



# EDUNIVERSAL 2011 SHANGHAI

## Innovation and its Challenges: the B-School Development in the Interconnected World

Innovation in Development of  
International Research Centres

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# Summary

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- I. Toulouse School of Economics
- II. New issues for international research centres
- III. Innovation & Development: food for thought

# 1) Toulouse School of Economics

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# 1) Toulouse School of Economics

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## Key points

- ✓ project designed in the 80s by Jean-Jacques Laffont: bringing together economists with a shared ambition of scientific excellence in Toulouse
- ✓ today: one of the best European research centres in economics
- ✓ Jean Tirole, chairman of the board
- ✓ created in association with Univ. of Toulouse, INRA, CNRS and EHESS
- ✓ more than 120 researchers + 100 doctoral students (70% international)
- ✓ creation of IDEI in the 90s: launching long-term partnerships with corporations to develop innovative research topics
- ✓ creation of the Foundation in 2007: endowment = 80 M€
- ✓ creation of the Institute for Advance Study (IAS) in Toulouse in 2011

# 1) Toulouse School of Economics

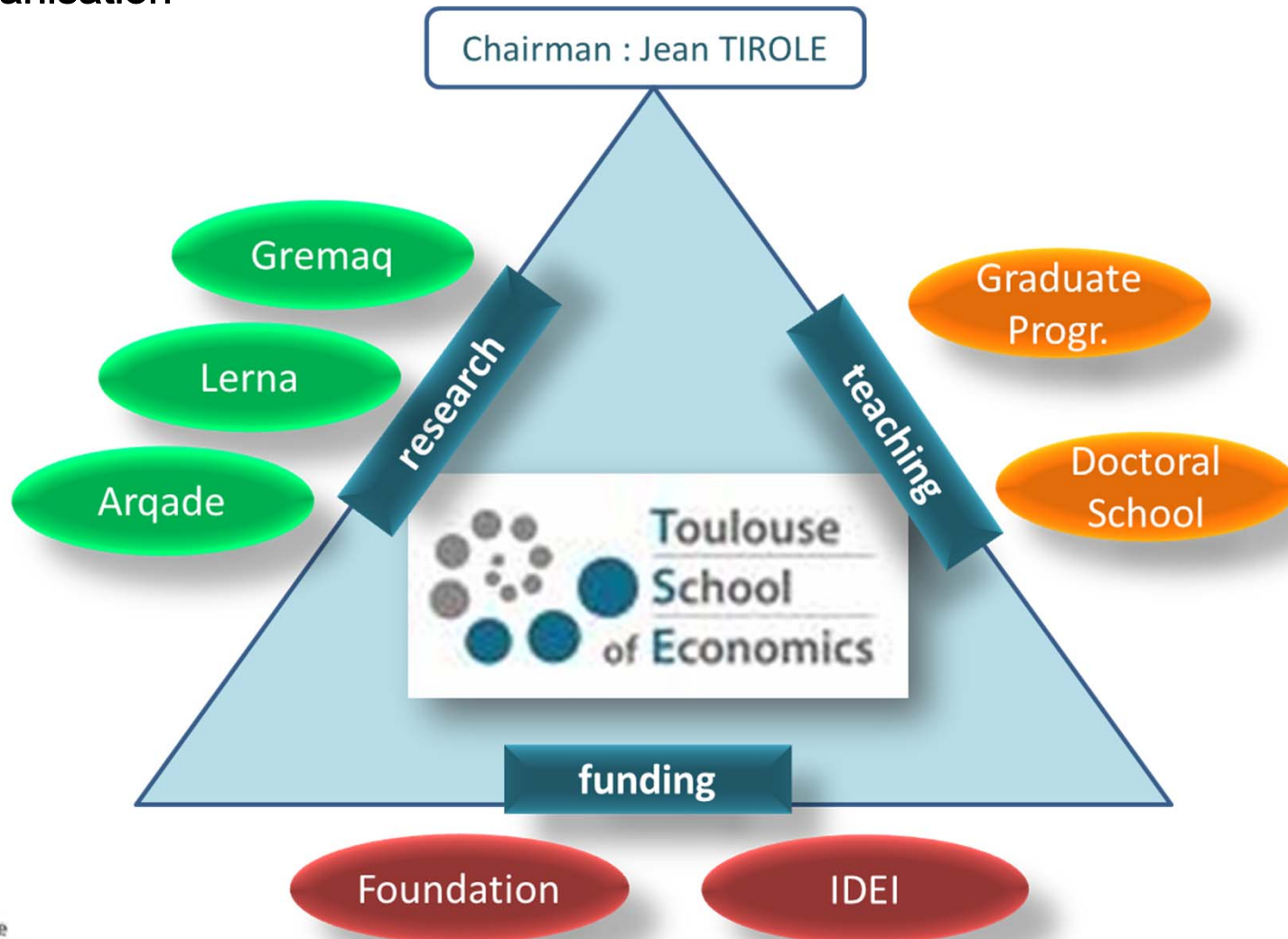
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## Scientific excellence

- ✓ Ranked in the Top 12 by RePec (worldwide ranking of economics dpts.)
- ✓ H-Index: 7 researchers  $> 30$ ; Median h-index among TSE members: 5
- ✓ Junior recruitments: 3 juniors with a PhD from Yale and 5 from Northwestern, Columbia, Duke, MIT or Stanford (over past 2 years)
- ✓ Senior recruitments: 2 seniors from Princeton, 2 from Columbia, one from Harvard and one from UCLA. (over past 2 years)
- ✓ International prizes and honours: i.e. 3 Yjro Jahnsson awards (awarded every other year since 1993 to the best European economist under 45).
- ✓ 2007 & 2010: J.Tirole was granted the 2 highest scientific honours in France

# 1) Toulouse School of Economics

## Organisation



## 2) New issues for international research centres

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## 2) New issues for international research centres

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- I. New requirements from companies
- II. New questions from civil society
- III. The end of a business model?
- IV. Reconnect research and teaching



## 2) New issues for international research centres

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### I. New requirements from companies

- ✓ The 2008 AACSB Report calls B-Schools to have greater contact with business.
- ✓ Corporate needs are changing and society's expectations of companies and business leaders are also evolving.
- ✓ Managerial problems in companies, governments and society are increasing, and there is a need for better management of education and research.
- ✓ Business schools should aim not merely to profit from these opportunities, but also to drive change and promote personal, corporate and social progress.

Jordi Canals / Dean of IESE / FT, oct 2010

## 2) New issues for international research centres

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### II. New questions from civil society

- ✓ “Deans are under more pressure than ever to justify what they do. Major donors are asking tough questions like 'you have all these faculty members who you are very proud of, but can you tell me how this research has made a difference?’ Dan LeClair, AACSB Senior VP
- ✓ “The connection between business research, organizational performance and societal benefit has been neither fully explored nor clearly articulated ; and as a result may not be fully appreciated.” AACSB Report, Impact of Research
- ✓ How to understand that despite all the research in business & economics produced all around the world, no one saw the Tsunami of the financial crisis coming?

## 2) New issues for international research centres

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### III. The end of a business model?

- ✓ How to find the professors needed by the research centres and the B-Schools?: the demand for business education is growing faster than the pool of doctoral and research-focused faculty staff.
- ✓ Is it sustainable to subsidize the research by teaching income?
- ✓ Highly compartmentalized research: “ There is a conflict between academic rigor and multidisciplinary. The need for rigor pushes people towards specializing in one discipline. As a result, B-Schools are made up of silos, full of people who are deep specialists in their own field but who know little about what is happening in others.” (The Roots, Rituals and Rhetorics of Change, North American Business Schools After the Second World War / Mie Augier and James G. March / Stanford University Press).

## 2) New issues for international research centres

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### IV. Reconnect research and teaching

- ✓ Measuring the impact of research is just one way that schools are trying to justify or increase relevance: Olin Business School at Washington University in St Louis has introduced a \$10,000 award recognizing research with "timely practical applications".
- ✓ "There is a great divide in business schools, between research and teaching. There is little relation between them. What is being taught in management books and classrooms is usually not based on rigorous research and vice-versa; the research published in prestigious academic journals seldom finds its way into the MBA classroom." (Freek Vermeulen / Ass Prof at LSE / FT, January 2011)

### 3) Innovation & Development: food for thought

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### 3) Innovation & Development: food for thought

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#### Improve research steering & communication

- ✓ “B-Schools would be seen as more relevant if they did a better job of communicating their work”. Prof Anil Gupta (IIM Ahmedabad) in FT
- ✓ “Britain's business schools should offer more practical help to companies and spend less time on academic research”. David Willetts, UK universities minister.
- ✓ “Require schools to demonstrate the impact of faculty intellectual contributions on targeted audiences”. AACSB report “Impact of Research”
- ✓ Reinforce the links between researchers and companies, through research programs funded by the companies and a large number of executive managers within the board of directors.

### 3) Innovation & Development: food for thought

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#### More interactions between academics and managers

- ✓ Action research projects, mixing up faculty and companies, pushing people forward in a transversal area of knowledge, and providing them real support to become more interactive and balanced. ( i.e. the Creapolis "innovation park" in ESADE Barcelona: companies and faculty work collaboratively on so-called "action research" projects to encourage "team-playing in research").
- ✓ To do more "translation" of academic journal articles to articles in managerial outlets that can be understood by managers.
- ✓ Encourage managerial relevance of research: The Erasmus Research Institute of Management in Rotterdam is introducing a "dual impact" system where it measures both academic influence (through journal articles and citations) and managerial relevance (consultancy requests, advisory board memberships).

### 3) Innovation & Development: food for thought

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#### Cross-research

- ✓ Encourage Professors to team up with other departments to deliver real-world business and management education. (Columbia B-S in NYC offers a bonus - \$30,000- \$40,000 – for a professor instigating research with professors from other departments within the B.S.) ; but getting professors to conduct joint research and teaching across departments is as difficult as the proverbial herding of cats. The problem is particularly acute in US business schools, where only high-quality research publications can guarantee the tenure. Della Bradshaw / FT, oct 2010
- ✓ IAS in Toulouse: bringing together researchers from all over the world, trained in the different social sciences, to facilitate cross fertilization and unlock new ideas to address the challenges of the 21<sup>st</sup> century.



# 3) Innovation & Development: food for thought

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## Cross-teaching

- ✓ Combine Management and Philosophy:

3 Belgian B-Schools launched an Executive Program (MSc) in Management & Philosophy. Courses given jointly by top managers and philosophers. “The training aims to provide new tools and concepts to decrypt the situations of the working environment but also to develop a personal attitude of retreat from compared to a problematic situation and approach it from different angles.”

- ✓ Strengthen ethics courses:

"Strengthening ethics course seems obvious ... by showing all the curiosity and all the necessary skepticism“. Dean of Tuck School of Business (Top 5).

- ✓ Diversity: "Multiculturalism, ethics, social responsibility, environment, history and culture must not be ignored for programs“. Dean of Bocconi in Milan.