

A Learning Alliance between Business and Business Schools: Executive Education as a Platform for Partnership

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The worldwide corporation in the 1990s is markedly different from its predecessors in the 60s, 70s, or even the 80s. Companies are now confronted by the rapid globalization of markets and competition, the increasing importance of speed and flexibility as key sources of competitive advantage, and the growing proliferation of partnership relations with suppliers, customers, and competitors. As a result, these companies must respond with radically different management approaches to succeed. This premise is well-established and widely accepted, and much has been written on the strategic and organizational implications of the new environmental and competitive contexts. However, relatively little attention has been paid to one of the most difficult corporate challenges of the 1990s: How to develop a new breed of senior managers who have the knowledge, sensitivities, and skills necessary to lead corporations through the difficult times ahead.

This is also a key concern for many business schools. Increasingly under fire for having lost their relevance to the practitioner community, business schools are grappling with the challenge of how they can fulfil their mandate of helping companies develop their next generation of leaders. While most of the soul-searching has so far focused on revitalization of the MBA program, business schools' roles and contributions in the domains of

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research and executive education are also under review. There is widespread concern about the limited impact business school sponsored research has had on business practice. This has, in part, been a matter of choice as a growing number of business school faculty have preferred to focus their research on theoretical rather than applied issues. But, even for the relatively limited amount of applied research that has been carried out in business schools, traditional methodologies such as comparative case analyses have led the researchers to look at the past experiences of companies and, through often superficial analysis, anticipate the future. In an environment of turbulent change, this mode of sequential creation and dissemination of knowledge has become as obsolete as the sequential and user-detached product creation process that business schools teach their students to avoid. As their research has become more and more decoupled from the current concerns of managers, business-school-organized executive education programs have perhaps lost some of their vitality, relevance, and therefore usefulness to the client companies.

Partnership is an obvious response to this situation. Both companies and business schools can benefit enormously by building close relations in which the intellectual discipline and conceptualizing ability of faculty can be combined with the business experience and reflective ability of managers. This creates an on-line learning process in which the production and the application of knowledge are made simultaneous and in which the participants-both managers and professors-not only learn new concepts, tools, and skills, but also learn how to learn.

In his influential article "The Future of Business Education," Professor Raymond E. Miles anticipated the potential for such a learning alliance between business and business schools when he advocated the upgrading of continuing education efforts to focus "on developing learning skills ... to help managers develop rich and sophisticated conceptual frameworks that allow them to generalize about important organizational and environmental events."² The Porter and McKibbin report on *Management Education and Development* echoed a similar expectation but also noted that "there appear to have been few major changes in the *type* of content (as distinguished from specific content elements or particular details of knowledge and facts) comprising many executive education/management development programs."³ In other words, while the potential for using executive education to forge a different kind of relationship between business and business schools has been recognized, there is not much evidence that this potential has actually been exploited to any significant extent.

This article describes the experiences from the partnership between Digital Equipment Corporation, the second largest computer company in the world, and INSEAD, a European business school, to create such a learning alliance through a special executive education program called the Advance International Management Seminar (AIMS).

While the design and implementation of the program involved many issues related to Digital's specific needs and concerns, the overall process was built around a set of concepts that are of general interest to both business schools involved in executive development programs and senior managers and human resource specialists engaged in the challenge of improving quality of management in their corporations.

Learning How to Learn-Typically, executive development programs in business schools strive to impart new knowledge to the participants, thereby adding to their repertoire of concepts, skills, and techniques. AIMS was designed on the premise that while transferring knowledge must remain as a key objective of such programs, efforts must also be made to develop the participants' learning abilities so as to prepare them for continuous adaptation to an environment of constant change. We worked with a relatively simple model that specified three different processes through which people learn. Labelled *application*, *induction*, and *reflection*, each of these learning processes involved some very different roles and tasks for both the faculty and the participants. Operationalizing all three processes within the same program called for a special design philosophy as well as a special relationship between the business school and the sponsoring company.

Linkage to Corporate Development-Most traditional executive development programs focus on individual development: the objective of such courses is to broaden the perspectives of participating managers with the hope that the individuals will then somehow find ways to influence choices and action within their corporations. In contrast, AIMS was explicitly designed to support a process of management development-led corporate change. Further, the objective of AIMS was not simply to facilitate implementation of a strategy developed by the top management, but to evolve a strategy and develop action plans for implementing that strategy. It has often been claimed that strategy formation is a learning process,⁴ and AIMS was designed to create a direct linkage between learning among managers and action for strategic change within the company.

Partnership between Business and Business Schools-Finally, AIMS attempted to build a learning environment by creating a bridge between research and action in the context of an academic intervention. The participating managers conducted the research themselves, supported by academic inputs on theory and methodology, and this research data was then processed jointly with the faculty to arrive at action implications. Such a linkage between existing theory, new research, and practice required a new form of partnership between Digital and INSEAD. Historically, business schools have shied away from such partnerships, claiming that such relationships

are too close to consulting and, therefore, inappropriate for academic institutions. In reality, however, such partnerships may represent a new model of collaborative research that may be just as useful for developing theory and faculty as it is for educating managers and managing change.

The AIMS Program

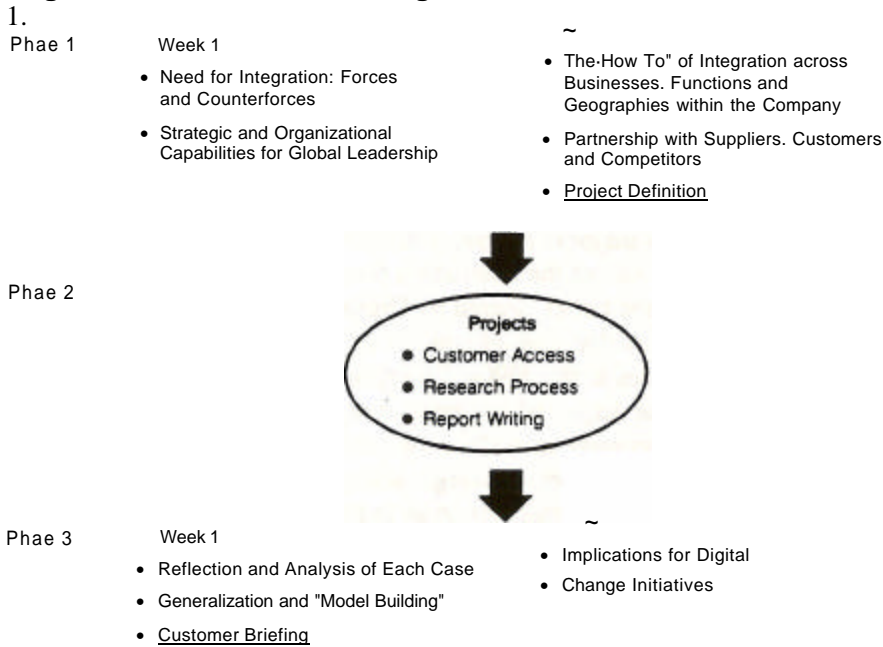
AIMS focused on the business issue of enterprise integration, which in 1989 was a major corporate initiative at Digital and has since been positioned as one of the company's four central businesses. This focus was premised on the belief, shared by Digital's management and a cross-section of INSEAD faculty, that integration will be a key challenge for large worldwide companies in the 1990s. Enterprise integration refers to the need for integrating the dispersed business, functional and geographic units of a worldwide company, as well as the need for integrating the company with its suppliers, customers, strategic allies, and other providers of knowledge, resources, and competencies so as to create the integrated enterprise system necessary for building global competitiveness. The actual program was a year in length and consisted of three phases. The first and third phases were two-week residential sessions separated by a year-long project phase in which managers, working in cross-functional and cross-geographic teams, conducted research on the challenges of global enterprise integration facing a set of selected Digital customers (see Figure 1).

Phase 1: Integrating the Enterprise-The first phase of the program was held at INSEAD in Fontainebleau, France. This part of the program was designed to equip the participants with a common vocabulary and conceptual framework. The pedagogical process was relatively conventional, though the content was tailor-made to meet the program objectives. Using a case study approach, the participants worked individually and in small groups analyzing cases and applying theories and concepts to gain an understanding of the issues and problems facing these companies.

In the first part, the participants were presented with a picture of the economic, political, technological, and competitive environments that were driving the need for enterprise integration. They were exposed to a number of analytical tools for understanding the competitive structures of worldwide industries, and conceptual frameworks such as "core competency"⁵ and "transnational organization"⁶ were introduced to enrich their understanding of the strategic and organizational capabilities necessary for succeeding in such businesses.

After establishing the context for integration, the participants looked at what integration meant and how it could be implemented. It was examined from the perspective of customers integrating with their suppliers and

Figure 1. Overview of the Program



companies integrating across-functions and across geographies. The strategic, organizational, and cultural facilitators and inhibitors to integration were also examined.

To support the link between theory and practice, speakers from Digital's senior ranks addressed the participants four times during the two-week session to describe the company's strategies and position~ on the key issues being discussed. The speakers' topics focused on the information technology industry, Digital's strategies and those of its competitors, corporate account management, Digital's experience at integrating information technology for customers, and Digital's strategic alliances.

During these two weeks, the participants also formed cross-functional and cross-geographic project teams in preparation for their year-long research effort. Before leaving INSEAD, these teams made a preliminary selection of the integration issue they wanted to study, a list of potential customers to contact as research sites, and a draft project plan.

Phase 2: Project Work-The goal of Phase 2 was to have managers understand the opportunities for and potential benefits from enterprise integration. This was achieved by having managers become researchers. Specifically, they worked with customers to research a particular business problem that the customer was confronting. Examples of the projects included: a global construction company's problems in implementing its vision worldwide; a European petroleum company's efforts to manage cash more effectively on

a worldwide basis; the difficulties faced by a theme park company in transferring learning among its subsidiaries in the U.S., Tokyo, and Paris; and the challenge an American conglomerate faced in integrating a new seaweed processing plant in Ireland with its sites in Maine and Denmark.

During Phase 2, the teams focused on four key tasks: securing customer access, defining a clear research focus, forming a cohesive and effective team, and conducting and writing-up the research.

*Customer Access-*The first and most obvious task was to secure customer involvement and commitment to the effort. The criteria for selecting a customer was simple. The customer needed to serve a global market and have worldwide operations. However, the idea of a team of senior managers from one company asking if they could study another company's core business issues required a special relationship. First, it had to be understood by the customer and by Digital's senior managers themselves that this effort was for Digital's managers' development and not to make a sale. The purpose was simply to gain an understanding of the customers and their businesses. Second, the customers had to be willing to engage in a learning partnership. In some cases, the customer's culture and style of working supported the effort and their managers became fully involved. In other cases, the program tied into Digital's existing system of supporting worldwide customers through corporate account management teams. In the absence of such a match, teams were unable to gain access. Many teams found themselves approaching more than one account and customer before they were successful.

*Research Focus-*The second key task was to develop a research focus. Some of the teams came away from INSEAD with a very clear focus on the issue they wanted to study, such as knowledge transfer or concurrent engineering. Others had only a very broad concept of what they wanted to study, while still others had only a general interest in a particular industry. The most successful teams were the ones that had a general area of interest and were willing to work with the customer to define a project that met the customer's business needs. For example, one team was interested in studying the global integration requirements of an engineering function. They contacted the European leader in the large domestic appliances business. After working with the customer, they began to look at the integration of engineering efforts and manufacturing in their cold products division (refrigerators and freezers) across three manufacturing sites: Sweden, Italy, and the United States. Often, customers were interested in comparing their approach to an issue with Digital's approach. For example, one team interviewed both the customer and senior managers at Digital on the issue of system integration: what it meant, what were the critical success factors, what were the strengths and weaknesses of each company in that field, and what would be the future requirements of a system integrator.

Team Formation-The third challenge lay in the organization and coordination processes within the teams. The teams were to be self-managing and no formal structure or integrating mechanisms were put into place; although, general guidelines were provided that suggested possible structures, team roles, and norms for operating.

The highly effective project teams tended to have identified clear roles and task assignments. In some team structures, the leadership and task assignments changed as personal commitments and business pressures required individual members to move in and out of team involvement; while in others, the roles never varied from the beginning of the project. Communication among team members was important. Successful teams relied on regular conference calls, meeting notes, and electronic mail. Face-to-face team meetings throughout the year were important to maintain continuity and the participation of all members. This aspect became extremely difficult for members who were located outside the continental United States and who tended to become disengaged from the process unless special attention was paid in keeping them involved with specific tasks.

Research Process-Finally, the most critical task was to actually conduct the research study. Not surprisingly, none of the participants had any skill or experience in formal research. To diffuse managers' feelings of inadequacy, two documents were developed to serve as guidelines to the research. The first was a primer on basic data collection techniques: interviewing, focus groups, and surveys. The second document described in more detail the purpose of the research and provided a suggested outline for the final report. In addition, some teams required more assistance, including help in collecting data, analyzing the results, and reviewing the final reports.

Phase 3: Leading Change-Phase 3, the final phase, was the most experimental part of the program. Whereas Phase 1 had many different faculty making presentations over the course of two weeks, Phase 3 had three faculty members who fully dedicated their time for the entire two weeks. The thrust of Phase 3 was to create a learning environment where the traditional differences in the roles of faculty and participants would be blurred and where both groups would jointly analyze each case presented by the teams to find the similarities in issues and concerns facing the customers.

Representatives from the customers' businesses were present at the end of the first week to react to the collective findings and share their perspectives on the problems and issues. Representatives from Digital's Operations Committee were present at the end of the second week to actively listen to the results and recommendations for change.

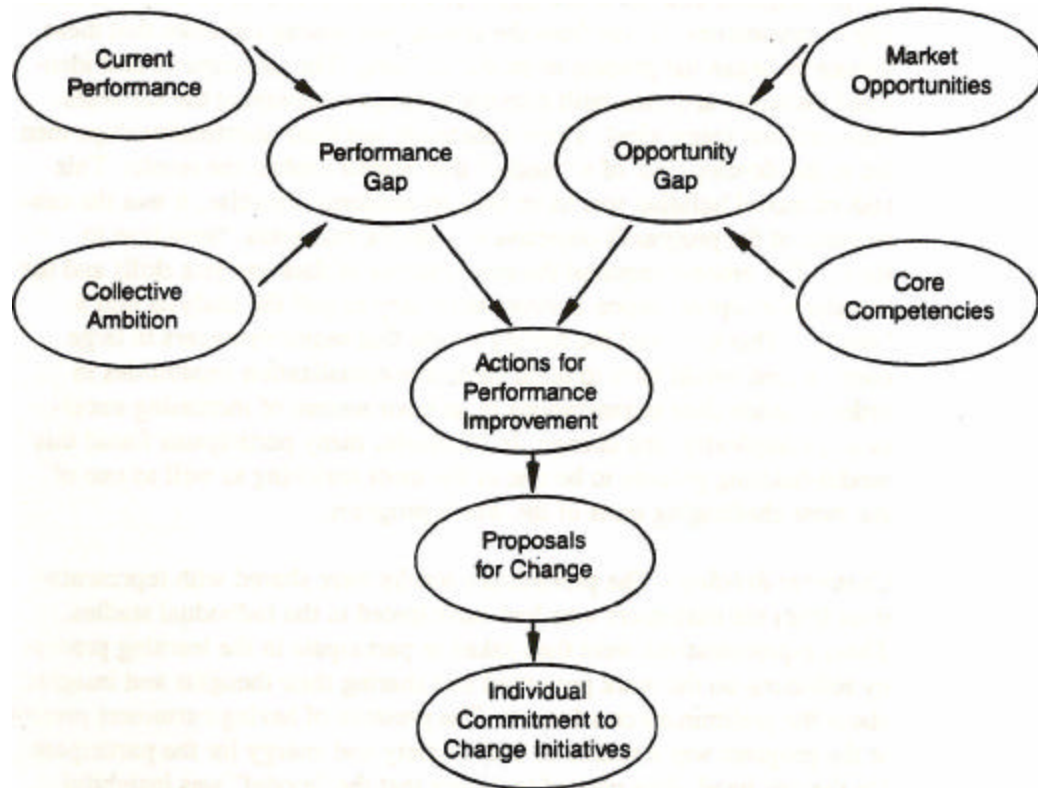
Structurally, Phase 3 was composed of three distinct components: model building, customer briefings, and change initiatives.

Model Building-The challenge for the first week of Phase 3 was to have the participants analyze seemingly discrete customer case studies and identify commonalities. It was from the similarities among the cases that these managers began the process of model building. The participants first identified variables and then built constructs (ways of grouping the variables into common categories). These constructs and their interrelationships then led to the development of a "model" that helped explain the results. This task of model building was more than an academic exercise, it was the centerpiece of the program's objective to help the managers "learn how to learn." The process required the concreteness of data analysis skills and the broader conceptualization abilities necessary to pull the analysis into a "model." This mirrored the faculty's view that senior managers in large corporations would have to build such conceptualization capabilities in order to guide their organizations in an environment of increasing uncertainty, complexity, and change. In hindsight, many participants found this model-building process to be one of the most enriching as well as one of the most challenging parts of the whole program.

Customer Briefing-The preliminary results were shared with representatives from the customers who had participated in the individual studies. These representatives were then asked to participate in the learning process by reflecting on the work presented and sharing their thoughts and insights about the preliminary conclusions. The pressure of having customers present at the program was a source of both anxiety and energy for the participants. On the one hand, they wanted to ensure that the "model" was insightful enough to be perceived as valuable by the customers. On the other hand, they wanted to leave sufficient tentativeness in their analysis so that the customers could become partners in the learning process. At the end, the customer briefing day turned out to be one of the highlights of the entire program. Infected by the research-like environment and recognizing the models as work in progress, the customer representatives felt much freer to comment and offer their reactions and opinions. The key in judging a model was its usefulness in explaining one's own experiences and observations. The findings seemed to be simple and almost self-evident, but they needed to be rediscovered and reinforced within organizations. These reactions and feedback from the customers were used by the participants to refine and improve their models and conclusions.

Change Initiatives-The second week of Phase 3 was devoted entirely to analyzing the need for change within Digital and to building the participants' commitment to the change initiatives (see Figure 2).

In the first part of this process, market opportunities for Digital were identified, drawing on the model the participants had built. Separately, a

Figure 2. Change Initiatives

detailed analysis was carried out of Digital's core competencies. A thorough competitor analysis was used to assess these competencies. The market opportunities were then matched with these competencies to identify what was labelled the "opportunity gap," i.e., underexploited opportunities and underleveraged competencies that the company could use to improve its performance.

In the second part of the process, the participants were confronted with an in-depth, "no holds barred" review of the company's actual performance along both financial (e.g., returns on sales and investment, asset productivity) and non-financial (e.g., share of new products, employee and customer satisfaction) dimensions. At the same time, they were also encouraged to articulate their individual and collective ambitions for how well the company could perform. Comparison of the actual performance of the company and the performance aspirations of the participants identified what was described as the "performance gap."

The performance gap and the opportunity gap were then compared to define the actions that could lead to significant performance improvements. This led to some specific change proposals and also to identification of specific roles for the participants in bringing about the desired changes. This

step-by-step process led to a heightened sense of urgency which, in turn, fuelled the personal commitments each participant made to the change initiatives.

The two weeks' work was then presented to representatives of the company's Operations Committee on the last day of the program. While the focus of the presentation was on the participants' roles in support of the change initiatives, follow-up discussions led to specific commitments from the top management on contributions they could make to facilitate the change process.

An important element in the design of the third phase was a transfer of ownership and control from the faculty to the participants over the last two days of the program. The transfer was seen as essential to the elimination of any dependence on the faculty. It was also necessary to help the participants make the transition from the simulated organization created by the AIMS group to the real organization of Digital. The transfer process was gradual, with the faculty slowly retreating from their roles as content providers and process facilitators. A vacuum was deliberately created, and the participants were encouraged to fill it by taking over the process.

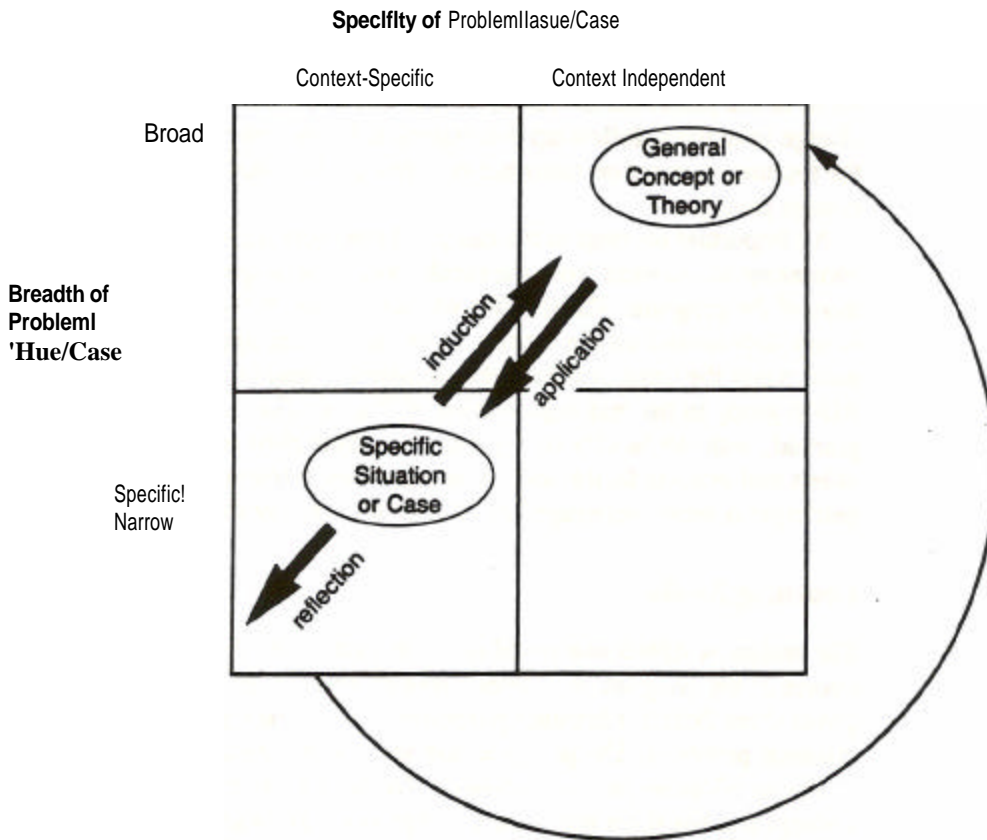
Learning Model

The design of AIMS was based on a learning model that evolved over the course of the program; it is represented graphically in Figure 3. The model posits three different learning processes used by managers to solve organizational problems. The processes are application, induction, and reflection.'

The *application* process exposes individuals to a broad, context-free concept and has them apply the concept to a particular and context-specific situation. It is based on what Don Schon has described as "technical rationality,"⁸ the idea that the practice of management is, in part, science-like and that there are general theories and concepts that facilitate the diagnosis and solution of specific problems. Application is perhaps the most common method in both teaching and research in business schools and it was the dominant learning process in Phase I of AIMS.

The application process in Phase 1 also led to a sharing of assumptions among the participants and thus to collective learning.⁹ This was facilitated by having the participants apply each concept to their own business and company, thereby revealing their own mental maps about various strategic, organizational, and operational attributes of Digital, which then led to their comparing and contrasting these maps. For example, the participants were exposed to the Global Integration-National Responsiveness (IR) framework for analysis of worldwide businesses. They were then asked to plot the strategic positioning of Digital and its businesses within this framework as applicable in the year the program was held and also five years earlier and five years later. The plots revealed each participant's view about how the

Figure 3. Learning Processes



business had evolved in the past, and how it was expected to evolve in the future. The individual maps varied widely, reflecting different assumptions and views, often influenced by the different experiences, assignments, and hopes of the participants. Focused debate on these differences led not only to a richer understanding of the business on the part of each participant, but also to a collective inquiry that Argyris and Schon call "organizational learning."¹⁰

While the objective of Phase 1 was to get the participants up-to-date on existing theories and concepts on enterprise integration, the objective of Phase 2 was to stimulate *reflection* by immersing the managers in one specific context of integration but in an organization different from the one to which they belonged. Two premises about learning were inherent in the structure of Phase 2. First, we believed that *in-depth* understanding and reflection on one particular and context-specific problem leads to insight and intuition—a learning process very different from the knowledge-acquisition and internalization process of application. Such insights from deep reflection on one case do not reveal general "truths" nor do they provide direct solution to specific classes of problems. Instead, they serve to shape perspectives and to assist in identifying, defining, and framing problems.

Reflection, as described by Schon, is an alternative route to generalization except that it is premised not on scientific analysis, but on what, for want of a better term, may be best described as the development of "wisdom."

Our second premise was that the best way to trigger reflection is to create a new "frame" by exposing the participants to a problem setting very different from their usual experience. The special roles that each participant had within Digital influenced their views on enterprise integration and any research within their own company would have been colored by these preexisting frames of reference. By being exposed to similar issues in the context of a customer organization, they were forced to both confront their existing frames and also to search for descriptive schemas and causal maps beyond those that they took for granted based on their own experiences.

The creation of this new frame and the introspection and reflection generated by the customer projects played an extremely important role in AIMS, serving as a trigger for organizational change in addition to being a program for management development. The projects placed the participants in a new role structure and forced them to both think and behave differently. They were no longer vendors; they were part of the customer organizations, sharing and understanding the customers' problems. They had to become listeners rather than judges; problem-solvers rather than sellers. The customer projects also focused attention on team accountability rather than individual accomplishments. The result, as almost all the participants confirmed, was a very different perception about what it meant to develop partnership relations with customers and a much more intense customer orientation than any management pleading or additional experience within the vendor role could have yielded. The gap between the existing relationship with customers and the relationship developed in the context of the projects provided a major source of dissatisfaction, and thus the impetus for change that was revealed in the third phase of the program.

Finally, Phase 3 of AIMS focused on the learning process of *induction*. The model-building effort represented the final and most crucial part of the learning process wherein the participants built upon the concepts they had internalized in the application phase and the intuitive understanding they had developed in the reflection phase to build an integrated and shared map of the phenomenon of enterprise integration. While the models reflected their individual and collective learning in the first two phases of the program, they also went beyond any of the specific concepts or experiences. The process involved both the initial search for patterns and consistencies across the different projects, which Mintzberg has described as "detective work," and then the generalization beyond data, which he called the "creative leap."¹² While there was little that was startling or new in the models that were built, the process of building them forced final integration of all the learning that had occurred over the entire program and internalization of the key lessons as personal discoveries and convictions.

None of the three learning processes we have described are particularly novel. Most executive development programs, however, focus on only one of these processes. Classic general management training is often built on either induction (the so-called Harvard method of three cases a day, generalizing across all the cases to build perspective) or application (the stereotypical MIT method of teaching disciplines and theory to support the applied science of management). Increasingly, a very different kind of experiential course is becoming popular among companies and executives, one in which intellectual or physical action in an unfamiliar setting provides the basis for individual and collective reflection. All three methodologies have their ideological anchors within business schools; and, in an environment of intense advocacy, they have often been viewed in either/or terms. Inside companies, a kind of specialization has been assumed and practiced. Junior managers, it has been assumed, rely mostly on application importing new theories and concepts from professional schools and applying them within their task environments. Middle managers have similarly been assumed to rely on induction, drawing on their experience in many different situations to structure causal maps, which in turn serve as the basis for diagnosing, structuring, and solving emergent problems. Reflection, in contrast, has often been seen as the key learning process for top management, helping them to distill their wisdom to provide the organization with vision and purpose.

In an environment in which learning ability is increasingly becoming a key source of competitive advantage, managers at all levels will have to develop their skills for learning through all three processes. AIMS provides one example of how the different processes can be incorporated within a single program, but undoubtedly there are other ways of achieving the same goal. What is important, however, is that business schools must begin to move away from the induction-versus-deduction or theory-versus-case study debate and begin to find ways of creating a more multidimensional learning environment. And the more attention corporations pay to this issue, the higher the probability that business schools will (ultimately) follow suit.

From Learning to Action

In most companies, as David Hussey notes, "management development is seen as an act of faith which has only indirect connections with corporate objectives."³ Most business schools traditionally have structured their executive development programs in a way that reflects this hope that individuals exposed to new ideas will somehow find ways to influence action in their companies.

There is increasing evidence that corporations are demanding a more direct linkage between management education and corporate development. This demand is reflected in the growing popularity of company-specific

courses and, more threatening for business schools, in companies developing such programs in-house, renting business school faculty as necessary.

In demanding such a linkage, however, companies have viewed educational interventions primarily as a mechanism for *implementing* strategic or organizational change. In essence, such programs have become part of a top-down cascade model of change whereby a new strategy is put in place by top management and different parts of a company are assigned the task of working out implementation plans for effective execution of that strategy. Learning in such programs, if any, has been modelled on the application process.

The efficacy of such a top-down cascade process is, however, increasingly in doubt. Based on their survey of recent "change" initiatives in a number of companies, Beer et al. conclude that durable corporate change is typically the product of distributed and decentralized efforts and that centralized transformation processes tend to get bogged down because of lack of ownership, politics, and inertia.¹⁴ The experience of educational interventions in support of such cascade processes is also mixed, at best.

The AIMS program was based on an alternative approach to linking management education and corporate development, unlike either the centralized, top-down process or the decentralized, "let a thousand flowers bloom" approach advocated by Beer et al. We believed, instead, that for many large corporations, durable change could be achieved by distributed but integrated action on the part of middle managers pushing simultaneously both those above them and those below.¹⁵ In this "middle-up-down" model of change, a network of middle managers serves as the main source of energy. Shared learning, such as what took place at AIMS, can play a central role in creating the network and in integrating it through a common set of concepts, experiences and motivations.

It is far too early to evaluate the effectiveness of AIMS in triggering the learning-based change process we envisaged. However, the program has triggered some change initiatives, not the least significant of which has been a recognition by the top management at Digital of the need for a fundamental change in how the company is managed. This recognition has been caused, in part, by the performance problems faced by the company in recent past. However, it has also been hastened by the pressures exerted on the company's executive committee by AIMS participants acting both singly, through their direct superiors, and in concert, through forums such as the AIMS alumni network. Besides challenging the top management, AIMS participants have also initiated actions in a number of specific business areas.

Even though final judgement on AIMS's effectiveness in promoting change must be held in abeyance, some lessons can still be drawn on the conditions that need to be met for such developmental interventions to lead to corporate action:

- First, the focus on customers made the AIMS participants recognize the need for change and personally commit to playing the role of change agents. Internally focused debates-whether on strategy, organization, or performance-allow individuals to shift responsibility to others in the company. In contrast, the shared experience of working with customers prevented such responsibility shifting among AIMS participants and instead served to integrate the participants from different businesses, functions, and geographies. Furthermore, customers and their needs have an inherent legitimacy in companies, and the focus on customers allowed the AIMS participants to leverage that legitimacy to draw support from their superiors and subordinates on the change initiatives they proposed. In top-down change processes, top management provides this legitimacy. In middle-up-down processes, the external focus on customers is essential to replace top management directive as the spark plug for sustained action .
- Second, one major reason why the enthusiasm generated in executive development programs typically does not lead to any sustained action lies in what is often referred to as the "Monday morning effect." While it is easy to generate energy and commitment in the artificial and self-contained environment of the classroom, it is difficult for managers to adhere to those commitments once they return to their daily tasks in their organizations.

On this issue, AIMS can already claim considerable success. The participants have maintained the network they formed, having arranged follow-up meetings among themselves to check on their progress on different tasks. They have met with top management on their own initiative, to share the "message" and to act as a pressure group to lobby for change. Within their own organizations, they have made presentations to their staff to share their own energy and commitment. It is rare for a group of participants in a training program to voluntarily undertake such tasks.

In retrospect, the transfer of ownership and control to the participants in the last two days of Phase 3 played an important role in overcoming the Monday morning effect. In the last part of the program, the faculty handed over all responsibility-including that of structuring the agenda and program schedule-to the participants and retreated to the role of passive observers whose services remained available, but only on demand. As a result, the participants had to assume (initially quite reluctantly) full responsibility in the crucial concluding part of the program when they had to prepare their presentation to the Operations Committee members. Thus, over these last two days, the distinction between the simulated AIMS group and the real Digital organization became blurred. While the transfer process was far from perfect, such a gradual hand

over is essential for diffusing the artificial organization created by a "program" into the real organization in which the actions must be taken .

- Finally, our third lesson is also the most obvious one: for learning in such groups to lead to organizational action, top management sympathy and support are mandatory. This support is necessary at all phases: from sponsoring the right participants, legitimizing the investment in time and money, and helping with customer access to sharing their views with the participants. But, for the change efforts to succeed, top management must also be available after the program-to listen and to act when necessary. Top management does not need to lead the effort, but unless they are willing to engage in the process, the program cannot serve as a trigger for change.

Partnership between Business and Business Schools

Business and business schools, at least in the United States, have tended to maintain an arm's-length relationship. Business has provided grants to support research carried out by faculty. As far as possible, business schools have demanded that such grants be general, not tied to specific projects, so that they could be used in accordance with the faculty's research preferences and priorities. It has been assumed that such research will lead to knowledge useful to business and that such knowledge will flow back into companies through MBAs trained at business schools and through continuing education programs available to managers.

As described at the beginning of this article, recent evaluations of business school research raise some serious questions about the assumptions inherent in this model. A number of senior professors and business school administrators have claimed that much of business school research has proved to be of little relevance to business. ¹⁶As a result, the gulf between teaching and research has broadened and many research-oriented schools have moved to what amounts to a two-track model for faculty: a high-status research track for "social scientists" and a low-status teaching track for "classroom performers." While the social scientists have claimed that much that is taught (and well received) in MBA and executive courses lacks depth, rigor, and is often plain wrong, they have found it difficult to create any classroom interest or even tolerance for their own research and scholarship. In turn, mediocrity has flourished in management teaching, devoid of the discipline and imagination that social sciences could bring to bear on new issues and challenges confronting corporations.

Programs such as AIMS can provide the platform for building a very different kind of relationship between business and business schools. Instead of viewing research and teaching as independent or sequentially linked activities, such programs can make them simultaneous outputs from

a shared learning experience. Compared to the present ann's-length model, such learning alliances can yield better returns on investment for both sets of institutions.

For business schools, such alliances can provide insider access to the key issues and concerns of corporations on a real time basis. If much of business school research lacks relevance, lack of access is at least as much a cause as lack of faculty interest. Programs such as AIMS do not depend on classroom performance for success, and can involve research faculty far more easily than traditional executive courses. Such partnerships between managers and research-oriented faculty, jointly investigating a phenomenon, can be a potent combination-:not just in identifying new research questions, but perhaps even in developing new mid-range theories. This expectation is firmly grounded in the experience of the AIMS process. For example, one of the models developed in Phase 3 synthesizes a diverse range of perspectives on intra- and inter-organizational relations and, at the same time, highlights a number of practical issues relevant for managing those relations. While not quite grand theory, this model can be useful to a broader audience of academics and managers and has already been presented by the participants in a number of senior management forums inside and outside the company.

For business, such partnerships with business schools can open up a new set of opportunities for management development. They can also help build the longer-term strategic and organizational capabilities necessary for success in an environment of growing complexity and change. For corporations, such partnerships with business schools do not substitute consulting arrangements with either individuals or consulting firms for immediate problem solving, nor do they supplant the benefits that a broad and well-designed general management program can provide, whether organized in-house by the company or in standard public courses arranged by business schools. Instead, they create a context for merging the discipline and analytical ability of faculty with the practical knowledge and judgement of managers to develop new approaches for dealing with emerging strategic issues. In AIMS, for example, research conducted by the participants was used as a window into the opportunities available in Digital's environment. First came the understanding of customers and their business issues, then came the reflection on those issues and their relationship with Digital. The process helped the participants develop their own frameworks and solutions, instead of making them captives of anyone pre-processed conceptual tool. At the same time, the best of current research was available for them to build on. Given the complexity of the environment and the non-standard nature of problems confronting companies, such a process is likely to result in a more thorough and reflective understanding of issues, which will then lead to creative and effective solutions. At the same time, the manager's experience of going through the iterative and cumulative processes of

application, reflection, and induction is also likely to develop a mindset and a set of learning skills that will be a key factor for success in tomorrow's knowledge-intensive corporations.

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5. See, for example, H. Mintzberg, "Strategy Making in Three Modes," *California Management Review*, (1977): 44-53; and I.I. Mitroff and J.R. Emshoff, "On Strategic Assumption-Making: A Dialectical Approach to Policy and Planning," *Academy of Management Review*, 4 (1979): 1-12.
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7. C.A. Bartlett and S. Ghoshal, *Managing Across Borders: The Transnational Solution* (Boston, MA: Harvard Business School Press, 1989).
8. While the model, as presented, was a product of ongoing discussions among Professors Tadao Kagono of Kobe University, Paul Evans of INSEAD, and Sumantra Ghoshal, INSEAD's program director for AIMS, it is grounded in a large body of academic work on research and learning methodologies. Induction and application (deduction) are common research and teaching processes. Reflection, however, is rarely accorded that status, at least in the West, where efforts over the last four decades have largely focused on making the study of management as "science-like" as possible.
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10. See Mitroff and Emshoff, op. cit.
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14. David Hussey, "Implementing Strategy Through Management Education and Training," in D.E. Hussey, ed., *International Review of Strategic Management*, (London: John Wiley and Sons, 1991).
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17. See, for example, J.N. Behrman and R.I. Levin, "Business Schools Doing Their Job?" *Harvard Business Review*, (January/February 1984), pp. 140-147; and Porter and McKibbin, op. cit.