

# Chapter 6

## Business Schools: Internationalization Towards a New European Perspective

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### ABSTRACT

*This chapter offers a conceptual contribution to the debate of European business schools and their future directions within the context of higher education internationalization. On the one hand, European business schools represent a continuous success story in terms of enrolment figures and increasing visibility on international rankings. On the other hand, particularly driven by overarching competitiveness paradigms, they are on a path of conformity and obedience to external pressures, leading to dangerously homogenous institutions. Furthermore, they are losing their esteem within society and face increasing criticism in the wake of financial and social crises, as business school contributions have come under scrutiny. Four drivers of European business schools internationalization are identified: globalization, EU policy, rankings/accreditation, and student consumerism. Opportunities and risks arising from all four drivers are highlighted in this chapter, and the subsequent discussion outlines potential future pathways of a more beneficial internationalization that allows for new perspectives beyond apparent Americanization tendencies. It is argued that, despite manifold ambiguities associated with such concepts, through a strategic elaboration of a distinct European identity, business schools could better meet their responsibilities and also develop propositions that are competitive in the global marketplace as well as inspiring constituencies beyond this continent.*

### INTRODUCTION

Against the backdrop of various crises, international business schools are losing their esteem against the backdrop of various crises. An emerging body of academic literature is embarking to explore how far the very concept of academic business or management education is already or should be questioned by internal and external stakeholders. These crises include particularly the global financial market turmoil, initially caused by excessive subprime loan accumulation and trading in the United States, bursting with

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the Lehman Brothers bankruptcy in 2008. These crises also include corporate scandals intermittently startling the broader public. Landmark cases of unprecedented magnitude in the category of corporate finance fraud are Enron in the United States and Parmalat in Europe. They had to file for bankruptcy in 2001 and 2003, respectively, leaving behind a devastated workforce and a betrayed investor scene. Despite ensued heightened regulatory efforts, aimed at sound financial reporting, the trust in corporate capitalism has been eroding (e.g. Schäfer, 2009). Even more so, as recent incidents draw public attention to another category of corporate scandals, we might dub social responsibility violations. Lives were lost in Bangladesh where textile manufacturing buildings collapsed as a consequence of poor maintenance; only the culmination of appalling working conditions threatening a workforce busy to produce goods for discount and even branded clothing store imperia of Europe and North America.

Hence, it looks like the corporate world is falling apart in moral and ethical terms, “with each new scandal pointing to new levels of selfishness, greed and dishonesty in business” (Swanson, & Frederick, 2003, p. 24). Financial success increasingly comes at arguably unacceptable social and environmental costs, and the public awareness is rising, certainly also enabled through digital media spreading news and detailed accounts of perceived corporate misbehaviour ever faster (e.g. Garrett, 2006). In that very context the contribution of business schools – educating future managers and business leaders – to corporate malpractice, and also their responsibility vis-à-vis society at large is questioned and debated (e.g. Donaldson, 2012; Mintzberg, 2004). The paradox that several of the contemporary crises featured above are “brewed in the cauldrons of the new economy” (Castells, 2010: xx) which is defined, among other aspects, by higher levels of education of their protagonists, most of whom have undergone business school degree programmes. Therefore, it is obvious that business schools need to focus more on their value to society (Thomas, & Cornuel, 2012). Also, we may have reached a turning point: criticism does not only reach business schools from the outside but also increasingly from the inside, (being) represented by some of their leading professors (Birnik, & Billsberry, 2008; Starkey, Hatchuel, & Tempest, 2004).

Apparently, there is a global interconnectedness of the business world. Therefore, we also need to consider the resulting global trends (also) in a discussion of recent developments within the higher education scenery of Europe. Under the roof of those overarching global trends, the consideration of the most recent and most dramatic external force affecting European business schools is essential: the current financial turbulence on the continent that turned into the so-called *Euro crisis* in 2010 (Bohn, & de Jong, 2011). Whereas monetary stability seems to be granted for the time being, its frightening consequences extend far beyond the economic arena. Observers point to an erosion of democracy and citizens’ participation and to rising income inequalities probing the legitimacy of the entire political construction (e.g. Balibar, 2013). Also, there is a return of nationalism in economic policies of member states, in an era where we thought that the EU had united the continent. Industrial lobbyists and desperate politicians facing a pressurized electorate in their home countries resort to it in the pursuit of short sighted, pseudo-economic agendas (Menasse, 2012).

This development is particularly disappointing: beyond its meaning for citizens within its formal boundaries, we should consider that there are people in many parts of the world who favourably observe, even admire Europe as a giant laboratory for rethinking humanity’s future with its strengths in crucial areas, such as quality of life, the nurturing of community, and sustainable development (Rifkin, 2004). Especially the latter notion requires a truly global mind-set. The mega-challenge of climate change, along with the need to efficiently use and fairly distribute finite resources, requires cross-continent solutions. The education of the next generation of leaders, designing a viable future of businesses in particular and of humanity at large within a ‘new era of sustainability’ is a tremendous responsibility (Lacy, Haines,

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