

# Deconstructing the Ivory Tower

Business schools' reliance on theory-driven research ignores the pressing needs of real-world managers

By Andrew Hoffman



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There is a problem brewing within the nation’s business schools that has important implications for business practices and corporate responsibility. How often do you read cutting-edge research related to corporate responsibility coming from business school professors? When is the last time you read research from *Administrative Science Quarterly*, *Academy of Management Journal*, *Management Science* or *Strategic Management Journal* spotlighted in *The Wall Street Journal* or *Business Week* in the same way you might see research from the *New England Journal of Medicine* spotlighted in the *New York Times* or on NBC News?

The likelihood of “no” responses to these questions points out the crux of the problem. The journals listed above are the “A” journals of the management field; the journals in which business school professors publish their best and most cutting-edge research; the journals in which all aspiring professors strive to publish in order to achieve tenure, promotion and status among their peers. But who are their peers or, more precisely, who is their audience? And who gets to decide? Right now, it is academics who have decided that it is best for

academics to write for other academics. And because of this insularity, research related to critical contemporary issues in management is in short supply.

But there are critical issues within the business world that require attention—the mortgage crisis, corporate accounting scandals, high-profile bankruptcies, skyrocketing healthcare costs, the increasing power of multinationals, growing public resentment and distrust of business, poverty, mounting environmental problems like climate change—and the list goes on. But instead of addressing these issues, academics remain entrenched in their own theoretical agendas, separate from real world concerns. Some are beginning to ask if this situation is sustainable.

A widening circle of business school academics are raising questions over the “rigor and relevance” of management research. At the heart of the matter is the question about the role of the professional business school. Many argue that business schools are becoming increasingly irrelevant to managers; that they are publishing in journals managers don’t read, asking questions managers don’t care about and using a language they don’t understand. ▶

Why has this disconnect between rigorous theory and practical relevance happened? In a 2005 *Harvard Business Review* article, Warren Bennis and James O'Toole state: "The root cause of today's crisis in management education is that business schools have adopted an inappropriate—and ultimately self-defeating—model of academic excellence. Instead of measuring themselves in terms of the competence of their graduates, or by how well their faculty members understand important drivers of business performance, they assess themselves solely by the rigor of their scientific research."

In a May 2000 article in *Contemporary Sociology*, Charles Perrow looks more deeply and finds that early faculty in business schools migrated there from the social sciences, lured by more plentiful jobs, rapid promotion and higher salaries. But "the publication gatekeepers resided in the publishing houses and the professional journals; they were not under the control of the b-schools." As a result, business school professors are now bound by the resultant institutions within academia that deem practitioner engagement activities "illegitimate" uses of time. The measure of value for scholarly work is citation counts, not impact on practice.

For the most part, junior faculty don't write op/eds, publish in practitioner journals, write practitioner books, speak at practitioner conferences or in the end, ask questions driven by practical salience because these activities will not count toward tenure. And senior faculty don't engage in such activities because they have been socialized in the "right" way to be a professor—impact in the world of practice is not a measure of success; at worst it is considered "anti-intellectual." No one seeking job security and status among his or her peers would pursue them.

None of this is news to Henry Mintzberg who has been critical of business schools for years. In his 2004 book "Managers Not MBAs," he argues that "conventional MBA classrooms overemphasize the science of management while ignoring its art and denigrating its craft, leaving a distorted impression of its practice." Former MIT Sloan School Dean Dick Schmalensee agreed in a 2006 *Business Week* editorial that "The academic system's current methods of hiring and rewarding professors don't necessarily attract or encourage the kind of practitioner-oriented faculty we need to make business-

school research and MBA education much more attuned to meeting today's and tomorrow's management challenges."

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The implications of this debate go far beyond the academy. Students enroll in business schools to learn how to be managers, businesses recruit these managers and society lives with the consequences. In a 2005 *Academy of Management Learning and Education* article, Sumantra Ghoshal lays the blame for the Enron and Worldcom-type crises of our day squarely at the door of business schools in an article entitled "Bad Management Theories are Destroying Good Management Practices." He argues that predominance of agency theory and corresponding notions that the corporation's responsibilities are solely to its shareholders regardless of societal impact are creating many of the business problems we see today.

Can business schools continue to develop research that is for the principal benefit of those in the ivory tower and ignore the pressing issues of the world of practice? In the view of those promoting this growing debate, the answer is a most definite no. And it looks as though, if business schools don't change on their own, change may be imposed on them.

In a draft report, the AACSB is recommending that business "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." The underlying assumption is that the purpose of a professional school is to develop research and teach-

ing for the professional worlds they engage. Towards that end, their work must engage the critical management issues of our day by bridging both theory and practice. Swing too far to the latter and research becomes editorial. But swing too far to the former, as has happened, and research becomes irrelevant.

Ironically, the implications of this growing irrelevance can be seen in the uncertain market value of an MBA education. Applications to MBA programs are declining, with some schools seeing decreases of 30 percent or more. Some businesses are now looking elsewhere for their new hires: undergrads, online degrees, executive courses or training their own.

Rakesh Khurana sees this trend as dire, arguing in his 2007 book "From Higher Aims to Hired Hands" that "as things stand, there is little sustained discussion among business school faculty and administrators about whether new technologies, the globalization of trade, demographic trends, the growing inequality between rich and poor, the shifting social norms may be rendering the investor capitalism model unsustainable, if not actually obsolete. Yet these developments in the world since the rise of investor capitalism suggest that a new model...may well be called for." In short, the underpinnings of a management education may be in question. And yet, the research agenda remains unchanged and uninterested in such a potentiality.

It is time to take a good hard look at what business schools produce as research. While Rome is burning, too many professors are bound by the institutions that are set by academics and for academics. Theoretical research without practical implications remains the rule of the day. The voices for change are still small, but growing.

It is time to bring professional managers into this debate and bring the debate out of the insular protection of the academic ivory tower. Call the deans and placement offices of the schools you recruit with, publish articles and editorials, give speeches, instruct your HR departments to push back when MBA candidates do not meet your needs and executive education participants come back disappointed; do whatever it takes to inject your interests and concerns into this debate. Be more demanding as customers. It is too important to be left to us academics. **CRO**