

## COLUMN

# A defining characteristic

## Innovation can assist in driving change



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A recent report by AACSB, *Business Schools on an Innovation Mission*, has brought much attention to the structure of business schools. This report, from a task force created by the Committee on Issues in Management Education (a committee of the AACSB board of directors) was released in February 2010 to its membership.

Important findings include 'how B-schools can do more to foster innovation', and 'the pivotal role played by B-schools in developing effective leaders and providing support for the engine is driving sustainable growth'. The report gives sufficient motivation to business schools' leaders in thinking that the concept of innovation is a defining characteristic of their mission.

But, how do these play into thinking about B-schools' structure, especially because the report is centred on innovation? Innovation, by its very nature, means 'thinking out of the box'. So, how can innovation begin to permeate the activities of a B-school without some strategies, which must take into account the environment in which it works – and *vice-versa*. To be innovative might mean that actions or strategies become unique to an institution depending on how they operate. Therefore, a B-school's structure is a necessary debate, an essential component for strategic planning.

We know that B-schools are defined by their location, size, regulations under which they operate, etc, but are also influenced by the various communities they serve or wish to serve and the communities where they are located. There are three areas of focus for every B-school: research, teaching and outreach/engagement with the community. It is the mixture of these that define a B-school's mission, from which, a school forms its programme and initiatives, all within the context of a strategic plan.

The report on innovation describes a generic framework, intentionally designed to be abstract enough to be applicable to a diverse set of business schools. It is a tool for B-schools to use when analysing their operations or determining strategies. The environment in which the business school operates has a large influence on these decisions, so much so that, if one transplanted a business school to a new location, it is most likely that its activities and strategies would change. In addition, environments are constantly changing, suggesting the need for attention to emerging markets and their impact on curriculum development, and the need to understand innovation

and entrepreneurship to also impact curriculum. The concept of innovation is central to much discussion in current business needs.

The report discusses the issue of diversity of business schools in the innovation environment context, highlighting three major findings: no single formula for a business school to address innovation; innovation can complement other defining characteristics or objectives; Diversity of business schools magnifies their ability to positively impact society.

The findings do present another challenge to the legitimacy of media rankings, which can assume and encourage homogeneity.

The report also highlights other areas such as research, the role of managers, outreach, the need for integrative thinking and also the impact on outcomes and accountability. All these issues should be direct concerns for all directors and deans of business schools.

Within the Indian and, in general, the Asian context, one sees a large variety of environments for business schools, but also a large amount of homogeneity. Does this seem rational? If there are obvious differences in environments, one would expect to see diversity in programmes and strategies too. However, when observations in the popular press describe highly ranked schools, there is a common belief that building more of the same will prove to be the best course of action. An analysis by the academy may prove that this is not the best course of action. Is management education in general being assisted by the emergence of more schools offering similar programmes, having similar strategies?

Regarding the impact of diversity on environment, dimensions include the big versus small city comparisons; the potential emergence of foreign institutions, which may only affect the big city environment; the pervasive use of rankings by the customer; the emergence of 'focussed' cities such as Bangalore as an IT hub; and the issue of government regulation versus other models of operation.

Given the current environment of change, and the apparent call for change from the corporate sector, it would be advantageous for B-schools to make use of the generic model described above and also in the mentioned report. In addition, the report using the concept of innovation as a focus can assist in driving change – a much-needed change in management education curriculum. ♦

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