

# In Search of Respectability: The Changing Role and Contribution of Business Schools

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*On 1<sup>st</sup> August, 1977 Professor Mansfield became the Director and Chairman of the Centre for Graduate Management Studies in the University of Wales Institute of Science and Technology. Some nine years later on 1<sup>st</sup> August, 1986 the Centre was renamed Cardiff Business School. Just over a year after that the remit of the School was widened significantly by taking over all the activities of the Department of Business and Economics in UWIST, and the Departments of Economics, Accountancy and Financial Control and Industrial Relations and Management Studies at University College, Cardiff ahead of the full merger of the two Colleges in September 1988. From 1977 to the present day Professor Mansfield has continuously been the Director of what is now Cardiff Business School. As he prepares to stand down from that role after 28 years, he reflects on some of the most significant changes that have happened during that period.*

Business schools were an American invention dating back to the later years of the 19<sup>th</sup> Century. In anything like their present form, they were introduced into the United Kingdom in the middle of the 1960s with the creation of London and Manchester Business Schools. The spread of business schools in the UK after that date was a slow and difficult process, with substantial opposition from a number of traditional disciplines in the older universities. Considerable doubts were expressed on many occasions about the academic respectability of business as a subject at University level and in many cases it was seen as a minor part of the study of economics. In the 1960s and 1970s, in the post Robbins expansion of higher education in the UK, it was typically the newer universities and the polytechnics that embraced business education, particularly strongly at undergraduate level. Generally, and with a few notable exceptions, business studies was the term employed for relevant undergraduate and sub degree education, and management studies was the nomenclature most commonly used at postgraduate level. Congruent with that, it is noteworthy that the collective body representing those in the university sector developing the study of business was the Council of University Management Schools. This became the Association of Business Schools following the merger with its public sector equivalent in 1992 at the same time as the polytechnics were upgraded to university status and the binary line in higher education in Britain disappeared.

Nowadays virtually every university and other institution of higher education in Britain has a business school and they have become common place in universities world-wide. Depending on definitions, it is probably true that around one fifth of British undergraduates are now studying for a

degree in the business studies area. At the same time as this expansion has taken place, MBAs have become dramatically more common in the UK and around the world, and business schools have become academically respectable. Indeed, in many universities in Britain and elsewhere, the business school is the largest single part of the academic structure. The changes noted above have had a very significant effect upon British universities but have also had a significant impact on society more generally, and particularly on economic development.

As is so often the case with history it is difficult to envisage the situation and the attendant attitudes that related to business schools and their development in the UK as they were expressed in the 1960s and 1970s. By that time, business schools in the United States were well established and had achieved a certain respectability in academic circles. However, they were still treated with some suspicion by many of those working in the pure social sciences. That suspicion was not so much based on their academic shortcomings but rather on their hypothesised political flavour. At that time, in both the United States and Europe, universities were being criticised for having too strong a linkage to the so called military-industrial complex and many of the professional schools, and particularly business schools were seen as the arch villains.

In Britain the academic credibility of business schools, business education and management research were regularly called into question by those from longer established disciplines. At the same time as the academic creditability of business schools was being questioned in British universities, particularly the older established ones, the self same business schools were regarded with suspicion in industry,

commerce and the public sector for being too academic and having an ivory tower approach.

In Wales in the mid to late 1970s there were no business schools in the sense that is accepted today, certainly not by name. The closest was probably the Centre for Graduate Management Studies and the related Department of Business Administration and Accountancy at UWIST. In the late 1970s and early 1980s a variety of discussions were held concerning the possibility of establishing a business school in Wales, but these discussions came to very little in the short term. In the light of what has happened since, it is not easy to understand the logic of the discussions held during that period and the strong opposition to the development of business schools and business studies in Wales. The various ideas concerning a significant new initiative to create a Welsh business school came to nothing, and it was, in the event, the gradual development of business education in a variety of different institutions which slowly changed the whole scenario. Similarly to what was going on in many other parts of Britain it was one of the university institutions created in the 1960s, UWIST, which led the way and eventually created a business school by that name in the mid 1980s. This development was transformed in the early stages of the processes leading to the Cardiff merger which involved the incorporation of a number of departments in both UWIST and University College, Cardiff into the embryonic Cardiff Business School leading to the creation of a Business School which was recognisably similar, albeit smaller, to what we have today. As a signal of obtaining respectability in university circles, the inauguration of the transformed Cardiff Business School in November 1987 by His Royal Highness the Prince of Wales showed the way. In the succeeding years, it

was mainly other institutions of higher education in Wales that were to follow and now there are a variety of different business schools within the Principality, all of which having experienced progressive expansion over the last 20 years.

The development of business schools in Wales and elsewhere in the UK and around the world in the latter part of the 20<sup>th</sup> century and the earlier part of the 21<sup>st</sup> century made a great deal of sense for a variety of interlinked reasons. First, it was part of the significant expansion of university level education which was going on at that time. One of the enormous virtues of undergraduate degrees in business is that they provide large numbers of students with relevant knowledge, skills and experience relating to a wide variety of potential future careers. Secondly, the growth of business education was built on a rapidly increasing intellectual base, as the amount of business and management relevant research was also expanding at a high rate. In part this expansion of research was based on traditional disciplines such as economics, psychology and sociology, but also on a new more interdisciplinary concept of research coming from a variety of discipline bases and united by common substantive interests. Thirdly, there could be no doubting that there was a growing need for managers in every walk of life who had at least a basic knowledge of business and business related skills. With intensifying international competition, it was becoming more and more obvious that the day of the gifted amateur was over and there was a need for highly professional education and training for managers and those working in staff specialisms relating to management.

As they developed, business schools played a growing part in the education and training of managers and potential managers at undergraduate, postgraduate and post experience levels. In addition in the latter part of the 1980s, ever increasing numbers of companies as well as government policy makers were looking for guidance to the research being carried out in academic institutions. More often this research was being done in business schools as they developed. It should be noted that this research covered a very wide variety of areas and ranged from relatively pure academic style research through to highly applied, semi consultancy, projects. In the 1990s and the early part of the 21<sup>st</sup> century the role of business schools in management education and training, and in providing research findings relevant to business and government policy relating to business has expanded significantly.

Certainly, criticisms of business schools continue and will no doubt persist into the future. However, the nature and tone of the criticisms have changed significantly since the 1970s. Business schools are now regarded as an established part of the university scene whether viewed from other parts of the universities or from outside. In many respects business schools are now an established part of social science, have an enviable track record in research and continue to educate large numbers of managers and potential managers in the UK. In addition they have attracted many overseas students and are providing a major contribution to business education internationally.

Over the last 20 to 25 years there has been an almost complete metamorphosis to the extent that business schools are now often criticised for being too much a part of the university establishment rather than for being outsiders in search of academic and other respectability. During the most recent period the contribution business schools have made is indisputable in a large number of different dimensions. They are now an unchallenged and in many ways central part of the academic life of many universities, and the financial and other well-being of many British universities is significantly contingent on the success and prosperity of their business school.

The foregoing is as true in Wales as it is in other parts of the UK, and indeed in many countries around the world. The contribution of business schools to a large number of economies and perhaps most importantly to international business and international relations generally can no longer be disputed. In Wales, as elsewhere, it is difficult to define or quantify the contribution that business schools have made, but there can be no doubting that it is very considerable and has assisted a multitude of individuals, firms and industries to develop competitively in a global economy.

Clearly the business schools in Wales make a direct contribution to the economy by employing considerable numbers of lecturers, researchers and support staff. As typically the average pay in a business school is significantly above the average in the Welsh economy, this contribution is substantial. In addition the business schools attract sizeable numbers of students from outside Wales, who pay fees and spend money in the local economy. In Cardiff Business School alone over 900 of the students come from outside the UK. The money they bring in is a net contribution to the UK economy. To this can be added all the

students who come from across the border with England who add significant further amounts to the Welsh economy. As a substantial amount of the money spent by staff and students is spent within Wales this indirectly provides further employment and further contributions to the Welsh economy.

Obviously, the main role of business schools is the education and training of people at all levels and carrying out research. It is difficult to demonstrate the effect of these on economic development but it seems a reasonable proposition to believe that giving people increased knowledge of business and increased skills relating to management must assist in economic development wherever those individuals go to work afterwards.

Numerically the largest group of students who pass through the business schools in Wales, as in other parts of the UK, are those studying for first degrees. The large majority of these enter at 18 having done 'A' levels but there is a significant minority in some of the business schools in Wales, as elsewhere, who come in rather later and with other forms of qualification. A typical first degree in business or related subjects is a 3 year degree although some institutions offer a 4 year sandwich degree. Undergraduate degrees in business these days provide a rigorous intellectual learning experience as well as providing a great deal of business related knowledge and skills. The development of the knowledge base relating to these degrees over the last quarter century means that they are capable of being as intellectually rigorous as any other degrees offered by British universities or indeed universities world wide. Typically they are, of their nature, interdisciplinary and draw on knowledge from a number of social science disciplines and virtually all of them contain at least an element of quantitative methods. Although the undergraduate degrees provided by business schools are strongly vocationally relevant they are not vocational in the narrow sense of providing specific training for particular roles. They provide a mixture of theoretical and applied knowledge and are likely to furnish students with a solid basis on which they can build a postgraduate career.

Business schools are also very active in postgraduate education and commonly the most significant part of this is the MBA degree. Increasing numbers of people world wide now obtain this qualification which is regarded by many employers as an important and in some cases essential prerequisite for a managerial career. The MBA degree of

its nature confers a general knowledge of all aspects of business but also provides some opportunity for specialisation in chosen areas. Many students have relevant first degrees before undertaking an MBA but there remain a large number who build upon degrees in entirely different disciplines in order to prepare themselves for a career in management in many different walks of life. The MBA degree is often one of the most difficult to obtain in the British university system because of an intense workload across a wide range of business related subject areas. Although it is different from most other master's degrees in that it does not directly build upon earlier education in the specific subject area, it does deliver a rigorous training for an ever-growing number of students.

At post-experience level business schools offer a wide range of educational and training opportunities to diverse groups. These range from very short courses to rather longer courses, sometimes spread over extended periods. They can serve a wide variety of purposes depending on the nature of the programme offered and the nature of the participants taking it. In some cases these are provided to give people a small amount of very specialised knowledge and in other cases they can be an updating of previously acquired knowledge. Some post-experience education and training offered has a

significant experiential element to it and can help develop skills in leadership and related areas.

Perhaps most difficult to assess is the contribution of business schools to research activity. As has been previously noted research in business schools covers a very wide range from theoretical research designed to improve knowledge in a generic sense through to highly applied research seeking solutions to immediate problems. In many cases the research is supported by the potential user of the research findings, with the result that a variety of industrial and commercial concerns have funded substantial amounts of research, particularly of the more applied kind. There are a few instances where a specific cash value has been put on the benefits to the sponsor of the research but in most cases it is merely one factor which impinges on the profitability or growth of individual firms or industry sectors. A significant amount of business school research is funded by government departments and government agencies that are looking for evidence upon which to base policies or sometimes to justify existing policies. In these cases it is usually even more difficult to try and establish the benefit in monetary terms. However, it is becoming more commonplace for individual firms and public bodies to sponsor research in business schools. In addition, the

research councils fund business school research in order to build knowledge and contribute generally to the development of the various disciplines and our understanding of business phenomena. In the long term, some of this more theoretical pure research may make the greatest contribution.

The extent to which business schools and business school academics have gained respectability is further demonstrated by the numerous occasions their views are sought by the media on a wide range of issues. Clearly there are many indicators that show business schools are believed to make a significant contribution to society and particularly to economic development. Over the last 40 years since the development of business schools really started in the UK, they have become very much part of the academic establishment and have achieved a large measure of respectability. Business school academics contribute significantly to a wide range of professional bodies of both an academic and practitioner kind. Their influence is now considerable and this applies in Wales as in almost all other parts of the world. Business schools in Britain have certainly come of age. It is to be hoped that their new found respectability will not inhibit their dynamism and ability to innovate in the future.