Introduction: the story in short

Management education and research crystallise some of the successes, failures and contradictions of our modern societies.

On the one hand, the demand for training in management keeps growing and so do the expectations from stakeholders within and outside organisations to better understand how businesses emerge, grow, evolve and disappear and how these businesses may be run in various contexts. Enrolment at business schools is increasing throughout the world, and more research is conducted and published every year – with an explosion of the literature that makes it extremely difficult for both academics and practitioners to follow all that goes on in the field. This is taking place in a world economy that keeps growing despite some ups and downs, with international trade bound to develop further despite the limitations of the resources of our planet, and with entire regions of the globe reaching the income per capita that they had been dreaming of, hoping for a better life with access to mass consumption, better housing, health, education, travel and so on. In this sense, management education and research at business schools may be viewed as both benefiting from and fuelling the world economy. Business schools aim at providing (a) educated individuals trained to deal with the complexity of the task of leading ‘organised collective action’ and (b) new insights to improve the practice of management for a variety of forms of organisations in a variety of contexts.

On the other hand, the success of business schools raises many disturbing questions. How could the community of researchers in finance not see the flaws of a subprime situation that their sophisticated models made possible? To what extent is the knowledge produced by management researchers at Western business schools appropriate to the socio-cultural-political context of, say, a small family business in Tunisia or a cooperative in north-east Brazil? What happens to scholarly inquiry if most management researchers seem to take it for granted that the main issue in business is performance of the focal organisation itself, for example treating social or environmental concerns at best as constraints, if not as mere externalities? What should we think of the education delivered at business schools that trained the deficient and greedy top managers who led their companies into dishonesty, scandal and ruin? How come, in the name of private
entrepreneurship, that our democratic societies offer so little democracy in
the governance of firms? There could be many other such questions. Note
that we do not question here the role of management per se. This is a quite
different debate, and we firmly believe that organised collective action
needs to be managed. Instead, our main point here is to suggest that the
development and success of the business of business schools may be ques-
tioned despite all the good they may bring to our societies and economies.

We argue that the institutional setting and the dynamics of the rules of
the game that regulate the world of management education and research
created a ‘business school bubble’ and may in fact contribute to weaken-
ing our current business school system from within. More specifically, we
argue that business schools have lost their way while competing in the
game of rankings. We further argue that European business schools make
a mistake in blindly following their North American cousins. And we send
a call to the community of management scholars in Europe (and beyond)
in the hope that they will join our effort to influence the institutional
setting and the rules of the game of our field in new and more suitable
directions.

COMPETITION IN THE BUSINESS SCHOOLS ARENA
HAS BOOSTED THE FIELD

There is no doubt that the increasing competition within management
education and research in the last two decades has ushered in a more
professional approach in both teaching and research. The quality of the
service delivered to students and executive education audiences went up
(for example newer cases, better follow-up of projects, more structured
and better-documented curricula and so on). The question of the quality
and relevance of the teaching may be a different matter, as we shall see. At
the same time, the volume and intensity of publishing activities exploded.
More money went into the system as prices (tuition fees), faculty salaries,
donations and research grants went up. In the process, the whole system
of management education and research has considerably improved its
efficiency. In this sense, we argue that competition boosted the industry of
business schools.

One may question the relevance of the invasion of academic institu-
tions by market rationales and competitive behaviour. Yet the fact is that
increased demand in management education generated more resources
allocated to business schools, and thus competitive strategies from deans
to tap the sources of funding as a way to build and maintain reputation, in
turn helping attract better faculty, better students and better researchers.
This then fed back positively into reputation and permitted higher tuition fees and access to more funding, and so on. This led to business models for business schools aiming at entering a virtuous self-reinforcing circle: more funding, leading to more research and better education, leading to improved reputation, leading to more funding, and so on.

In a way, most of the business schools in the Western world and to a certain extent in other parts of the world are playing that game – globally, regionally or nationally, according to their ambition, scope and status. This is far from being anecdotal, as it has very strong concrete implications for the way management education and research are now regulated.

REGULATION MECHANISMS THAT HAVE EMERGED IN THE BUSINESS OF BUSINESS SCHOOLS

Business schools are chasing reputation and funding as a way to better serve their constituencies (the students, their families, the alumni, the faculty, the business community they serve, the donors, the government bodies that sponsor their teaching and/or research initiatives, and so on).

A major problem arises when it comes to assessing a business school’s reputation. This is where rankings come into the picture. How can a prospective student select a place to which to apply? How can families find out whether to support such choices? How can recruiters make up their minds about the standards of a given institution? How can teachers and researchers decide where to apply for a faculty position? How can public bodies identify the ‘best’ possible places in which to invest public money on management education and research? How can deans select the partner that best fits their home institution from among the possible candidates in a country they know little about?

As long as the structure of the business of business schools remained national, or limited to the traditional zone of influence of a given country, with its language and culture, such as the countries that once were part of an empire, there was a de facto informal ranking of institutions conveyed by social and business networks within the geographical and cultural zone. Oxbridge was seen as academic excellence in the UK and the Commonwealth. HEC, ESSEC and ESCP Europe were identified as the places to study management in the French-speaking countries. Harvard and Stanford were the Mecca of management for all those who admired the success of the US-based multinational corporations. But when competition becomes more global, when prospective students from emerging economies try to find their way into a Western business school,
when studying abroad becomes a standard in Europe, then some support is needed to find the way in: thus the ranking developed at Shanghai University, Della Bradshaw’s rankings in the *Financial Times* or the accreditation mechanisms.

Accreditation is a process that signals that certain business schools have been carefully scrutinised by a panel of peers and awarded a certificate. There is no ranking involved. It is a pass/no pass grade, meaning that the certificate is awarded or not. Accreditation is also a way to promote quality improvement in business schools, encouraging them to engage in a series of initiatives and checking their progress, while also periodically reassessing their accreditation status. The accreditation bodies (essentially associations of business schools that choose to offer such services – typically AACSB, AMBA and EFMD) are competing to gain worldwide visibility and legitimacy, doing their best to promote their accreditation certificates and processes as some form of norm.

Rankings are a different breed. Some journalists found a niche with a yearly series of issues that sell well. The business school rankings usually combine a set of criteria, objective or subjective, quantitative or qualitative. Data are collected from the business schools, which have little choice but to respond if they want to appear in the list – and some may be tempted to use whatever means they can to improve their position in the list.

Among the criteria used to rank business schools are the ‘research activities’ of a place, and thus its ‘research outputs’. This leads to yet another form of ranking, the journal rankings. As it turns out, the trend has been that a research publication may be considered as meaningful only if it has undergone the scrutiny of academic peer reviewing. To make it even stricter, the reviewing has to be double-blind. (Note that, in the era of the internet and search engines, blind reviewing may end up being blind only in theory.) Research publication is thus focused exclusively on journals with formal double-blind reviewing. This fits perfectly with the need to speed up and simplify the assessment process, both at business schools that assess the output of their faculty and at places issuing business school rankings (the *Financial Times*, Shanghai University and so on). The idea of journal ranking appeared as a solution. A simple list of the supposedly best journals, the so-called starred journals, does the trick. There is no need to assess the papers published, and thus no need to read their contents. A simple count of the number of papers published in the relevant journals becomes the proxy for academic excellence in research. In turn, this feeds back into the business school ranking mechanisms. It also works for promotion and recruitment panels at business schools. This means externalising the heavy assessment tasks to anonymous reviewers and
journal editors – and not even paying for it. This is quick, easy and cheap – at least at face value, because reviewing has a significant hidden cost for the community and the individuals who perform the task. Furthermore, all this free subcontracting is done in the name of science. How could anyone argue against peer reviewing, as this is the basic mechanism widely accepted in science to produce new knowledge via contradiction and debate?

Another element needs to be brought in. The legacy of the Second World War, with the United States emerging as the dominant power in the Western world and the success of American-based multinational corporations, led to the impressive dominance of North American management and thus North American business schools in the second half of the twentieth century. English became the lingua franca of management. More research was conducted in the USA than anywhere else – obviously in English – and hence there was more work published and more journals launched. This mere effect of volume had a logical mechanistic implication: the journals that appeared as leading the field were all American-based. They still are. The reviewing process instituted by the editors of such journals increasingly meant that authors had to play by the rules imposed on them (type of topic addressed, methodology, references selected, nature of the contribution expected and so on, which was not just a question of format, but became a matter of content as well).

As it turned out, after the Gordon-Howell and Pierson1 reports at the end of the 1950s, the core of management research conducted in North America progressively went for a route towards more rigour, in turn mimicking hard sciences and economics in a quest for scientific legitimacy. This soon meant systematic use of statistics as a way to test hypotheses, in the hope of contributing to theorising, thus de facto widely adopting a positivist epistemic stance. The US academic arena in management is big enough to have kept some degree of diversity. Yet many researchers simply chose to put themselves in a position to publish what was increasingly expected from them, away from clinical studies, books, monographs and, regrettably, intellectual debate and scholarly inquiry.

We now have the ingredients of the cocktail that currently prevails: accreditation, business school rankings, journal rankings, massive dominance of North American research and starred journals, and mainstream US research going primarily for statistical testing of hypotheses as the standard of good science. These are the elements of the regulation mechanisms that have emerged over the last three decades as the drivers of the business of the business schools. These have had and still have a profound impact on the way the world of management education and research operates, and shape the rules of the game. While they have contributed
to boosting the field, as pointed out earlier, we argue that some of their implications are in fact quite damaging.

THE ADVERSE SIDE EFFECTS OF THE DE FACTO REGULATION MECHANISMS THAT HAVE EMERGED IN THE FIELD

Under increasing competitive pressures, business school deans had little choice but to adopt the business school ranking lists as a measurement of reputation and success. Deans have seen this race for ranking as the best way both to access more funding and to attract better talent, thus raising reputation – and so on.

What can deans do to have their business schools go up the ranking ladder? Certainly, increasing the quality of the teaching can help, except that, beyond a certain level of resources allocated, the return on the investment, measured as improvement in the ranking, does not seem to be worth it. While it may still have an impact on the output variables, such as salary increase before and after an MBA, the marginal return from additional effort put into teaching may not be as rewarding as what can be achieved in pushing for publication of more starred articles. In other words, increasing the number of papers published in starred journals seems to offer much more leverage.

As a result, most deans have tended to hire young PhDs with high publication potential. Salaries for these high-flyers have gone up as the international market for prolific publishers in management has increased. The assumption was and still is that publications in starred journals impress the media, the business community and thus the recruiters, the prospective students and their families, and so on. Recruiting prolific publishers (or prolific publishers-to-be) has often disturbed the pay structure of the faculty, with more advanced tenured faculty members sometimes receiving less than the expensive youngsters. This may be a cause of tensions, especially when the newcomers behave as mercenaries, negotiating lighter teaching loads to invest more in their research – thus turning away from the primary role of business schools, namely to educate and train students for their future tasks as managers – and then quickly moving away to more prestigious places upon success in their submission process.

In addition, less attention tends to be paid to the performance of the new recruits in the classroom. Except for a few brilliant individuals who are the pride of our profession – those happy few who can be successful both in the classroom and in getting articles accepted in A journals – in many instances these young faculty members prove more at ease in con-
ducting their statistical tests than in running a classroom session. This is particularly so when it comes to executive education audiences, where seasoned practitioners may for a moment be delving deep into the narrow topic of the PhD thesis of a young professor, but soon express their interest for other topics as well. They end up reminding programme leaders of their expectations given the time and money invested.

A BUSINESS SCHOOL BUBBLE

As a result, while their business schools are spending a lot of money to hire and remunerate prolific publishers, executive education associate deans tend to call upon external players to run part or all of their sessions. These external players (consultants, practitioners and so on) may be assimilated as faculty members by means of adjunct professorships or various devices of that sort. But the bottom line is that business schools sell the research of their faculty as a legitimising ingredient of their brand, while putting external non-researchers in front of the paying audiences. The question of how long companies and executives will accept this remains to be answered. We argue that this constitutes a form of bubble in the business of business schools.

Along the way, the pressure put on publishing in starred journals frames the priorities of young faculty members on the tenure track. Writing books, not to mention textbooks, becomes absurd – a waste of time. This simply means that most of the past prominent thinkers of management, Drucker, Ansoff, Mintzberg, Crozier, Taylor or Sloan, would not make it into today’s academic competition. The long format of a book to develop one’s thinking is no longer recognised. And that is in the name of science. This is more than frightening.

Business schools have lost their way. Something needs to be done about it. Interestingly enough, many retiring business school deans who deliver their last speech as they leave tend to say something of the sort. Yet their successors immediately keep going as before. There seems to be a lock-in situation, rooted in the ranking system. As we believe that no single individual can unlock the system, we argue that awareness raising is needed and, from there, collective strategies and action.

This book is a call for collective strategies to redesign management education and research.

Our call: Our field has become an industry of its own, with fierce international competition and thus competitive strategies on the part of players active in the
arena: business schools and their deans, individual professors, journals and so on. We believe that certain collective strategies are necessary to influence the de facto regulation mechanisms that have appeared over the years (for example the rankings, the accreditation bodies, the Bologna process, the race for publications and so on).

We further believe that Europe is now the relevant level for Europeans to discuss these issues. This is why we offer to engage in strategic conversations with our colleagues throughout the European Union (and beyond) to raise these issues and generate debates and action.

This Introduction has made a long story short – at times with short cuts or sweeping generalisation. The chapters that follow cover the same story in more detail.

THE BOOK’S STRUCTURE

Our call to redesign management education and research is structured around four parts.

Part I is dedicated to the (re)foundations of management education and research, adopting a historical and comparative perspective. Eric Godelier looks at the history of the complex interplay between social sciences and management. Romain Laufer looks at the history of education in law and management. And Armand Hatchuel makes his point by arguing that management may be viewed as a basic academic field of its own.

Part II addresses the issue of rethinking the contents of management education and research. It begins with an analysis of the specificity of management research as Roland Pérez discusses the extent to which man-
management research is legitimate or not depending on the audiences. Bernard de Montmorillon then explores the contents of what may be investigated and taught, adopting a contingent perspective. Alain Charles Martinet and Marielle Payaud in turn use the specific theme of governance to illustrate how alternative contents, departing from the literature, may be offered on such an important, much debated topic. Their chapter serves as a way to show how concrete proposals for new contents may be made. Peter McKiernan closes this part by discussing the relevance of the new knowledge produced by management research, arguing that Europe may contribute to help the field stay away from too much irrelevance.

Part III deals with the institutions and the regulation mechanisms that are at work in management education and research. Olivier Basso, Philippe-Pierre Dornier and Jean-Paul Mounier discuss the evaluation of business schools and their activities by coming back to the basic role of management education institutions facing their stakeholders. Eric Cornuel presents the EFMD perspective with the EPAS and Equis schemes. Dennis Tourish addresses the evaluation of the contribution of individual faculty members by discussing journal rankings and their effect on academic freedom.

Finally, Part IV offers some direction for future action. Two SFM position papers are presented as an illustration of what a joint effort may produce. This borrows from the work conducted at SFM, the French Academy of Management, to help form a body of soft law.

The first position paper deals with the importance of rehabilitating books and monographs as acceptable and recognised forms of research output. The second position paper discusses the issue of journal rankings. Each of the two position papers analyses the issue and offers a set of concrete recommendations that were collectively debated at SFM.

How do we proceed from there? How do we contribute to redesigning our field, the way our community operates, the governance and evaluation processes, and the institutional setting?

We firmly believe that European business schools can find better ways than the current rules of the game imported from North America. This book is a wake-up call. It is up to us to join forces and act together.

NOTE

1. ‘In the late 1950s, business schools as a whole came under close scrutiny from two key academic reports. Both the Gordon-Howell Report and the Pierson Report criticized business schools for including narrow, trade-focused curricula within their programs; for employing poorly trained faculty; attracting academically inferior students; and for implementing simplistic teaching and research methodologies.
During this post-war period, when the U.S. government and economy at large was seeking to advance via an industrial revolution, the pair of reports instigated a sea of change within academia, providing a much-needed wake-up call to many of the nation’s oldest, elite business schools. Complacency was no longer an option’ (Carnegie Mellon Tepper School of Business, http://tepper.cmu.edu/about-tepper/history/the-b-school-change-agents/the-pierson-report/index.aspx).