

Anger over visa restrictions

As the UK is set to tighten its controls, business schools fear a damaging and far-reaching impact, writes **Della Bradshaw**

Angus Laing is not a happy man. As dean of business and economics at Loughborough University, he was pleased that one of his graduating doctoral students was offered a lecturing position at a UK school. But so far the student, who is from outside the European Union, has been unable to obtain a UK work visa.

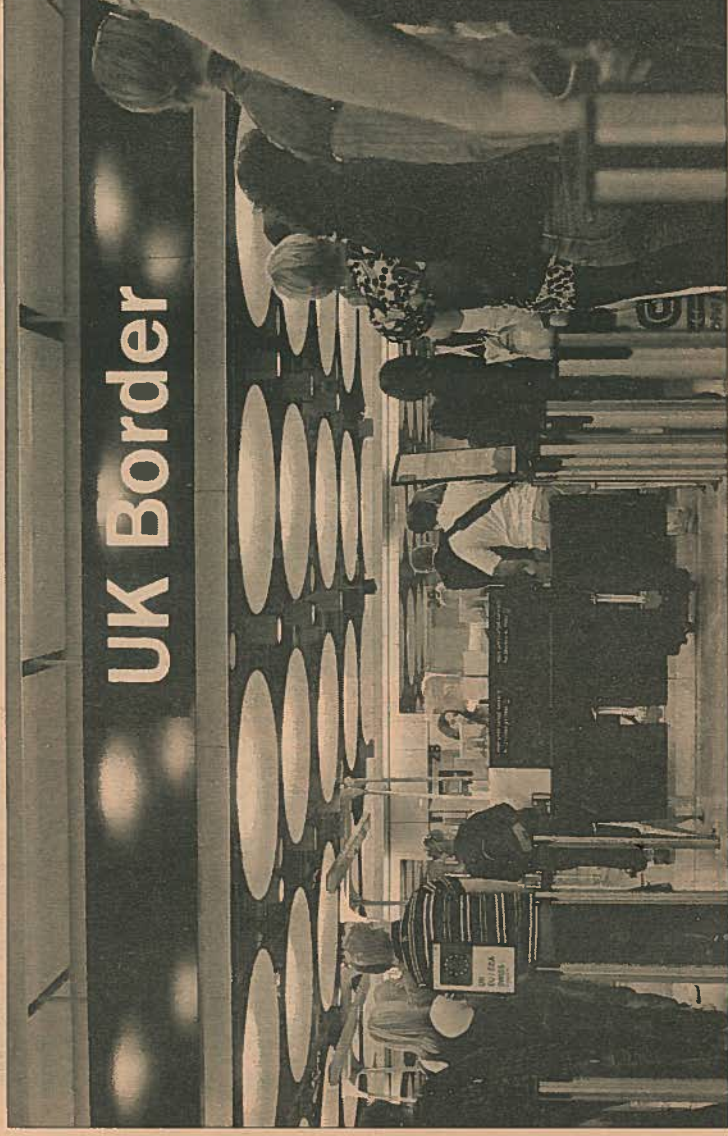
The move is self-defeating, says Prof Laing, who is also chair of the UK's Association of Business Schools, the industry body. "We really don't generate enough PhDs to go into academia, given the growing demand for undergraduate and MBA degrees. Yet we have good applicants that we can't employ." He has no doubt that these PhD graduates will work elsewhere, possibly in competitor institutions in Europe where visa restrictions are less onerous. "We've trained them and we need to employ them," he says.

The tighter restrictions are also affecting visiting faculty, says Kai Peters, chief executive at Ashridge. He cites the example of a professor from the University of Cape Town who has taught at Ashridge for two months a year, for many years. These days the bureaucracy involved in getting the visa is becoming overly onerous, says Prof Peters.

These are just two of the issues facing UK graduate business schools as the UK Border Agency tightens its grip on visas for those from outside the EU. The move could prove particularly damaging to UK schools, which promote themselves as among the most globally minded.

On January 31, the UK coalition government will end its consultative period with universities on student and employment visas, opened just two months ago, and by April it will announce the new regime. Employment visas for faculty is one issue; of even more concern is that, under the new regime, graduating MBAs from non-EU countries will lose their existing right to work in the UK for two years after graduation.

Instead, most graduating MBAs from outside the EU will have to apply individually under the points-based system (Tier 1 visas) or get their prospective employers to apply for them (Tier 2 visas). The good news, says Fiona Sandford, director



Checkpoint: non-EU students and faculty are expected to suffer from the visa amendments *Richard Baker*

of career services at London Business School, is that it looks as if applications for Tier 2 visas will become less complicated. And, adds Derek Walker, director of careers at Saïd Business School at the University of Oxford, the banks, which are big MBA recruiters, are holding steady. "I have yet to see substantial changes in the visa policy of many in banks."

But, says Ms Sandford, amendments to the Tier 2 scheme will be of little help to smaller recruiters, such as hedge funds or private equity groups, which are particularly attractive to MBA graduates. In these cases students will probably have to apply individually under the Tier 1 scheme.

Most business schools understand the government objective to restrict Tier 1 visas for those students who remain in the UK but take low-paid, unskilled jobs. However, they are concerned about the mechanisms to distinguish between those graduates and those offered MBA-level positions. In particular, it could prove a slap in the face to graduates who paid between £10,000 and £50,000 (\$16,000-\$80,000) to study for an MBA in the UK.

Sharon Bamford, chief executive of the Association of MBAs in London, says that introducing a minimum salary threshold for Tier 1 applications - £30,000 for example - would help.

"These [MBAs] are the sort of peo-

ple we should welcome with open arms." If these high-fliers get jobs elsewhere, she says, it will be detrimental in the long term to the UK. "When they are doing business, they won't look at the UK."

She also believes the restrictions to employment visas will foster a perception that the UK is unfriendly to managers from outside the EU. "How can we be a competitive nation if we are so inward-looking?" she asks.

Another potential complication exists with the Executive MBA, one of the most fashionable business programmes these days, in which working managers fly in to study for weeks at a time at business school.

Prof Peters says that in the UK there are no visas appropriate for non-EU participants who want to study on these part-time programmes. "They are taking the risk of coming in [to the UK] 12 times a year as a visitor". Any tightening up of these rules could be catastrophic for UK business schools as these programmes are some of the most lucrative, with business schools bringing in upwards of \$100,000 in tuition fees alone.

Most business school deans and career directors are viewing the future with trepidation. "The devil's in the detail," says Ms Sandford.

"How can we be a competitive nation if we are so inward looking?"

Weak teaching formula needs research injection

Soapbox

By **Freek Vermeulen**

There is a great divide in business schools, one that few outsiders are aware of. It is the divide between research and teaching. There is little relation between them. What is being taught in management books and classrooms is usually not based on rigorous research and vice-versa; the research published in prestigious academic journals seldom finds its way into the MBA classroom.

The consequences of this divide are grave. First of all for research: because none of this research is really intended to be used in the classroom, or to be communicated to managers in some other form, it is not suited to serve that purpose. The goal is publication in a prestigious academic journal, but that does not make it useful or even offer a guarantee that the research findings provide much insight into the workings of business reality.

It is not a new problem. In 1994, Don Hambrick, then the president of the Academy of Management, said: "We read each others' papers in our journals and write our own papers so that we may, in turn, have an audience... an incestuous, closed loop." Management research is not required to be relevant. Consequently much of it is not.

But business education clearly also suffers. What is being taught in management courses is usually not based on solid scientific evidence. Instead, it concerns the generalisation of individual business cases or the lessons from popular management books. Such books often are based on the appealing formula that

they look at several successful companies, see what they have in common and conclude that other companies should strive to do the same thing. But how do you know that the advice provided is reasonable, or if it comes from tomorrow's Enrons, RBSS, Lehmans and WorldCom's? How do you know that today's advice and cases will not later be heralded as the epitome of mismanagement?

How could rigorous and relevant management research help? In the 1990s, ISO9000 (a quality management systems standard) spread through many industries. But research by professors Mary Benner and Mike Tushman showed that its adoption could, in time, lead to a fall in innovation (because ISO9000 does not allow for deviations from a set standard, which innovation requires), making the adopter worse off. This research was overlooked by practitioners, many business schools continued to applaud the benefits of ISO9000 in their courses, while firms continued - and still do - to implement the practice, ignorant of its potential pitfalls. Yet this research offers a clear example of the possible

benefits of scientific research methods: rigorous research that reveals unintended consequences to expose the true nature of a business practice.

However, such research with important practical implications unfortunately is the exception rather than the rule. Moreover, even relevant research is largely ignored in business education - as happened to the findings by Benner and Tushman.

Of course one should not make the mistake that business cases and business books based on personal observation and opinion are without value. They potentially offer a great source of practical experience. Similarly, it would be naive to assume that scientific research can provide custom-made answers. Rigorous management research could and should provide the basis for skilled managers to make better decisions. However, they cannot do that without their in-depth knowledge of their specific organisation and circumstances.

Yet, at present, business schools largely fail in providing rigorous, evidence-based teaching. Instead, the separation between research and teaching causes their courses to rely largely on dangerously simplified generalisations at a time when corporate pitfalls - that recently laid our economies low - epitomise a need for more sound management in favour of popular fads.

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