

EDITED BY
STÉPHANIE DAMERON
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THE FUTURE OF MANAGEMENT EDUCATION

Differentiation Strategies for
Business Schools
Volume 2



The Future of Management Education

Stéphanie Dameron • Thomas Durand
Editors

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Volume 2: Differentiation Strategies
for Business Schools

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1

Beyond Strategic Convergence: Designing Differentiation Strategies for Business Schools in a Multipolar World

Stéphanie Dameron and Thomas Durand

The last decades have seen a significant development of management education and research around the world. In that sense, the business of business schools, as some call it, is flourishing.

Yet, business schools are facing several challenges that are structuring the arena for the years to come (Dameron and Durand 2017). First, there is an increasing role played by external third parties in evaluation (accreditation, rankings), pushing for some form of strategic convergence among business schools (Dameron and Manceau 2011); second, business schools are under severe financial stress as their business models are built around a permanent search for funding to grow their reputation in a context of salary inflation for faculty (Durand and Dameron 2008; Menger et al. 2015);

They jointly coauthored and coedited *The Future of business schools: Scenarios and Strategies for 2020* (Palgrave Macmillan, 2008)

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third, there is the emergence of a line of divide among faculty with the ongoing recruitment of non-tenure track faculty to limit costs and the corollary risk of separating knowledge dissemination from knowledge production—a combination that stands at the very heart of academia (Dameron and Durand 2011); fourth, as some national markets in management education have matured while others have just begun to grow, business schools are pushed to look at internationalizing as a way to balance and secure their development (Dameron and Durand 2013; Ramanantsoa and Delpech 2016); fifth, distance learning opens up competition among business schools on a global basis while requiring significant investments; sixth, the entry of private operators into the sector may intensify competition between management education organizations, if not change the rules of the game (Durand and Dameron 2005).

We have analyzed these trends and challenges in the first chapter of the first volume of this book.

Based on the deep knowledge brought into the two volumes by the 55 contributors on 23 different national management education systems, this chapter discusses how business schools may face these challenges depending—or not—on the context of their specific national systems of higher education in management. More specifically, our findings depart from the view of a general strategic convergence by which business schools would seem to all be running for some sort of “global excellence”, supposedly measured by rankings, as if local and national embeddedness to serve business communities in their territorial and institutional setting was no longer enough of an ambition (Durand and Dameron 2011). In fact, we find that only a handful of business schools may be seen as global. Hence, the conventional view of a worldwide strategic convergence in the business schools’ arena is only a very small part of the story.

Based on our closer look at the dynamics of the “industry”, as reported in the 23 country-specific chapters of the two volumes of this book, the picture that we see coming out is more contrasted and complex. There may be indeed a strong push towards internationalization and even globalization, but most business schools worldwide are in fact strongly embedded in their national or even local institutional contexts. Many are torn apart between the aspiration for globalization and the reality of their constituencies’ needs. A few B-schools indeed try hard to stand as global—non-embedded in institutional settings. However, the vast majority of

business schools do focus on their local/regional business communities. Some others try to combine serving the needs of their specific home base with the aim to be internationally visible and influential. All in all, we suggest that there are ways to escape the strategic convergence. This is what this chapter discusses.

As the introductory chapter of the first volume aimed at proposing a reflexive stance in analyzing the way the world arena of business schools evolves, our purpose here is to show how contextual forces are at work that may help business schools escape from strategic convergence and the attached lock-in, thus giving room for differentiation among business schools in a multipolar world.

Traits That Make Business Schools Different

What is it that makes a business school different? The 23 country-specific chapters helped us identify an array of characteristics that may contribute to shaping a different kind of strategic positioning for a business school with specific learning atmosphere, audience, set of external linkages and market targets.

- The location where the school is geographically situated: the country; whether the campus is situated in the countryside or in the middle of a vibrant city; the surrounding continent from which students and managers may be attracted; a region with headquarters of large multinational corporations, with entrepreneurial activities, with manufacturing plants, or with essentially SMEs, and so on
- The countries of origin of the students/managers attending the Executive education programs
- The countries of origin of the faculty: primarily nationals, heavily international, mostly nationals plus some neighboring countries, and so on
- The cultural context: deeply embedded locally or highly transnational, or drawing from specific regional cultures (oriental philosophy, Western analytically based efficiency, etc.)
- The political spheres in which the business schools operate, being influenced by this setting and trying to influence it in return: the local institutional and political constituencies and the connected business

community; the regional or national arena and close connections to the leading national companies; the multinationals locally or nationally headquartered but operating worldwide and thus connected to a diversity of governments around the planet, and to some international organizations as well

- The organizational context of the B-school: part of a larger public or private university, with some autonomy or not, with part of the financial resources captured by the mother; independent, self-regulated body; part of a larger non-academic institution such as a chamber of commerce or religious orders; created and backed by, if not a subsidiary of, a large corporation; a private entity part of a group that owns private universities
- The role, importance and footprint of the alumni: this signals the scope of the influence of the B-school and who influences the B-school in return
- The board of the school: where the board members are from; in which circles they operate; the extent to which they come from public institutions, from small businesses, from large companies, from professional associations or Unions, from NGOs and the society at large; which nationalities and to what extent are they alumni from the school
- The profiles of Deans and assistant Deans: whether they are local, alumni from the school; international high flyers brought in by the board
- The language used: the language in the classroom, on the campus or in the faculty meetings; in the publications; on the website; the languages heard at the cafeteria
- The portfolio of programs offered (BA, MSc in management, MBA, DBA, PhD, Executive Education) and the balance in strategic priorities between (1) education, (2) research and (3) linking to business and society
- The sources of funding deriving from both the portfolio of activities and the institutional setting
- The attention paid to innovation in education and research, including distance and blended learning

There may be additional characteristics that contribute to make a business school specific.

Yet, more than adding items to the above list, we believe that it may be important to consider the strategic intent beyond the present state. Deciding to go for a policy of reaching out for international faculty is an intent that says something important about a strategy, especially if the current faculty is primarily or almost exclusively made up of nationals. Similarly, planning to adopt English as the teaching language is a strategic intent that may be far-reaching if the vast majority of current students are non-native English speakers ill-prepared to interact in English both within the classroom and in work groups. “Intended traits” may be more important than “as is” traits.

In this sense, each of the items in the list above may be assessed in the current situation, that is, as it stands today, while it may be as important to identify the strategic intent regarding the item and the consistency of that intent with both the overall profile of the B-school today and its overall intended trajectory into the future.

Given the context of the challenges and trends discussed in Chap. 1 of Volume 1, we looked here to extract key dimensions from the array of business school traits listed above, keeping in mind the mirror image set of “intended” traits stemming from the school’s strategic intent. As a result, we identified two fundamental dimensions that we used to map the business school arena(s). See Fig. 1.1.

- The first key dimension relates to the “*playground*”. This has to do with the main geographical scope covered (and/or targeted) by the B-school. It corresponds to reaching out, that is, the zone in which the business school exerts or intends to exert its *market influence*. This means attracting and educating students (and managers for executive education) from these countries, as well as placing graduates in these countries, while subsequently keeping in touch with these alumni to exert some local influence and attract more students from the zone. It may mean partnering with a B-school in some of these countries. It may also mean deploying distance learning to address these geographical zones. However, it does not necessarily mean recruiting faculty from these countries.

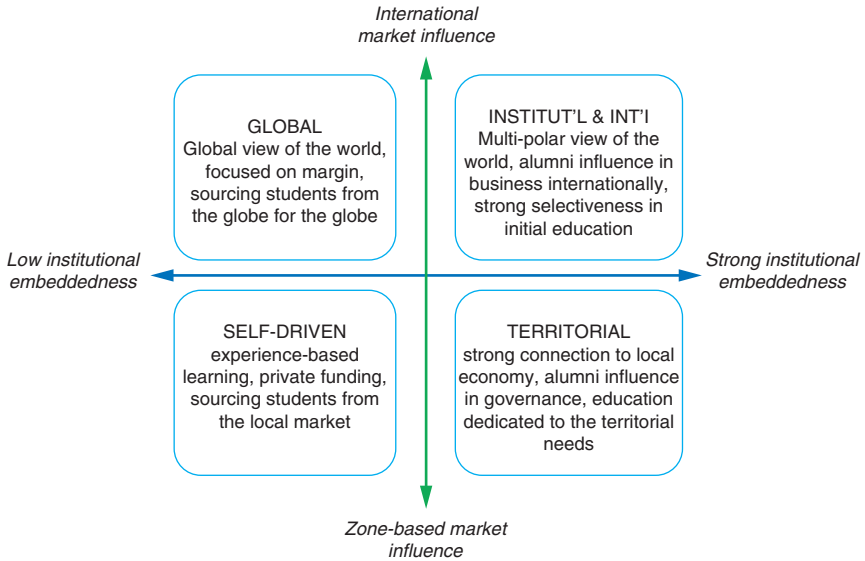


Fig. 1.1 Mapping four types of strategic intent of business schools

We choose to use the word “influence” to name this first dimension. It goes from *home-base market influence*, where the B-school essentially focuses on its home base, serving the needs of the surrounding business community, to *international market influence*, where the B-school reaches out or does its best to reach out from its base.

- The second dimension relates to the “roots”. This has to do with the context in which the B-schools can be considered as being embedded into a socio-political and business context, that is, a set of close ties with privileged and direct access to decision and policy makers. These decision-makers see a strongly embedded B-school as an institution that trains the future elite of the society. They play the role of sponsors, both supporting and orientating the B-school’s choices. Consistently, these sponsors support the B-school financially.

We choose to use the word “institutional embeddedness” to name this second dimension. It goes from *low institutional embeddedness*, whereby the B-school is essentially independent from national regulations, with

no active presence in any specific socio-political context, to *strong institutional embeddedness*, where the B-school maintains and activates useful political and powerful ties that secure its sustainability and permit future development.

It is important to recognize the conceptual difference between embeddedness in a base through institutional roots and market influence onto a playground. Both may sound a combination of territory and influence, but not in the same sense. Here, institutional embeddedness means “where one belongs”; market influence means “where one tries to reach out”.

Mapping the Arena

The mapping displayed in Fig. 1.1 identifies groups of business schools that have similar or distinct embeddedness and market influence strategies.

The “Territorial” Business Schools: Educating for and Promoting Their Own Business Culture

The territorial B-schools belong to the South-East quadrant of Fig. 1.1. They aim at serving the needs of their local business communities, recruiting and offering business education to students who may subsequently be hired by companies from the same territory. These B-schools are highly conscious of being both located and embedded somewhere. They may be seen as local. Some may want to call them parochial and low key. This would be unnecessarily judgmental. These territorial B-schools provide the kind of business education that their constituencies ask for. Recruiting “global” managers may not be the priority for the geographical and institutional players that such B-schools serve. Becoming global is not a relevant path for them as they seek for a deep territorial recognition. They aim at engaging local business leaders and institutions that may give time and money to the B-schools to promote their own business culture, in their territory primarily and abroad if necessary.

Many B-schools in most countries are *de facto* anchored in their territory. In fact, most business schools are in that category. Nonetheless, faced with the globalizing pressure stemming from rankings and accreditation, few take it for granted that their mission is primarily to fulfill the territory's needs. Part of their governance, especially their Dean's team, might be dreaming of a more visible ambition through global rankings such as the Financial Times (FT's). However, the best B-schools from this quadrant could promote specific territorial know-how and expertise across the world. For instance, the EM Normandie, located near one of the biggest harbors of France, could promote its competency related to maritime logistics internationally.

The “Global” Business Schools: Educating Managers for the World

In sharp contrast to the above, some business schools seek to develop and strengthen a worldwide general management influence regardless of their physical location, while staying away from being caught into specific sets of links with business or political communities in the territory where their main campus(es) is/are located. These global B-schools appear in the North-West quadrant of Fig. 1.1.

The global B-school does not want to appear as embedded in a local or national context. It may be embedded somewhere to a certain extent, but this is left aside—if not intentionally played down. Another way to look at it would be to observe that the global B-school aims at being embedded in the “sixth economic continent” made up of companies that intend to stay away from the control and pressure of governments, such as some companies from the digital economy.

The global B-school carries its own understanding of what business can bring to the public good on the planet, without being constrained by the political agenda and priorities of any specific government.

As we see it, INSEAD, IMD or LBS are typical examples of global business schools.

The “Institutional-International” Business Schools: Educating Leaders for the Competitiveness of the Nation

When a B-school intends to become international to better serve its constituencies, while remaining strongly embedded institutionally, it is not trying to go global. The B-school may accompany abroad the international activities of the multinationals that have home-based headquarter. Training international managers and executives does not necessarily mean losing its institutional embeddedness. The institutional-international B-schools appear in the North-East quadrant of Fig. 1.1.

In other words, these business schools cater their home-base constituencies by reaching out internationally to cover needs that a “territorial” scope would not permit to serve. These business schools thus more or less explicitly seek to develop and strengthen their political embeddedness while extending their market influence internationally to better serve their business community. In that sense, by educating managers and executives for organizations based in their home territory, the “international & institutional” business schools are both strongly institutionally embedded and actively supporting the internationalized side of the institutions and firms that they are linked to.

These B-schools ideally take the form of some kind of a platform or hub, gathering public bodies, academic networks, business federations, multinational companies, leading start-ups and incubators. They maintain very strong relationships with home-based institutional bodies and actors such as politicians, military, regulators, and so on. In our view, Harvard BS, HEC, Copenhagen BS, ESSEC, Wharton BS of the University of Pennsylvania, Wuhan University, Kyoto University, University of Stuttgart, Bocconi, Stockholm School of Economics illustrate that type of “inst'l & int'l” business schools. HEC is a typical example of this group (see for instance the Alma Mater Index), but is most probably striving to move to the “global B-schools” group despite its fundamental embeddedness in the French context. If so, this would illustrate how some B-schools could neglect or forget the essence of their embeddedness when developing their

international influence. This is a typical example of a confusion between being institutionally non-embedded and being international business schools, whereas these two strategic intents are significantly different.

The “Self-driven” Business Schools: Generating Self-experienced Entrepreneurs and Managers

Some B-schools are not institutionally embedded while not trying to reach out beyond their market of influence. They are not trying to become international nor embedded in any way. They may not have the political base for it or they may not want to manage the complex set of socio-political ties needed to maintain and benefit from some form of embeddedness. Also, they may not be ready to accept to be constrained by such institutions in designing, deploying and delivering their management education. They even may be quite critical regarding the institutional regulation of the higher education system. In addition, these B-schools do not aggressively embark on internationalizing initiatives nor aim at training global leaders in management at large. They are focused on specific needs that are not initially satisfied by their home-market higher education system. As a result, these B-schools are often focused on their task of educating students and/or executive for specialized business practice. They bring something tailored to the needs of all or part of the local needs. These “self-driven” B-schools are in the South West quadrant of Fig. 1.1.

As the self-driven B-school results from a dissatisfaction of what the local institutional bodies may develop and support regarding the education system, this type of B-school may offer “non-academic” training, mainly through a pedagogy based on practical experience and problem solving. There are several ways for the self-driven B-school to propose a sort of “blue ocean” offer. It may be associated with general management in a specialization such as an industry focus (fashion, digital, automotive, agro-food, real estate, etc.) or a specific business theme (innovation, project management, e-commerce, digital transformation, corporate social responsibility, etc.) or a functional specialization (finance, advanced manufacturing, logistics and the supply chain, purchasing, etc.). Nonetheless,

the self-driven B-school experiences specific pedagogic modes that seem to be better fit to train managers (coaching, problem-solving, mutual feedbacks, etc.). To sum up, the portfolio offered by the self-driven B-school depends on local unsatisfied needs.

Whatever the focus be, these self-driven business schools are likely to invest less in research than in experience-driven education: leveraging the experience of managers to create a learning process that builds upon that practical experience. This means bringing some conceptual insight into it, comparing practical experience among participants, discussing alternate ways of coping with a difficult managerial problem, assessing options and potential outcomes, and so on.

Consistent with the depiction above, “Hupan College” established by Jack Ma, CEO of ALIBABA and aiming at preparing potential business leaders, is a typical example of a “self-driven” business school. In some ways, corporate universities may be close to this type of business schools.

In What Sense Is Strategic Convergence an Issue?

There are commonalities in the strategic arena where B-schools operate. (We discussed these in Chap. 1 of Volume 1, Dameron and Durand 2017). They all experience financial stress as costs keep rising due to salary inflation for faculty and the additional costs attached to investments required by distance learning. (The cost of internationalization only affects those reaching out beyond their historical territory). They all face new competition stemming from the entry of private operators and the disruption of distant learning offerings into their own backyards. They all face some form of “adjunctification” of tertiary education (hiring non-tenure track faculty) to decrease the cost of teaching. (The Global or inst’l-int’l schools can use the savings permitted by adjunctification to focus the resources on hiring academics who publish in top-ranked journals for the sake of their international reputation, while other schools use it to improve the students’ learning experience.) In addition, among the challenges listed at the beginning of this chapter and discussed in Chap. 1 of Volume 1, the first challenge on

The Hupan College

"Alibaba founder Jack Ma and seven other entrepreneurs opened a school for business startups in Hangzhou, Zhejiang province, on Monday. Hupan College is in the city's West Lake scenic area and aims to provide lectures to those whose own businesses, are in the beginning stages or who want to start their own businesses. Ma is president of the school. (...) The school intends to offer them a platform to receive lectures from professors and successful entrepreneurs," Zhang said. "Ma used to be an English teacher in college before he founded Alibaba, so teaching and education have always been important for him," said Zhang. "Ma and the founders of the school aim to nurture emerging entrepreneurs with strong social responsibility and a high business moral standard." Zhang said that some courses will be free to anyone interested in the topics, while other courses will be open only to those selected by the founders. Candidates must have at least three years' experience in their own businesses and have a team of more than 30 people. Tuition is 280,000 yuan (\$44,840) for three years, according to Liu Jingwen, one of the candidates. Liu, founder of Shenzhen Vizdan Eco-Agricultural, said that he is looking forward to the breakthroughs Hupan College is going to make. *"I don't like the so-called MBA courses, so I hope the school can break the fixed patterns,"* he said. Zhao Jianhua, a researcher at Zhejiang Academy of Commerce, said that Hupan College might stimulate a more prosperous business environment in Hangzhou and Zhejiang province. *"Private business is vigorous in the province, partly encouraged by the success of Alibaba. With a school where the tycoons can share their knowledge and experience with startups, I believe the atmosphere will be better,"* he said. Data showed that undergraduates from Zhejiang University are the most likely ones in the country to start their own businesses."

In *China Daily* (28th of January 2015), by Yan Yiqi

the role of third-party evaluation—accreditation and rankings—tends to push all B-schools into the same direction: hiring more permanent faculty; hiring more PhDs in the faculty; investing more in research to generate more publications; publishing more in starred journals; giving their audiences (students, managers in executive education programs) more exposure to international business issues. Nonetheless, as we saw from the discussion of Fig. 1.1, this is not relevant for all quadrants, at least not in the same way and not to the same extent.

If research published in leading management journals (e.g., from the *Financial Times* list) is essential for a global B-school or an inst'l-int'l B-school, it may be much less important for a territorial or a self-driven

B-school. Arguably, one would not expect the same type of starred publications from all faculty, regardless of the degree of both internationalization and embeddedness of the B-school. The institutional context and the territorial scope play a role here; so does the B-school's strategic intent. Not all of them strive to become global; why evaluating them as if they had to be global?

As they stand, external evaluations conducted by third parties tend to convey a globalized single view of the key success factors of higher education systems. Research evaluation in the field of management may end up counting publications in listed starred academic journals, in which the highly ranked journals are essentially American. As a result, all business schools may have the temptation to follow the same strategy by focusing essentially on research publications in top-ranked journals in English. This game has a cost: the booming of wages of academics publishing in those journals. This game is hazardous: business schools may move away from their core purpose, namely educating managers and leaders to prepare them to run and develop organizations and businesses in a competitive environment. This game is asymmetric: most of the first-ranked journals are institutionally connected to American universities and affiliates. As management is a social science, this game reduces diversity: in many countries, publishing means writing in English, using the theoretical lenses that are dominant within the American culture, thus losing part of the depth of the thinking in the researcher's mother tongue and in the researcher's intellectual traditions.

We claim that the extremely violent pressures for convergence that are now built in the B-schools' arena (a) do not succeed in obtaining strategic convergence across the entire arena, while (b) they generate damages within business schools' governance by creating tensions, dissonance and misalignment.

Think of a Dean brought into a "territorial" B-school from the outside, hired with an ambition to transform the B-school into an international player (moving up North on the right of Fig. 1.1): this would most probably generate a lot of dissonance with the business context in which the school is embedded. There would be a major risk of misunderstanding and strategic misalignment.

Similarly, think of a new Dean with a unique global vision of the world of business and business education, brought into a “institutional-international” B-school with the intent to transform the place into a global B-school. Should that new Dean, typically a non-national, non-fluent in the local language, know little of the institutional tacit rules and cultural values of the context, it is very likely that this hiring would generate some form of dissonance between the new Dean and the school’s historical embeddedness. Again, there would be risks of misunderstanding and strategic misalignment.

Think of a self-driven private B-school being acquired by a territorial B-school deeply embedded in its socio-political context: one may expect some difficult times for the target to adapt to the political games now needed to survive in the new setting. And vice versa for a territorial B-school that would fall under the control of a private self-driven school.

In other words, applying the same recipes for B-schools regardless of their specific context and strategy not only may not work but may also turn out to be damaging as it would create tensions and dissonance internally and eventually may lead the B-schools to lose their relevance for society. This is where a worldwide ranking that not only lists but also ranks B-schools in a single list without recognizing that they do not all play the same global game is dangerous. Such a one-ranking-for-all may end up with some components of a business school’s governance dreaming of a more international market influence, while some other components may want to stick to their embeddedness, catering for constituencies in their home base.

This explains why, despite exerting similar pressures (towards strategic convergence) onto all B-schools in apparently similar ways, the accreditation and ranking mechanisms do not necessarily lead to strategic convergence as the responses generated vary according to context specificities, while potentially creating dissonance and misalignment within the schools.

In other words, if the thrust for research and publications, the race for rankings or the rationale for internationalization may operate as key engines of the strategic convergence for the “global” B-school, these are not as relevant for schools in the other quadrants and should not be expected to have the same effect on them. As an example, territorial or self-driven B-schools should not be concerned too much by their position

in a worldwide ranking. If part or all of their governance feel they are, it is a clear signal of a strategic misalignment somewhere, between their position, their embeddedness, their targeted playground (market influence) and the indicators of evaluation that they see relevant.

All in all, this suggests that despite the very strong pressure exerted by rankings and accreditation for strategic convergence, there is in fact room for differentiation.

Strategies for B-schools According to Quadrants: How Can Business Schools Find Their Own Ways to Tackle the Six Main Challenges Identified?

Most business schools around the world strive to find ways to differentiate. As a result of the above discussion, we may depict at least five ways for differentiation. Firstly, differentiation may be based on specialization on specific topics, such as finance, entrepreneurship or corporate social responsibility. Secondly, some business schools may focus on some specific activities such as executive education or bachelor's diploma instead of addressing the full range of offerings, from BA to MSc in management, MBA, PhD, DBA and executive education. Thirdly, different modes of internationalization may be carried out; while some business schools may set up campuses in foreign countries, some may tend to export diplomas through partnerships with local institutions or some may focus on attracting foreign students to their campus. Fourthly, some business schools may focus more on recruiting students from local territories while others seek to expand their recruitment on an international base.

More specifically, each type of business schools may carry out specific strategies to tackle the six challenges that we have depicted in the first volume of this book. Table 1.1 sums up the main strategies that may be implemented. Depending on the type of B-schools, some challenges are more stressful than others: we put them in bold.

Table 1.1 Strategies for business schools

Types of BS challenges	Global BS	Institutional-International BS	Territorial BS	Self-Driven BS
External evaluation	Strong dependency on private and international evaluation	Strong dependency on public and private evaluation bodies	Strong dependency on national (local) evaluation	Less dependent thanks to a communication based on students' experiences
Type of evaluation in fit with strategy	Ex: the FT ranking (especially MBAs)	Ex: The Alma Mater Index (Times)	Ex: National newspapers' evaluation	Evaluation from third bodies is not sought
Business model and revenues	The majority of revenues come from executive education programs essentially e.g., Insead: 85%	Based on funding from the institutional "sponsors" as well as endowment, public taxes, tuition fees, exed,	Based on taxes and local business community (chambers of commerce, apprenticeship taxes, ...)	Tuition fees and low costs
Portfolio	Focus on MBAs and Exed	Focus on Master/MBA and PhD	Focus on Bachelor	Focus on Bachelor and Master
Faculty	Research faculty and faculty with close ties with the largest multinational companies: Faculty segmentation	Research faculty with strong ties with decision-makers and internationalized companies originating from the territory	Strong ties with local business networks	Almost no faculty Teachers are practitioners

Internationalization	Based on attracting students from all over the world for all over the world	Based on partnerships and international tracks for students coming partly from the home base	Local base of recruitment/ offshore campuses as international track for their students	Local base of recruitment/ franchise campuses to replicate the model
Innovation related to pedagogy	More inductive approach of pedagogy through case studies and work groups, even if research readings are included	More research-based lectures and assignments, even if case studies are included	Case studies based on territorial needs	Pedagogy based on "real" problem solving, role-play, simulation and work situation
Private/public	Private funding	A mix of public/private funding	A mix of public/private funding	Private operators
BS close to this ideal type (kind of)	Insead, IMD, LBS	Harvard BS, Copenhagen BS, ESSEC, ESADE	EM Strasbourg	Hupan College

As far as the global B-school is concerned, the main strategic issue is revenue and profitability. (Note that B-schools do not primarily look for profit *per se* as they reinvest the gross margins into building their reputation). These B-schools focus on creating and developing cash-cow programs, that is, they need to sell very expensive programs that generate high contributions. Typically, these B-schools promote executive education where the margins can be very high. Moreover, global B-schools search for a large and international recruitment base to reach a sufficient critical mass to cover direct cost (especially real estate), recruit students that may be able to pay high tuition fees and build an alumni network that promotes the B-school around the world. These B-schools may focus on one or two main programs, especially those that build their reputation, typically an MBA that is ranked internationally. Based on the MBA ranking and the brand's image, the global B-school can then develop profitable specific executive programs. Brand management is a critical competence: it stems from programs' rankings, students' experience during their training and subsequent alumni's attachment to the brand.

For territorial B-schools, the main strategic issue is to fulfill the needs of their home market. Consistently, the governance is often driven by the main stakeholders of the territory in which B-schools are embedded, such as companies, cities, chambers of commerce, and so on. As the purpose of these B-schools is to be aligned with the territorial needs, revenues should come from public and private funding thanks to these territorial stakeholders. One of the challenges is to stay aligned with the local objective and keep on satisfying the territorial needs despite the strategic convergence pressures exerted via external evaluation pushing for some form of "globalization" of the school.

The institutional-international B-school needs to show its legitimacy as the place where business elite is to be trained for the international activities of companies headquartered in the home base. As a consequence, the faculty needs to share close links with decision-makers and policy regulators in the home base, while being visible in the international academic landscape. By catering their home-based constituencies, faculty and governance build a deep knowledge of their needs. They also develop close relationships with those policy-makers who may end up being the public-sector counterparts of the business executives that they train for the

multinational companies headquartered in the home base. In other words, the institutional-international B-school is also where the executive-to-be and the high public officials-to-be start weaving the social connections needed for their future interactions. By developing their international visibility through publications in top-ranked journals, the faculty promote the international reputation of the B-school and build recognition within multinational companies for the diploma that they award.

The self-driven B-schools build their legitimacy through the weaknesses of institutionalized business schools. They do not seek accreditation or to be aligned with existing norms and standards. They put the focus on their ability to fulfill home-based needs that are not satisfied by standard business schools. As a result, funding an institutionalized faculty that follows the rules of the higher education system is not consistent with the purpose of self-driven business schools. Conversely, teaching is based on practical experience, simulation and learning-by-doing. Regarding the business model, the costs tend to be lower than in other contexts and the funding may come from tuition fees and/or private endowments.

Conclusion: Differentiating Away From the Strategic Convergence

Business schools can escape the push towards strategic convergence and differentiate.

First, business schools are more or less embedded in global, regional, national or local institutions. While the world becomes multipolar and many business schools more internationalized, the existence of historical links between business schools and institutions such as States, business federations, chambers of commerce, and so on, is likely to structure business schools' development and strategies. Second, some business schools may have strong relationships with the businesses operating and/or headquartered in their home base, aiming at fueling both the economy of the territory in which they are located and the companies that reach out internationally from this territory. In that sense, modes of institutional and territorial influences may be seen as generative mechanisms of significant differentiation for business schools.