‘Future of Management Education’
Speech Steef van de Velde, dean Rotterdam School of Management, Erasmus University (RSM)
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Dear honoured guests, dear ladies and gentlemen.

A couple of weeks ago, I ran into one of our freshman students at the opening of the STAR management week – STAR, as you may know, is RSM’s study association, the largest of its kind in the world with some 7,000 student members. He told me that the general belief in his homecountry is that in order to successfully study at RSM you need to be talented, very well-motivated, hard-working, and entrepreneurial. I believe that this description is spot on with the identity of our school; it is the spirit, the drive, the ambition shared by students, faculty, and staff to excel, to make a difference in the world. This spirit makes us special.

Rotterdam School of Management, Erasmus University is an international business school founded more than forty years ago. Initially, RSM was mainly a teaching-based business school, offering undergraduate programmes for Dutch students and an MBA programme for international students. In the nineties, two important changes to this positioning came about. First, RSM gradually transitioned into a research-based business school. ERIM, the research school of both RSM and the Erasmus School of Economics, was instrumental in this successful transition. The second change was the foresight and the wisdom to become a truly international business school.

Today, we offer ground-breaking research and education, furthering management excellence. Our primary focus is on developing business leaders who carry their innovative ideas into a sustainable future, thanks to a range of first-class undergraduate bachelor, masters, MBA, PhD and executive programmes, including the two global consortium programmes mentioned earlier.

Indeed, we have started small - but now I can comfortably claim that we are a top business school in Europe. After all, the quality of a business school depends on mainly two factors, namely the quality of its faculty and research, the thought leadership it generates; and the quality of the students it attracts, selects and delivers to the job market. Indeed it is fair to say that the job market is the ultimate judge of the quality of a business school.

This quality translates in a reputation. As we all know, reputation is partly intangible, a perception, generally hard to manage. But remember the story of our first-year student, about the spirit of RSM – about how talented, motivated, hard-working and entrepreneurial you need...
to be in order to succeed? It is clear that branding our students in this particular way will contribute to an enhanced reputation.

We are faring pretty well in rankings. For us as a business school, the most important rankings are the so-called Financial Times rankings which not only take a global perspective but also reflect both academic quality and job placement. In the Financial Times metaranking, we are consistently ranked in the top 10 in Europe.

We see that the higher the ranking, the more applications we get for a limited number of seats in our programmes; hence, the more selective we can become in student admissions. The higher the ranking, the more attractive we become for faculty. And with these, the more attractive we become for the corporate world for hiring our students and for working with our faculty. Hence, high rankings create in principle a virtuous cycle, and they are therefore very instrumental for us to appropriately address the challenges for which we must prepare; as the backdrop we are operating against is changing very fast.

Let me elaborate on two important changes, or maybe better, trends, in this backdrop, the challenges they present, the measures we need to take, and finally the contours of what I call RSM 3.0, where RSM 1.0 was the teaching-based business school of the past, and RSM 2.0 the research-based business school of today.

The first trend is the fast growing effect of the internationalisation and globalisation of the management education market. This plays out in multiple ways. First, the so-called Bologna agreement signed some 15 years ago, harmonising European university education, has now come fully into effect. As a result, students have become very mobile, and more and more students aspire to pursue an MSc degree away from their home institution; and clearly, our high rankings for MSc programmes serve us to capitalise on this effect; this is a trend that works in our favour. However, at the same time, we see a rise in the number of high quality business schools, especially in India, China, and Russia. This impacts the job market for top faculty, and since the salaries for faculty in the Netherlands are capped by law at a relatively speaking modest level, it will be a challenge to attract and retain top faculty.

So, globalisation is the first trend. The second trend is the changing role of the government for state-funded universities like ours. On the one hand, we witness a gradual decline in state funding - and RSM's budget depends on state-funding for about 50% - , while on the other hand, the government is exercising an increasingly tighter rein on universities, not only prescribing what needs to be done in terms of the so-called performance criteria, but -much more daunting— also how things need to be done. Clearly, everyone needs to do more with less, so you won't hear me complain about reduced state funding - we are creative and resourceful enough to absorb the reduction.
But the tighter control by the government is a major concern. There is big pressure to gravitate to the average, to do what everyone else is doing. A couple of examples: our faculty/staff ratio should be close to the Dutch average; the tuition fees we charge for non-EU students? Close to the Dutch average. Salaries for our faculty, staff should be average. The percentage of excellent students? 8%, the Dutch average.

Well, average does not go hand in hand with excellence. Average is the enemy of excellence. I don’t want to be average. My faculty ... is not, nor wants to be average. My staff ... is not, nor wants to be average. And my students ... are not nor want to be average. RSM ... is not average. And I am sure ... that you don’t want be average either.

We can successfully meet those challenges of increased competition and reduced funding only if we can stay the captains of our fate, our destiny. I must say that we, at RSM, are very proud to be part of the Erasmus University Rotterdam. Our university is basically, for historical reasons, a confederation of a relatively small number of schools, each of which has relative to both the Dutch and the international context a lot of autonomy. The Dutch government may not like this model, and the NVAO may not like this model, but it served not only us but also the university very well. Now, if these are the conditions for successfully meeting those challenges, what exactly are the contours of RSM 3.0, what actions need to be taken?

Well, first of all, the foundation of RSM 3.0 is RSM 2.0 – we are committed to stay a research-based business school. But we have to go beyond that. We will have to do new things, and stop doing other things; and to the latter, we need to make some tough, most likely controversial choices.

Either way, we need to do two types of things at the same time, and if done right, they will reinforce each other.

One, brand our school better, enhance the reputation. This will require investments in corporate marketing, research marketing, student branding, corporate engagement and relations, career services, and alumni relations.

Second, we need to tap into and develop other sources of funding, including the European Union for research funding, non-state funded MSc programmes, Executive Education, the corporate world, alumni endowments. Hence, we need to invest in capabilities to obtain research funding from the EU; we need to invest in building and developing and experimenting with premium MSc programmes; we need to rethink our Executive Education offering; we need to expand, (like we recently did by opening an office in Amsterdam), or by partnering with other schools in other parts of the world. We have to incentivise our faculty to engage with the corporate world and with our our 28,000-strong alumni network, to build and foster even deeper relationships to the benefit of current students, faculty and research.
But all this will require investments that cut against the grain, that is, against the conventional wisdom in the Netherlands. The investments that we plan are not average. But we have to start thinking like this and putting things in action right now. The world around us is changing fast, and we need to match that pace.

Ladies and gentlemen, these are challenging times for everyone, but above all exciting times. I, RSM believes in its future, as we believe that everything is in place right now to step up, and prepare for the future – for RSM 3.0.

And now, on today's topic – Women Mean Business. I've been in education for over two decades now and I've been happy to see the number of female students at our business school (and at our university!) grow steadily over the years. One would think and hope that many of these bright young women would one day be in a top managerial position. And what continues to amaze me .... is that this is simply not the case. What happens underway? .... What are these hurdles women seem to face? I don't have the answer; I leave the observations to our honourable Professor Eagly later in the programme of course. But I do want to tell about the commitment we at RSM have to surpass all our heights and help achieve true diversification in boardrooms.

At RSM, especially in our MBA programmes under the leadership of Dr Dianne Bevelander, we have developed a number of initiatives to address the gender issues in business and the under-representation of female leaders in the boardroom. Women Empowerment at RSM is an initiative which encourages women to empower other women in business networks and high-performance environments. Indeed, lessons on the way to the top need to be shared and nurtured between women to enable more women advancing and eventually dispelling the 'glass ceiling' myth. I am extremely proud of the RSM MBA Kilimanjaro elective, where for the second time 17 of our female MBA students together with some corporate contacts just last week experienced leadership in ever-changing environments while climbing Mount Kilimanjaro. These women needed to work together and lead each other through difficult terrain to push past physical and mental barriers in their trek to the 5,895 meter summit. They've just returned from their trek and on behalf of RSM I congratulate each and every one of them here. If you're present here today, ..... please stand up now! ... and receive a round of applause. <PHOTO>

At RSM we believe that through collaboration, shared challenges, encouragement and empowering others, together women can master leadership, understand the use of power, team building and communication, and make true boardroom diversity a reality, whilst developing their own network, being proud of their achievements, and by learning to lead as well as to follow. Because it is only then that men and women together can build a stronger, sustainable future for us all.
And now, allow me to introduce our next speaker. Ms Ruth Cairnie, RSM Advisory Board member and Executive Vice President for Strategy and Planning at Royal Dutch Shell. She is responsible for development of global strategy covering all Shell. This includes understanding the external business environment, both long term and shorter term; development of long-term strategic options addressing developments in technology, environmental challenges and the shifting world economic footprint; and translating these into business plans and appraisals. I can imagine that the subject of gender and leadership is part of these discussions. Dear Ruth, thank you for accepting our invitation to be the business speaker today on the theme of Women Mean Business. The floor is yours.