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# Towards a European higher education market

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**Keywords:** European Higher Education, physical mobility, virtual mobility, turbulence, globalization, business, business schools, learning-by-sharing, breaking boundaries

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## 1. Introduction

Many universities still belief that learning precedes working (Thijssen, Maes, Vernooij, 2002) and view the role of teachers as the unquestioned dispenser of objective knowledge and students as the uncritical receivers. Students can complete their study by sheer absorption and accumulation of knowledge. The actual learning process follows a predetermined route, that is, a fixed curriculum, even though universities tend to emphasize self-guidance on the part of the students in carrying out learning tasks. The teacher's role is restricted to designing the curriculum, prescribing the learning-path to be followed, and giving students feedback on the extent they have acquired the learning content. As the demand and the supply of education is globalizing, the coming generation of students differs significantly from preceding ones, the need for life-long learning is replacing classical learning and new technologies call for new learning models, universities are confronted with challenges from the environment and are forced to change their strategy, their policy and their educational models. It does not suffice to pass on yesterday's knowledge to students in isolation from the dynamics of change and from the real world experience.

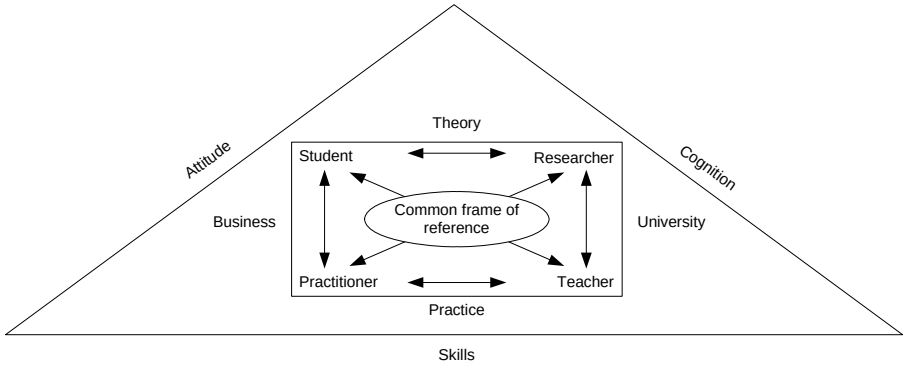
The dawn of the information society has created a need for a successful combination of life-long learning, entrepreneurial behaviour and self-development. Organizations will have to be redefined as generic learning environments for individuals. This emerging perspective calls for new learning models and new learning infrastructures, examples of which are being developed at the University of Amsterdam.

The model described below involves three types of participants in the learning process and three methods of learning. The integrating concept is called *Learning by Sharing*. The participants are: business individuals, teachers/researchers and students. The three methods of learning are: learning by experimenting, learning by investigating, and learning through practice.

Learning by Sharing (Thijssen, Maes, Vernooy, 2002) as developed at the University of Amsterdam is a new model for collaborative learning. In this model the development of theory (rigor) through experiments and investigation is combined with the development of innovative practices (relevance) through learning in practice. Teachers, researchers, students and practitioners join forces to establish learning communities. Its main improvements on existing learning models are the systematic introduction of the external world into the learning process and the reciprocal nature of the interactions involved. All learn from the shared learning experience. In practice the Learning by Sharing model overcomes much of the problems as identified by practitioners (see figure 1). It allows for building a common language, dialogue and learning. It builds communities of practice and through the

involvement of researchers and teachers; it offers opportunities to reflect on current direction and practices. This view is supported by Mahoney and Sanchez (2004).

*Figure 1:* Learning- by-Sharing




In the current paper we explore how business and business schools should respond to the dynamics of change in the environment, build international competitiveness, mobility and employability and how Higher Education institutes can build a Higher Education Area together.

In section 2 we explore the concepts of turbulence and globalization and the way in which business can respond. In section 3 we describe the need for mobility and in section 4 we address the issue of bridging the gap between business and business schools. In section 5 the implications for Higher Education Institutes are indicated.

## 2. Turbulence and Globalization in business

Currently there is much debate about the gap between business schools and the business world (Bennis and O'Toole, 2005). One of the arguments is that business schools focus too much on 'scientific' research and lack relevant business context and real world experience. Our proposition is that the dynamics in the business environment force businesses and business schools to revitalize together through learning by sharing.

This article advocates that researchers, teachers, students (business schools) and practitioners (business) engage in a learning- by- sharing process to adapt to the dynamics of the business environment, build new academic theory about business performance and business logic together in a process of continuous revitalization.

Volberda (2004, pp 233) describes turbulence in the external environment ranging from low to high when analyzing market dynamics, complexity and unpredictability. Business managers are forced to respond to the pressures of competition by reshaping the design of the organization (structure, technology and culture), reshaping organizational forms (rigid, planned, flexible, chaotic) and choosing the appropriate level of flexibility and variety (steady state, operational, structural and strategic).

As new market forces emerge, new opportunities emerge (Nadler, Shaw and Walton, 1995). Shane (2003) identifies three major sources for opportunities for change: political and regulatory changes, social and demographic changes and technological changes. There are two ways to respond to these changes. The first one is simply to ignore the opportunities presented; the organization does not restructure which leads to 'more of the same' actions leading to 'more of the same' business/marketplace outcomes. Although this option doesn't sound like a serious one, business practice shows that many firms find themselves locked in such a strategic doom loop (Nadler et al, 1995). Typically these firms are not capable to make sense of new information or don't give it sufficient management attention. For example, Xerox, focusing on Kodak as competitor, missed the Japanese threat. A singular focus on one enemy detracts from a creative focus on how to serve the customer better. Failure of market leaders such as IBM, Sears, GM and Citibank has demonstrated that domination does not guarantee success; Indeed success may carry with it the seeds of failure (Nadler et al. 1995).

In terms of business operations one may say that the standard paradigms (more of the same actions lead to more of the same business outcomes) continue to dominate the enacted reality (Nadler et al, 1995 page 123). Trapped in such a cycle, companies can't change their strategy unless they change the

organization. It goes without saying that in those cases they can't change the organization unless they change the people.

The second way of dealing with change finds it roots in what nowadays is phrased as organizational learning, inter-actional learning, or business process reengineering (Boonstra, 2004). Another way to respond is to innovate en restructure. New action creates new business/market place outcomes and new strategic insights. Nadler, Shaw and Walton call this a generative strategy. In fact the focus is on creative recombination of resources and building innovative abilities in the organization. Research shows that organizations that follow a generative strategy have some common characteristics. It has been found that they are structurally fluid and ever changing. They are highly self-aware of their identity. They see competition as a valuable element of the landscape. They value diversity and individuality and focus on netware- the ability of people to communicate, dialogue and learn together. A clear common identity- values and norms that guide practice, behaviour and choice-enables organization members to make decisions that achieve synergy and alignment fluidly.

To build a generative organization and generative strategic capability Nadler, Shaw and Walton identify certain critical steps:

1. Build a strategic language system and agree on terms to discuss market dynamics
2. Build listening devices to provide an external view and comparison with other firms
3. Build fluid processes through bringing people together and share ideas in a productive way
4. Build a strong culture for the solidity of direction and day to day behaviour
5. Build communities of practices with a common interest, sharing a common language system and interacting to produce something
6. Build time for self-reflection into processes to ascertain whether they are progressing in the right direction.

David Nadler, Robert Shaw and Elise Walton of Delta Consulting Group, wrote their book on *Discontinuous Change: leading Organizational Transformation* with the goal of turning practice into theory. Nadler et al. consider organizations as economic and social entities constantly dealing with the demands, threats, and opportunities posed by the larger environment, to make longer-term choices to respond to that environment. Nadler et al. start at the strategy and policy level. At the same time they think of organizations as complex yet active systems of human behaviour. A set of propositions from practice was developed based on active participation in change processes. As practitioners an attempt was made to articulate insights and build generalizations based on what they have learned through experience with organizational change.

Academics often view these attempts from practitioners as inadequate because scientific rigor and methodology of research is fully absent. Yet in a dynamic environment the speed of change in the

connected economy is so high that academics have a hard time catching up with innovative practices and generate appropriate theory on these new practices. Also Stan Davis and Christopher Meyer (1998) of the Ernst and Young Centre for Business Innovation in Cambridge, Massachusetts argue that when the forces of speed, intangibles and connectivity converge, every dimension of business behaviour is being challenged to its core. The rate of change is so fast it is only a blur, where the clear lines distinguishing buyer from seller, product from service, employee from entrepreneur are disappearing. Advantage is temporary and nothing is fixed in time or space. Change is constant: knowledge and imagination are more valuable than physical capital: products and services are blended as offers: transactions give way to 'exchanges'; and physical markets take on the characteristics of financial markets.

The above developments also force business schools to respond, prepare their teachers and educate their students to develop competencies for continuous learning in dynamic organizational settings. In the following section we describe how mobility can enhance the learning experience through communication.

## 3. Physical and Virtual Mobility

At the meeting in Berlin in September 2003 the ministers placed emphasis on "Realising the European Higher Education Area" and stressed in their Communiqué the *promotion of mobility* as follows: "Mobility of students and academic and administrative staff is the basis for establishing a European Higher Education Area (Task Force Virtual Mobility, 2004). In its "Communication of Madrid about virtual higher education and the Bologna Process, November 2003)" the issue of virtual mobility was described more in depth.

There are two forms of mobility: Physical Mobility (PM) and Virtual Mobility (VM).

Physical mobility is on-site and hence characterized by physical travel and a physical stay in a country abroad for a limited period. It takes a substantial amount of time and creates additional costs. During PM the student or teacher experiences face-to-face activities and meetings, teaching and the everyday life of the country. It leads to social, cultural and educational enrichment.

Virtual mobility does not require physical stay abroad nor face-to-face activities and may not have restrictions in length of time spent studying. Students and teachers stay at their home university or even at home or at their work place. VM offers access to course and study schemes in a foreign country and allows communication activities with teachers and fellow students abroad via the new

information and communication technologies. For the student it is merely an educational experience, although the interaction with others intercultural competences can be requires. For the student it is time and cost effective. VM and PM are two different forms within one scheme of mobility. Hence they have to be conceived as different educational concepts. Both of them have their own promising future in higher education. Neither is inferior to the other. VM and PM each has its own profile and legitimacy. Furthermore they complement and reinforce each other in various ways, but virtual mobility is sometimes the easiest or only solution for international mobility. The design of VM is flexible and can be adapted to various circumstances (Task Force Virtual Mobility, 2004).

## 4. Bridging the gap between business and business schools

Many educational institutes and their staff, struggle with the issue of capturing the market of life-long learning, whilst continuing to offer traditional courses. Whereas traditional courses are more or less fixed in curricula and cover certain topics in a planned period of time, life-long learning requires agreements between teachers and students on specific topics related to competencies acquired before. Students with working experiences are mostly skilled in self-regulated learning processes. Education has to benefit from that.

Yet many post-academic courses are built around the same educational processes as the regular academic courses for those between the ages of 17 and 25. Those courses are supply driven and not demand driven and they are separated from the working context. They offer more general modules, which by definition are not relevant for the individual student. Moreover, the costs of these traditional forms of education are high, both in time and money (Thijssen and Vernooij, 2004). Since 1998 the University of Amsterdam experiments with educational innovation based on the Learning-by-Sharing framework and supported through information and communication technology to enhance the learning experience for students, teachers/researchers and practitioners.

Since there are very few educational institutions providing truly demand driven learning that can be studied at this very moment, it is to early for conclusions. Demand driven learning is clearly still in the experimental stage. It is however possible to make a few recommendations for further exploration. By studying the practical experiments we learned that an additional role of support is vital, the role of animator. The innovation process is complex and breaking through boundaries requires an individual who oversees the change processes and animates all actors to perform at the right time and with the appropriate support. The animator stimulates and guards the learning processes in the interest of the learners. The animator sees the learner and the company as clients to be served and collaborates with

the staff from the educational institute to deliver knowledge and skills just in time (Thijssen and Vernooij, 2004).

From the Demand Driven Lifelong Learning Framework and the experiments at the University of Amsterdam some interesting things can be learned.

- It requires a 180° paradigm shift for educational institutions to come to the alternative approach of demand driven life-long learning.
- It requires new design competencies.
- It requires customer intimacy with learner and company.
- It requires operational excellence from personnel and systems 24 hours a day seven days a week.
- It requires access and immediate response as well as distinctive support to add value to both learner and company.
- It requires dedication to transforming oneself and the learner.
- It requires money to pay for time and facilities.
- It requires breaking through existing boundaries.
- It requires an animator to oversee the total change process.
- It requires physical and virtual mobility.
- It requires access to e-learning software.

## 5. Implications for Higher Education Institutes

In the previous sections we explored the dynamics of the global business environment and the way in which business and business schools can respond. International competitiveness in business is enhanced through building a strategic language system and agree on terms to discuss market dynamics, build listening devices to provide an external view and comparison with other firms, build fluid processes through bringing people together and share ideas in a productive way, build a strong culture for the solidity of direction and day to day behaviour, build communities of practices with a common interest, sharing a common language system and interacting to produce something, build time for self-reflection into processes to ascertain whether they are progressing in the right direction.

We propose that institutes of Higher Education joined in SPACE follow the above guidelines to build a European Higher Education Area combining physical and virtual mobility, engage in collaborative experiments, describe and explain these experiments in research papers and share these insights to compete in a European and International Higher Education market space.

Following the strategic recommendations of the Taskforce of Virtual Mobility (2004) we advise to start with 'quick win' projects and engaging *believers* in the concept of VM. We certainly hope that this SPACE conference will make you an *ambassador* for Being Mobile and Bridging the Gap between business and business schools.

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