

CHAPTER 1

Introduction

WHY THIS BOOK?

“It is change, continuing change, inevitable change, that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be (...). This, in turn, means that our statesmen, our businessmen, our everyman must take on a science fictional way of thinking”, Russian born US-author Isaac Asimov (1920–1992) was once quoted. Over time, many things that have been labeled as science fiction have turned out to become reality – or at least pretty close to reality.

Call it science fictional thinking, scenario planning, or anticipation, what is important for organizations is to develop a vision on the future – what it may look like, what its consequences may be, and what the organization’s role in this future may be or should be. Many organizations are faced with this challenge, educational institutions not in the least. Contemporary economic realities are threatening the subsistence of education as society has known it hitherto. These challenges apply all the more to institutions of management education.

This book is about changes and the consequences of these changes in the field of management education and current realities facing business schools. Business schools are encountering a lot of changes, challenges, and new demands in both their internal and their external environment. This book contains both a description of important trends and developments that are taking place within the context of management education and a particular vision on these trends, developments, consequences, and realities: a network vision.

This book takes a broad view on developments in the field of management education and the (need for) progression of business schools in the network economy. By means of a network perspective it aims at exploring future directions and roles for the business school and its activities in order to survive new economic and competitive realities. As the British philosopher Bertrand Russell proclaimed (1872–1970): “change is one thing, progress is another.”

MANAGING AND LEARNING IN THE 21ST CENTURY

In times of change, it is a soothing and convenient thought to capture the essence of reality into a single encompassing notion. What, then, is that one feature, concept, or term that concisely describes what the 21st century (social-)economic landscape is

about? Is it the ‘new economy’? Is it the digital economy? Perhaps it is technology? Or, in more general terms, is it about paradigmatic change?

Economies develop over time and different economic eras are characterized by different dynamics. The transformation from a society based on agriculture to an industrial society invoked fundamental changes, as well as the transformation from the industrial society to a society based on knowledge. Some have labeled this contemporary knowledge society in terms of a new economy, while others have demonstrated a one-sided preoccupation with globalization or information and communication technologies (ICT). What is generally agreed upon is that the transformation to this era of new economic realities brings truly fundamental changes inducing fundamental new dynamics, a new landscape, and new players competing within this landscape.

This book views these changes, dynamics, and the new landscape particularly from a network perspective, since the idea of the network perspective seems to provide the opportunity to integrate different important developments and features into one single concept. The creation of networks, for instance, is facilitated by the application of ICT and the process of globalization. Knowledge, then, becomes crucial in the network economy and can be seen as the glue that holds the network together.

When knowledge becomes of crucial importance, there is a prominent role for education and learning. Transferring knowledge and developing the right competencies and skills are prerequisites for organizational and individual maneuvering. Terms like smart products, the knowledge worker, the learning organization, and the intelligent enterprise have become established parts of today’s business vocabulary. The way of conducting business has changed and so have approaches to organizing: today’s enterprise is flexible and adaptive to changing market and environmental circumstances. Management has changed accordingly and the present-day manager is confronted with different and fast-changing competitive and organizational realities.

In addition, the boundary between work and learning is blurring; ICT has penetrated both business processes and educational processes; management knowledge is changing; skills, competencies, and experience have become integral parts of the learning process,

Concerning educational institutions, and universities in particular, it should be observed that they have manifested themselves as truly enduring institutions. They have existed in the course of many centuries. Though what can be described as their core competencies becomes a crucial ingredient for surviving in the network economy, the seemingly paradoxical question raised by different scholars is if these institutions will be able to endure. It is not so much the transformational process itself that seems a cause for concern – in fact, universities have witnessed and survived different periods of drastic change – it’s the scale and the scope of the

consequences that contemporary changes bring about that pose serious questions to the viability of traditional educational institutions.

Sir John Daniel, Vice-Chancellor of the Open University and author of 'Mega-universities and knowledge media' (1996), summarizes some of the most important challenges that traditional universities are to encounter:

- Emphasis on learning productivity is the route to more effective teaching. This will require institutional redesign in order to provide each learner with an experience that integrates, at a personal level, a range of interactions with the rich resources of the university;
- As the habit of lifelong learning spreads, students will become increasingly diverse. The majority will combine study and employment. Students, who will have a wide variety of academic backgrounds, will expect to choose from an extensive curriculum delivered in a convenient and affordable manner;
- The notion of an academic community will have to be conceived with less emphasis on physical campus as a common focal point. This paradigm shift may strengthen awareness of the core functions of a university and create a new basis for a sense of institutional belonging among students and staff;
- Universities will need to become increasingly adept at managing collaborative ventures with a wide variety of bodies, including other universities. Such collaboration will be required in order to offer students work-related courses and to make the investments necessary for the preparation and distribution of high quality intellectual assets such as learning materials;
- Public funds will constitute a decreasing proportion of the financial support for higher education, demanding a more entrepreneurial attitude from universities to explore other financial resources. Direct grants to institutions are likely to be replaced by mechanisms that channel support through individual students. Governments will, however, continue to develop explicit procedures to ensure accountability and quality assurance in universities.

These challenges also apply to most business schools. In a sense, business schools have been closer to some of the developments that are at the basis of these challenges, since they have had contacts with industry for a long time, have been serving a more varied student body than traditional universities, and have been using a more varied set of learning methods and techniques. This doesn't mean, however, that business schools are, by definition, more adaptive to changes and well-positioned to cope with these challenges. In the 21st century, many strategic challenges are facing higher education in general and business schools in particular: new entrants, new competitive dynamics, institutional change, and a highly differentiated demand for education are posing additional threatening forces. Indeed, a whole new playing field has emerged in the area of management education and business schools, often requiring non-traditional market approaches and new organizational arrangements.

AIMS OF THIS BOOK AND TARGET AUDIENCES

This book doesn't invite the reader to join a purely academic or theoretical journey, nor is it a mere enumeration of remarkable facts or important trends. What, then, is this book aiming for? The objective is threefold.

First of all, the objective of this book is to dig into some of the dynamics of the contemporary developments and the newly emerging playing field of management education and business schools. This means that the reader must have some understanding of some important current macroeconomic developments and the consequences of these developments for society as a whole, the field of management knowledge, management learning, and management education, as well as the logic of organization.

The second aim is to explore the changing nature of education and learning in more general terms. This includes topics like paradigmatic changes in attitudes and opinions about learning and the (consequences of) the use of ICT in creating learning environments.

Thirdly, this book aims for an exploration of the network perspective, especially from an organizational and managerial viewpoint, and to describe a vision on the consequences of the network concept for management knowledge, skills, competencies, learning, and business school organization.

This book takes on the challenge of exploring reality from a network perspective. It's not the first book that takes this concept as a central point for elaborating on and explaining dynamics in different parts of society's realm. Many publications – some quite renowned – have preceded. For example, Manuel Castells, author of a comprehensive trilogy on the Network Society, has produced seminal work from an economic and sociologic view on this theme. From a business perspective, Raymond Miles (former dean of the Haas School of Business at Berkeley) and Charles Snow (Professor of Business Administration at the Smeal College of Business Administration at Penn State University) have written several influential articles about network organization. Ronald Burt's writing on structural holes and the social structure of competition (1992) has been deemed one of the most fertile theories regarding the functioning of networks. However, as Salancik (1995) notes, scholars are still in need of a solid network theory of organization.

Though this book will not contribute significantly to extensive theory-building on this topic, it certainly does explore different topics that are relevant from the perspective of the organization of contemporary management education, management learning, and business schools from a network perspective. Conceptual understanding and exploration of this perspective in the field of management education is perhaps what best fits the idea of this book. Therefore, this book is of a more conceptual nature, trying to get a grip on environmental dynamics and

organizational logics that are in force by looking at things from a specific angle. Therefore, a number of concepts and ideas from the perspective of management education and business schools will come to the fore that provide some insights into the central subjects.

Hence, a broad range of topics is covered in this book, ranging from explorations into the dynamics of the 'new economy', the content of the management curriculum, new ways of management learning, and the role of ICT in creating learning environments to the developing playing field and emerging organizational modes of management education.

This book will therefore be of interest to a relatively wide range of audiences. It should first and foremost appeal to business schools and their stakeholders – including administrators, faculty, staff, students, industry and government. Educational administrators in general may also want to read this book, as well as every person interested in (the future of) management education and learning.

Still, there is more to the transformation in management education and business schools than the topics will touch upon. This book may not do justice to the variety of different institutions of management education, nor will it exhaustively elaborate on every subject. Nonetheless, it is a description of some of the most important developments and challenges in this particular field and provides a vision on how management education and business school organization may look like in the network economy.

COMPOSITION OF THIS BOOK

The writing of this book was seen as an opportunity to discuss an encompassing set of topics concerning management education and business schools in the 21st century's network economy. To a certain extent, the book deals with its title's different constituting topics.

In Chapter 2, the book takes off broadly by examining some of the essential characteristics and dynamics of what has been called the new economy. In this chapter, a picture is portrayed including definitions of the new economy, macroeconomic perspectives, future outlooks, and, at the end of this chapter, different views on the new economy which have in common the assumption that the new economy is largely about the importance of intangibles in common. It shows that ICT as well as knowledge are central defining elements in the new economy, as opposed to the agricultural and industrial era, causing learning and education to move centre stage as a way of economic development. Finally, the idea of conceptualizing the new economy in terms of a network economy and network dynamics is inceptioned, serving as an outset of Chapter 3.

Chapter 3 introduces a network perspective, since such a perspective allows for integrating different views on and defining characteristics of the new economy into



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van Baalen, P.J.; Moratis, L.T.

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