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.
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 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 Ghoushal 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 teaching 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.