

Assess your deans?¹

Discover the history and specificity of French B. Schools, while delving into some related governance issues

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This might be a cultural revolution and translate as a great leap forward for French Business Schools, as their governance model will have to undergo drastic changes. Before tackling that issue, let us say a few words about the world of "écoles supérieures de commerce et de gestion" (ESCG) in France, a world which could be as alien to readers outside of France as was first the E. T of Steven Spielberg.

While in Anglo-Saxon countries, B. Schools are colleges belonging to universities, in France, they are, for the most renowned ones, part of the system of "chambres consulaires". Why the name? Actually, it dates back to the creation, in 1559, of the first "chambre consulaire" by the city of Marseille, which was originally a commercial bureau staffed with 4 "consuls" designated among the city hall representatives. From then on, significant municipalities got their own "chambres consulaires", i.e. public establishments whose mission was to defend the interests of private industrial and commercial or even artisanal and agricultural businesses. For those chambers involved in commerce and business (chambers of commerce and industry) one of their early preoccupations was to develop an educational system for the training of business executives. If 1819 saw the birth of the first "Ecole Spéciale de Commerce et d'Industrie" in Paris, that school was bought back by the Paris Chamber of Commerce in 1868. From then on, the "Chambres consulaires" involved themselves in the creation of other Ecoles Supérieures de Commerce such as Marseille (1872), Bordeaux (1874) or Paris "Ecole des Hautes Etudes Commerciales" (1881). Progressively, these schools were granted an official status by State (1890), became directions of the local chambers of commerce and were thus governed by the elected executives representing local businesses. At the same time, their administration, programs and degrees were supervised (not run) jointly by the Ministry of Commerce and Industry and by the Ministry of National Education (the latter grants them its official stamp for their diplomas).

That very special blend of public and private interests in the management of Ecoles Supérieures de Commerce (ESC) is extraordinarily complex even for French people. For a very long time (and still now), the latter have been considering ESCs as "private schools" even though they were part of the public consular system (funded by specific taxes levied on businesses), mostly because students from these schools had to pay high tuition fees. At the same time, these students had to take special entry exams ("concours") which were very selective and made these schools part of an elitist system of business education. In parallel, the French University, run by the Ministry of Education Nationale and entirely funded by State, developed its own "Instituts d'Administration des Entreprises (IAE)", masters level

¹ An abridged version of that article was published in the *Financial Times* under the following title: "Business School governance and management is ripe for change", September 1, 2013. <http://www.ft.com/intl/cms/s/2/5e08fed2-dcd9-11e2-9700-00144feab7de.html#axzz3yStqCX00>

programs, much less selective and much cheaper regarding tuition fees, which, owing to their lesser proximity with the business world, never achieved the same reputational level (in terms of students' employability) as the "Ecoles Superieures de Commerce (ESCs)". So, nowadays, in France, even if the top ten ESCs like *HEC*, *ESCP*, *Essec*, *EM Lyon*, *Edhec BS Kedge BS*, etc. are world renowned schools of business², they, as well as their second-best French counterparts, are confronted to the global competition in the field of business education. With the global Anglo-Saxon players able to sell their educational contents and methods (through strategic partnership or online resources) on a world wide scale in English, the French ESCs have been trying to remain competitive by working on new juridical statuses granting them more leeway from their "Chambres consulaires" tutelary, while trying to find new sources of financial income destined to replace the dwindling resources from corporate taxes (meant to disappear totally). At the same time, the "Chambres consulaires" have been actively involved in that modernization process, supporting mergers and the birth of new entities (*Skema*, *France Business School*, *Kedge*, etc.) destined to be global players, while trying to succeed in the difficult exercise of maintaining authority in the juridical structure of their new outsourced educational ventures, in order to reap additional benefits while contributing minimal administrative services, thus reducing global costs.

By and large, these "grandes manoeuvres" have not given birth to serious thinking regarding the governance model of French ESCs. "Top down management" is still the rule: Chambers of Commerce and Industry (CCI) presidents name Deans who are thus accountable only to them and to boards of directors staffed with business executives (not faculty or students); Deans name program and support directors who are thus accountable only to the deans. Of course, one could say that recent ventures in French B. Schools have seen the emergence of "senate faculties" and the organization, in some schools, of the election of the associate deans of academy or research. However, in most schools, deans' decisions prevail over everything, and it is very rare, until recently, to see a faculty organize in order to oust a dean (*EM Lyon* in 2011 or *Essec* in 2012). "Corporalism" (Napoleon was nicknamed "le petit caporal") is still the name of a game embraced heartily by those (sometimes former university professors) who, as deans, prefer to rule with as few checks and balance as possible. In this cultural context, the Anglo-Saxon "shared governance" principle - a concept whereby structures and processes allow faculty, professional staff, administration, governing boards and sometimes students, to participate in the making of their school's policies and in their decision-making - is not a priority. Some calls (Kalika, Tapie, Djelic³) have, nonetheless, been made in France to involve faculty (not staff or students) in the governance of their schools⁴. Still, that call has not been widely relayed as it remains alien to the managerial culture of "chambres de commerce et d'industrie".

A spate of serious crises with renowned American Universities presidents (NYU' Sexton and Harvard's Summers) or B. Schools Deans (Barratt's Columbia and Guthrie's GWU) illustrated

² Cf. « European Business School Rankings 2015», <http://rankings.ft.com/businessschoolrankings/european-business-school-rankings-2015>

³ Pierre Tapie, CGE : "Les professeurs doivent absolument participer à la sélection des dirigeants des écoles de management", (colloque AEF), 15 Juin 2012.

⁴ Cf. Blog Educpros of M. Kalika, 22 Novembre 2011, <http://blog.educpros.fr/michel-kalika/>.

the shortcomings of "shared governance"⁵ confronted to faculty abandon of their responsibility (privileging research and leaving administrative tasks to functional directions) and willful deans ready to use that window of opportunity to govern by themselves. Experience has thus demonstrated that even the best rules and processes depended on the qualities of the people named or elected in decision-making positions. Nonetheless, the context could thus be ripe for a "great leap forward" in the governance of French B. Schools. After the seismic Subprime crisis and the magnitude of the Madoff scam, many deans have chosen to advocate the injection of some measure of responsible (ethics) classes, seminars or chairs in the curricula of their schools. For those who had already been involved in that process, they accentuated the effort. But in so doing, many of them forgot to consider the danger (reputation risk) that existed between public stances recommending: on the one hand, the exposition of students to responsible management; and, on the other hand, their government track record that could be truly antagonistic to its principles (i.e. emphasizing shareholders contentment over stakeholder's engagement). Actually, as W. E. Deming taught us regarding quality management: considering that the firm is a system⁶, one has to assess its feedback in terms of "impact" not only on its external environment, but also on itself. That lesson seems to have been lost on the French providers of a "Business School Impact Score" whose ambition is to measure only the external impacts (Financial, Economic, Innovation, Reputation, and Societal) of B. Schools and propose to do it in a very mechanistic way (as opposed to an interactive and mutually beneficial process)⁷. Should we put that lapse on a French difficulty to deal with measuring the degree of accountability of B. Schools' deans (especially when some of the providers are also former deans⁸) towards all stakeholders⁹? Actually, especially for those schools that have made "Corporate Social Responsibility (CSR)" or "Globally Responsible Leadership", a central aspect of their communication and educational project, one would be hard put understanding that their managerial track and leadership were not "walking the talk" by shutting out important stakeholders from the governance process.

⁵ For an informed presentation of the debates surrounding "shared governance", cf. Rebecca Dunning and Anne Sarah Meyers, "Crisis of Purpose in the Ivy League: the Harvard Presidency of Lawrence Summers and the Context of American Higher Education", Case Studies in Ethics, The Kenan Institute of Ethics at Duke University, 2009.

⁶ For a summary of the essence of the Deming Quality System, cf. Matthew Cross, *The Power of TRUE Quality Management*, the Leadership Alliance, 2000. <http://www.leadershipalliance.com/deming.htm>.

⁷ "Business School Impact Score : L'outil incontournable pour mesurer l'impact de votre école" in Lettre de la FNEGE, n° 381, juillet-août 2012. For a general presentation, cf., www.bs-impactscore.com.

⁸ If Michel Kalika is one of those rare former deans (EM Strasbourg) who, in France, call for a real participation of the faculty to B. School's decision-making process, his plea doesn't extend to make deans accountable before all stakeholders.

⁹ According to J. Martell, "stakeholders of business schools" are those key groups that are affected by the education of the world's future business leaders. According to the Baldrige Education Criteria for Performance Excellence, the term includes faculty, administrators, collaborators, parents, alumni, employers, governing boards, other schools, regulatory bodies, funding entities, taxpayers, policy makers, suppliers, partners, local and professional committees, and local community. For reasons of emphasis and clarity, Baldrige refers to students and stakeholders separately, in J. Martell, "Socially Responsible Business Schools: Collective Stakeholder Voices Demand Urgent Actions", *Journal of the World Universities Forum*, Volume 1, Number 6, 2008, p. 116.

This is, thus, in order to help French B. Schools' deans (and others) avoid the "dean's disease" (Bedeian, 2002) isolating themselves from dissenting voices¹⁰, and prevent the kind of internal crises that have racked B. Schools over the last years (Bradshaw, 2011)¹¹, that one feels well founded to propose a systematic assessment of their track record. In that context, their "mandate for leadership"¹² would be reviewed regularly and submitted to the scrutiny of their stakeholders (representatives from Faculty, Staff, Students, Alumni, partner CEOs and local governments). Actually this might come as a scoop, for the French B. Schools and Chambers of Commerce ruling elites, to learn that some American universities have already done so or are in the process of doing it. A rapid search of the internet gave us instant access to the evaluation forms that Universities currently use to assess the performance of their deans¹³. In most instances, the Faculty and Staff are asked to check a sometimes very comprehensive list of criteria whose main categories can be illustrated with the form in use at the University of Kentucky at Brockport. They are: *Faculty governance, Mission management, Strategic Planning, Quality Enhancement, Communication, Collegiality, Commitment to Diversity, Faculty Development, Performance Evaluation, Resource Management, Resource Development, Reputation Management, Business Management, Satisfaction with the overall performance of the Dean, Identification of the Dean's primary strengths, Identification of areas for improvement in the Dean's performance, Information about respondents* (classification, title series, faculty rank, pay classification, interacting occasions with the Dean, number of years at the U of K, gender).

Let us finish this piece by stating that in a very uncertain global economic setting, the role of B. Schools deans will be fundamental in their capacity to steer their establishments towards innovative managerial educational contents and methods, geared to the magnitude of the societal problems at hand. Let us make sure that their management is up to that task and let us help them, in France as well as in Europe, with it, by holding them regularly accountable for the responsible completion of their missions.

¹⁰ Arthur G Bedeian, "The Dean's Disease: How the Darker Side of Power Manifests Itself in the Office of the Dean", *Academy of Management Learning and Education*, Vol.1, N°2, 2002, pp. 164-73.

¹¹ D. Bradshaw, "Trouble at the Top", *The Financial Times*, 5 December 2011.

¹² This is the name of a famous conservative publishing, circulated by the Heritage foundation, meant to lead presidents of the USA through their mandates. President Reagan was one of its most enthusiastic readers and users.

¹³ University of Kentucky at Brockport, West Virginia University, Georgia State University, Georgia Regents University, Rochester Institute of Technology, University of Miami, Western Carolina University, North Dakota State University, University of Minnesota, State University of New York.