

Striving for meaningful impact in and through management education: The IMD perspective

JEAN-FRANÇOIS MANZONI

Over a twenty-five-year period I managed to skilfully avoid all significant academic leadership positions that came my way. I did so because I had noticed early on that Deans are severely limited in their ability to engage in the activities that led most of us to choose an academic career, and they lose a considerable proportion of their freedom and control over their time, an aspect of academic life that was most precious to me.

And yet, in 2016, I agreed to “throw my hat in the ring” and later accepted the Board’s offer to succeed my colleague Dominique Turpin at the helm of the *International Institute for Management Development*, better known under its acronym IMD. I agreed to do so because I profoundly believe in IMD’s distinctive purpose and modus operandi, and I believe in the impact we have on the world. Let me try to explain why.

IMD IN A NUTSHELL

First, it is important to describe briefly our legal nature and the fundamentals of our economic model: IMD is an independent academic institution - a not-for-profit, stand-alone business school operated as a private Foundation governed by a Foundation Board (50 members) that delegates its day-to-day authority to an 8–10-member Supervisory Board. The IMD Foundation originated about thirty years ago from the merger between two similar “independent academic institutions”, IMEDE and IMI. Importantly, both IMEDE and IMI had initially been created by major multinationals as executive education providers (Alcan in 1946 for IMI and Nestlé in 1957 for IMEDE). Coincidentally, both institutions started offering MBA degrees in 1972, a bit less than 20 years before they were merged by their respective Boards.

IMD is triple-accredited and tends to enjoy relatively flattering rankings for its programmes. Our MBA programme, for example, was selected as the #1 programme in Europe in BloombergBusinessWeek’s last four rankings and as the #1

international one-year MBA programme in four of the last five Forbes rankings. Our EMBA programme was ranked in the world’s top 10 in the last three rankings of The Economist. And the Financial Times has positioned us in the top three world-wide for its last 10 Executive Education global rankings, and in the top five for the last 18 rankings (a feat accomplished by only two schools in the world).

One last point about us: Our degree programmes generate about 20% of our revenues, with the remaining 80% being almost entirely generated by non-degree activities mainly composed of open and custom executive education programmes. About 2% of our revenues are generated by “fundraising” activities (mainly Chairs that are being drawn-down over an agreed-upon number of years).

In this context, we use two key statements to describe who we are and why we exist.

Who we are: “Founded by business executives for business executives, we are an independent academic institution with Swiss roots and global reach. We strive to be the trusted learning partner of choice for ambitious individuals and organisations worldwide.”

Our purpose/mission: “Challenging what is and inspiring what could be, we develop leaders who transform organisations and contribute to society.”



These two statements have several important implications for us:

- We do think of ourselves as educators first and foremost. *Our most direct impact on the world is the impact we have on the students and executives who attend our programmes.*
- As a result, we take pedagogy very seriously. We discuss it a lot and we have written a number of books to document and share our expertise, including Strelbel and Keys (2005) and Anand & Barsoux (2014).
- With hardly any exception, IMD's faculty members were "star instructors" in the institutions they left to join us, and their experience joining us is typically that they now have to "up their game" to rise to the excellence level of most of their colleagues. "Upping their game" involves investing more time and energy preparing and delivering their sessions, including through learning from colleagues.
- Colleagues do help one another for several reasons:
 - a) Collaborativeness is one of three non-negotiable qualities at hiring. (The other two are smart and passionate about what we do &/or what they do.)
 - b) We tend to have more work than we can handle, which means that each of us can typically yield more benefits from having a few additional capable colleagues around to help in programmes than from withholding support in order hopefully to "remain on top".
 - c) Most of us direct programmes, which means that we need colleagues to "teach in our programmes". This creates a high degree of interdependence, which means that the group has easy ways of penalizing individuals who would not behave collaboratively.

- Importantly, IMD faculty members understand the economic incentives associated with excellence in programme direction and teaching. Individually, they can increase their own compensation by accepting to "sell back to the school" some of the 50 personal days afforded in their contract. The programme staffing process is not completely decentralised, but it does have some market-like properties and most successful instructors tend to have more opportunities to increase their income. Collectively, IMD faculty members are eligible to a "variable compensation system" that gets funded by the financial surplus we create together (in most years). About 40% of this pool is distributed based on research performance, with the other 60% of this pool distributed based on variables positively correlated with teaching &/or programme direction quality and quantity.
- Unsurprisingly in the context of the above, it is fair to say that IMD faculty members tend to spend a greater proportion of their time in class and preparing for class than most tenure-track faculty members at top schools.

A RESOLUTE FOCUS ON IMPACT IN EVERYTHING WE DO

When I re-joined IMD in 2016, we were still using a tag line that had served us well for years: *Real World, Real Learning*. I proposed to my colleagues to change it to *Real Learning, Real Impact*. Two major reasons were underlying this proposal:

First, the term "real world" was increasingly sounding "old economy", especially for younger generations who often interpreted it as referring to industrial activities. Secondly, we could clearly sense that executives and corporate clients were becoming increasingly demanding in terms of executive development programmes having a *substantial* and *sustained* impact on participants. They acknowledged that managers returning from executive programmes came back energised and full of good intentions, but lamented that these good intentions tended to be short lived and too many managers tended to revert back too quickly to usual practice.

The faculty meeting discussion was generally supportive, but I do remember a colleague intervening to say: "But Jean-François, if we change the tag line to promise impact, we're then going to have to deliver on this promise!". This astute observation was followed by a long silence, which I broke to reply: "That's exactly why we must commit to it. It will force us to up our game in order to deliver".



In line with the impact framework developed by efm and proposed under the BSIS label (see Kalika (2022) and Manzoni et al. (2020)), we tend to discuss our impact in terms of five different domains:

1. Executives and organisations through our programmes
2. Executives and organisations through our research
3. Management education, through the pedagogical material we create and make available to other schools
4. Public policy, through our research and programmes with some governments
5. Regional and Swiss ecosystem, through our financial impact and work with start-ups and scale-ups.

Let me take each of these domains in turn.

1. Impact on managers and organisations through our programmes

As mentioned above, we believe that our programmes are the most direct way for us to have an impact on the world. We cannot assert that it is our “largest impact”, because we have no way of calibrating the various areas of impact we have. But our programmes are undoubtedly our most direct impact on the world through their impact on degree programme students (who go on to become managers), managers and organisations.

Regrettably, we don’t yet have a perfect way to assess the impact of these programmes, so we use a range of direct and indirect assessments.

Direct assessments include a range of data collected at the end of the modules/programmes and again four months later. These data tend to be student-provided, with the advantages and disadvantages of such data. We are working hard at developing non-self-reported impact measures, but these approaches tend to require more time and investment from executives and corporate clients, and so far we are not yet getting enough support from them to push the process as far as we would like to push it. We just hired a new “Head of Impact Assessment” to accelerate our progress.



Indirect assessments include alumni’s delayed attitude toward the school and corporate clients’ willingness to work with us again. This willingness to work again, likely informed by their perception of how successfully previous interventions met their objectives, is very important for us given our dependency on executive programme revenues. Executive programme participants’ and corporate partners’ perceptions are also very much driving the annual Financial Times Executive Education global rankings, in which we tend to do well as mentioned above.

We also apply for “executive education awards”, including the EFMD/EQUIS *Excellence in Practice Awards*. These awards are attributed by sophisticated juries based on detailed cases submitted by the various schools and corporate clients. This year we won one Gold and one Silver awards (i.e., 25% of the awards attributed across the 4 categories), as well as several similar awards from other organisations.

2. Impact on managers and organisations through our research

Almost thirty years ago, while serving on the faculty of another school, I attended a talk by a professor who held a joint appointment at that school and at a top US School. His presentation started with “the purpose of business schools is to produce research”. I immediately raised my hand and asked, “is that what it is?” He paused and replied thoughtfully: “Good question. I guess it has been at every school I have been a part of.”

Nobody at IMD would say that our purpose is to produce research. As mentioned above, our purpose is *to develop leaders who transform organisations and contribute to society*, and one of our key levers to do so is to *challenge what is and inspire what could be*. For the overwhelming majority of IMD faculty, then, research is not an end in itself; it is a means to an end, where the end is “to develop leaders who ...”.

Research is, clearly, an important means to that end. First, conducting research keeps us intellectually alive and alert, focused on questions and curious about the world and how it functions. We can’t challenge what is and inspire what could be in others if we don’t do so for ourselves. Secondly, research is a natural outgrowth of IMD faculty’s typically intense curiosity and our continuous contacts with executives and organisations, who come to us with problems and questions for which we often don’t have a clear answer and which we are hence prompted to study. Much of the research conducted at IMD starts from questions raised in class.¹ Last but not least, producing quality research is also a way for us to convince executives and organisations that they should choose to attend programmes with us rather than another provider.

One of our challenges on the research front is the fact that our faculty tends to be pretty busy with acquiring, designing &/or delivering executive programmes. Another disadvantage is the absence of a PhD programme, which is often a significant lever for faculty's research productivity. We try to compensate for these challenges by allocating very significant financial resources to supporting our faculty's efforts – between 8% and 10% of our revenues is allocated to out-of-pocket research support costs (i.e., not counting faculty time).

Unsurprisingly given our focus on education, we tend to think of research in broader terms than most top schools. For us, research should aim to be *rigorous, relevant, insightful* and *actionable*. We understand that these four dimensions sometimes require trade-offs, but we typically attribute more value than other schools to the latter three criteria. As a result, we probably value more than other schools the production of books, cases and articles published in practitioner outlets. On the latter front, for example, IMD tends to rank very highly in terms of presence in *Harvard Business Review* and *Sloan Management Review* (the only two practitioner-focused outlets included in the so-called "FT 50" list)². For example, we were the 4th most frequently appearing institution in 2016-2020 and we ranked 3rd for 2017-2021 – keeping in mind that the two schools most frequently appearing in these journals are the two schools that publish them.

We do encourage and keep track of more academic publications, as represented in Exhibit 1. In fact, we decided a few years ago that we needed to increase our collective investment in academic research, including and particularly when published in top academic outlets. This led us to broaden the diversity of our faculty, as represented in Exhibit 2. Historically, IMD tended to hire faculty members characterised by a balanced profile in terms of academic focus vs. connection to practice. Over the last few years we have welcomed a few colleagues whose profile is more heavily tilted toward one of the two poles.

These new hires are important for us and we work hard at integrating and encouraging them. But the vast majority of IMD faculty members remains practice-oriented academics with a strong commitment to our purpose and their role therein.

3. Impact on management education through the use of our pedagogical material by other institutions

From a pedagogical point of view, IMD is not per se a "case school" (that would rely 100% on case studies being discussed in a traditional "case discussion process"). We also use a wide range of pedagogical approaches including lecture/discussions, simulations and experiential activities. Nevertheless, we do use pedagogical cases and allocate a substantial amount of R&D funding to the production of case studies.

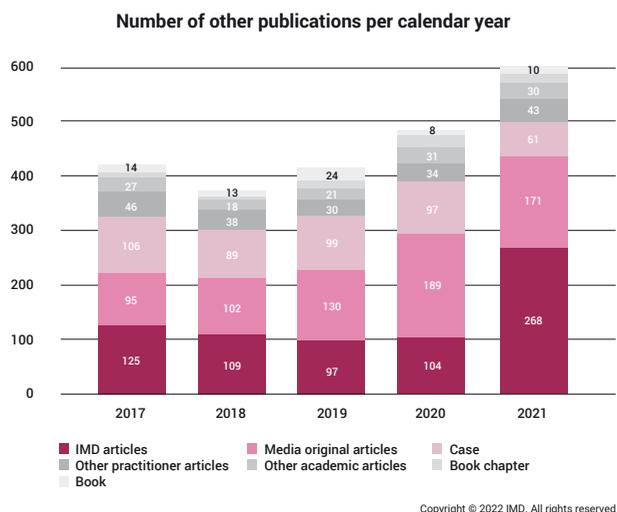
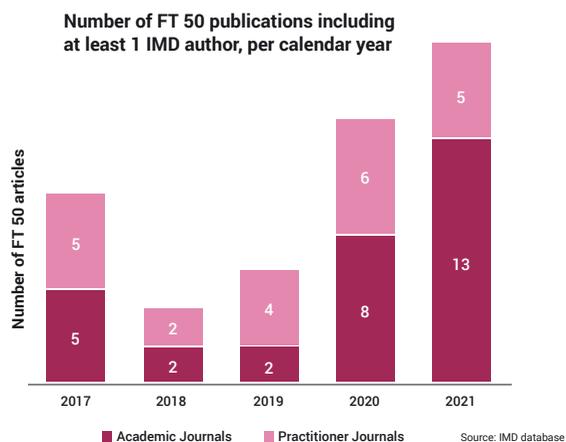


Exhibit 1 Tracking IMD research activities over time

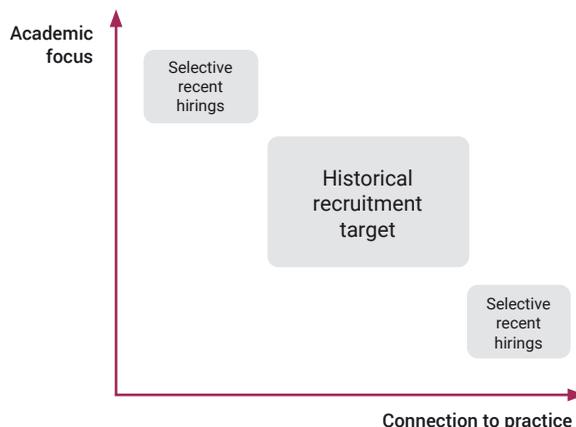


Exhibit 2 Recent evolution of the faculty portfolio



4. Public Policy

As mentioned above, IMD was founded by executives for executives. We are hence not naturally as focused on policy making as other schools such as the Geneva Graduate Institute or graduate schools of government / public policy in top universities. Nonetheless, we understand the importance of policy making for the world and particularly the world of business.

Our World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center>) has established proprietary and respected methodologies to produce annual rankings of countries in terms of their overall competitiveness, their ability to attract, retain and develop talent, and their digital readiness. These rankings attract attention from many governments around the world and often get discussed by relevant groups of executives and policy makers.

We also get a number of requests to work with governments to support their policy making reflections and by civil service training organisations to help them develop the capabilities of their country's civil servants.

5. Impact on the regional and national economy

Last and proverbially not least, and thanks to the methodology we acquired through the BSIS accreditation, we have been tracking more systematically our short- and longer-term impacts on the regional and national economy.

Short term, the BSIS methodology enabled us to quantify IMD's direct and indirect impact on the regional economy. We were very surprised by how large this impact was, as were local and regional policy makers; they – and we - had heretofore considerably under-estimated our impact on the regional economy.

Medium- to longer-term, one of IMD's key contributions to the regional and national economy occurs through our work with start-ups and scale-ups. Every year, we run a start-up competition to select about 30 start-ups that will benefit from the support of a team of MBA or EMBA students as a significant component of their programme. The start-ups supported by the EMBA get to go to Silicon Valley for a week and often return to Switzerland with additional financing. We track what happens to the start-ups that we help and we know, for example, that two of them are now Unicorns and that we have worked with 40 of the "2021 best 100 Swiss start-ups".³ In partnership with the governmental organisation supporting innovation, we have also launched a programme that enables us to support scale-ups over a one year process.

To assess our impact on this front, we track three types of indicators:

- a) How many of our cases are bought by instructors in other institutions?

In 2021, for example, over 200,000 IMD cases were sold to more than 1,300 institutions in 111 countries.

- b) How many of our colleagues are able to develop "best-selling" (and hence influential) cases?

For example, in 2020-2021 we had six colleagues among the Case Center's Top 50 best-selling authors and nine colleagues had at least one case appearing in the best-selling &/or classic cases lists.

- c) How many of our cases are winning awards (i.e., are selected by a relevant jury as a high-quality pedagogical asset)?

The main case awards are of course that attributed by efmd and the Case Center, but we also track our performance in case competitions like the John Molson MBA International Case Writing Competition or the HEC Montréal Corporate Social Responsibility Case Writing Competition. We also track who wins these awards, including in terms of generations of faculty members. It is important for us that more recently hired colleagues start succeeding their older colleagues in these areas.

ENABLERS OF THIS RESOLUTE FOCUS ON IMPACT IN ALL OUR ACTIVITIES

It is clear to us – IMD faculty, staff, foundation and supervisory boards – that we are quite different from most business schools we know, particularly from business schools belonging to universities and hence operating under much more constraining rules and regulations than we do.

IMD's historical functioning – and the conditions that enabled it to function that way – have been analysed in substantial detail in Lorange (2002 and 2008) and Manzoni (2008). There have obviously been some changes over the last 15-20 years, but IMD's fundamental positioning and functioning are still quite similar to what they were then. To this day, the characteristics that help IMD to operate in a very purpose-centric way (with its very education-centric purpose) include:

- A very tight governance structure, including clear faculty and staff representation as one would expect in an academic institution, but wherein the IMD Dean (actually called President) wields more authority than most Deans, and does so under the supervision of a small and engaged Board of Directors.
- IMD is an independent academic institution, and hence not subject to the constraints that come from being part of a larger university. As a result, all decisions made at IMD – from faculty hiring and promotion to the allocation of various types of resources - are made by and for the benefit of the business school.
- IMD's faculty does not have departments or academic areas; there is one faculty group, all reporting if you will to IMD's Faculty Dean and President. This system is quite demanding for these individuals (e.g., in January and February the Faculty Dean and the President must meet each of IMD's 50+ colleagues for a one-hour meeting), but it significantly reduces politics and fragmented agendas.
- IMD faculty's "open contracts" offer them some long-term protection, but significantly less than the traditional tenure system. IMD faculty members know that they must work hard at remaining productive contributors for the institution. If they don't, their job is at risk but - probably more importantly to them -, so is their standing and relationship with their colleagues.
- IMD's faculty and staff have a strong shared understanding of the school's purpose, economic model, culture and values. We very actively nurture this shared sense of destiny and direction, and it represents a significant advantage in terms of IMD remaining a purpose-centric institution with a strong focus on Real Learning and Real Impact for managers and organisations.

CONCLUDING REMARKS

IMD's independence has significant advantages in terms of simplicity and focus. Combined with our lack of substantial endowment, this independence also presents us with a challenge every year to generate enough revenues to cover – without any help from anyone - all the costs associated with running an academic institution in today's world. For the vast majority of business schools, degree programmes contribute to creating a relatively stable (and somewhat counter cyclical) revenue profile. At IMD, degree programmes are smaller than most other institutions' and we must hence generate more than 75% of our revenues anew every year.

In effect and until we develop an endowment, we at IMD are sentenced to being - and to being perceived by managers and organisations as – relevant and positively impactful. In fact, as more relevant and impactful than other schools and professional service firms that these individuals and organisations can choose to address their needs.

I think that building on the great work of our predecessors, we have made a virtue out of necessity. We have created a set of mechanisms and an organisational culture that helps us to be very aligned in the pursuit of our shared purpose – challenging what is and inspiring what could be, we develop leaders who transform organisations and contribute to society. This focus very much determines our approach to everything we do, including faculty hiring and management as well as research and pedagogical material development.

Our model clearly won't suit everyone; it is certainly not for the faint of heart, especially when – as in January 2020 and the appearance of the Covid 19 pandemic – revenues from face-to-face executive education suddenly dropped like a rock! But once more, we stayed on purpose, we committed to – and succeeded at - innovating fast and furiously and we radically transformed our delivery model (see Manzoni, 2022a). Our faculty & staff agreed to substantial sacrifices, while our Board agreed to let us continue to invest in key areas (see Manzoni, 2022b). Thanks to all these elements we are coming out of the Covid crisis a stronger organisation, powered by strong momentum and a renewed determination to do our best every day to contribute as much as we can to the development of a more prosperous, sustainable and inclusive world.

Footnotes

¹ An important note: This ongoing contact with demanding executives and organisations also forces IMD faculty to stay very much up-to-date with research conducted elsewhere, for which in many cases they act as translators to an audience of practitioners (for which the research was not initially conducted and written up).

² <https://www.ft.com/content/3405a512-5cbb-11e1-8f1f-00144feabdc0>

³ <https://www.imd.org/news/updates/TOP-100-Swiss-Startups-2021/>

References

- Anand, N. and J-L Barsoux (2014) *QUEST: Leading Global Transformations*. Lausanne: IMD International
- Kalika, M. (2022) <https://blog.efmdglobal.org/2022/06/01/bsis-a-decade-of-impact/>
- Lorange, P. (2002) *New vision for management education: Leadership challenges*. Oxford: Pergamon Press.
- Lorange, P. (2008) *Thought leadership meets business: How business schools can become more successful*. Cambridge: Cambridge University Press.
- Manzoni, J-F. (2008) "On the Folly of Hoping for A, Simply Because You're (Trying to) Pay for A", in *Performance Measurement and Management Control: Measuring and Rewarding Performance*, Marc J. Epstein and Jean-François Manzoni, Editors (Emerald, 2008), pp. 19-41
- Manzoni, J-F., A-F. Borgeaud-Pierrazzi and E. Neutuch (2020) "Real Learning, Real Impact: Exploring the impact of an International Business School with the EFMD Business School Impact System", *EFMD Global Focus* (Vol. 14, #2 (April 2020), pp. 4-8)
- Manzoni, J-F. (2022a) "Executive Education Post-Pandemic : Reflections on the Role of Technology-Mediated Interactions Going Forward", in *Executive Education after the Pandemic: A Vision for the Future*, Santiago Iniguez and Peter Lorange, Editors (Palgrave, 2022), pp. 245-256
- Manzoni, J-F. (2022b) "Leading an (Unusual) Academic institution through a Crisis: A Personal Reflection", in *Business School Leadership and Crisis: Exit Planning* (Global Deans' Contributions on the Occasion of the 50th Anniversary of the EFMD), Eric Cornuel, Editor (Cambridge University Press, 2022), pp. 311-330
- Strebel, P. and S. Keys (2005) *Mastering Executive Education: How to Combine Content with Context and Emotion - The IMD Guide*. Paul Strebel and Tracy Keys, Editors (FT Prentice Hall, 2005)

About the Author

Jean-François Manzoni is the President of the International Institute for Management Development (IMD), where he also serves as the Nestlé Professor of Leadership and Organisational Development.