

EFMD and Societal Impact

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Papers on Positive and Societal Impact from an EFMD Perspective

Since its foundation over 50 years ago EFMD has maintained a firm belief in socially responsible management education directed towards the creation of positive, meaningful societal impact.

The values of EFMD are perhaps best exemplified in comments made by Ray van Schaik one of our most respected chairpersons who at that time was President of EFMD. Schaik (1996, p.13) on the occasion of EFMD's 25th anniversary, noted that it has clearly sought to link the corporate and public world and the world of education and hence be a catalyst and a 'broad church' encouraging debate and dialogue between corporations and institutions of management education and learning. Consequently, it has consistently tried to attract a significant proportion of practising managers.

Van Schaik (1996, p.14), further suggested that 'one of the most fundamental properties (of business schools) will be that their students will know how to handle the unexpected, how to handle life'. He went on to add that 'on top of technical skills – which have become a sine qua non ... new managers more than ever should abhor rigid concepts and thrive on the art of improvisation'.

Schaik also clearly specified his vision for the role and purpose of EFMD in the management education environment:

It should endeavour to continue to be a *trait d'union*, a link, between the corporate world and the world of education; it should continue to build and explore a network of personal and business relationships that enables it to contribute to the process of high-quality, practical, 'true to life' education ... and finally, it should continue to cement its relationship with governments and public bodies that are involved in the process of management and education.

The development of the academic, business and government linkages has been a strong influence in the evolution, role and strategic positioning of the business school in the European context. EFMD has constantly focused on linking European educational experience and innovative ideas with meaningful impact on management practice and learning. It has also emphasised an international perspective in building its approaches to the growth of high-quality management education.

As a result, Europeans generally favour socially responsible capitalism acting in concert with all stakeholders over what is sometimes characterised as unbridled shareholder value capitalism. European business, and European management education, has thus developed a clear identity and a balanced relationship with government and society where government is often important in the funding of higher education. In this process, business grows not only economically and technically but also gains social responsibility and legitimacy. And, the European culture and environment encourages greater social empathy and more direct corporate cooperation with government to alleviate poverty and social welfare with an emphasis on inclusive growth and human and economic progress.



Hence, the belief in socially responsible management education is endemic. It has been deeply embedded in its EQUIS accreditation peer review standards for the last ten years and has been enhanced by over 60 impact studies carried out globally in 19 countries by EFMD's Business School Impact System (BSIS). Further, concrete evidence of the practical engagement of business schools has been published in special annual issues of *Global Focus* (EFMD's magazine). These issues summarise the outstanding evidence of the practical engagement activities of specific business schools who have won EFMD's 'Excellence in Practice (EIP) awards. It is also stressed by agencies such as the GRLI (Globally Responsible Leadership Initiative), EABIS (European Academy for Business in Society, now renamed as Academy Business and Society), PRME (Principles for Responsible Management Education), and RRBM (the Responsible Research in Business and Management Community), which have been carefully nurtured by EFMD in association with the endorsement of the sustainable development goals of the U.N. Global Compact. In particular the RRBM Initiative began with the founder's article (Tsui, 2015) on socially responsible leadership in *Global Focus*. This led EFMD to support the creation of RRBM with a core 'founding' set of 20 or so scholars. Their overarching aim was to address the two major problems of business school research; namely, its credibility and its practical, societal impact.

It should be pointed out that through a number of EU and EFMD initiatives there is currently a much greater emphasis on cross-European educational networking for the development of interdisciplinarity in teaching and research programmes (e.g. Erasmus) and high-quality faculty development. Thus, the quality, and impact, of European research output is well recognised on the world scene.



In addition, Europeans view formal analytic and strategy models and technical skills as valuable and sensible but also argue that such analytically, and scientifically, rigorous approaches may be too heavily emphasised in current curricula. This, in turn, may sometimes lead to the production of scientific research of little practical managerial relevance.

An emphasis on softer skills, more socially responsible management, and vision and communication skills for engaging employees are viewed as critical and important attributes. Indeed, Europeans believe strongly in a balanced philosophy in management education involving an appropriate mix of course and project work to develop skills of analysis, synthesis and criticism. Through this process, the differentiation between European and other models of management education becomes clear and provides welcome diversity in models and management approaches in management education.

Over the last ten years EFMD has also sponsored a number of research studies on the future of management education (including Thomas *et al.* (2013) and Carlile *et al.* (2015)). The initial evidence on directions forward from these research studies was discussed with the EFMD Board and led EFMD to produce and publish a manifesto (based on some of this early research evidence) on its 40th anniversary outlining "The Future of Management Education" (24 January 2012) and reflecting a more European-style of business school which could be achieved by deans adopting five clear principles as follows:

- **Transformational Change**

Business schools will have to change the way they operate. They should take a multiple stakeholder perspective in the design of their programmes and research activities. Schools should be transformed into moral institutions that perpetuate strong values, a clear vision and open processes in governance and strategic change.

- **A More Holistic Approach to Management Education**

Business schools should incorporate a more integrated and liberal view of management education in which knowledge of the humanities, culture and history can be integrated into the principles of responsible management and form a framework for cross-disciplinary thinking. This implies that issues of ethics, moral responsibility and sustainability "should be embedded in the core curricula of management education as well as in the broader practices of schools."

- **Sustainability**

“Sustainability, with its ecological, social and economic dimensions” requires those in management education to “carefully consider cultural and developmental differences when dealing with sustainability issues.”

- **Critical Thinking and Whole Person Learning**

Critical thinking must be designed to emerge from the tension between learning about humanistic principles and the more professional, analytic business subjects, such as accounting, finance and marketing. Students must learn how to absorb skills of both analysis and synthesis but also develop a personal willingness to reflect on issues and incorporate self-criticism into the learning process.

- **Accreditations (such as EFMD Quality Improvement System - EQUIS)**

Accreditations must be updated to reflect the advent of multiple stakeholder impact perspectives and a more holistic approach to management education. They must also recognise that 75-80% of all business school students are participants in undergraduate programmes. The focus on the MBA by many business schools (largely because of MBA-based reputational media rankings) has diverted attention from undergraduate business education.

Even more recent studies of management education’s future added the growing focus on the adoption of technological approaches for online and hybrid teaching models in business schools and more extensive research on digital business models for societal impact.

The Covid pandemic and the Ukraine war threw business schools and management educators into an immediate period of disruptive transformation and change. This disruptive process led to changes in teaching approaches requiring critical development of digital platforms and creating new innovative methods and ideas for research studies and impact goals. It provided a mandate for business schools to generate significant positive impact on societies and ecosystems and learn how to manage them successfully and effectively.

CONCLUSION

We believe that the dominant research model in business schools must evolve quickly. We must augment the ‘great divide’ between academic excellence in research and its practical application. Otherwise, we may go from a ‘publish or perish’ to a ‘publish and perish’ outcome. We need to move towards a more open system instead of an atomised intellectual endeavour that is constrained to fulfilling legitimacy goals in narrow academic circles. It is clear that we need faculty members to be engaged in, and most importantly, be rewarded for path-breaking multidisciplinary research, applied collaborative projects as well as innovation in teaching, engagement in society and communities. We need more engaged professors and scholars (Hoffman, 2021), providing rigorous responsible and impactful research which is relevant for all stakeholders. This is precisely a vision that is supported by EFMD.

Thus, business schools have a critical role to play in ‘rewiring’ our missions for research relevance, impact and reach, and to be close to the needs and address real issues of society and economy. Being uniquely positioned at the intersection of social science, technology and business, and having a reasonable degree of institutional autonomy, we can contribute immensely to solving global and complex challenges such as climate change, rising inequalities, international isolationism, eroding democratic systems, and the spread of fake news.

Business schools are human institutions embracing humanistic and societal values and management is a creative art and not a deterministic science. We must therefore view management education from a wide range of stakeholder perspectives.

The future identity, image, reputation, value and distinctive differentiation of the business and management school, both as an individual entity as well as its impact and contribution to the success of the societies in which it operates, should be paramount, and the opportunity is clearly apparent in today’s environment. This is a journey which EFMD is proud to share globally with our stakeholders in a co-operative and collaborative spirit.

References

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