

From the editor

At a recent conference, I was chatting to an Indian-born professor of one of the French *grandes écoles*.

Did I think, he asked, that 2010 was the year of the Indian? He has a point. Three of the world's top business schools – Harvard, Chicago Booth and Insead – have recently announced the appointment of deans born in India. It set me thinking about the difference between appointments in the US, often deemed to be parochial, and in Europe, the melting pot of nationalities. Indeed, one of the biggest selling points of many European schools is the global mix of participants. It is also one of the reasons why European schools do so well in the FT's global rankings.

But here is the real conundrum. Why is it that six* of the top 10 US MBA programmes ranked by the FT are from schools where the dean (or dean-elect) was born outside the US? And why is it that only two** of the top 10 European business schools (ranked by MBA programme) can boast a "foreign" dean (and one of these is from a neighbouring European country)?

Even if you cut the numbers differently and look at the top 10 European business schools as ranked in this magazine, the figure only rises to three deans born outside the country in which they now work. (George Yip, dean of RSM Erasmus in the Netherlands, describes himself as "a native of Asia" and "a dual citizen of the UK and of the US".) This is in spite of the fact that, on average, 39 per cent of staff at the top 10 US business schools are not from the US, while for the top 10 European schools, the number of "foreign" staff is about 59 per cent.

Of course, the counterargument from European business schools will be straightforward. Wherever these US deans were born, they are all American at heart, they say – in fact, they are more American than Americans.

This may be true, but it misses one salient point. The moves by US business schools send a pretty clear signal of a change of direction. Of those top 10 schools, all six of the non-US-born deans have replaced traditional US guys (and yes, they were all men). And with any new dean comes a new strategy. So what will the new strategies be?

It seems that US business schools have finally recognised the need to become global players and have appointed deans to make this happen, whether by building overseas campuses or by working with partner schools or corporations. European business schools have been

largely untroubled by US competition, except in China or the Middle East. But these schools might have been living on borrowed time, and the results could be very interesting.

Until recently, US and European business schools have been operating in self-contained vacuums, with little real competition at the local level. Students largely choose to study in the US or Europe depending on where they want to work after graduation, or what they can afford, not on the intrinsic quality of the faculty, curriculum, teaching style or careers services. If US businesses set up competing programmes in Europe or Asia, will it be European business schools or their US counterparts that have to up their game?

Of course, strategy is very different from implementation. One of the biggest hurdles for US deans who hope to teach overseas is their staff, who are often notoriously reluctant to travel. And as we know, the tenure of a dean is pretty short-lived if the staff do not approve of his or her strategy. Less than five years ago, three of Europe's top business schools (IMD, Insead and London Business School) adopted policies of replacing academic deans with business practitioners – and the academic staff made their voices heard. Robin Buchanan at LBS and John Wells at IMD each lasted roughly two years. And when Frank Brown hands over Insead's keys to Dipak Jain in 2011, that will be the end of the whole sorry experiment. So will US plans to globalise business schools meet a similar fate?

And if that is not enough food for thought, my French business school professor made a further point: had I noticed that none of the three Indian-born deans, Nitin Nohria, Sunil Kumar and Dipak Jain, had attended the world-renowned Indian Institutes of Management? Indeed, they all had undergraduate degrees in engineering or mathematics. What on earth does that say about business school strategy? ■

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References

* Tom Robertson (Wharton), UK; Nitin Nohria (Harvard), India; Garth Saloner (Stanford), South Africa; Sunil Kumar (Chicago Booth), India; Peter Blair Henry (NYU Stern), Jamaica; Blair Sheppard (Fuqua), Canada
** Frank Brown (Insead), US; Dominique Turpin (acting dean, IMD), France

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