences.
- to be constantly monitoring and adapting to the ever-changing external environment and market, with continuous improvement and more radical “game changing” innovation as priorities.

Such approaches may appear to some to be too elastic, too subjective, and too ambiguous in their application. But they seem infinitely better than the status quo, which often virtually ignores teaching and defines research in publication volume only. Quantifiable objective measures are certainly easier to assess, and unambiguous in their application. The problem currently is that they are too one-sided. To promote a change of course, it will almost certainly be necessary to replace objectivity with a degree of subjectivity, and quantifiable unambiguous measures with judgment and wisdom. Where and from whom will such judgment and wisdom be required? The answer is in multiple quarters and from multiple actors: in faculty selection processes by those who have hiring responsibility; in faculty promotion and reward processes by appointment committees and deans; in accreditations and rankings by those who gather the necessary information and make the analyses and recommendations; in journal publications by editorial boards and peer reviewers; and in government funding circles and educational ministries by individuals who have real insight into what is at stake, which might require a significant amount of outsourcing and/or consulting help. And at the end of the day, it will require individual faculty members to buy into such a change of course. This is only likely to happen if there is real sense that the wind direction is really changing and there will be safety and eventual career benefits in an individual course correction. These are all tall orders but there seem to be few alternatives if the badly-needed change of course is to actually be realized.

Making the Desired Changes Happen

For a change of course to eventually take place, CEEMAN will engage in the opening phases in four main interrelated initiatives:

- 1.** Wide distribution of the ideas and recommendations outlined in this Manifesto:
 - to the leadership and faculties of management development institutions and wider university bodies
 - to accreditation and ranking organizations
 - to the influential quarters in relevant business communities
 - to government funding bodies and policy makers
 - through widely-read and respected journals
- 2.** Continue to gather signatories to this Manifesto from institutions in as wide a range of markets as possible.
- 3.** CEEMAN IQA accreditation will, even more than at present, lead the way – and thus become the new standard for accreditations relevant to the customers of management development institutions. To provide major new impetus to the widespread adoption of the proposed changes, the formation of a “star alliance” to harmonize accreditation procedures and guidelines across rising markets in Central and Eastern Europe and Central Asia, Russia, Asia, Latin America, and Africa, is underway. Additionally, short educational seminars are planned for peer review members involved in accreditation in these markets.

4. CEEMAN will aim to become the lead provider of education, “action learning” programs, and consulting services, to support the recommended changes. The following initiatives are envisaged:

- A new three-day workshop for Deans/Directors and their top teams, entitled “Leading the Way in Management Development”, has been designed with a strong component of “change of course” along the lines of this Manifesto.
- CEEMAN’s International Management Teachers Academy - IMTA is a main leverage point to make faculty aware of the ideas and recommendations of this Manifesto. In addition, short programs and regional meetings for IMTA alumni will help to further support implementation of relevant changes in teaching and research.
- Individual coaching and consulting to institutions for implementation of recommended changes will be made available through CEEMAN as the change process starts to get broad support and traction.
- An “open day” in the form of presentations and questions-and-answers sessions will present and explain the ideas and recommendations of this Manifesto to government funding bodies, supportive business, other accreditation and ranking organizations, and the media. Each should go home with a plan of action to make changes in their respective activities.
- CEEMAN Annual Conferences will continue to incorporate the ideas and recommendations of this Manifesto to spread the messages further and harness support.

CEEMAN BOARD

In support of the Manifesto

Danica Purg

CEEMAN President

President of IEDC-Bled School
of Management
Slovenia



Derek Abell

**President of IQA Accreditation
Committee**

Professor Emeritus, ESMT - European
School of Management and Technology
Germany




Witold Bielecki

Rector, Kozminski University
Poland



Antonio Freitas

Provost, FGV - Fundação Getulio Vargas
Brazil



Gazmend Haxhia

Vice-President for Corporate Relations

President, A.S.G. Group
Albania



Nicola Kleyn

Vice-President for Africa

Dean, Gordon Institute of Business
Science, University of Pretoria
South Africa



Assylbek Kozhakhmetov

Vice-President for Central Asia

President, Almaty Management University
Kazakhstan



Nikos Koumettis

President of the Central & Eastern Europe
Business Unit of The Coca-Cola Company
Greece



Virginijus Kundrotas

Vice-President for Northern Europe
Dean of Adizes Graduate School, US,
President of BMDA - Baltic Management
Development Association
Lithuania



Seán Meehan

Martin Hilti Professor of Marketing
and Change Management, IMD Lausanne
Switzerland



Sergey Mordovin

Vice-President for CIS
Rector, IMISP - International
Management Institute St Petersburg
Russia



Sergey Myasoedov

Vice-President for Russia
Vice-Rector of the Academy of the Russian
President, Dean, IBS-Moscow, President of the
Russian Association of Business Education (RABE)
Russia



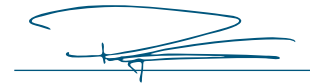
Vladimir Nanut

Dean, MIB-School of Management
Italy



Gregor Pilgram

Chief Financial Officer,
Generali CEE Holding B.V.
Czech Republic



Irina Sennikova

CEEMAN Vice-President
Rector, RISEBA University of Business,
Arts and Technology
Latvia



Chin Tiong Tan

Vice-President for Asia-Pacific
Senior Advisor, Singapore
Management University
Singapore



Xiaobo Wu

Vice-President for China
Former Dean of School of Management,
Zhejiang University
China



CEEMAN

CEEMAN, the International Association for Management Development in Dynamic Societies, was established in 1993 with the aim of accelerating the growth and quality of management development in Central and Eastern Europe. Gradually, CEEMAN has become a global network of management development institutions involved in economic restructuring and social change in dynamic societies.

CEEMAN fosters the quality of management development and change processes, building on the specific value platform that celebrates innovation, creativity, and respect for cultural values, and promotes the principles of responsible management education.

CEEMAN's main activities include:

- international conferences and forums for leaders of management development institutions
- educational programs for faculty and administrative staff of management schools. Among them is CEEMAN's International Management Teachers Academy (IMTA), a unique faculty development program that has since 2000 educated more than 600 management educators from 51 countries around the world
- International Quality Accreditation (IQA) – an international accreditation process responsive to the specific missions of business schools with particular focus on excellence and relevance
- promoting and rewarding outstanding achievements in teaching, research, institutional management and responsible management education through annual CEEMAN Champion Awards
- promoting and rewarding the writing of case studies through its annual Case Writing Competition
- conducting international research that is relevant for businesses and management development institutions

Published by:

CEEMAN

Editors:

Derek Abell

Danica Purg

Alenka Braček Lalić

Nicola Kleyn

Editorial support:

Olga Veligurska

Misho Minkov

Sandra Lisietzky

Livija Marko-Wieser

Graphic design:

Miha Jarm

Digital edition:

Bled, September 2018

Kataložni zapis o publikaciji (CIP) pripravili
v Narodni in univerzitetni knjižnici v Ljubljani
COBISS.SI-ID=296425984
ISBN 978-961-94108-4-4 (pdf)

