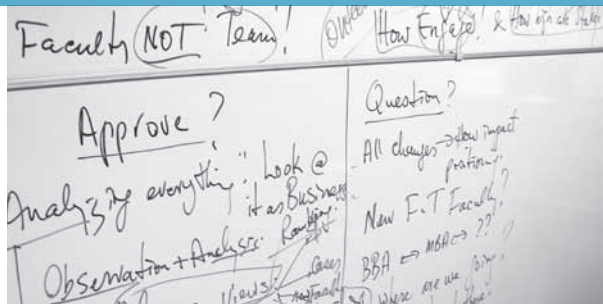


CEEMAN *news*



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IMTA – a generational impact

CEEMAN Champion Awards expand to include responsible management education

CEEMAN IQA gaining new momentum

Business schools demonstrate their vitality and capacity for change



An interview with Sergey Myasoedov

by Milenko Gudić

Businesses today are facing complex change. This provides their leaders with increasingly greater challenges and opportunities. Consequently, the management education industry needs to respond effectively.

In order to react to, if not anticipate, fast-changing customer needs, business schools need to change themselves as educational institutions and businesses in their own right.

The question is whether business schools, which lecture others on the necessity of creativity, innovation, and change, are ready to change themselves.

Another issue is to what extent – and how – these changes could be facilitated and synergized if learning partners were to pursue much closer collaboration. This includes cooperation between business schools and their respective corporate and learning partners as well as collaboration among business schools.

Management development associations are playing an important role in this respect but they could also be more proactive.

In order to further explore these issues, we asked Sergey Myasoedov to share his thoughts and ideas. As a person who combines three different functions: Rector/Dean of Institute of Business Studies IBS-Moscow, First Vice-President of Russian Academy of Social Science of the President of Russian Federation (which is currently undergoing a major merge process), and new President of the Russian Association of Business Education (RABE), Prof Myasoedov is in position to provide a multifaceted perspective and comprehensive insights into the complex challenges and opportunities that modern management education, including in emerging environments, is facing today.

Following our strong belief that faculty development should be at the core of any change in business education and leadership development, we have asked Sergey Myasoedov to also touch upon some of the ideas on what kind of faculty business schools need in the times of turbulence and change that he exposed in his keynote address to the 6th IMTA Alumni Conference on Faculty Development: Learning from Best Practices, which was held in May in Moscow, Russia.

Milenko Gudić: In an unpublished manuscript, Kazimir Malevich wrote that “no phenomena is mortal”, referring to a continuous flow of phenomena and equally continuous reincarnation of important ideas. How do you see the current “reincarnation” of the main leadership challenges worldwide and the respective management development responses? What are the critical skill gaps that business schools need to address?

Sergey Myasoedov: I consider that the word “reincarnation” is very good for this phenomenon of the same ideas returning. In fact it’s a wisdom known in the Bible that “there is nothing new under the sun”.

However, when the same ideas about change management, leadership, and values return back, they do not return in exactly the same form - to continue with quotes from the past, “one cannot step in the same river twice”.

And so old, however good, theories, passing through reincarnation, return back taking into account the new environment, new needs of the people, changes of character, morality, ethics in accordance with the change of our knowledge, skills, technology, I do not think that there exist some critical gaps in skills that business schools should cover.

The best business schools are very adaptive, customer-driven, and market-driven; they follow the situation leadership concept so they take from the library shelves those theories that present times need badly and send back to the library those that are too old.

It seems to me that all the business schools, whatever criticism is around, prove their vitality and they prove that they are of need to business.

But business should be critical. It is the first to feel changes in the market. And business schools should follow this criticism and adjust their programs.

In those schools that are at the top of rankings and attract thousands of executives the situation is not that bad. We have to recognize that they provide a lot of necessary knowledge and skills to their customers.

However, do they have reserves for quality improvement? Definitely! That's the problem of the glass filled with water. Some people think it is half-full. Other people believe that it is half-empty. And both groups are half right and half wrong.

MG: In the AMBA International Deans Conference held last month in Geneva there was a special session on the emerging environments, where you, Danica Purg, and Judy Tsui presented on the respective developments in Russia, CEE, and China. How would you position the current skill gap in Russia with other emerging markets, and how would you position emerging markets in general with the established markets that have a much longer tradition in both management and management development approaches and practices? What issues are universal and what are those that are contextually specific or culture-dependent?

SM: I do not quite share the philosophy of this question. I do not think that today there exists a real cultural and context gap between emerging and developed economies.

The vast majority of emerging economies have existed for about 20 years. The gap could be seen 20 years ago while now we have a rather heterogeneous picture as far as all the emerging markets are concerned.

In Russia, as well as in other emerging markets, we now have very strong business schools, which follow the major trends in business education around the world.

These schools have their teams of researchers and faculty; they have established links with the biggest industrial enterprises of their countries; they provide coaching and consultancy; they have long-term cooperation practices with the leading consulting companies like "the Big Four" (KPMG, PricewaterhouseCoopers, etc) and with the leading national consultancy companies that provide trainings and coaching in personal development of executives. Lots of top specialists are working in those business schools. This is the upper strata.

Then we come to middle-level business schools in emerging economies, which are still seeking the quality of good European and US business schools. And as everywhere we have those who just start their movement.

To a certain extent, the same thing also exists elsewhere in the world – there are Harvard, Wharton, Stanford, Kellogg; there are several doz-

ens of business schools in Europe and US which are in the middle of the rankings – they are good, but not great; and there are a lot of "losers" who run junk MBA programs.

The same happens in the vast majority of developing countries, the difference is that the leading business schools there are catching up with the world leaders and just bypass the medium levels of European and US quality.

And we need another 10-15 years to complete the catch-up. It's just the problem of a certain time gap. The pace of Eastern European countries and Russia is relatively high, and I guess our business education will catch up pretty quickly.

What I also say to European business schools interested in cooperation with CEE and Russia is: when you come to these countries, please remember that they are in the middle of "Moses way across the desert". They have passed 20 years of the 40 mentioned in the Bible.

In Russia, as well as in other emerging markets, we now have very strong business schools, which follow the major trends in business education around the world.

So when you come to Moscow and St Petersburg representing medium-ranked schools in Europe and the US and say you are looking for the partners to sell your medium-quality programs for a commission, it sounds strange today if not to use the word "ridiculous".

If you are looking for younger schools in the emerging economies, you have to come to the regions, and you will find these schools there.

But if you are searching among the Russian leaders, you have to accept the idea that you need to look for strategic partners and synergetic effect, because some of these leaders can be more advanced than you. Some Russian business schools and Eastern European business schools have got the leading world accreditations, they have huge experience of corporate programs, a very good set of professors, and very interesting research. They are able to think globally and act locally.

So I consider that the word "gap" when speaking about business schools of Western Europe and US on one side and business schools of Eastern Europe and Russia on the other side is too general and not correct.

MG: It has already become a common place that business schools talk (preach) about changes, while they themselves seem to be rather conservative and reluctant to change. What are the reasons for this? The 19th CEEMAN Annual Conference on “Management Education in a Changing World: Are We Ready for the Challenge” will particularly focus on assessing business schools’ readiness for change. How do you see this issue? What are the key changes business schools need to make, and what are the hurdles, if any, to get over in order to create and implement necessary changes?

SM: Change management is a very difficult problem for the majority of companies in the world. If we analyze those companies whose stock was used to calculate the Dow-Jones industrial index 100 years ago and now, except for Coca-Cola, we will not find the same names.

It is very difficult to start change management. Any radical change management means that you have to spoil relations with a lot of good people. And first of all you have to spoil the relations with a lot of people who were the pride of the previous generation. Those “gurus” to whom you prayed for decades now have to be set aside, and it is a very painful process for all companies, and especially for business schools and universities.

Why? Because traditionally at the top of the universities are the academic councils. They consist of old professors, who are often fantastic people. They are great experts... in the problems of the past and not very much adapted to the present. Only some of them manage to keep pace with the times, while the majority hates changes. But they are in the decision-making bodies and have the authority to prevent the change. So academic change management is objectively more conservative and slow compared with business. I exaggerate a bit, but still the picture is real.

The best business schools in the world are trying to maintain continuous quality improvement. They invite business representatives onto their advisory councils – this is what the leading business schools of Russia and Eastern Europe are doing, such as the Graduate School of Management



of St Petersburg State University, the Graduate Business School of Moscow State University, IBS-Moscow of the Russian Presidential Academy, IEDC-Bled School of Management, and so on.

MG: Partnerships emerge when and where there is a joint belief that synergies could be created by joining forces. How do you assess the current partnership pattern among Russian business schools and their corporate and other learning partners, and how do you expect it to evolve in the future?

SM: Russia is a big country, and from this point of view our business schools recently started thinking about serious long-term partnerships not only with Western business schools but also between capital cities of Russia (Moscow and St Petersburg) and distant regions. I think it is an objective process, and these strategic partnership programs will come to the Russian national market in the near future.

It is necessary to outline two new and interesting trends in the Russian business education market. Ten years ago lots of schools were trying to spin-off from their universities and become independent because the market was very strong. Now the market has just recovered after the recession and is still rather weak. Independent schools do not have resources to invest in development and face the difficulties.

And the government – just like in Britain and some other European countries – supports and stimulates the process of mergers and acquisitions among the biggest universities and business schools. I am not too happy with this process, as every time you create something huge you lose a lot of flexibility and a lot of small innovations. However, I have to recognize that it is an objective process backed by economic reasons.

Within this trend a merger of the two biggest Russian universities – the Academy of National Economy and the Academy of Civil Service into the Russian Presidential Academy in the fall of 2010 is the most outstanding event. The Academy of National Economy was the biggest amalgamation of business schools and centers in Russia and provided up to 65% (!) of the total MBA graduates of the Russian national market in 2010. The Academy of Social Science did the same in the field of education and training of the civil servants, covering up to 90% of the demand of federal and municipal governments of Russia.

The purpose of the merger is to concentrate resources and to create a world-class university as well as to provide the opportunity for training multifunctional managers capable of working both in state institutions and private companies on a national scale.

In addition, this huge new university - the Russian Presidential Academy - has 68 branches in 66 regions of the country (with all their facilities,



buildings, professors, and so on). The number of students at all the campuses is almost 200,000. The Russian Presidential Academy is the biggest university in Europe and is five times bigger than the Moscow State University.

A team of World Bank experts is helping to restructure this university and position it within the leading universities of the world.

Another trend is connected with the open market and does not deal with the state or the government.

Two of the biggest Russian independent business schools (MIRBIS and Synergy) found strategic partners while preserving their full professional independence in the market. MIRBIS got into strategic alliance with one of the biggest Russian banks, URALSIB, and now they have the resources to conquer the market, for research, for increasing their team.

Synergy created a partnership with one of the biggest independent private universities and they are also looking for benefits from this amalgamation. This growth in size of business schools and universities is inevitable as we need to concentrate resources to move forward.

MG: What about partnerships among Russian business schools, and between Russian schools and international management development institutions? What are the key issues in this respect? Are there any specific and/or universal lessons that you personally experienced in leading a huge merger project among two major management development institutions in Russia?

SM: I consider that such cooperation is right, and we need to develop that. However, sometimes trends in the markets help and sometimes curb the development of what we consider to be important.

I am not ready to estimate the market situation of all the emerging economies, but in Russia the market for executive programs practically does not exist. The customers mentally are not ready to pay big money for intensive high-quality programs. They prefer something longer even if this means more academic and less practical.

From this point of view, cooperation and negotiations between the leading Russian business

schools and world-leading management development institutions is limited to single mutual research projects, short seminars, etc. We are waiting for the market to open a new page – I expect it will happen soon. But unfortunately it has not happened yet.

MG: Last September RABE celebrated its 20th anniversary, which was an opportunity to demonstrate impressive results achieved in this specific form of partnerships among business schools. How would you summarize the main achievements of the Russian Association of Business Education in the last two decades, and what do you see as its main priorities for the future? What can RABE, as an association, do to help business schools get ready for change in the light of the current and future challenges that you mentioned earlier?

SM: First: 20 years ago we did not have any business education in the country – now we have it.

Second: 20 years ago we had just three business schools. Now we have about 150 business schools across the country.

Third: 20 years ago we had a bunch of talented university faculty going abroad to learn why business education is different from academic education. Now we have a big national team of well-qualified professors and trainers who provide consultancy to business, who conduct applied research, and who are bringing their knowledge and skills to their audience.

Forth: 20 years ago we used to translate thin and mediocre foreign textbooks (we did not have money for the good ones) about business. Now we have a bunch of thick books, well-developed and based on local cases, written in Russia.

Conclusion: business education has existed in Russia for 22 years. Business schools have become more and more mature. The quality of MBA programs meets European quality requirements. The leading Russian schools come to Europe and the US and say: “we are not teenagers any more. We are adults as you are. We want to upgrade our former partners – we are very thankful to them, but we are looking for higher-level partners, for the alliances with the leaders”.

What is the role of RABE under the new conditions? RABE assists Russian business schools in learning about the innovations and the most recent trends in global and national business education markets. That is why we are trying to balance our international conferences and organize them in different parts of Russia, different parts of Europe, and different parts of the world and to learn and to bring the best to our business schools.

I would like to quote CEEMAN President Danica Purg, “let’s take the best from the west and leave the rest”. RABE shares this approach.

MG: What about collaboration among national, regional, and international associations and networks? What do you see as key areas for a closer global collaboration in the future? What about collaboration between RABE and CEEMAN? How can we further build on what we share in common, and what we have already through our successful cooperation in the past?

SM: I believe in cooperation: the world is becoming global, people are learning from each other. It's a time when knowledge is becoming old so quickly that to preserve commercial secrets within business schools is stupid, one has to be open.

As President of RABE, I will do my best to strengthen our relations with the leading associations of business schools and management in the world, such as AACSB International, EFMD, Association of MBAs, etc.

A very special role belongs to our great traditional partner – CEEMAN. RABE and CEEMAN have a lot of common interests. Many business schools in CEEMAN have the same Slavic roots, similar mentality, and way of thinking.

RABE and CEEMAN cooperate in organizing international conferences, workshops, and other events. We combine our efforts to help establishing a bridge of mentality between Asia and Eastern Europe. And I think that we have to combine our efforts in the field of comparative management and cross cultural research.

I highly appreciate the activities of CEEMAN's IMTA – International Management Teachers Academy. More than 90 Russian faculty members have passed training with that program.

MG: Let me come back to Kazimir Malevich, whose Black Square metaphor you elegantly used to describe the complex qualities of modern management educators for the multiple roles they play in responding to the changing customer needs and the increasingly growing challenges of their institution. By playing with words, my question would be: How does the Black Square look from the Red Square? In other words, how important is faculty development at this moment in Russia? And, following the issues discussed at the 6th IMTA Alumni Conference, what are the respective roles to be played by

business schools and their associations at either national, regional and/or international levels?

SM: I consider that training of the new generation of talented business professors – bilingual, capable of working with modern IT technologies, open minded, with global thinking – is vital today for Russia and other emerging economies. RABE as an association of the leading business schools should combine efforts in this field with CEEMAN, talk to the business, and create a national system of training the young generation of faculty. I highly appreciate the activities of CEEMAN's IMTA - International Management Teachers Academy. More than 90 Russian faculty members have passed training with that program.

When managers come to a business school, first of all they are looking at the faculty who teach there. So faculty training is an absolutely vital issue for all business schools. And all the major international management associations should combine their efforts and develop cooperation in this field. I am glad that RABE and CEEMAN have done so successfully for a number of years and plan to continue in future.