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GLOBAL PRESSURE OR NATIONAL IDENTITY: STRATEGIC CHALLENGES FOR RUSSIAN BUSINESS SCHOOLS

Valentina Gerasimenko* and Olga Molchanova

*Lomonosov Moscow State University, Faculty of Economics
Leninskiye Gory 1, Building 46, r. 346, 602, 119991 Moscow, Russia*

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Abstract

In the context of globalization of the business education market, Russian business schools face a complex managerial problem - how to preserve a business school's identity. The parameters of demand for managerial education in Russia have become significantly more complicated, new global competitive pressure forces have arisen, compelling business schools to adjust and revise their strategies and comply with international standards of the global business education market. Normative pressure is one of the key reasons that encourage business schools to adapt successful overseas education models. However, the impact of market logic often covers normative appeals to adaptation, as reflected in copying and adoption of the US MBA model. Our research aims to show what the priorities of Russian business school MBA students are today in choosing a business school, as well as which of the competencies of graduates are most on demand in the Russian labour market. The research presented in this manuscript was conducted over a period of three years (from 2014 to 2016). During the research, 358 Lomonosov Moscow State University MBA program graduates who study in Russia and Kazakhstan participated in the research as respondents. The research was based on questionnaires forms developed for the survey. The structure of qualities stated by our graduates raises serious challenges to the content and standards of MBA programs in the global context, especially considering the cultural code of the nation, manifested in the practice of doing business. Globalized and marketable specialized managerial knowledge is clearly a priority among graduates today.

Keywords: Management education, global educational market, MBA programmes, strategy, Russian business school

1. INTRODUCTION

Active internationalizing of business school activity in Russia raises a complex managerial problem - how to preserve a

business school's identity in the context of globalization of the business education market. The search for an effective solution to this problem leads to an understanding of the increasing role of strategic management

* Corresponding author: vv_gerasimenko@mail.ru

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in the field of business education, since identity aspiration in the complex institutional environment of the global education market makes "what a business school aims to be" the key question, rather than "what a business school is" (Kodeih & Greenwood, 2014).

In the context of globalization, business schools often, perhaps even typically, are compelled to simultaneously abide by different "rules of the game", each prescribing a different, and at times contradictory, set of normative orders (Reay & Hinings, 2009).

There is almost no empirical research on how business schools in the context of globalization and institutional environment complications manage to cope with increasing multiple logic, how a balance between commercial and development logic may be achieved. In our work we take into consideration advice from researchers who had investigated this issue in relation to organizations from other areas (Battilana & Dorado, 2010).

One of the consequences of globalization for the market of education is the growing institutional pressure on business schools, particularly the pressure of coercive nature. Educational environment is greatly affected by such factors as accreditation schemes, and, what is also important, by mimetic pressures resulting from the spread of information about the leading business schools. Besides, there is the normative pressure from professional networks, religious denominations and other associations, which is becoming more and more noticeable (Moratis, 2016).

Normative pressure is one of the key reasons that encourage business schools in various countries to adapt successful overseas education models, e.g. the US

MBA model (Blass & Hayward, 2015; Gerasimenko et al., 2015a; Lamb & Currie, 2011). However, often the impact of market logic prevails over normative appeals to adaptation, as reflected in copying and adoption of the American US MBA model (Liang & Lin, 2008).

Greater attention is being given to new innovative models in the field of managerial education, including edtech platforms (Ed Tech Developer's Guide, 2015; David, 2016), on-demand platforms (On demand courses, 2015), subscription model (Dive Brief, 2016).

It should also be borne in mind that MBA programs have cultural specificity, typical for the North American model of management practices (Currie, 2007) which often contradicts social norms, for instance those of China (Currie & Knights, 2003) or Malaysia (Sturdy & Gabriel, 2000), which stresses the importance of adapting the US MBA model. Business school students often believe that hard functional skills are much more useful to them than interpersonal skills, students wish to study practice-oriented techniques which can be applied immediately (Lamb & Currie, 2011). Some researchers try to identify the required skills needed for a managerial position through analyzing the results of the studies of managerial behavior (Espinosa & Torres, 2016).

The present research aims to identify the priorities of Russian business school MBA students in choosing a business school and learning on the basis of a leading university, as well as which of the competencies of graduates are in greatest demand on the Russian labour market.

The studies were conducted at the Lomonosov Moscow State University (LMSU). Established in 1755, the LMSU is

the leading university in Russia and also the oldest. More than 40 000 students (graduate and postgraduate) and about 7 000 undergraduates study here. Every year Moscow University enrolls about 4 000 international students and postgraduates from all over the world. Today Lomonosov Moscow State University comprises forty faculties, which provide instruction in different fields (<http://www.msu.ru/en/>). The Faculty of Economics, one of the biggest faculties at the LMSU, is actively developing MBA business education and retraining programs. As part of our MBA programs, short-term training modules is provided at universities of Austria, the United Kingdom, Germany, Italy and the United States. Also several courses are given by professors from European universities. Master classes by leading experts in business on the most relevant topics are scheduled in all modules.

The main structural parts of the MBA programmes include Foundation of Business and Management, Core professional disciplines in Management, Electives (specialized disciplines in Management, Marketing, Finance, Human Resources Management etc.) and international Training Modules.

The goal of MBA programmes is to ensure continuous updating of knowledge and practical skills in the field of economics and management; to create conditions, in which MBA participants will have incentives and opportunities for both personal and professional development (<http://mbamsu.ru>).

This will enable understanding to what extent globalization impacts the strategy of business schools, the development of business education in Russia and what trends should become priorities, on the basis of demand development and consumer choice

parameters: the tendency of copying and borrowing or the adaptation of global models.

2. RESEARCH SETTING

Our research shows how global MBA program models relate to requirements of the Russian labour market and parameters of demand for business education on the basis of the MBA programs of Russia's leading University.

The research presented in this Paper was conducted over a period of three years (from 2014 to 2016) at Lomonosov Moscow State University, where 358 MBA program graduates studying in Russia and Kazakhstan participated in the research as respondents (143 people in 2014, 137 people in 2015 and 78 people in 2016). The research was based on questionnaire forms developed for the survey.

3. RESULTS

The conducted surveys have shown that in 2016 almost half (49%) of the respondents had compared MBA at Russian and foreign universities when selecting the place of study, despite the economic crisis and a two-fold increase in the dollar and euro rate against the ruble. Responding to the question: "**Why wasn't education abroad considered?**", the other half highlights 3 main reasons for rejecting education abroad - the presence of a language barrier, high costs and the lack of an opportunity to spare time for work. Cross-cultural barriers in communication and learning were not recognized as significant reasons. In response to the question: "**Why did you**

prefer MSU MBA program education to education abroad?", the main reason for choosing in favour of MSU MBA program, noted by attendees, was the high quality of education which corresponds with international standards. It is worth noting that a more affordable cost of tuition was listed as a reason only in half of the cases, therefore it is not the main cause of choice. However, many did point to such factors as education proximity to real business conditions (66%), i.e. the specifics of national market, regulatory conditions and forms of entrepreneurship knowledge.

The extent to which globalization penetrates the program content and implementation becomes clear from the answer to the question: **"Is it important to you that the education received at MSU was international?"** The responses indicate a high significance of this factor for MBA students. About 80% noted that it is important to them that the education received at a Russian university was international. A third of respondents noted that it is important for future work. Over half (54%) the respondents plan to use the Faculty of Economics of Lomonosov Moscow State University's MBA program possibilities in the next learning year and select additional learning modules offered at foreign universities. MBA students were focused on the offered learning specialty rather than the location of the foreign university. This brings upfront the issue of knowledge and competence necessary for them under modern conditions. It should be borne in mind that at the Faculty of Economics at Lomonosov Moscow State University only those who possess at least a bachelor's degree or practical work experience in management no less than three years are eligible of being MBA students. Practical

knowledge gained during work gives them an idea about managerial competences necessary for a career. MBA graduates were also asked how useful the learning results were for them. In response to the question: **"Which results gained after MBA program graduation are most important to you?"**, the following answers were given in the course of three years (Figure 1).

Upgrading professional qualification remains first among the most important effects of receiving the MBA degree. The sharp drop in the importance of obtaining new administrative powers draws attention. In 2014 77% of respondents recognized this item as significant, 45% in 2015 and only 37% in 2016. Apparently, this was a reflection of general uncertainty on prospects of career growth in the time of crisis. At the same time, comparison of the figures for 2014 and 2016 shows that the value of results such as mastering the methods of effective company management and establishing long-term business contacts has increased. However, career opportunities in the global business environment are not so far considered by the majority of the graduates as an important result (10% in 2016). This is also an argument in favour of increasing the share of knowledge and practical skills in business management in the national economy.

In the context of analyzing demand for labour and understanding of how much higher hard functional skills of standard MBA programs are valued in the labour market than interpersonal skills, the graduates of MBA programs in Russia and Kazakhstan answered the following question: **"Which qualities do employers primarily notice when hiring middle and senior managers?"** Our graduates said that, according to their experience with potential

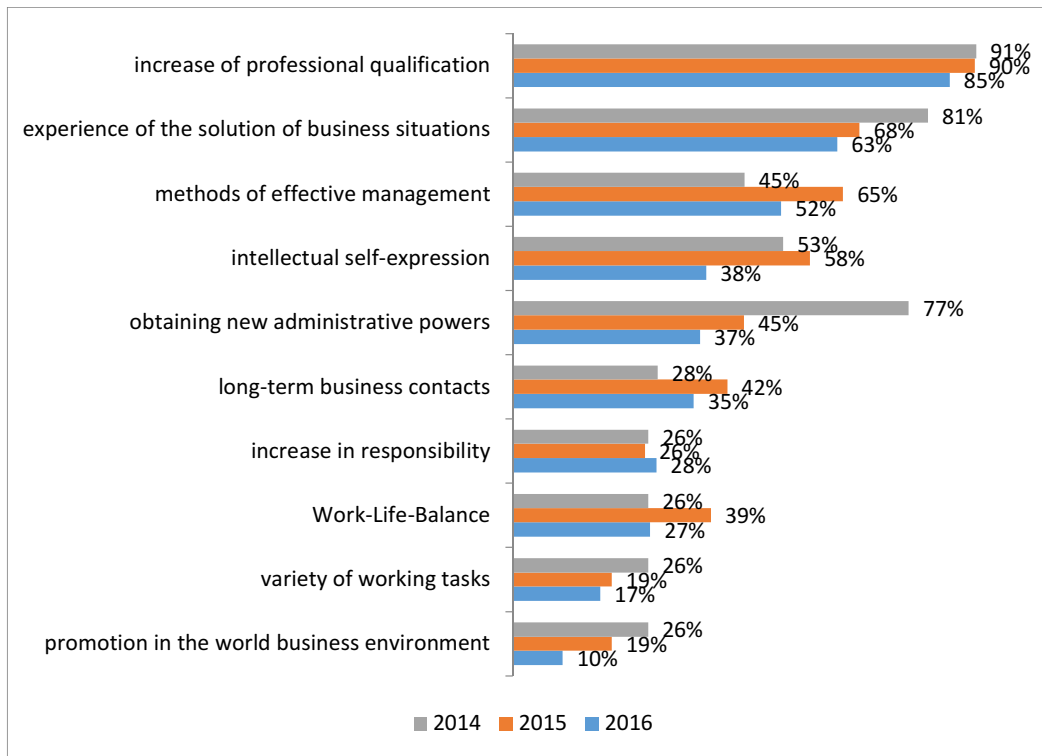


Figure 1. Evaluation of the importance of MBA program learning results

employers in finding new jobs, a range of competences turned out to be most important. During all three years of conducting the survey, practical experience came first in the ranking of competences, which once again highlights the importance of practical knowledge of specific entrepreneurship and management on the Russian market, where most graduates find employment. Consistently important is the diploma status, i.e. the place of education (a diploma of the leading University in the country). Hard functional skills of standard MBA programs are more highly valued in the labour market than interpersonal skills, this index ranks third. However, second in the ranking of manager's qualities came personal qualities; communication capabilities were fourth, and a manager's social activity was sixth. It is clear that it is new parameters of soft skills and

interpersonal skills rather than hard functional management skills that come to the fore.

Next, the issue of soft skills and interpersonal skills was examined and, more specifically, an attempt was made to identify those of the interpersonal skills, which MBA program graduates regard as most necessary. Differentiated answers were given to the question of **"which skills, in your opinion, should characterize an MBA graduate?"** The skill of thinking focused on decisions consistently occupies leading positions of 80-90% of the responses. However, it is worth noting that the apparent trend is to attach greater value to the ability of working in a team (from 36 % in 2014 to 48% in 2016). Another trend is the diminishing significance of the ability of individual and independent action (64% to 39%).

4. DISCUSSION

The structure of qualities stated by our graduates raises serious challenges to the content and standards of MBA programs in the global context, especially considering the cultural code of the nation, manifested in the practice of doing business. The gathered response shows that it is not all as straightforward as Liang and Lin noted (Liang & Lin, 2008). Globalized and marketable specialized managerial knowledge is clearly a priority among graduates today. This is a strategic challenge for business schools.

International systems of business school accreditation should not only impart better education standards but also encourage competition among national business schools for creating the best consumer value for students on the basis of relevant management practices. Russian employers believe that the today's quality of preparation of domestic university graduates is moderate (55%) or low (28%). These are the results of the survey conducted by the all-Russian Public Opinion Research Center (VCIOM, 2016). 1.6 thousand people participated in VCIOM's survey held 16 — 24 May 2016. According to the survey, a lack of practical skills among Russian university graduates is recognized by most young specialists (56%), and by the absolute majority of employers (91%). This means that it is necessary to search for ways of implementing practical knowledge in teaching within the Lifelong Learning education system (Rostasova et al., 2013).

Design and integrated thinking becomes increasingly important in business school strategy development, greater attention is being given to new innovative models of managerial education (Lancione & Clegg,

2015; Gerasimenko et al., 2015b; Blass & Hayward, 2015; Brown, 2008). This is becoming ever more relevant in the context of rapidly changing technological foundations of business education, active integration of modern information and communication technology in the educational process, which contribute to the development of new cognitive styles, ways in which students read and think (Cavanaugh et al., 2016).

The development of innovative models by traditional business schools may cause tension between innovation and efficiency as well as conflicting managerial tasks (Papachroni et al., 2016). Although the issue of removing tension associated with organizations' pursuance of "ambidexterity", is still insufficiently studied (Cantarello et al., 2012), the development of traditional internal ventures by traditional business schools via structural separation is one of the most effective strategic decisions.

5. CONCLUSION

The undertaken study was useful in terms of understanding trends in the system of a modern manager's competences and requirements for the structure and content of management education programs of modern business schools, disclosure of their strategic development peculiarities in the context of globalization.

As this research has shown, the parameters of demand for managerial education of Russian business schools have become significantly more complicated, new global competitive pressure forces have arisen, compelling universities to accordingly adjust and revise their strategies and comply with international standards of

the global business education market.

One of the key factors influencing the change of the competitive landscape is the appearance of providers of educational services in different countries, who offer new learning formats and apply innovative distant learning business models. New educational technologies and enhancing connection with business practices via the Life Long Learning (LLL) model of study should be reflected in the strategies of business schools.

Among new areas of strategic development for Russian business schools under the influence of globalization we may highlight the following:

- Diversification of educational products and services - besides traditional Master's degree programs and MBA, a range of short specialized professional development and retraining programs, trainings, series of master-classes, including short modules in foreign business schools, is being actively developed.

- Learning of a complex nature, which increasingly represents the integration of 3 types of activity: research + learning + consulting. Only such an approach enables providing education focused on mastering the latest management technologies and methods/management mechanisms required in practice.

- Enhancement of the role of teachers who perform applied research and consultancy activities, active invitation of leading experts from business structures, government bodies and other specialized practitioners, including teachers of foreign partner universities and business schools.

- Reengineering of educational, organizational, administrative, and marketing processes performed at business schools:

- active implementation of new information technologies, E-learning,

- development of a network form of program implementation in cooperation with the leading Russian and foreign educational and research institutions,

- facilitating the development of networks that will enable all stakeholders (graduates, students, experts, employers and others) to actively engage and participate in the development of schools,

- development of the project approach to school management aimed at flexible response to new challenges in the market of business education,

- development of quality management systems (QMS), including international and national accreditation.

The forms of these directions implementation and their effectiveness in the context of the global education market should be the subject of further study.

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Cavanaugh, M., Giapponi, C., & Golden,

ГЛОБАЛНИ ПРИТИСАК НАЦИОНАЛНОГ ИДЕНТИТЕТА: СТРАТЕГИЈСКИ ИЗАЗОВИ РУСКИХ ПОСЛОВНИХ ШКОЛА

Valentina Gerasimenko, Olga Molchanova

Извод

У контексту глобализације тржишта пословне едукације, руске пословне школе се суочавају са комплексним проблемом управљања - како сачувати идентитет пословних школа. Параметри захтева за едукацију из области менаџмента у Русији су постали значајно компликованији, појавили су се нови елементи глобалне конкуренције, што доводи до потребе да се пословне школе прилагоде и ураде ревизију својих стратегија те да се приближе интернационалним стандардима глобалног тржишта образовања из области пословања. Притисак са нормативима је један од кључних разлога који приморава пословне школе да преузму успешне едукационе моделе иностраних школа. Ипак, утицај логике тржишта, често укључује и потребе за адаптацијом норматива, што се одражава у копирању и прихватању модела МБА студија из САД. Ово истраживање има за циљ да укаже на то да су приоритети МБА студената из руских пословних школа у избору саме школе, као и на то које компетенције дипломираних студената су најтраженије на тржишту рада Русије. Истраживање представљено у овом раду је спроведено у периоду од три године (од 2014 до 2016). Током истраживања, обухваћено је 358 студената који студирају на МБА програму на Ломоносов државном универзитету у Русији и Казакстану. Истраживање се заснива на упитнику који је развијен за анкетни приступ. Структура квалитета коју су навели студенти укључени у анкету, доводи до покретања озбиљних изазова у смислу садржаја и стандарда МБА програма у глобалном контексту, посебно узевши у обзир културолошке основе нације, манифестоване преко праксе обављања пословања. Глобализовано и потребно на тржишту, специјализовано менаџерско знање је јасан приоритет међу данашњим генерацијама дипломираних студената.

Кључне речи: Менаџмент едукација, глобално едукационо тржиште, МБА програми, стратегија, руске пословне школе

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