

Business schools and research

Practically irrelevant?

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What is the point of research carried out in business schools?

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LIKE other academic institutions, business schools are judged by the quality of the research carried out by their faculties. At the same time they mean to equip their students for the real world, however that is defined. Whether academic research actually produces anything that is useful to the practice of business, or even whether it is its job to do so, are questions that can provoke vigorous arguments on campus.

The debate, which first flared during the 1950s, was reignited in August, when AACSB International, the most widely recognised global accrediting agency for business schools, announced it would consider changing the way it evaluates research. The news followed rather damning criticism in 2002 from Jeffrey Pfeffer, a Stanford professor, and Christina Fong of Washington University, which questioned whether business education in its current guise was sustainable. The most controversial recommendation in AACSB's draft report (which was sent round to administrators for their comment) is that the schools be required to demonstrate the value of their faculties' research not simply by listing its citations in journals, but by demonstrating the impact it has in the workaday world.

AACSB justifies its stance by saying that it wants schools and faculty to play to their strengths, whether they be in pedagogy, in the research of practical applications, or in scholarly endeavour. And research of any kind is expensive—AACSB points out that business schools in America alone spend more than \$320m a year on it. So it seems legitimate to ask for what purpose it is undertaken.

On one level, the question is simple to answer. Research in business

schools, as anywhere else, is about expanding the boundaries of knowledge; it thrives on answering unasked questions. But it is also about cementing schools'—and professors'—reputations. Schools gain kudos from their faculties' record of publication: which journals publish them, and how often. In some cases, such as with government-funded schools in Britain, it can affect how much money they receive. For professors, the mantra is often “publish or perish”. Their careers depend on being seen in the right journals.

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Part of the trouble is that the journals labour under a similar ethos. They publish more than 20,000 articles each year. Most of the research is highly quantitative, hypothesis-driven and esoteric. As a result, it is almost universally unread by real-world managers. Much of the research criticises other published research. A paper in a 2006 issue of *Strategy & Leadership* commented that “research is not designed with managers' needs in mind, nor is it communicated in the journals they read...For the most part it has become a self-referential closed system [irrelevant to] corporate performance.”

Lost in translation

Most professors argue that it is only right that academic journals be written with other academics in mind. Peer review ensures rigour, after all. However there is a growing belief, both within schools and elsewhere in the sector, that there is a need for research not to be simply rigorous enough to make the journals, but also to be relevant enough to make itself felt in the actual world of business.

The argument most often used by defenders of the traditional approach is that research tends to be “translated” into the business world, either by consultants or by teaching in MBA and non-degree

executive programmes. But Kai Peters, the chief executive officer of Ashridge Business School in Britain, believes this argument doesn't stack up. He says that research rarely surfaces in the classroom. Most professors, he says, teach standard practice—from a generic marketing book, for example—while spending their research time on something esoteric. “So how is it filtering into schools' programmes?” he asks. “By osmosis?”

The “translation” argument is questioned further by Patrick Barwise of London Business School. His own investigating of which research is filtering through to the journals managers and consultants might actually read has convinced him that inductive research—study which seeks to proceed without preconceptions, preferring to observe organisational behaviour and then to draw conclusions on what it finds—is much more likely to be applied in the real world than any other kind. But, he says, most of what actually makes academic journals is theory-driven. Inductive research tends to draw sneers from the editors of academic journals.

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In this climate, AACSB's proposals to evaluate research in terms of practical relevance are likely to come up against strong opposition at the faculty level. This is partly because the natural tendency of academics is to resist interference in their work. But there is also a psychological barrier to overcome. Business education suffers from what Professor Barwise describes as “physics-envy”. A love affair with theory-driven research can be traced back to the 1950s, when many of today's leading business schools were first launched. The new institutions were often belittled by other departments, who regarded them as little more than vocational colleges. In efforts to

prove themselves to their better-esteemed counterparts, business faculty embraced an unswervingly scientific approach.

Rank outsiders

It is a mindset that will be difficult to undo. Although AACSB says its proposals are meant to make business schools centres of practical research and pedagogy, rather than sanctuaries of discipline-based scholarship, their faculties will fear that adopting them will downgrade their own status. Furthermore, professors' prospects of achieving tenure at their own institutions—or of being headhunted by others—are themselves linked to their publication in journals. On an individual basis, they are left with little incentive to turn away from traditional and esoteric research.

How to proceed from here? If faculty refuse to accept this type of reform, AACSB's proposals are powerless—the accrediting agency is no more than the sum of its parts. But another, more powerful beast is lurking—the MBA rankings. Two of the most important—those published by the *Financial Times* and *Business Week*—now score schools on their contribution to both journals they consider purely “academic” and ones they consider “practitioner”—ie, ones managers might read.

Business schools inhabit a highly competitive world; no matter what they may say, they care intensely about their rankings. If they find they can improve their positions by pursuing more practical research programmes, their administrators' attitudes may yet change. Whatever the defenders of academic purity may wish, there is hope for the real world yet.