



Chapter 10

To MBA or not to MBA? A dilemma accentuated by the recent boom in business education

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The three letters 'MBA' refer to what used to be simply an American university degree: 'Master of Business Administration'. Over time, however, the MBA term has taken on connotations far beyond its origin. On a global level it is now associated with the new cosmocrats, 'cosmopolitan in taste and Anglo-Saxon in outlook' (Micklethwait and Wooldridge 2000), and within the United States with the 'the bobos', the bohemian bourgeois, a term that is used to describe the current life-styles and ideals among US middle classes (Brooks 2000). Other US authors have presented the MBAs in a more critical vein as individualistic, self-centred individuals who 'disrupt community in any organisation into which they are introduced' (Locke 1996: 229). A common claim among European authors is that the MBA mentality is on a collision course with local cultures, particularly those outside the United States (Whitley et al. 1984). The spread of the MBA format to other parts of the world has been seen as a sign of the worldwide expansion of American managerialism (Clarke and Newman 1997; Grey 1997; Locke 1996), and the colonisation of other domains of human activity by the discourse of management (Fairclough et al 2000). The global spread of the MBA has also been understood as a part of a movement for the McDonaldisation of the world (Ritzer 1993), as part of a trend towards a new world standard in education and life-long learning, (Luo 2002, Spring 2001), and even as a possible cause for worldwide diffusion of American-style corporate governance and management practices (Meyer 2002).

Originally the MBA degree was part and parcel of the American education system, whereas the European education system demanded longer studies and provided their graduates with various kinds of diplomas. The first institutions offering the MBA degree in Europe were set up in the late 1950s, with the rest



of the world following three or four decades later. Globally, there has been a great expansion in the number of MBA programmes since the late 1980s, and today there is a race among the most respectable and distinguished universities to offer such programmes. The MBA expansion has created different kinds of dilemmas for educational institutions, governments, as well as students and employees. A whole range of actors has responded positively to the question of whether one should MBA or not.

This chapter will discuss why MBA programmes have been established in Europe, and why students, administrators and politicians have responded so positively to the introduction of these programmes. The aim is to arrive at a better understanding of the dynamics behind the globalisation of the MBA, and the recent expansion in European programmes. It is useful to distinguish between label and content in educational programmes, and to examine how the American model was translated into a European context. The MBA has become one of the most transparent formats in professional business education, and even those programmes that have not yet adopted the label must refer to it in an attempt to develop identity and visibility (Moon 2001). A great deal of the current activity in transnational agencies and networks involved in business education is centred on the MBA-degree, aiming at comparing the quality of the various programmes and making information available to the media, students, and others that take an interest in this degree. The MBA label has become an important resource for those involved in a movement towards further internationalisation and standardisation in higher education, and also in attempts to develop stronger links between firms and educational institutions.

European differences

There has been a growing demand for MBA graduates worldwide, and the numbers of programmes in continental Europe are currently growing faster than in the USA and Great Britain. An interesting question is whether this expansion has led to a greater consciousness of a European format or 'essence' in business education, or whether the actors involved mainly take a national or global perspective. There are, of course, major differences among the European systems. However, it may still be useful and necessary to make a sketch of the two major ways of organising business education: the Anglo-Saxon and continental model.

The Anglo-Saxon model: structure and content

The Anglo-Saxon model is focused on the MBA as its major programme (Amdam 1996a; Daniel 1998; Locke 1989). The most important characte-

ristic of European business education, on the other hand, is the strong position of three to five-year diploma programmes (Table 10.1). Most American colleges and universities offer a four-year undergraduate programme leading to a Bachelor's degree in business administration (BBA). The emphasis on business subjects is usually found only in the last two years, while the two first years are focused on general education. After getting a BBA-degree American students may choose other career opportunities. Some of them work before returning to do graduate studies for a master's degree in business administration (MBA), which lasts between one and two years. However, a background in business studies is not a requirement for entering MBA studies. Indeed, most entrants to MBA programmes or to top-level positions in business have not followed undergraduate programmes in business administration.¹ Furthermore, it is required that at least forty per cent of the total hours required for the bachelor's degree be taken in subjects other than business and economics.² An undergraduate or first degree in business administration does not seem to be more common among top managers in the USA than in Europe.³

The undergraduate programmes in business administration have been fairly popular in the US, not least during the 1970s, when the share of students in such programmes increased from 13 to 20 per cent. The share of students in undergraduate business studies continued to rise to almost 25 per cent in the late 1980s, but has shown a downward trend since the early 1990s. The share is now again down to 20 per cent (AACSB Newline fall 1999; Useem 1989). Although the MBA-degree has existed for almost a hundred years, growth in the number of programmes was slow until American veterans filled the ranks of MBA programmes following the Second World War (Daniel 1996). The number of MBA degrees granted annually has risen steadily from 3300 in 1956 to 97,000 in 1997. Between 1950 and 1975, 20 to 30 new business schools were added to universities annually. The share of master's programmes of the MBA kind has been around 23 percent since the early 1980s. More and more of these MBA programmes are packed with students with work experience, although many schools continue to accept students with any educational background and with no prior work experience. The reputation of the awar-

1 A 1995 survey conducted for the graduate management admission Council found that 35 per cent of those planning graduate management study majored in business as undergraduates (Shelley 1997).

2 This has been a requirement for members of the association for business education since 1925 (Kephart 1963).

3 Only 9 per cent of the CEOs of the 200 largest firms in the United States had an undergraduate degree in business administration in 1996, whereas more than 35 per cent of top managers in large companies in Germany, Sweden and Norway had a degree in business economics in the early nineties (Byrkjeflot 2001b; Neff and Odgen 1999).

ding institution is increasingly important, and it is particularly difficult for students without work experience to be accepted at the most prestigious programmes.⁴

Table 10. 1. Structure and content in American and European business education

Model	Anglo-Saxon model	Continental European model
Structure	<p>Three levels of business education: BA + MBA + Ph.D.</p> <p>MBA an important qualification increasingly offered as a post-experience degree.</p> <p>Undergraduate specialisation in business not required in order to be accepted to MBA studies.</p> <p>Business schools in universities.</p> <p>Executive education programmes as cooperation between universities and firms</p>	<p>One major specialized degree, requiring 4-5 years continuous pre-experience studies (<i>Diplomkaufmann, Siviløkonom, Carrera, Laurea, Diplôme</i>). Also Doctoral degree in some countries.</p> <p>Independent business schools or in university departments of economics and social science</p> <p>–Post-experience management training centres</p> <p>-distant relationship between academic institutions, firms and executive education programmes</p>
Content	<p>Business Administration</p> <p>Selection to management is based on qualifications and proven abilities.</p> <p>MBA degrees and systematic training in management is seen as a good background for top management role.</p> <p>Emphasis on administration and leadership, ability to get along with and manage other managers and workers</p>	<p>Business Economics</p> <p>Management is believed to be an 'art'; i.e. leadership knowledge cannot be codified, but has to be cultivated in 'closed circles and guilds'. Emphasis on administration in education</p> <p>Expert knowledge in specific function serves as basis for management.</p> <p>Specialised, abstract economic knowledge may be a good qualification for top management of a firm in the same way as engineering or law.</p>

The MBA-degree is increasingly the central degree in Anglo-Saxon business education, an expansion that started in the US in the early post-war era, and

⁴ While 80 per cent of the MBA students at Chicago Business School came straight from undergraduate school 10 or 20 years ago, the percentage by the beginning of the nineties had dropped to 1 per cent (Hahs 1999).

then moved on to Great Britain from the 1980s (Schoefield 1997; Tiratsoo 1998). Half of the accredited schools in the US have full-time courses only, and most American business schools offer two-year full-time MBA programmes. The standard programme in the United Kingdom and the rest of Europe is shorter, often 10-16 months. The European programmes also tend to be more of the post-experience, modular or part-time kind, and it is more likely that employers pay tuition fees.

Structure and content of the continental European model

In general, continental European universities have been reluctant to accept business and management studies as respectable academic pursuits. The best way to qualify academically for management positions has historically been through accounting, law and engineering. Business administration and management education as a specific field has developed slowly and through a variety of institutions, such as technical trade schools and commercial high schools. University level business education has often been located in independent schools (*Handelshochschulen*, *grandes écoles*), or as subordinate disciplines within the economics department. Traditionally students have not had the option of taking a general university education before deciding to move on to business studies. The cultural divide between academic institutions and business firms has been wider in Europe than in the US, and the attitudes of business elites have tended to be more negative towards business graduates lacking work experience (see Table 10.1) (Eliasson 1997; Engwall and Zamagni 1998; Locke 1984; Whitley et al 1984).

The diversity of Europe is also reflected in its institutions for higher education and programmes for studies in business and economics. The foundations for business education were laid in the 19th century in high-level vocational programmes and in the forerunners of the German commercial colleges and universities – the commercial universities (*Handelshochschulen*). France developed a system of commercial schools through its chambers of commerce. In general, however, these schools did not aim at establishing a system for the pre-selection of managers of large business firms, in the same way as American business schools. European managers were still selected from those with competencies within the various functional fields, independent of their training in management and administration. Law and engineering were the most important backgrounds. The independent business schools were mainly oriented towards training and improving the social status of the commercial classes. Social background mattered more in Europe than in the US (de Bettignies and Evans 1977). The model for business education that developed in continental

Europe typically requires several years of specialisation in business studies, and is still oriented towards pre-experience programmes. The students get little practical experience (Raimond and Haliburton 1995). A *Diplom-kaufmann* in Germany, a *Siviløkonom* in Scandinavia, an Italian *Laurea*, a Spanish *Carrera* and a *Diplôme* from a French *grande école*, are all well recognised within each of their labour markets. Each of these qualifications is more European than American, and they are embedded in specific business systems and systems for recruitment of business elites, that may not adapt easily to the influx of the new MBA-graduates.

The professor of management was a social character of American origin; a 'developer, synthesizer, and communicator of management knowledge' (Edfelt 1988:343). Management education in the United States served both as a pre-selection mechanism for those interested in pursuing managerial career tracks, and later also for those interested in pursuing research in this field. Management as codified and abstracted knowledge was a foreign element to most Europeans, who put a greater emphasis on the selection process and knowledge transfer in firms, guilds and families. German firms focused on 'tacit competence development and selection through a job-based programme, partly outsourced to the school'. The rest of Europe was found somewhere in between (Eliasson 1997:34).

Djelic (1999:212) explains the lacking traditions for business education in Europe with the predominance of family firms. In Europe management was rarely defined as a profession or a science. Leadership was a thought of as a 'gift', a hereditary quality transmitted from father to son. Similarly, Xardel (1978) thinks of management as an 'art'; 'it can not be taught, even if one can develop it. It cannot be described rationally in its entirety and in its substance, even if one apprehends certain of its aspects. It is an affair of character and personal qualities' (quoted in Whitley et al. 1984:167). A sample of businessmen across Europe put personal traits and leadership qualities first when they were asked by Harmon (1977:157) to define management. With the exception of France, where the guilds had been eliminated and their functions transferred to state schools, the Europeans were influenced by a guild model in management development (Kristensen and Kjær 2001). European industrialists and businessmen have not yet understood that the training of managers is an absolute necessity, Servan Schreiber complained in his bestseller from the late 1960s (Servan-Schreiber 1967:185). It was taken for granted that those who best represented a social class, a status group or a family tradition should take the lead. Whereas the process of management selection and development in the US may have been thought of as a joint task between universities and firms, this process was left to the firms and 'inner circles' and 'clubs' of practicing

managers in Europe. It was often the case that the most experienced industrialists took on the responsibility of transferring necessary knowledge to younger recruits. One example of such a system was the *Baden-Baden seminars* in Germany, a group of self-selected managers that saw it as their purpose 'to widen managers' horizons beyond their own company and give them a feeling for their wide-ranging responsibilities as business leaders' (Kipping 1998). In Norway a group of self-selected managers was established around George Kenning, an American consultant brought to Europe as part of the American productivity missions in the 1950s (Kvålshaugen and Amdam 2000). Similar clubs and seminars were developed in other European countries, such as Henley Management College in Great Britain, 'the prototype of the private management centre' (Whitley et al 1984:141).

Perspectives on the MBA degree in Europe

Discussions on the MBA degree in Europe have centred on three kinds of positions, *MBA rejected*, *MBA takeover*, and *MBA translated*. Anti-Americanism, of the kind presented by de Gaulle, when he referred to the US as 'soulless and materialistic' (Kuisel 1983: 145) lay behind the arguments of many who were against introducing the MBA in Europe. Another related view posited by European social scientists was that there was not a 'market' for MBAs in Europe, due to resistance to Americanisation from European employers and educational institutions. An account of this perspective, which may be referred to as *MBA rejected*, is provided by Whitley et al. (1984:215) in their study of the impact of three new business schools, INSEAD, Manchester Business School and London Business School, on European business education. They argued that these schools had to adapt to 'the general set of relations between education and employment dominant in the societies concerned'. It was therefore unlikely that their graduates would become 'the new masters of business, the controllers of the corporations likely to dominate western economies' (Whitley and Marceau 1984:215). Similarly, Shenton (1996) has argued that it is very unlikely that the MBA, either in a 'European' form or in a variety of national forms, will ever become a dominant model in Europe, where education traditions and company recruiting practices mitigate the development of postgraduate post-experience courses.

Then there are those, like Crainer and Dearlove (1999), who argue that there will be a *MBA takeover*, due to trends towards global convergence, with MBA-type educational programmes as the centrifugal point. Business schools, and the associated MBA degree have become a world industry, and it is



implied that the demand for MBA graduates and business graduates will continue to increase in the future. These authors focus so one-sidedly on the 'industry' aspect and the inevitable forces of globalisation (Mickletwait and Wooldridge 2000) that they end up largely ignoring the traditional continental ivory towers of business economics, the *Handelshochschulen* and the French *grandes écoles*, for the cultivation of elites. Crainer believes that it is independent members of think-tanks and corporate consultants, not traditional professors of business management, who will provide 'thought leadership' in the 21st century. Similarly, John Quelch, former Dean of the London Business School and management guru Peter Drucker have predicted that corporate universities and other private providers of executive selection and training services will take the leading role in business education in the future. Even the traditional idea of the American business school and the American management professor will lose out, then. In the end the MBA degree will be re-engineered as a life-long-learning product offered by knowledge conglomerates involving business firms, the media and consultants. This perspective focuses on the demand side, and the alleged needs of the business world (Crainer 1999, Forbes 1997, Quelch 2000).

A third possibility is that the MBA may be reduced to a 'label' that refers to very different kinds of empirical phenomena; a 'translation' of ideas and concepts that take a very different shape in different contexts. 'Diffuse practices may be presented under the same label, but on a closer look one can find that as the label has been adopted locally it has resulted in locally shaped practices and meanings' (Mazza et al. 1998, see also Sahlin-Andersson and Hedmo 2000). It is this third possibility, *MBA translated*, which will be highlighted in the following section.

The interest for labelling practices and the translation of concepts and ideas is associated with the neo-institutional tradition in organisation theory (Czarniawska and Sevon 1996). In one version of this theory it is implied that the MBA-degree is just a label that does not tell us much about what takes place in such programmes. Such labels refer to 'rational myths' and hypocritical organisational practices, they legitimatise and conceal very different kinds of practices by indicating that they are all the same and serve similar purposes (Brunsson 1989; Meyer and Rowan 1977). One may, on the one hand, imply from such an argument that it cannot be taken for granted that the increased use of such labels is a reflection of a convergence in the practices of business education. This may be referred to as the realist neo-institutionalist position - those who take their point of departure from one of the central assumptions of old institutionalism in organisation theory - 'things are not as they seem' (Perrow 1986:159). On the other hand, those who lean more towards a post-modern or

constructivist interpretation may argue that it is the label that matters (it seems like ... so it is). The central focus in this version of institutionalism is to find out how organisations construct their identities in order to be legitimate in the environment. It describes a post-industrial society, 'dominated more by rational organisation than forces of production' (Meyer 1977/1991: 46).

This argument also has consequences for assumptions made about what MBA graduates gain from completing the programme. Their major asset is not the "knowledge" they have accumulated, it is rather the label and the networks acquired that matter. Knowledge serves a symbolic function, it is not only a skill or an insight that is developed as a consequence of a process of accumulation and rigorous testing. The self-presentation, attitude, and networks of students and schools matter as much as what is communicated and assimilated. The MBA title is as important as the content of the degree. 'To achieve the Polish university degree of magister is no longer considered a merit for students of management: everybody wants an MBA' (Czarniawska and Genell forthcoming).

The problem with the perspective referred to as *MBA takeover*, is that it underestimates the dynamics and path-dependencies associated with national education and business systems. Perhaps Archer (1982) is on to something when she argues that what takes place in education should not be regarded as a direct consequence of either the structures of dominance in society or 'the logics of industrial development.' However, it does not make sense to attribute such strong path-dependency to education systems that they cannot be changed by environmental circumstances. One would not expect such long-term increases in the number of students taking the MBA degree in Europe (see Table 10.3), if it were almost impossible to adapt this degree to European cultures, labour markets and education systems - as argued by those who prefer the *MBA rejected* scenario (Locke 1984, 1989; Whitley et al 1984). It may be that those who pushed this argument exaggerated the extent to which European labour markets and education systems differ from the American. Another alternative is that the tendency towards homogenisation in educational and labour market structures is of a recent date, and that it is thus easier to introduce such programmes now.

The third position, *MBA translated* position may be split into two: the post-modern and realist variant. Both strands argue that programmes that internationalise are likely to become more homogenous, partly because they communicate more frequently with each other and make comparisons. Furthermore, there is no 'deep' evolutionary logic behind the growth in business education and management, as argued by those who focus on the political economy and the 'visible hand' of globalising business elites. Neo-institutionalists see cultu-

ral rather than socio-economic forces behind the globalisation of MBA degrees, and are thus less likely to argue that the current trend is inevitable.

Neo-institutionalists have used educational systems as prime examples of loosely coupled systems, 'as a necessary hypocrisy practiced in the paradoxical world of organising where not everything that is said can be done and vice versa'. According to Weber (1968:992) 'bureaucratic administration always tends to exclude the public, to hide its knowledge and action from criticism as well as it can'. Meyer (1996:245) also emphasises that secrecy seems to be a safer strategy in organisational life than publicity, and some neo-institutionalists go far in demonstrating the difference between what actually goes on in organisations and the public image that they project.

However, it has also been noted, that modern organisations have to provide comparable information in order to exist, that intermediaries play a more important role, and that 'politicians and public sector executives, sometimes down to the lowest-level official, are constantly exposed to media scrutiny' (Czarniawska 1997:31).

Today, there is an increased focus on regulation and standardisation in business education (Hedmo chapter 11). Major players among accreditation institutes in Europe want to establish the image of the MBA degree as a post-experience generalist degree, in order to distinguish it from pre-experience specialised master's degrees. The media and the Internet, as well as accreditation lead to increased transparency and the establishment of standardised criteria for quality control, in order to provide students and employers with information about which schools and programmes are 'the best'. Schools respond to this trend by making attempts to differentiate themselves from each other, at the same time as they develop similar organisational formats; e.g. mission statements and alumni associations. They all have to put more emphasis on marketing and communication, and open up more of their internal affairs to public scrutiny. It becomes more difficult to maintain the distinction between labelling practices and other kinds of practices that the neo-institutionalists have emphasised, presuming that it is a realistic strategy to keep the 'inner life' or 'core activities' protected from public insight (Brunsson 1989; Meyer and Rowan 1977). This is getting more difficult with the arrival of the Internet and the modern movements for transparency, shareholder value, auditing, and individual choice. The trend towards the standardisation of rules and labelling practices may lead to a similar convergence in teaching practices and curricula. One may assume, even in those cases where the MBA is specialised or carries a prefix like Euro, Austro or international, that it serves as an introduction to categorisations and thought-modes linked to American business administration. MBA programmes, then, may be thought of as a translation of a particu-

lar kind of discourse – general management – into European education and business.

John Meyer (2002) argues that concepts related to management and organisations have spread faster during recent years, because organisations in different countries and different businesses and public sectors are seen as more similar than they were in the past. Globalisation functions as a myth, but it is a myth with real consequences. The new rationalities (human rights, environmental protection etc) are worldwide in character, and models of how to manage properly are also found everywhere (Meyer 2002). The MBA degree is not only an indicator but also a cause for this worldwide process of managerialisation, since each executive hired on the basis of a management education rather than training in substantive matters, is likely to be a 'permanent node facilitating further diffusion' (Meyer 2002). It may be important to distinguish between different kinds of MBAs in order to understand what kind of practices the label refer to; whether the kinds of MBAs introduced in Europe are different from those in the US, and if there is a difference between the way the MBA is used in different parts of Europe. The first task, however, is to take a closer look at the geographical distribution of the recent boom in business education. How has Europe been affected, and how does it compare to other parts of the world?

Europe and the world-wide boom in MBA programmes

The data presented in Tables 10.2. and 10.3. indicate that the MBA degree is among the fastest-growing post-experience qualifications in the world. The numbers confirm the argument made by others that the appeal of the MBA transcends national borders and that it is on its way to becoming a global degree (Crainer and Dearlove 1999).⁵ The number of master's degrees in business awarded between 1992 and 1997 in the US rose by 17 per cent to 96,234 (*Financial Times* 25 Oct. 1999). It is now estimated to have reached a level of 100,000 (Clayton 2000). In Europe, it was United Kingdom that was most affected by the MBA expansion during the last decades of the twentieth century. The numbers of students graduating with MBAs in Britain quadrupled from about two thousand per year in 1985-1986 to 7000 in 1994 to more than 10,000 in 1999 (Richter 2002). With an increase from two institutions offering the MBA degree in the mid 1960s to 271 institutions in 1999, Britain has

⁵ See reports on Japan and China in the *Financial Times* 11 Oct. 1999. Until 10 years ago, Keio was the only university that offered a Japanese MBA. There is now an MBA boom as more and more Japanese and Chinese universities are setting up MBA courses.

close to 40 per cent of the total number of institutions in Europe with MBA programmes.⁶

The MBA Programme Information Site (<http://www.mbainfo.com>) reported in February 2000 that there were 2200 MBA programmes from 1150 universities, business schools and management colleges in 126 countries worldwide (Table 10.2). There were approximately 1000 MBA programmes on offer in the USA, 690 in Europe - of which half are found in the UK - and over 525 in the rest of the world (24 per cent), with the greatest concentration in the Asia Pacific region.⁷ There were 320 MBA programmes (or similar master's degrees) on offer in the UK. These programmes come from 120 establishments, including business schools and universities. In the US it was estimated that there are 3.7 programmes per million (1m) inhabitants, whereas the UK offers 5.5 programmes per million. Outside Hong Kong and Singapore, the UK has the greatest MBA programme provision anywhere in the world (Financial Times 25 Oct. 1999). The annual number of MBA graduates is still twice as large in the US as in the United Kingdom relative to the population, and Europe still trails far behind both the US and the UK in number of programmes and graduates (Table 10.3).

Table 10.2. Number of MBA Programmes in February 2000 and increase from September 1998 (per cent of total)

	February 2000	September 1998	Increase
UK	320 (15)	240 (15)	+25%
Rest of Europe	345 (16)	208 (13)	+66%
USA	1000 (45)	880 (55)	+14%
Rest of world	535 (24)	272 (17)	+97%
Total	2200 (100)	1600 (100)	+37%

Source: Large 2000 and Wild 1998 at The MBA Programme Information Site

6 France had 75 such institutions, Spain 61, the Netherlands 39, Germany 37, Italy and Russia 23 each. The US was listed with 490 institutions. Canada and Australia top the list for the rest of the world with 67 and 41, followed by Malaysia with 34 and South Africa with 26 institutions (Moon 2001, table 2)

7 South Africa may exemplify the MBA boom outside of Europe and the United States. Ten years ago there were 5 or 6 programmes - now there are 46.

To MBA or not to MBA? A dilemma accentuated by the recent boom in business education

Table 10.3: Estimated number of MBA programmes and annual number of MBA graduates relative to population 2000

	MBA programmes per mill. Estimate	Annual number of MBA graduates per mill est.
United Kingdom	5.5	167
USA	3.7	369
Rest of Europe	1.0	28

Sources: MBAinfo.com, *Financial Times*⁸

The total number of MBA programmes in February 2000 shows an overall increase of 37 per cent compared to figures from September 1998, when the same website listed more than 1600 MBA programmes in 100 countries, with 55 per cent in the USA, 20 per cent in the United Kingdom, 13 per cent in rest of Europe and the remainder in the rest of the world. This means that there has been a 66 per cent increase in the number of MBA programmes in the rest of Europe, 25 per cent in the UK and only 14 per cent in the US. The increase may, of course, reflect the extent to which schools inform the MBA programme site about their programmes. However, the differences among regions in the rate of expansion are so large that one may assume that it is not only a consequence of delayed reporting of programmes.

As shown by Boutaiba and Pedersen in chapter 9 of this book, European MBA programmes have cropped up in two historical waves, one from 1952 to 1972 and the other from the mid-1980s. The United Kingdom and the Southern European countries were the early adopters, whereas the Nordic and German speaking countries came along in the second wave. One may infer from the data listed in Table 10.3 that there is now a third wave with a strong growth in continental Europe.

Different kinds of MBAs

It was easier to tell what the MBA was in the days when it was mainly taught as a full-time, pre-experience course in American business schools. It was then a two-year programme offering courses matching the usual divisions of a corporation – accounting, production, marketing, personnel and finance (Daniel 1998). Increasingly, however, there has been diversification and specialisation

⁸ I have estimated 100 000 MBA graduates in the USA, 10 000 in Great Britain and 10 000 in the rest of Europe. The estimate for the rest of Europe is probably too low. The number of programmes refers to information from MBAinfo.com presented in Table x.2

within the MBA format. The MBA is now offered as both a full-time and part-time degree, with specialised or general content, for students with or without work experience (post-experience and pre-experience). It is also taught in different ways; as modules in different sites, as specific programmes tailored to the needs of specific companies; onsite or offsite or on a distance education basis; online or offline. The statistics presented by the MBA Programme Information in 2000 showed that seventy-five per cent of the MBAs offered worldwide were general management programmes. Only 42 per cent of the programmes were full-time offers. The majority were part-time, modular and distance. Distance MBA programmes can mean a variety of things, and today even full-time programmes are sometimes delivered through evening-only lectures. Some modular programmes are actually full-time, since full-time project work is required in the periods between attending modules. Over 90 per cent of programmes are in English, but they are also available in 23 other languages, with Spanish as the most common. US Business Schools offer one or two programmes, whereas the average in the United Kingdom is nearly 3 and over 2 everywhere else. A major full-time programme in the US generally lasts a minimum of 21 months compared to 9-14 months everywhere else. Part-time programmes in the US are usually evening programmes. This is relatively rare in the UK. Distance Learning represents over 50 per cent of courses in the UK, Australia and Asia, but less than 2 per cent of courses in the United States (Large 2000).

What's in a label?

Since the 1980s, there has been a great deal of experimentation with new formats of business education. It was at this time that American business schools discovered that they had developed a mass-market product with the *MBA*, says Crainer and Dearlove (1999:77), so they had to differentiate. They argue that the variations on the MBA label are driven by commercial considerations, not academic standards. The MBA label is now used to refer to a much broader range of programmes, and one may thus ask whether the expanding use of the MBA label represents a trend towards less standardisation, rather than the opposite, as is more frequently argued. It is possible to adapt the MBA to local academic standards, labour markets and cultural tastes. This means that the strong reliance on functional specialists in top management has been reflected in the way MBA programmes have been designed in Europe. In France ESSEC has launched a series of specialised MBA-degrees, e.g. in luxury-brand management. Schools in the UK offer programmes in general management and up to 25 other subjects, including church management (Hull college), soccer mana-

To MBA or not to MBA? A dilemma accentuated by the recent boom in business education

gement (Liverpool University Business School) and tourism management (Westminster) (*Time Magazine* 1999). In the US there are also examples of new specialties, particularly in health care management and also 'techno-MBA' and 'e-commerce'.

The major European invention, first introduced at INSEAD in 1959, was the *full-time one-year MBA*. Many European business schools offer 16-month programmes, but programmes shorter than twelve months are also found. The *part-time MBA* can vary in length from two to eight years but most last from two to three years. These programmes usually contain the same compulsory core subjects as full-time MBAs, but often with fewer electives. The *Open or Distance Learning MBA* involves less classroom teaching and contact with other students, as group and discussion work is limited or even non-existent. The courses rely on carefully written self-study materials, presented in various written and audio-visual units. The *Modular MBA*, which combines the academic content of the MBA with periods of practical work, has been more popular in Europe than in America. The *Company MBA* is taught and validated by an academic institution in conjunction with the company.

There are now many examples of programmes that combine the modular, distance learning and executive training part of the MBA. Heriot-Watt University in Edinburgh offers a distance learning and modular MBA over 2 years or more. Another example is the TRIUM executive MBA, 6 modules over a 16-month period, offered by the Stern School of Business, New York, the London School of Economics and Paris Graduate Business School (HEC Paris). Some of these programmes are offered on a very wide scale. The Open University Business School in the United Kingdom reported that it had 25,000 practising managers as students, and 5000 of whom planned to take the MBA exams in 1996. Unext, a company specialising in e-learning and business education has recently struck a deal with General Motors whereby they will offer an MBA to 88,000 employees (Brackmann and Kran 2002:91).

The international business school: A European innovation

The incompatibility between the American and European models of business education and selection (see Table 10.1) was seen as a problem for the American multinational companies that established themselves in Europe in the early post-war era. It may not be accidental, then, that some of these companies, e.g. McKinsey, actively supported the creation of the new business schools that were established in Europe in the 1950s (Barsoux 2000). The major exemplars of this model are 'the Big Three,' INSEAD in Paris, the International Institute

for Management Development (IMD) in Lausanne and the London Business School (LBS) in Britain. These schools are widely recognised as among the best international graduate business schools outside of the US, partly because no single nationality predominates the student body or faculty (Krause 1997).⁹

INSEAD was the pioneer in importing the MBA degree to Europe in 1959. The two forerunners to IMD: IMEDE, Lausanne and IMI Geneva, established MBA programmes in 1971 and 1975. LBS concentrated its efforts around an MBA programme from the start in 1965; it was a two-year full-time programme along the lines of its American counterpart, Harvard Business School (Whitley et al. 1984:50). The LBS arguably shared more features with the American model, and it was also established in a country with an education structure and mentality more similar to the American. IMD and INSEAD are thus the most interesting constructs for the purposes of this chapter, since they were established in environments that were much more distant from the traditional Anglo-Saxon model. They did not have strong connections to universities. The programmes created at IMD and INSEAD were shorter and also established stronger links to multinational firms.¹⁰ It has been characteristic for them to concentrate more on the needs of firms, both by providing them with advice and executive development programmes, and young recruits eager to pursue international careers (Eliasson 1997:29). The US media, in particular, seems to have developed a fascination with these schools. Perhaps it is because they have been connected to American institutions and companies, but it has also been easier for Americans to understand the mission and attitudes of such schools than traditional European institutions for business education (*Business Week* 1971; *Financial Times* 1998; *New York Times* 1991). IMD and INSEAD now appear among the top schools in the annual rankings of the *Financial Times*, and surveys show that their graduates are as successful in top executive positions in Europe as graduates from top American business schools.¹¹

In the 1980s, American companies began to see the need to develop a more global perspective, and American business schools looked to Europe for examples of schools that had developed relevant courses and organisational

9 International Institute for Management Development (IMD), Lausanne was established in 1990 as a consequence of a merger between IMI-Geneva and IMEDE, Lausanne. IMI, which was established by Alcan in 1946, offered an MBA programme from 1971. IMEDE, which was established by Nestlé in 1957, presented its MBA programme in 1975 (Peter Lorange, e-mail conversation).

10 In the case of IMEDE and the other parent of IMD, IMI-Geneva this was related to the fact that they were initially owned by Alcan and Nestlé, respectively. Henley Management College and Ashridge in the UK were also set up as executive centers. Ashridge established its MBA degree by the end of the 1980s.

11 *Financial Times* (19 Jan.1998) found that among a group of 60 European top managers 11 went to INSEAD, 7 to London Business School and 5 to Cranfield. Similarly 7 went to Harvard and 4 each to Stanford and Columbia. There were 23 American MBAs in the sample.

forms. The reported return on investment from an MBA degree from the 10-12 month European programmes was also better than from some of the most prestigious American 2-year programmes (New York Times 1991). Many of the most renowned American institutions (such as Tuck and Yale) have adopted the same format as the European institutions. For this reason, we may suggest that it is useful to understand INSEAD and similar institutions as European hybrids, rather than as American institutions transplanted to Europe. Barsoux (2000:175) refers to a front-page article about INSEAD in Fortune in 1988 as a critical event. The article, calling INSEAD 'the school that virtually invented the concept of international business education ... the Rolls Royce of European business schools', marked a newfound respect for INSEAD, argues Barsoux. A recent decision by the Paris Chamber of Commerce (CCIP) to merge several of their high-powered management *grandes écoles* and join up with INSEAD in an effort to increase the MBA supply in France and abroad supports such an interpretation of events.¹²

Other European translations of the MBA format

There are still fewer MBA graduates in Europe than in the US and the UK. One reason for this is that for European governments the MBA did not merely represent an American degree, but also a sample of the American educational system that was difficult to integrate into existing national educational structures. For example, the German conference of University chancellors (*Rektorenkonferenz*) has regularly warned students against taking the MBA degree, since it was not recognised within the German system (Unispiegel 2000). Warnings about the low quality of MBA programmes may have lost some of their effect, however since German universities and colleges began offering bachelor and master's degrees in 1998. Two thirds of all German MBA programmes were founded in the last two years, with subsequent increases in the numbers of German-speaking students participating in the programmes, although most such programmes are run as co-operative ventures with British and American business schools (Brackman and Kran 2002).¹³

12 Michel Franck, President of the CCIP, pronounced in December 1998 that it was not sufficient any more that their management *Grandes Ecoles* were at the head of the 'championship of France' they intended to keep a top position in the 'championship of Europe' and in the championship of the World' (Franck 1998).

13 By the end of 2001 there were around 80 institutions offering circa 100 MBA programmes in Germany. 15 institutions were state universities, 30 technical colleges (*Fachhochschulen*) and 55 private. It was estimated that there were between 2100 und 2500 students enlisted in such programmes, and that 90 per cent of all programmes were joint ventures with American or British schools.

Similar changes are taking place in other countries. The MBA degree in Norway was introduced by two private institutions, in 1988 at Oslo Business School and in 1989 at the Norwegian School of Management BI. The two institutions merged in 1991 (Amdam 1996b:30). Other institutions have developed similar programmes to what is now commonly referred to as the Executive MBA, or used other titles like the Master of International Business at the Norwegian School of Economics and Business Administration (NHH Bergen) for what is basically a full-time MBA programme. An education reform currently underway in Norway, will provide many institutions with the opportunity to use the MBA label. Another question is how attracted they will be by such an opportunity. The legitimacy problem associated with the MBA degree may also continue after such reforms. A way to solve this problem for education institutions and employers in the Nordic countries has been to regard the MBA as a form of continuing education or an international exchange programme rather than a postgraduate degree. It has also been an alternative for BI to use the title Master of Management, since it seems easier to attract students to such programmes, although they are almost indistinguishable from similar programmes that use the MBA label. Labels like Master of Science in Business, Master of Science in Business Administration, or Master of Management are used to provide an image of stronger academic orientation, but often cover the same issues as MBA programmes.

Not only is the MBA label used to legitimate different kinds of practices, it may also be an option not to use the MBA label at all in order to avoid the suspicion that it is not a respectable academic pursuit. The neo-institutionalist argument that ideas and labels have to be translated into particular contexts is also supported by a recent report on the MBA in the Nordic countries, where it is reported that the 'MBA study is an enhancement of leadership rather than a career or salary move. Many students are already managers who attend the programme to strengthen their leadership skills rather than to obtain them' (Nordicum 1999).

The efmd-initiated agency of national accrediting bodies (EQUAL) has established their own guidelines for MBA programmes in Europe (EQUIS). They clearly see it as an important task to distinguish between the MBA degree and other master's programmes that are pre-experience and more specialised:

The MBA is a post experience degree seen as a career accelerator or a means to make a career shift after a minimum of 2 or 3 years' professional experience. Programmes designed to help young graduates prepare for their entry into professional life should normally carry an alternative title. The MBA is a generalist degree in business administration...it is a broadening programme. As a result, a specialised Master's degree should not be called an MBA. (<http://www.efmd.be/>).

The question is whether they will be successful in maintaining this distinction, or whether competing standardising agencies (AMBA, AACSB etc.) will make it more difficult for traditional European programmes to continue to coexist and prosper alongside the new MBA programmes.¹⁴ Networks of European business schools and other educational institutions have taken on the task of creating a European standard for the MBA. Others seek to copy the 'best' American business schools, but still in a relatively unique European way. Nioche (1992) has argued that there may be a 'war of degrees' in European management education with two competing standards, a pre-experience European master's degree on the one hand, and a post-experience MBA degree on the other.

Initiatives taken by the Community of European Management Schools (CEMS), to establish a European specialised master's degree challenges the prospect of the American MBA becoming the standard in European business education. The CEMS Master's Degree was jointly developed among 17 universities and some 50 international companies in the 1990s. After four to five years of study CEMS students graduate with two passports: the CEMS Master's Degree and the graduate degree of the university they belong to. The purpose of CEMS is to promote the qualities of graduates educated in the traditional way and seal a strategic alliance between major business schools and leading international companies (Spoun 1998).¹⁵

The first CEMS students graduated in 1990. CEMS is one of several examples of schools trying to establish a European alternative to the MBA, another was the European School of Management, a joint operation between Paris, Oxford and Berlin, which set up a programme for 'Euromanagers' in the late 1980s (Davoine 1997; Wagner 1997). These attempts to establish a clear distinction between the MBA as a short post-experience degree, in contrast to a standardised, but elite version of a European pre-experience business degree is an interesting example of a strategy for Europeanisation as opposed to globalisation. However, it was apparent by the end of the 1990s, that the CEMS master's degree, and other similar degrees, had not become the same kind of challenge to the MBA as the Airbus had been to the Boeing in the early 1990s, as Nioche (1992:23) had initially hoped. Neither the CEMS degree nor any of the other 'euro-degrees' compete with the MBA standard in visibility and numbers of graduates. Clearly, such efforts have influenced the way the MBA

¹⁴ It was the threat of an 'American invasion', following in the wake of the accreditation of the French business school ESSEC, that motivated European associations such as efmd to set up their own accreditation programme. See Hedmo's chapter in this book.

¹⁵ Interview with Nicole de Fontaines General Secretary, CEMS



has been translated into a European context. However, it may also have influenced the development of the MBA in the United States by pushing it in the direction of internationalisation.

As Hedmo discusses in chapter 11 there is a lot of talk about finding a European 'essence' and developing a separate identity from the US. European institutions want to export their solutions, which is easier when they are linked to established American standards, such as the MBA. If Europeans have an ambivalent relationship to the US and associated cultural labels, their translations of the MBA label may be conscious attempts to deal with such ambivalence, for instance by creating a 'European alternative' and so on. It may be a good strategy to link up with other people with similarly ambivalent attitudes, and try to sell them the European innovation based on a familiar label. A European flavour MBA may look attractive to many of those who want to adopt the MBA degree, while avoiding the legitimacy problems associated with it among those critical of American commercialism. It may therefore be an option for Europeans to sell an alternative MBA standard to other parts of the world, perhaps even to those in the United States who are critical of their own tradition.

There is currently a rush among educational institutions in Europe towards accreditation, standardisation of degrees, web-based alliances, modularisation of programmes and commercialisation of knowledge. The media seek to offer their readers and viewers ranking lists and career advice, and firms and consulting agencies are developing new concepts for partnerships and 'knowledge management'. Not all of these trends are inevitable consequences of globalisation and new technologies. They relate as much to dilemmas, contested terrains and political projects in education and labour markets, and also the movement and ambition to create a more integrated Europe.

The dilemmas of the MBA expansion

As noted, many actors in the European field of higher education have an ambiguous relationship to 'the American model'; it exemplifies both their fears of decadency and their ambitions for excellence. Similarly, there is a love-hate relation with the MBA, fuelling the current expansion and contributing to innovations like the 'Euro-MBA' and the international MBA. Those who pursue MBA degrees are still viewed with suspicion among many, either because they disapprove of the life-styles and 'high-flyer' values associated with it, or because it supposedly does not make a nice fit with European labour markets and institutions. It may be the case that inflated numbers of MBA degrees does not make sense from a macro-economic viewpoint, but there are many

good reasons for the various actors involved in the current reconstruction of the field of business education to jump on the MBA bandwagon. If the question is whether 'to MBA or not to MBA', then the answer quite often seems to be yes, at least under current circumstances. The MBA expansion has created different kinds of dilemmas, however, for educational institutions, governments, as well as students and employees.

Schools that have not yet introduced MBA programmes have to do so in order to maintain or establish visibility and be considered real players in the so-called 'education industry'. Only those universities that offer MBA degrees may be regarded as 'world format' in business education (Spoun 1998:32). To offer an MBA programme is to signal to the world that you want to participate in 'the major leagues'. It does not even have to be a realistic ambition for a university or school to establish such a position, but it is nonetheless necessary to have an MBA programme in order to be visible and continue to attract the same kind and number of students as before. It is especially important to have a well-recognized MBA program in order to have an attractive program for executive education. But nothing could be worse than establishing an MBA programme and not getting the right kind of student demand, since this means that the school will appear as a low performer in the ranking lists. Another dilemma, for institutions offering both a traditional degree and a more exclusive MBA programme, is whether to merge the two programmes or not, which is often a consequence of reforms in educational structures. It is frequently the case; however, that smaller MBA programmes attract more international students, and that mergers between programmes often lead to a fall in ranking lists. Such institutions are victims of their early success, then. The new ranking lists, and also other kinds of evaluation reports and publicity, are used as a background for student's decisions about where to apply and where to study. It is also important to have a prestigious full-time MBA programme in order to attract demand for executive education, which is an increasingly important source of income for business education institutions. Ranking lists serve as a background for decisions made by education institutions and governments, but their most important function is probably to mould public opinion in the direction of 'knowing' what kinds of schools are worth anything and which are not. It may still be difficult, both for experts and the general public, to arrive at fair and unanimous conclusions about the value of various MBA programmes and the MBA degree. It is a new degree with an uncertain future in Europe.

Combined pressures created by internationalisation, government reluctance to increase funding and the emergence of new learning technologies have led to a new kind of dynamic where professional associations, media and accreditation agencies have taken over some of the roles of governments. Cle-



arly, there are similarities to what took place in the US early in the 20th century, as local education systems developed into an intercontinental system. The American education system emerged as 'educational networks serving different goals became incorporated to form national education systems'; whereas most national education systems in Europe were founded by powerful elites who wanted them to serve their various goals (Archer 1979:161). It may be wrong to overdraw the similarities, however. What is happening is not a blueprint of the processes that constructed the American system for business education from 1916 and onwards, when the American Association for Business Schools was founded. One of the reasons why some of the new institutions have taken such an important role in the governance of education, e.g. the case of FIBAA – an accreditation agency in business education in the German-speaking countries, may be that the governments want them to do so. There are also many examples of governmental actors taking an active role in regulating the new transnational field of business education. Tony Blair and Gerhard Schröder are examples of prime ministers that have put their prestige behind the development of MBA programmes in Europe.

Clearly there also are many dilemmas involved from a governmental point of view; how to regulate and check the quality of such programmes, to what extent the MBA degree should be integrated into the existing qualification structures or not etc. Increasingly, governments have to rely on transnational institutions in their efforts to influence or curtail other non-governmental actors. Such transnational institutions also want to be recognised by governments, however, as demonstrated by the construction of EQUAL and EQUIS, the European system for quality control and accreditation in business education. There may be tradeoffs involved in this process both for governmental and associational actors. The end result may indeed look very much like the neo-corporatist structures one has seen in many other European policy arenas.

The same kind of question – whether to MBA or not to MBA - is faced by students that have just graduated from other kinds of education institutions and are considering furthering their education in order to get a better point of departure in their careers. Employees may have been told by their employer or an employment agency that the MBA may be the right choice for them in order to survive in their current work environment, get a promotion, or make a career shift.¹⁶ For many the MBA degree is still associated with a 'jet-set' lifestyle, however, and it is feared that the costs involved may be too high to be paid

16 Already in 1993 a study showed that 70 per cent of 170 German firms would recommend that selected employees take an MBA. 54 per cent employed MBAs already at this point (Brackmann and Kran 2002: 68).

for by the student herself. It is still unusual for a European to venture into such a costly and insecure project without having the government or an employer pay for him or her. Media reports about the 'new elites' of Europe and the success of charismatic leaders with an MBA background encourage many employees and students eager to pursue such degrees. A survey of MBA graduates shows that an MBA may double alumni's salaries in three to four years (*Financial Times* 1998). The media love to provide their readers with information about how to get into the right kinds of business schools and be included in Europe's 'new elites' (see Focus 2000). Statistics documenting increasing returns for those with MBAs compared to others may lead to an increasing interest in such degrees among employers and governments as well. Governments may see the benefits of such a development, since MBA tuition is paid for privately. MBA programmes may also be thought of as a source of additional income that may be used for other educational purposes, but such an expectation may lead to disappointment, particularly for those who want to establish themselves in the 'top league' of MBA programmes. It is also expected that MBA growth will encourage flexibility and create more international labour markets. The selection and circulation of elites in Europe has been organised according to other principles than in the USA, and this may influence the opinions of governments. The idea that elites ought to represent others, or at least that their background should not be too different from a cross-section of the population, may play a stronger role in European politics. Policy makers may think that an expansion in MBA programmes requiring individual payment is an unfortunate aberration from established policies. The individualist and business-like orientation associated with the MBA-label may also discourage some politicians from supporting an increased build-up of such programmes. They may think that the MBA-degree represents an unfortunate Americanisation of Europe, and may refuse to acknowledge it as a legitimate qualification for this reason.

The major problem for MBA degree holders and the institutions that are seeking applicants to their MBA programmes may lie in the fact that the MBA is still regarded by many as a misfit in European labour markets and education systems. This is less the case in Great Britain, and is likely to be much less of a problem in the rest of Europe due to the planned reforms in European education systems. European education ministers intend to establish a 'system of easily readable and comparable degrees ... in order to promote European citizens employability and the international competitiveness of the European higher education system' (Bologna declaration 1999). They see the introduction of the MBA degree and similar short master's degrees as a way to enhance internationalisation in higher education (Haug and Kirstein 1999).

They have agreed to the adoption of an American degree system with a 3-4 year bachelor degree, a two-year master's programme and a three-year PhD programme on top. This may help to establish the MBA-degree and similar formats as a legitimate qualification in Europe in the future, but it also creates new dilemmas for those institutions that have a well-recognised international degree (the MBA) and a well-recognised national degree at the same time, as discussed above. The established relationship between work and education will, of course, set the agenda for how fast and in what ways the MBA degree is going to make the transition from being a misfit to being an integrated part of the various qualification systems. Such background information may be of use in an attempt to understand how the increased use of MBA degrees and the increased inflow of MBA graduates are making an impact on European qualification systems and labour markets.

Internationalisation and new learning technologies have brought an opportunity for education entrepreneurs and firms that want to use the MBA to create alliances and change the established relations among the most powerful actors in the educational field (Byrkjeflot 2001a). The segment that caters to the multinationals probably has the best growth potential, and there may be room for more institutions than the established international business schools (INSEAD, IMD, LBS) to serve the new international business elite (*Focus* 1999; Marceau 1989). Further growth in the funding of education and research is expected to come from business. One consequence of this situation is a strong tendency for knowledge-producers and intellectuals to develop programmes oriented towards business. A sign of the times is the decline in applications to the pre-eminent exemplar of a public administration school with great success in Europe; *Ecole National d'Administration* (ENA). This school is, along with *Ecole Polytechnique*, the most prestigious of the big schools in France. The similarly prestigious political science school in Paris, *Science Po*, is currently transforming from a governmental school to a business school (Garigou 2001). Other European schools that have focused on niche markets, such as executive education, are increasingly moving into the centre of attention as the groups they have traditionally catered to increase in status and become role models for others. Some schools, such as Henley Management College, have made it their specialty to help firms set up their own corporate universities and 'knowledge consortia'. Most business schools and consulting firms will still have to concentrate on local and regional labour markets, however. New institutions for evaluating and recognising programmes for business studies have been introduced, and the media-initiated rankings of educational institutions also encourages educational institutions to adopt standardised degrees and similar organisational characteristics.

Conclusion

A great deal of the current activity in business education is centred on the MBA-degree and the market for executive education. There has been an explosion in the market for MBA degrees worldwide, and during the last few years the number of programmes in continental Europe has been growing faster than in the USA and Great Britain. European institutions are now involved in a whole range of global partnerships in business education and e-learning, where elite institutions such as Harvard, Chicago and Stanford compete to establish 'brand names' in a global market.

Clearly, the growth in MBA programmes and a new organisational field offering business education represent a challenge to traditional education institutions. Such institutions have already linked up in transnational networks, e.g. CEMS, in order to defend their traditional degrees and develop a European alternative. Behind CEMS, says Spoun (1998:88) was a conviction that one should not adopt the American format and the rules of the games associated with it. However, both the education ministers and the European Fund for Management Development (efmd) see the introduction of the MBA degree and similar short master's degrees as a way to enhance internationalisation in higher education.¹⁷ Schools want MBAs because they are seen as a way of gaining 'legitimacy' in the eyes of corporations, other schools and governments. Individuals want MBAs because they are seen as a way of increasing salaries and invoking career change, and some may even see the MBA as a way of developing a new identity and life-style. Corporations want MBAs in order to encourage flexibility and cultivate managerial talent, and perhaps also create a new image. The emergence of a new field of education and training centred on the MBA degree has provided the EU and similar transnational bodies with new opportunities for action. The MBA is seen as part of a strategy to make education systems more transnational and improve flexibility in European labour markets. The MBA degree fits in well with the new rhetoric of 'life-long learning', 'the new production of knowledge' and 'the networked business school' (van Baalen and Moratis 2001).

Relatively unsuccessful attempts to establish a European dimension or 'essence' in business education, as well as management, indicates that such labels are only likely to be meaningful if the purpose is to translate American

¹⁷ Nicola Hilckema (2001), speaking on behalf of efmd, quotes an 'intriguing idea' launched in a report to European chancellors on the Bologna process; 'that Europe ... will pay more attention to the external aspects of its policies, including those in the area of higher education. This should lead to a change of focus from intra-European- or intra EU-activities- to European programmes for joint activities elsewhere in the world'. See Haug and Kirstein (2000, 1999).

concepts into, first, a European context and then others that need the MBA, but hesitate to copy the American model. In the longer run each institution may have to decide whether it wants to take a national/regional perspective or pursue a more global strategy. Some of those who have chosen the latter are already running into problems, as a result of the current slowdown in the wake of many years of strong expansion. The number of MBA graduates is likely to continue to grow in Europe, not least in Eastern Europe. The movement towards the establishment of efmd as a semi-official European-wide quality control agency, and *Financial Times* and other media as ranking authorities, makes it easier for local employers to have opinions about the quality of new MBA programmes and less important to consider the opinions of governments and local experts on such issues.

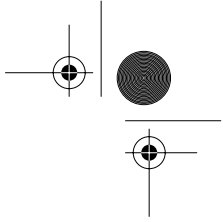
Degree structures in general are converging towards the American model. Curricula and textbooks in Europe are becoming more and more similar to those that have been traditionally used in the American discipline of business administration. The countries that have a system for educating managers that business elites have learnt to trust, and those who have established a research-based self-reproducing model, such as Germany, have had the greatest problems translating the MBA format, as well as the discipline of business administration. On the other hand, those systems that are in transition, or have been the most open to American influence, such as the British universities and colleges, may have moved too rapidly in the direction of adapting to the American model. Many of the new MBA programmes in Britain have been criticised for being of poor quality, with 60 per cent of programmes evaluated to be at the bachelor's level. There are also signs that there may have been too many programmes established relative to demand (Brackman and Kran 2002: 136). The countries that have established a more diverse or dualistic set of programmes, such as Spain, the Netherlands and Sweden may be in the best position when attempting to establish a new balance between content and structure. Competition between systems makes transparent the advantages and disadvantages of the new and old formats of business education.

The French *grandes écoles* are elite schools that have always had to consider their position in the national status hierarchy. This status hierarchy may not always overlap with international status hierarchies, however, a lesson learnt by some French graduates from INSEAD. It may thus come as a surprise that both the French management *grandes écoles* and some of the most prestigious engineering schools have been so active in establishing international MBA programmes. Wagner (1997) explains that this may be an attempt to present a French alternative to the American model of internationalisation. Schools that offer MBA programmes promote them as international and multicultural, in

explicit contrast to the idea that they are American (Wagner 1997:233). French elites also have an international tradition, and participation in international programmes may aid them in their efforts to acquire status within the French system. The French *grandes ecoles* already introduced the master's degree in 1986, so the MBA may fit in with their structures better than the universities (Wagner 1997:233).

A number of French business schools are owned by Chambers of Commerce, and accordingly are oriented towards the needs of international business. The French *grandes ecoles* have not established their own kind of research tradition, and many of their faculty have American PhDs or MBAs. The universities are also in the process of developing new programmes based on American business administration. The lack of a strong tradition in business economics or management allows the French to take a more pragmatic attitude than Germanic education systems. A number of institutions are taking part in the current movement towards standard-setting and co-operation in international education, although most of them will have to find their place in the lower end of the visibility hierarchy. A new division of labour is emerging, and the same schools that are important in national hierarchies are currently struggling to catch up with the early movers in international business education. One example of this is Oxford and Cambridge Universities in Great Britain. Both schools have now established a place in the *Financial Times* ranking list for business education, after having initially been absent from such lists due to their status as latecomers in the field of business education.

In the future it may be increasingly difficult to speak of national systems of business education. The globalisation of the MBA is part of a larger trend towards the development of cross-national alliances and networks involving schools, corporations and other institutions. The EU has taken an active role in helping set the standards for co-operative ventures in research, education and student exchange. Even more important, however, is the intention to establish a 'system of easily readable and comparable degrees ... in order to promote European citizens employability and the international competitiveness of the European higher education system' (Bologna declaration 1999). The new degree system is similar to the Anglo-Saxon system, which is developing into a global meta-standard. This may lead European business schools and students to take a global, rather than European perspective, in contrast to what is often the stated intention of the EU, particularly in the field of culture. European students may be more interested in studying in Australia and the United States than in Europe, and European institutions need to create a stronger 'brand names' in order to keep their own students and attract foreign students. Some European business schools are expanding more in Asia than in



Part III Content' formation as indentity construction

Europe, as is the case with INSEAD. More and more schools are promoting themselves as 'international business schools', although there are also a few examples of alliances and degrees being marketed as 'European'. They cannot all be international players, at least not in the long run. Thus, it is likely that many of these institutions will have to lower their ambitions. From a situation where a number of schools are seeking to establish themselves on the global arena, it is perhaps more likely that a three-tiered hierarchy of MBA programmes will develop: local, regional and global (Spoun 1998; Crainer and Dearlove: 230).

