CEEMAN

Manifesto

Changing the Course of Management Development: Combining Excellence with Relevance

The CEEMAN Manifesto in Short

EXCELLENCE

RELEVANCE

To read the full version of the Manifesto, please visit manifesto.ceeman.org

The CEEMAN Manifesto in Short

In September 2018, CEEMAN published a wide-ranging Manifesto laying out a new direction for management teaching and research. In the meantime, this 36-page document has been broadly distributed in both academic and business circles worldwide, and its call to action heeded by educators, their educational institutions, and their student and business clients. This summary short version of the full Manifesto is not intended as a substitute - rather as a way to encourage even greater readership of the Manifesto itself, and an encouragement to head in the new directions which are espoused.

It may come as a surprise to some to see such an initiative originating in the newly rising markets of the world and not in the long established centers of management development in North America or Western Europe. But CEEMAN with its outreach to more than 200 management development institutions primarily in these new markets is uniquely placed to play such a disruptive role. The center of innovation for products and services as diverse as high-speed rail transport, container lifting cranes, hotels, internet shopping platforms, and 5G communications technology has already shifted from West to East, and there is strong reason to believe that management development may well be next in line.

The **NEED FOR CHANGE** has been neatly summed up by Swedish scholar Johan Roos, himself a well-trained and highly experienced theoretical and quantitative researcher, when he said[1]:

> *"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."*

His 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 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

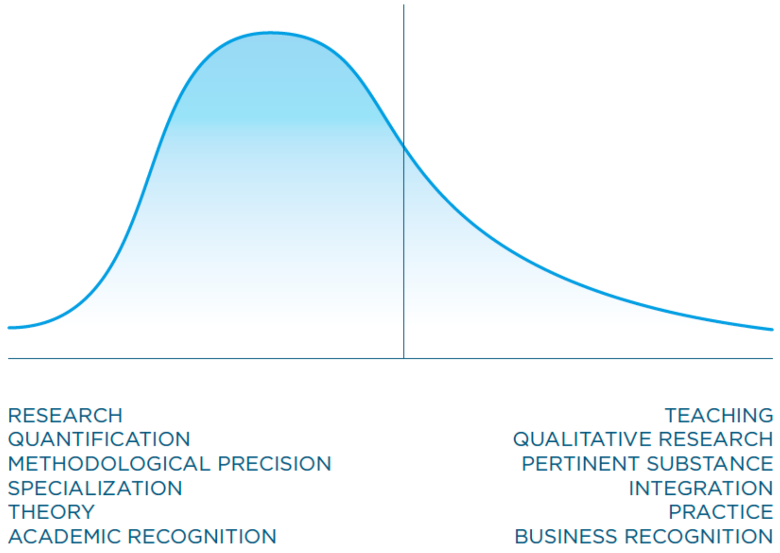
At the root of all these skewed orientations is the belief that management is indeed a science and that, as in the physical and in many social sciences, research, teaching AND practice should look to the scientific method for insight. We at CEEMAN have a more contoured view - and in the full Manifesto, 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.

The Manifesto opens, appropriately, with **SOME HISTORY**. Management education is by any measure a relatively new pursuit for the universities of the world, and has existed as such in the US for only a little over a century; in Western Europe, Latin America, and limited parts of Asia for the better part of 60 years; in Central and Eastern Europe and Russia really only since post-war divisions of Europe collapsed in the late 1980s; and in the rapidly growing new markets of China, South East Asia, and now Africa, more recently still. After a first half century of relatively strong orientation to practice and to the unravelling of

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

some of its complexities, there has since been a steady drift towards starting from the other end - with the development and teaching of theory which is presumed to be applicable and have utility to those existing and would-be managers, leaders, and entrepreneurs who are the management schools' main customers. Alas, both teaching and research have veered away from the real world of practice.

The Manifesto then goes on to explore in-depth the **SITUATION TODAY**. It is not a very balanced picture, as the off-center and skewed bell curve of how management development institutions are believed to be distributed shows below.



Among the reasons for this lop-sidedness, the following are highlighted:

- faculty selection and promotion criteria which heavily weight not only research over teaching, but weight particularly the 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 comes to promotion decisions;

- 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 weight 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, perhaps of most significance, 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.

This leads on in the full Manifesto to a searching enquiry as to the **INHERENT NATURE OF MANAGEMENT** in general (with no attempt here to differentiate management, leadership and entrepreneurship), and the implications of this for both teaching and research.

The following can be said of the inherent nature 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 is of course important, but judgements have to be made which invoke personal and organizational values, which 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 enquiry; 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.

With respect to **TEACHING AND LEARNING**, the following implications may be drawn:

- 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 offering 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 is borrowed directly from the life sciences is an example). Imperative is always to ask, "What's the same here, but what's different? Can the scientific method help here?"

The implications for the **RESEARCH** that is needed are expressed in the Manifesto in the following terms:

- 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, once identified, hardly 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, as is research in the "hard" sciences in general.

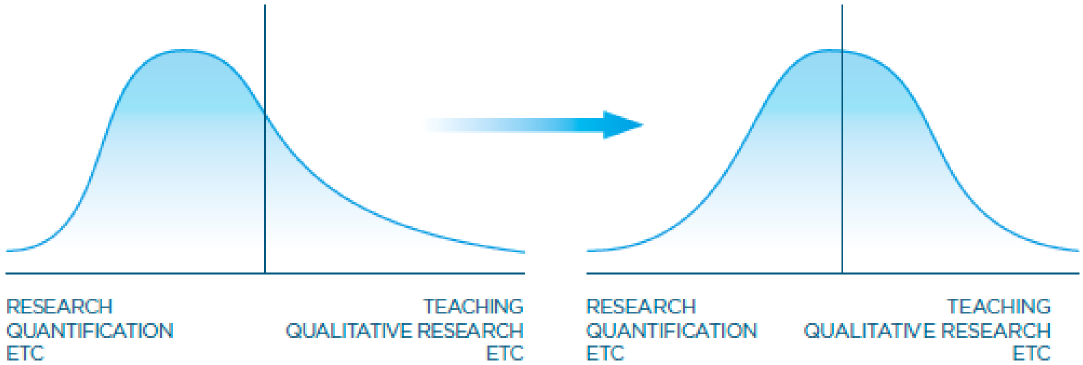
The Manifesto leaves it to the reader to answer the question, with the above in mind, as to whether management overall can be considered as a science or not, and whether the scientific method can be applied to management research. Certainly current practices in many management schools appear to rest on this assumption. Many readers may however 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 judgement 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.

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.

The final part of the Manifesto turns to the two central questions, which the earlier parts implicitly raise: first, what has to change, and second, how should it be effected. Neither have easy or straightforward answers. The Manifesto takes them one by one.

What Has to Change

The Manifesto does 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 which are not outliers lie on either side of the center. The needed shift is shown in diagram form 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 towards the middle. And it must be remembered that whatever the positioning in the bell curve of any individual institution, within any institution there is a further distribution of individual faculty members along the same six dimensions.

A much more realistic approach, and one which the Manifesto recommends, is to use two summary measures of where an institution stands and where it should aim to be. It recommends the use of EXCELLENCE on the one hand and RELEVANCE on the other for this task.

When excellence alone is used to assess institutional quality, as it often is, it becomes all too easy to put research ahead of teaching, to put quantifiable research findings ahead of qualitative conceptualization and insight, to put methodological precision ahead of pertinence, to put specialization ahead of the integrative holistic approaches that management needs to understand the complexities with which it is confronted, to ignore Leibnitz's plea for "Theoria cum Praxi", and to be satisfied with academic accolades even as the "A" journal publications which earn these accolades remain unread and little understood or appreciated by the practicing executive. The term "excellence" can simply mean that such an institution is among the best in its class, even if the class consists almost entirely of those left of center on the lop-sided bell curve described earlier.

Only by demanding relevance as well as excellence can we hope to shift the balance back towards the center. For as soon as relevance also enters the quality equation, teaching has to regain its rightful place alongside research (and in fact research becomes essential to keeping the classroom fresh with latest thinking and best practice), the qualitative research often needed to conceptualize practice finds its proper place, pertinence is required along with methodological precision, integration counterbalances specialization, theories of practice displace pure theory disconnected from practice, and as much value is placed on recognition by the business community as by academia.

The Manifesto digs deeply into the meaning and measurement of both excellence and relevance, and reaches the following conclusions about each.

EXCELLENCE is by definition comparative since the dictionary defines excellence as meaning superiority or eminence, i.e. of high standing, high rank or repute. It requires therefore a definition of which dimension or dimensions are being measured and what standards are being used. It is of course possible to be excellent on one dimension but only average on another. In an assessment of excellence with respect to management development institutions, excellence is therefore possible in any position on the bell curve presented earlier, regardless of whether these attributes lay to the left or right of center. Only important is to know the class of institutions to which the institution of interest is being compared. On the left side of the curve, excellence has to be interpreted as excellence in research (but not necessarily teaching), quantitative and statistically sound approaches to this research, methodological precision, excellence in whatever specialty is the focus of attention, strong theoretical coverage, and high standing in the halls of academia. On the right side of the curve, excellence has to be interpreted as excellence in teaching (but not necessarily research), more qualitative and conceptual approaches to both teaching and research, the pertinence of the substance being researched and taught, the degree to which integration of different specialties is covered in a more holistic approach to the understanding of the real problems of management, and close connection to, and recognition by, the business community. Excellence for those institutions positioned towards the center of the bell curve means to be demonstrating a good balance between the two. In summary, institutional excellence must be interpreted as meaning that the institution is among the best in its class, no matter how that class is defined. And which class an institution belongs to derives from both its stated mission and the observable alignment of reality with that stated mission.

RELEVANCE requires that the teaching and research that an institution undertakes has practical utility and impact in the real world that current and future executives will inhabit. This means not only relevance to practice in general but relevance to the particular problems likely to be faced by students and executives in the markets they serve, and relevance in terms of being up to date and future looking. With respect to markets served, no matter how local, the presumption must be made that executives have nevertheless to keep their eyes on two balls, namely, the nature of their own local problems and the global best practices that may have relevance to their local situation in the present or future. Local relevance should go hand in hand with an awareness of what is going on globally, since no business is any longer isolated from global competition. Relevance time-wise means to be up-to-date on latest thinking as it applies to the latest challenges and new problems being met in practice. And relevance TO practice does not mean practice at the expense of theory. On the contrary, as Kurt Lewin[2] famously said, "there is nothing more practical than a good theory".

An important point when assessing relevance is to remember to look beyond business itself to the needs and purposes of stakeholders that business serves. Society's needs and purposes are increasingly one of these, and preparing students and executives to deal with the social, environmental, ethical, and sustainability issues with which business is now challenged must figure centrally in any assessment of relevance. Even if not always high on management's want list with respect to management education, it must figure high on education's perception of what will be needed.

Overall high quality can only be achieved when excellence and relevance are BOTH present. To be excellent at the wrong things is misguided effort; to do the right things badly is just sloppy! Both excellence and relevance measurement require a hard look "behind the scenes" at all the upstream factors that make excellence and relevance possible - including an institution's vision, mission and values, educational philosophy, strategy and positioning, but also the business and academic connectivity, processes, faculty and other resources and infrastructure on which excellent and relevant teaching and research ultimately rest.

---

[2] *Kurt Lewin was a German-American psychologist, known as one of the modern pioneers of social, organizational, and applied psychology in the US*

How to Make Change Happen

The Manifesto was written with no illusions about the difficulty of getting what has become a giant tanker, headed in an increasingly singular direction, to undertake a change of course. The quantifiable objective measures which are often used to assess the purely academic excellence of teaching and research will have to be complemented with the degree of more qualitative subjectivity required to assess relevance, and unambiguous objective measures balanced with wisdom and judgment.

Where and from whom will such judgement 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;
- in government funding circles and educational ministries by individuals who have to have real insight into what is at stake.

Unfortunately, some government officials today are relatively unaware of the issues highlighted in this Manifesto, and undermine relevance as a result. And, at the end of the day, it will require individual faculty members to buy in to such a change of course.

The Manifesto concludes by pointing out that this is only likely to happen if there is a real sense that the wind direction is really changing and there will be safety and eventual career benefit 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.

CEEMAN, for its part, is actively engaged in six distinct ways to catalyze the changes that the Manifesto stands for:

1. CEEMAN IQA – International Quality Accreditation will, even more than at present, lead the way, with relevance and excellence becoming the hallmarks of CEEMAN accredited institutions.
2. A 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 the Manifesto.
3. 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.
4. 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.
5. 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.
6. CEEMAN Annual Conferences will continue to incorporate the ideas and recommendations of this Manifesto to spread the messages further and harness support.

Prof. Derek F. Abell (lead author of the Manifesto)
July 2019