Management Education in Australia–relevance lost?

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ABSTRACT

This paper raises important issues for Australian business schools stemming from the debate on the relevance of management education, a debate largely held outside of Australia. The history of management education combined with contemporary debate themes are used to draw out lessons for Australia, especially in relation to competition, research; teaching and purpose. Over the past two decades, Australian business academics have focussed on generating profits for their universities without time for reflection on the state of their field nor engage in public debates on quality and educational outcomes. However, there are impending threats to their financial success, reputation and focus from weakening student markets and private competitors, lessening quality and a proposed national research assessment framework that make such contemporary reflection important for Australian business schools and their institutions.

1 This paper forms part of a PhD thesis entitled ‘Corporatisation and values of Australian graduate school of business academics’ by Suzanne Ryan, supervised by Professor James Guthrie of Faculty of Economics and Business the University of Sydney. The authors wish to thank Fiona Crawford for her administrative support in preparing this paper.
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1.0 Introduction

The global economic success of business schools appears to have intensified the debate on the relevance of management education leading to the paradoxical situation whereby management academics are decrying the relevance of their own success (Starkey, Hatchuel and Tempest, 2004). Whether or not this debate is simply the product of our ‘rather persecuted imaginations’ (Grey, 2001, S27), it has gone on for over 100 years (Mast, 2002) and has come to reflect “the tensions between the dictates of the discipline, the needs of managers and the politics of the university” (Spender, 2007, 34). There are three reasons for the debate to continue: the value of self-reflexivity; the need to view the debate in the context of the uncertain role of universities in society; and the need to sustain the management education industry. However, it is doubtful that the debates have reached down under to Australia.

To date the debate has been dominated by academics from the US and UK with few Australian contributions despite the rapid growth of business schools (Ceeez-Kecmanovic, Juchau, Kay and Wright, 2002) and significant changes to Australian higher education (Ryan, Guthrie and Neumann, 2008). For almost a decade, 30% of all students in Australian higher education institutions have been undertaking business degrees and over 50% of these are international students compared to 27% for the sector (DEEWR, 2008). It is no coincidence that the rise in business and international students has come during a period when government funding to Australian higher education has dropped to its lowest level as a share of GDP compared to other OECD nations (OECD, 2007). Management education and
international students have been a major source of income for Australian universities in the face of declining government funding. It is thus timely to revisit the debate from an Australian perspective and within the broader context of the higher education system as the experience of business schools raises important issues for higher education generally (Nemetz and Cameron, 2006; Starkey and Tiratsoo, 2007).

The purpose of this paper is to explore the contemporary implications of the debate on the 'relevance' of management education for Australia through an examination of the history of management education in the and the key themes within the debate. Section 2 is an overview of the history of management education in the US and its expansion outside the US divided into three 'projects' (Khurana, 2007): Professionalisation; academic and commercial. Section 3 explores four themes key themes within the debate addressing the issues of relevance to whom and relevance of what and linking them to the 'projects'. These themes cover competition, research, teaching and clarity of purpose. Section 4 draws out propositions as lessons relevant to business education in Australia. The final section 5 concludes with a call for Australian business academics to begin engaging in discussions of 'relevance'.

2.0 History of Management Education

Management education and the graduate business school are essentially products of the United States of America where management education had its birth in 1881 and from where the major influences affecting management education throughout the world have arisen (Hedro, Sahlin-Andersson and Wedlin, 2006a). A cursory examination of the history of management education shows its continual flexibility in
response to multiple demands from practitioners, students, new student markets, academic critics, media, technological change and economic trends. Within the academic world, management education has been torn between the need to be relevant to business and the need to be rigorous in academic terms. This section provides an overview of the history of management education, especially the Master of Business Administration (MBA), in the USA and its export into Europe and Australia. The section ends with an overview of current developments in management education.

Management Education in USA

Understanding the history of management education in the USA provides the basis for understanding why issues within the debate on the relevance of management education are important to contemporary business schools in clarifying their purpose and role within higher education. This section firstly describes the professional beginnings of management education in the late 19th Century until 1959 when a major swing against professionalism occurred. Khurana (2007) refers to the period as the ‘professionalisation project’, a project that was undermined by overzealous embracing of ‘academic’ priorities, and later, in the late 1980s, by a series of events, including the introduction of media rankings and internationalisation, that ensnared business schools in ongoing struggles between theory, practice and pragmatism, leaving them without a clear moral foundation. The remainder of the section outlines what occurred after the ‘professionalisation’ project up to the most recent developments in management education.
The 'professionalisation project'

A grant of $100,000 by a wealthy businessman, Joseph Wharton, to the University of Pennsylvania in 1881 created the first management school in a university. Wharton’s motive was "to bestow on business education the same prominence that law and medical schools had given their respective professions" (Mast, 2002, 3). It was not without protests from existing academics, outraged that commercial subjects would be allowed on a university campus, that the Wharton School of Finance and Economy was created. Over the next 20 years another seven American universities opened undergraduate business programs, all of which were sponsored by philanthropic businessmen attempting to legitimise business through the establishment of professional business schools (Khurana, 2007). Whether management education generally was a US invention is arguable (Spender, 2007), however, the MBA and the ‘graduate school of business’ are unquestionably products of the US (Hedro et al., 2006a). The first MBA for graduate students was offered in 1900 at the Amos Tuck School at Dartmouth College and the first exclusively graduate school of business, Harvard Business School, opened in 1907 (Khurana, 2007).

Early management programs sought to integrate practice and theory by employing academics from the social sciences such as economists, sociologists, psychologists and political scientists to work with business practitioners to develop courses and text books. At Harvard, the early MBA tried to meet both theoretical and practical considerations with a "hodgepodge of economics, history, accounting and law" interspersed with "more practical and specialised offerings in banking, corporate finance and railway and insurance operations" (Mast, 2002, 5). By 1919, there were a sufficient number of business schools to warrant the establishment of the American
Association of Collegiate Schools of Business (AACSB) as a forum to discuss curricula and provide accreditation to assure quality in management education (Julian and Ofori-Dankwa, 2006).

The 'academic project'

Rapid growth of the MBA occurred after World War I with the advent of a strong economy and veterans seeking further education to establish careers so that almost every major university in the USA offered a management program (Mast, 2002). However, the programs were susceptible to the demands of job markets and students so that content became increasingly specialised with more and more practitioners teaching courses. A shortage of academics led to further practitioners being recruited so, by the late 1950s, business schools were subject to strong criticism for their lack of academic rigour (Mast, 2002). This criticism culminated in the Ford Foundation funding a comprehensive report into management education in the US (Gordon and Howell, 1959) and the Carnegie Foundation funding a similar report (Pierson, 1959). The reports, known as the Foundation Reports, argued that "business school core courses were too descriptive, not sufficiently analytical, and lacking a focus in managerial problem solving" (Mast, 2002, 11). Additionally, the reports charged that many teaching staff were under qualified or not qualified at all, and research, where it existed was generally neither rigorous nor relevant. Borrowing the term 'project' from Khurana (2007), the Foundations Reports heralded in the era of the 'academic project'.

Implementation of the Foundation Reports, as they were known, was hastened by large grants from the Ford Foundation with the intention of promoting 'best practice'.
in management education (Friga, Bettis and Sullivan, 2003). Between 1954 and 1966, the Ford Foundation spent $35 million on business education reforms in the US (Zimmerman, 2001). The impacts on management education of the Foundation Reports lasted for the next 25 years during which business school academics became more focused on their specialised fields of study, more research orientated and incorporated more quantitative disciplines into the core of the curriculum (Khurana, 2007). It was in this period that management academics enthusiastically seized upon scientific paradigms as the benchmark methodology for research and teaching (Trieschmann, Dennis, Northcroft and Niemi, 2000; Khurana, 2007). The swing toward building academic reputation and away from practice lasted until the late 1980s when it was judged to have gone too far (Porter and McKibbin, 1988; Leavitt, 1989).

*The ‘balance project’*

By the 1980s, despite management education having become the largest and most financially successful field of study in higher education, schools were being accused of being out of touch with practice, their research too theoretical and their teaching content and methods inappropriate (Leavitt, 1989). Once again reports into the state of management education were carried out, this time by the business schools’ own accrediting body, the AACSB (Porter and McKibbin, 1988) and the Graduate Management Admission Council. These reports attempted to restore a balance between theory and practice, between the ‘professionalisation’ and ‘academic’ projects.
The AACSB report concluded that: the curricula lacked integration across disciplines and lacked international and skill foci; faculty were too narrowly educated in a particular discipline; faculty research was aimed at academic colleagues in the same discipline and was irrelevant to practitioners; leadership skills were ignored; and finally, that faculty did not interact sufficiently with practitioners (Porter and McKibbin, 1988). As a result of the reports, business schools revised their curricula by introducing team-based activities to encourage leadership skills; giving greater emphasis to teaching; engaging in more applied research; and developing executive management programs (Mast, 2002). Despite the changes in teaching methods, the changes in content were minor and the overall structure of programs remained the same with quantitative courses and research dominating (Friga et al., 2003). The consequences of the earlier Foundation Reports were not easily reversed and business schools today, arguably, retain similar structure and program content to those of the 1950s (Mintzberg, 2004). In part, the limited impact of the 1988 reports can be attributed to the introduction of business school rankings which appeared in the same year and brought with them the commencement of the 'commercialisation project'.

*The 'commercialisation project'*

The major impetus for change in business school came from the introduction of business school rankings by the media publication 'Business Week' magazine in 1988. These rankings gave voice to the opinion of graduates and their employers so that "the attention of business schools, therefore, shifted from critics internal to the university to the external constituencies of potential students, corporate recruiters and executive education consumers" (Lockhart and Stablein, 2002, 192). While MBA rankings by media may have forced business schools to be more responsive to business and
students, they have also been the subject of criticism. Rankings are accused of being ‘beauty contests’ where image is more important than substance (Gioia and Corley, 2002), encouraging schools to redirect resources away from program investment into image management, and so fostering the concept of ‘student as customer’ with further redirection of resources and behaviour into ‘making students happy’ (Gioia and Corley, 2002; Pfeffer and Fong, 2002). Engagement with rankings has been at the expense of more substantive reflection of academic considerations, leading to a confusion in school purpose (Trieschmann et al., 2000; Gioia and Corley, 2002; Pfeffer and Fong, 2004; Khurana, 2007).

Migration of the MBA outside the USA

The influence of the American experience, chiefly the elite business school model, was highly visible in the establishment of the first schools outside the US (Hedro et al., 2006a; Byrt, 1989). Almost sixty years after the first MBA commenced in the US, the post World War Two period provided the impetus for the exportation of the MBA into other Western countries, notably the UK, Australia and Europe. The earliest MBAs outside the US commenced in Europe in 1957, Australia in 1963 and in the United Kingdom in 1965. The timing of the MBA export is important in that by replicating the elite US Schools, these new schools bypassed the ‘professionalisation project’, directly inheriting the ‘academic project’. However, this helped make business schools more acceptable to their institutions which were initially opposed to the introduction of management education, convinced that the university was no place for business training (Mast, 2002; Byrt, 1989). These arguments slowly lost sway to the booming post war recommencement of international trade in the 1950s and the financial inducements of the Ford Foundation to establish business schools outside of
the US (Hedro et al., 2006a; Starkey and Tiratsoo, 2007). As the influence of American business spread, the demand for higher level business skills increased and the MBA, as the world's most global degree (Mintzberg, 2004, Starkey et al. 2004), was a vehicle to meet the demand (Hedro et al., 2006a). Spurred on by economic growth, market deregulation and rapid globalisation, especially the rise of the Asian economy, management education expanded rapidly in the 1980s and 1990s leading many western universities to export their management programs to Asia (Mast, 2002; Friga et al., 2003; Hedro et al., 2006a). By the mid 1990s, business schools throughout the world were caught up with competition and the 'commercialisation project'.

Recent developments

Throughout the 1990s, business schools were affected not only by pressure from rankings but by an increasingly competitive and internationalised student market in management education. Developments in management education in the past two decades have included the recruitment of international students; the appearance of corporate and private commercial institutions delivering management programs; the growth of on-line education; and the creation of alliances with international universities, especially in Asia (Friga et al., 2003; Thomas, 2007; Starkey and Tiratsoo, 2007). Within this more globalised and competitive context, the tension between theory, practice and business pragmatism heightened. The fact that business schools have become businesses in themselves with bigger and better resources and higher salaries has not always endeared them to their less fortunate university colleagues, but it has allowed them to remain abreast of the forces of technology, globalisation and stakeholder diversity (Mast, 2002). But, even in the U.S. not all
business schools have benefited from their revenues. For many, especially the public universities, business schools are perceived as a ‘cash cow’ from which their institutions take surplus earnings to subsidise other programs (Macfarlane, 1995; Friga et al., 2003; Starkey and Tiratsoo, 2007) or other non academic public relations activities (Zimmerman, 2001).

Summary

The above overview of the history of management education demonstrates the ability of business schools to reinvent themselves (Tyson, 2005) adapting quickly to externalities such as diverse student markets, emerging fields of study, new technologies for delivery and unconventional teaching methods to the extent where the business school industry has been described as “one of the great (economic) success stories of the past 50 years” (Viten, 2000, 183). One reason for this success has been attributed to business schools being able to cope with “fundamental changes in power relations and resource dependencies in the business education environment” (Trank and Rynes, 2003, 191).

Despite, or because of, their marketing and financial success, business schools remain uncertain of what they are, still trapped after one hundred years between aspiring to academic rigor and respect while remaining relevant to the fast moving realities of the business and management world. Although competition between schools has led them to behave like businesses, their success appears to have only intensified their concern over relevance. This paradox is explained in terms of the relevance debate simply having been a mask for a “serious political contest over control of business schools and management education” (Augier and March, 2007, 136), a contest
reflected in the wider university as it also becomes competitive and utilitarian, grappling with its role as a social institution (Starkey et al., 2004).

Although history shows the debate in the US to be cyclical in its emphasis on either research or teaching (Augier and March, 2007), the recent intensification of the debate was ignited by Pfeffer and Fong (2002) with their contention that business schools, and MBAs in particular, had failed completely in both relevance and rigor. This has led to a continuation of responses and counter responses in almost every academic journal associated with management education since that time. However, most participants are limited to their own experience and opinion, and as mentioned previously, Australian participation has been rare.

The following section examines four key themes in this debate: competition; research; teaching and clarity of purpose. The themes are arranged so the impact of competition on research and teaching can be seen as clouding the issue of purpose which goes to the questions of understanding to whom business schools are relevant and what is relevant.

3.0 Current Themes in the Relevance Debate

This section explores the issues and contradictions within the relevance debates, commencing with the ‘commercialisation project’ and a discussion of the competitive environment in which management education is perceived to exist and the constraints it places on the behaviour of business schools. This is followed by an exploration of the research (‘academic project’) and teaching (‘professionalisation project’) themes.
The final theme concerns the purpose of business schools in terms of the conflicts arising from the earlier themes and projects.

*Competition – the ‘commercialisation project’*

Much is made of the role of competition in the debate on management education and its impact on determining the behaviour of business schools. The existence of competition is explained in terms of orchestration by media rankings leading to business schools to practice what they preach, business (Gioia and Corley, 2002; Pfeffer and Fong, 2004; Hedro et al., 2006a; Starkey and Tiratsoo, 2007). Competition becomes both a cause and consequence of the financial global success of management education (Friga et al., 2003; Hedro et al., 2006b). But is the competition real? And, whether real or not, what is its impact on relevance? The following discussion attempts to explore these questions by examining the causes, form and impacts of competition on the values and behaviour of business schools.

While the sources of the competition, media rankings, international markets, accreditation bodies and a need for universities to raise funds, are clear, it is not always clear who the competitors are. Until the advent of business school rankings by the media, schools were relatively isolated from each other apart from informal internal rankings by deans and disciplines (Gioia and Corley, 2002; Khurana, 2007). Rankings have had the impact of appearing to make the schools compete on consumer based criteria and thus became a useful marketing tool (Zimmerman, 2001; Gioia and Corley, 2002; Dill and Soo, 2005). This has been particularly evident in the drive to recruit international students, the lucrative market for western universities increasingly needing to supplement funds caused by declining government subsidies
(Friga et al., 2003; Trank and Rynes, 2003). Accreditation likewise became a marketing tool and a balance to sole reliance on media rankings (Harmon, 2006; Hedro et al., 2006b).

The commencement of media rankings had the effect of publicly setting ‘the rules of the game’ (Gioia and Corley, 2002), a game in which business schools have not been passive victims but active participants (Gioia and Corley, 2002; Trank and Rynes, 2003; Harmon, 2006; Hedro et al., 2006b). Few business schools are able to resist the “reputational imperative [of rankings], given they are a determinant of student and recruiter choice in a worldwide market” (Spender, 2007, 26). However, research by Roberts and Thompson (2007) suggests that rankings reinforce existing reputation rather than create it.

Self generated competition is further encouraged through the accreditation processes. Accreditation, rather than being a seal of quality, has become a branding exercise to attract students (Hedro et al, 2006b; Spender, 2007). Commitment of accrediting bodies to competition between schools is evidenced in their regular workshops on improving image (Harmon, 2006), despite the irony of accreditation producing uniformity among schools (Pfeffer and Fong, 2004; Julian and Ofori-Dankwa, 2006; Spender, 2007). Accreditation represents the value of the credential as perceived by potential students and recruiters while rankings determine academic strategy through the diversion of resources and priorities to image management and facilities that “make students happy rather than better qualified” (Spender, 2007, 36). Both accreditation and rankings are accused of increasing the internal focus of business
schools at the expense of both relevance to the field and rigour in academic pursuits (Zimmerman, 2001; DeAngelo, DeAngelo and Zimmerman, 2005; Bridgman, 2007a).

If the competition between schools is self generated, is it real competition or merely an illusion? There is evidence that within the elite schools in the US and other countries where student entry levels are high and students undertake full-time programs at significant cost, that competition may exist, and rankings are used by students to determine choice (Roberts and Thompson, 2007; Dill, 2007). However, for the majority of schools, it is fully employed, local students who study part-time that constitute the core of the MBA student body, their selection criteria are more pragmatically about location, cost and convenience than reputation and rankings (Armstrong, 2005; Barnett, 2005. Nemetz and Cameron, 2006; Roberts and Thompson, 2007). Although competition may exist in the international student market, again, the evidence suggests that this is only for the minority able to go to elite schools (Roberts and Thompson, 2007; Dill, 2007). The majority of international students make their decisions to study abroad based on numerous criteria including country, price, location, safety, word of mouth before university reputation (Mazzarol and Soutar, 2002; Daily, Farewell and Kumar, 2007). Accreditation is also an important part of quality branding, however, a study of international students' choice of business school in the US revealed students were not well informed about business school accreditation and its meaning (Daily et al., 2007).

The impacts of the competition may be more real than the competition itself. At the extreme, focus on image management destroys identity, shifts the balance of power to students converting them into customers, redirects resources into ‘non core’ functions,
fractures scholarly relationships and detracts from being relevant to anyone but the image makers (Gioia and Corley, 2002). The effect of pursuing image management as a strategy to achieve high media rankings is for business schools to run the risk of surrendering their own identity to become the image they create. “Identity is no longer a core set of beliefs and values, but becomes a transformation of the images projected by an organisation and reflected back by outside perceivers” (Gioia and Corley, 2002, 116).

Competition, and the image management it encourages, are blamed for redirecting resources away from building long term substantive strengths in teaching and research and into short term public relations investments (Zimmerman, 2001; Gioia and Corley, 2002; Trank and Rynes, 2003; DeAngelo et al., 2005; Spender, 2007). Competition not only leads to academics isolating themselves from practitioners but also from each other. With the inclusion of the number of faculty publications in the rankings, the competition created by rankings has “turned scholarly amity into scholastic animosity, transforming business schools into rivals engaged in a highly competitive, high stakes game” (Corley and Gioia, 2000 cited in Gioia and Corley, 2002, 114). Ultimately such status competition may be deleterious for the core functions of any academic school, its research and teaching (Harmon, 2006).

On the positive side, media rankings and accreditation have been credited with encouraging adaptation, improving teaching and contributing to the global spread and success of management education. Media rankings have been instrumental in encouraging business schools to be ‘learning organisations’, adapting quickly to best practice and keeping up to date (Gioia and Corley, 2002). However, this process in
itself leads to imitation and sameness which undermines local adaptation and experimentation (Gioia and Corley, 2002; Hedro et al., 2006a; Hedro et al., 2006b; Julian and Ofori-Dankwa, 2006). A greater emphasis on teaching and improved teaching is also attributed to rankings (Gioia and Corley, 2002), but the downside is the pressure on teachers to receive positive feedback from students leading to grade inflation, and so undermining the quality of teaching and learning (Trank and Rynes, 2003; Starkey and Tempest, 2005).

The irony of competition is that schools end up all looking alike. “imitation shapes identity” (Hedro et al., 2006a, 8). Ultimately, competition serves to generate more growth and hence complaints about resource deficiencies, resulting in a vicious cycle from which it is difficult to retreat (Pfeffer and Fong, 2004; Hedro et al. 2006b). For some schools, the only way out of this quagmire is to publicly refuse to participate in rankings on the grounds they represent “a vulgarisation of scholarly values” (Harmon, 2006, 242; Zimmerman, 2001). But has the ‘competition’ really been detrimental to management education?

If the recorded impacts of competition were uniformly true for all business schools, then the industry would indeed be in a parlous state as its ‘image making’ would have been discovered long ago. The size and success of the management education industry would suggest that the ills perpetrated by competition could not be quite as severe as reported in the debate, however, a closer examination of the issues surrounding research and teaching demonstrates some serious concerns for management education.
Research Relevance – the ‘academic project’

The second theme in the debate concerns management research. History demonstrates the radical swing away from vocationalism toward research in management education in the US in response to the Foundation Reports in the 1959. By the late 1980s, the shift to research was seen too have gone too far, creating both an imbalance between research and teaching and a gap in the relevance of the research to practitioners (Gordon and Howell, 1989). It is questionable whether an adequate balance between research and teaching was ever found. Most critics argue that there is an overemphasis on research that detracts time, effort and resources from teaching (Harmon, 2006; Spender, 2007) while a minority argue that the swing in the past decade or so has been against research and toward teaching as a response to media rankings (Zimmerman, 2001; DeAngelo et al., 2005). Evidence, rather than assertion, as to whether there is an overproduction or underproduction of research among business school academics is scarce as assertions for one side or another “turn less on facts than on perspectives and prior prejudice” (Augier and March, 2007, 131).

Overproduction of research is attributed to firstly, the quantity of research output being more important than quality, and second, and as a consequence of the first, increasingly more journals being created to absorb the overflow arising from high rejection rates from top journals (Harmon, 2006).

Criticisms of the content of management research being irrelevant tend toward general descriptions such as being ‘too theoretical’ (Pfeffer and Fong, 2002), being overly focused on reflexive analysis at the expense of “actionable advice” (Starkey
and Madan, 2001, S4), and being “self-referential and irrelevant” (Starkey and Tempest, 2005, 70). Others view the research ‘problem’ as one of having become too relevant as the “nature of business school research is shifting from careful scientific analysis aimed at creating new fundamental knowledge toward trendy papers that describe current practice” (DeAngelo et al., 2005, 17). Calls to make the focus of research more relevant by partnering with business (Starkey and Madan, 2001; Augier and March, 2007) are met with warnings of the risk of commodifying or limiting the research (Grey, 2001) and loss of intellectual property (Starkey and Madan, 2001).

Four main causes for ‘irrelevancy’ of management research are identified in the debates as: motivation; method; disciplinary insularity; and the transmission of research. The remainder of this sub-section discusses each of these causes.

The first cause, inappropriate motivations for research, is given the most attention as the cause of management research being irrelevant, not only to practitioners but also to the public interest. Such motivations are driven by external research rankings (Harmon, 2006) as well as internal institutional incentives and policies to attain reputation and funds through rankings. Both rankings and incentives are charged with encouraging an excess of irrelevant research. Rankings are a form of status competition based on measurable quantities of research encouraging business schools to substitute enhancement of practice with enhancement of reputation as the primary goal of research (Pfeffer and Fong, 2002; DeAngelo et al., 2005). Despite agreement on the negative effects of competition on research, there is disagreement whether competition has made research too ‘theoretical’ or too ‘practical’. A minority view argues that status competition has made business research less rigorous and more
descriptive of ‘best practice’ as academics attempt to gain media attention (Zimmerman, 2001; DeAngelo et al., 2005).

Driven by status competition and, in the case of the UK, by national funding and assessment processes such as the Research Assessment Exercise (Willmott, 2003; Bridgman, 2007b), universities devise institutional processes such as tenure, promotion and recruitment criteria, that value research over other scholarly contributions (Starkey and Madan, 2001; Bennis and O’Toole, 2005; Harmon, 2006; Bridgman, 2007b; Spender, 2007). Management academics, both out of a need to gain recognition for their scholarship as well as “play the promotion game”, must “publish or perish” (Spender, 2007, 34; Bridgman, 2007b) and so publication, regardless of relevance, becomes the goal. The effect of these institutional incentives is that academic motivations are driven by ambition rather than excitement (Starkey and Madan, 2001). However, is motivation really about relevance? Is it possible to produce ‘relevant’ research regardless of motivation? The issue appears to be more to question of what is meant by ‘relevance’ than of motivation itself.

The second cause of ‘irrelevancy’ is the method of research. An emphasis on quantitative scientific methods has resulted in some accusing management research of being methodologically meaningless because is too generalised to be of use to practitioners (Starkey and Madan, 2001; Pfeffer and Fong, 2002; Bennis and O’Toole, 2005). “Actual problems that business face which in the aggregate are extraordinarily diverse and idiosyncratic, are not amenable to uniform or orthodox definition, solution, and method of study” (Harmon, 2006, 240). Conversely, Zimmerman (2001) laments what he observes as a trend away from scientific method toward
description of current practice, the result of succumbing to the utilitarian demands of rankings and student demand. Uniformity of method in management is partly attributed to the interests of editors of top tier journals in replicating their own methodological biases so that academics, hungry to publish in the top journals, follow the line in relation to method (Starkey and Madan, 2001; Bennis and O’Toole, 2005; Harmon, 2006). The imperative to publish means following acceptable positivist rules of research, rules that “strongly favour the rigorously irrelevant over the unrigorously relevant, so furthering the divide between theory and practice” (Spender, 2007, 36).

Related to method, the third cause of ‘irrelevancy’ in management research is the isolation of disciplines from each other within business schools. Harmon (2006, 240) argues that method has come to signify research and contributes to “isolating research communities not only from the outside world but also from one another” further assuring disciplinary insularity. Organisational structures based on distinct disciplines combined with imperatives to publish in specialised academic journals perpetuate the insularity of disciplines leading to a failure of research to reflect the multidisciplinary nature of practice (Starkey and Madan, 2001). “There is no decontextualised but still practice-relevant knowledge” (Spender, 2007, 38).

The fourth and final cause of ‘irrelevancy’ lies in the transmission of management research. Publication of research is viewed as being limited to internal academic audiences in a language and medium that deny accessibility to wider audiences (Starkey and Madan, 2001; Pfeffer and Fong, 2002; Bennis and O’Toole, 2005). This argument is about the publication of research in academic journals which are written
for specific audiences, often using language specific to the discipline and thus restricting access to members of that discipline. However, if inaccessibility because of the transmission of research is a cause for research irrelevance, how it is possible to also argue that the content and method of research are irrelevant if they are not accessible to practitioners? Further, even if it were the case that academic journals were read by practitioners, why is it unacceptable for business academics to write for internal audiences as this is the process whereby ideas are refined, tested, criticised and discarded. "it is central to the development of useable knowledge" (Grey 2001, S29)? Academics can only engage in this type of knowledge production if they are "financially and ideologically free of the necessity of relevance" (Grey 2001, S29).

In summary, an overemphasis on research output, if true, is a response to media and government ratings and institutional incentives and processes. Quantity is privileged over quality so content relevant to practitioners is potentially sacrificed for more theoretical pursuits. The language of research and the journals in which it is published are not accessible to practitioners and others and positivist research methods are not conducive to practical application as they might be in the natural sciences. Additionally, an overemphasis on research detracts from time and resources available for transmitting and applying knowledge, the teaching function is diminished.

*Teaching Relevance – the ‘professionalisation project’*

Within the relevance of management education debate, the third theme relates to teaching and it is this theme that comes closest to the ‘professionalisation project’ whereby the business school is a professional school. Course content and the nature
of educators are the two central issues concerning the relevance of teaching in a business school. These issues have been debated since the inception of business schools, representing a tug-of-war between theory and practice, between skills and knowledge (Mintzberg, 2004) and between experiential and academic knowledge (Augier and March, 2007). The issues arise because of the diverse nature of the disciplines in management education, particularly the differences between management and business (Starkey and Madan; 2001; Pfeffer and Fong, 2002, 2004; Mintzberg, 2004), and resource allocations within business schools (Bennis and O’Toole, 2005). An examination of issues relating to content and educators leads to the question of whether these criticisms reflect the reality for most business schools or are restricted to the elite business schools.

The first issue concerns the content and curricula being irrelevant because the curriculum is structurally “weird” (Leavitt, 1989, 39): too technical; too rational; non-integrated; short term; non-contextualised; value laden; uncritical; (Leavitt, 1989, Starkey and Madan, 2001; Pfeffer and Fong, 2002, 2004; Grey, 2004; Mintzberg, 2004. Starkey and Tempest; 2005; Augier and March, 2007); unchanged in 50 years (Mintzberg, 2004), continuously changing (Zimmerman, 2001; DeAngelo et al., 2005); and often unethical (Leavitt, 1989; Starkey et al., 2004; Starkey and Tempest, 2005). Mintzberg (2004) argues that management is quite distinct from business. While technical knowledge is the domain of business, complex thinking and communication skills constitute management. By attempting to incorporate both management and business into an MBA, neither is effectively achieved (Mintzberg, 2004). The structure of the MBA is built on individual disciplines with minimal integration thus failing to reflect the multidisciplinary and contextualised nature of
practice (Grey, 2004; Mintzberg, 2004; Armstrong, 2005; Starkey and Tempest, 2005; Spender, 2007). In defence of the MBA structure with its distinct disciplines, Barnett (2005) argues that synthesis or integration is impossible without knowledge of the parts.

Within the MBA, the technical disciplines dominate so that “numerical analysis has become the proxy for intellectual rigour” (Starkey and Tempest, 2005, 74) leading to graduates having a narrow set of decontextualised and short term skills that are not relevant to management positions (Leavitt, 1989; Mintzberg, 2004; Grey, 2004; Spender, 2007; Augier and March, 2007). Bias toward quantitative courses is further supported by the use of Graduate Management Admissions Test (GMAT) score as the entry criteria for MBA students (Leavitt, 1989). A successful GMAT score requires strong quantitative skills, thus reinforcing student expectation and demand for technical content.

Further criticisms of content being uncritical, value laden and sometimes unethical, are serious concerns as they go to the purpose of management education and the role of the university as a contributor to citizenship. The MBA has been charged with being an “instrument of convention and possible prejudice” (Starkey and Tempest, 2005, 78). Rather than challenging the status quo, the curricula of the MBA reinforce existing practice and values (Grey, 2004; Mintzberg, 2004; Spender, 2007; Khurana, 2007). The values taught in the MBA are the values of the corporation and the supremacy of shareholder interest (Trank and Rynes, 2003) or the manager’s self interest (Khurana, 2007). Corporate scandals are judged to be evidence of business schools being “ethically compromised” (Starkey et al., 2004, 1523).
The second issue in teaching 'relevancy' is the nature of those teaching in business schools, the management educators. They are variously criticised for being either too academic (Bennis and O'Toole, 2005) or not sufficiently academic (Zimmerman, 2001; DeAngelo et al., 2005). Proponents from both sides justify their positions identifying similar causal factors: insufficient faculty staff and resources, media rankings and inappropriate recruitment and promotion systems. This subsection examines the arguments for and against educators being either too academic or not academic enough.

First, attacks on the relevance of management education being caused by educators who are too academic are based on the arguments that competition and incentives denigrate teaching and practice and lead to specialisations that are not conducive to teaching practical, integrated and relevant material. As a consequence of the imperatives to research and publish, management academics are directed away from holding an interest in teaching (Bennis and O'Toole, 2005; Harmon, 2006). There is no incentive for management academics to have experience or even interest in the practical concerns of business and management that would augment the relevance of teaching (Bennis and O'Toole, 2005). As a result of overemphasis on research, academics are recruited from increasingly specialised disciplines isolated from the concerns of general management (Bennis and O'Toole, 2005). Paradoxically, a concentration of staff and resources into research results in increased employment of adjunct or casual teachers (Pfeffer and Fong, 2002; Bennis and O'Toole, 2005) who are in turn accused of not being sufficiently academically qualified.
Second, and conversely, are the accusations that management educators are not sufficiently academic. These arguments rest on three grounds: an overemphasis on teaching at the expense of research driven by media rankings and the need to keep students happy (Zimmerman, 2001); a deficiency of doctoral students leading to a shortage of qualified academics (Nemetz and Cameron, 2006; DeAngelo et al., 2005; Zimmerman, 2001); and an over reliance on large numbers of adjunct or casual teachers (Pfeffer and Fong, 2002; Nemetz and Cameron, 2006; DeAngelo et al., 2005). A longitudinal study of the perceptions of management educators on the relative balance between theory and practice in teaching found that an emphasis on theory in the 1970s was replaced with a swing away from theory toward practice in the 1980s and a return to theory emphasis in 2005 (Wren, Halbesleben and Buckley, 2007). These findings suggest that, rather than being too academic or too practical, management educators adjust their teaching to institutional demands such as the current priority on research.

Resource constraints along with a lack of doctoral students and qualified academics has resulted in an over reliance on casual or part-time teachers which the subsequent development of an academic ‘underclass’ without secure employment (Nemetz and Cameron, 2006). An excess of casual academics in turn leads to a decrease in quality in terms education, reputation and work life, as casual staff have less qualifications and less time for students and full-time academics have more administrative responsibilities with less time for research and teaching (Nemetz and Cameron, 2006). In defence of casual academics, Trank and Rynes (2003) argue that the business experience of these teachers compensates for their lesser qualifications and helps overcome accusations of faculty being too academic. Others cite the presence of full-
time practitioners teaching in law and medicine as being essential to professional education (Starkey and Madan, 2001; Nemetz and Cameron, 2006). “In practice, business schools need a diverse faculty populated with professors who, collectively, hold a variety of skills and interests that cover territory as broad and as deep as business itself” (Bennis and O’Toole, 2005, 104).

In summary, the criticisms of the relevancy of management teaching, similarly to research, turn on whether it is too practical or too academic. Also, similar to the research debates, are the influence of external rankings and internal institutional pressures. Increasing reliance on casual educators has implications for both teaching and research. The conflicts and contradictions arising from the themes of competition, research and teaching have served to cloud the purpose of a business school.

Clarity of Purpose

The final theme in the relevance debate is the question of purpose. The purpose of a business school lies at the heart of the debate, a debate polarised between those who believe business schools are too isolated from practice and those who believe the schools are too responsive to external stakeholders (Trank and Rynes, 2003, 199). Despite different perspectives on which constituencies should be privileged, there is general agreement that business schools have lost their way, have inappropriate value propositions, conflicting missions and competing constituencies.

Spender (2007) attributes confusion of purpose to business schools not understanding their success and hence their mission so that their value proposition lies in what they
do rather than what they know. What they do is to credential and socialise students rather than apply their research to enhance business and management. Similarly, Pfeffer and Fong (2004) advocate the need for business schools to change their value proposition from promises of career enhancement and money making, to one of intrinsic interest in the subject matter and intellectual engagement.

However, history indicates that management education never had a single way, a clear value proposition nor unified constituencies. It could be argued that the absence of these characteristics in business schools has allowed them flexibility to respond to various internal and external demands, reinventing themselves to achieve growth and financial success like no other academic discipline. But their very success, absence of purpose and difference from other academics makes them vulnerable in their claim to be a legitimate part of academe. The broad questions of relevance arise from this vulnerability and demand examination of the constituencies to whom management education is relevant. The major constituencies, academe (including university, school and discipline); current students; practitioners; and public, are now discussed.

Being relevant to academe begs the questions of what is ‘academe’? For some it is about colleagues and winning respect through research effort (Harmon, 2006). For others it is the employing institution and meeting institutional demands for research output to enhance institutional reputation or gain promotion (Pfeffer and Fong, 2004). For many business school academics, it means working to supply income to the wider university as senior managers have come to view business “as a honeypot to attract students” (Starkey et al., 2004, 1527). All three views are narrow interpretations of ‘academe’ and ignore the broader meaning of scholarship and the role of a university,
including its relevance as a social institution in serving wider audiences (Boyer, 1990; Mowday, 1997).

Being relevant to students raises questions of whether the need is to be relevant directly to students or, through students, to their future employers and/or society. Direct relevance to students can result in pandering to utilitarian demands for credentialing to meet career and money making motivations (Trank and Rynes, 2003; Pfeffer and Fong, 2004). However, students can hardly be blamed if they simply respond to the value propositions and images offered by the schools in the first place (Gioia and Corley, 2002). Being relevant to students also leads to issues of return of investment to the student (Connolly, 2003; Pfeffer and Fong, 2004). Such value propositions are not only doomed on purely utilitarian grounds by Pfeffer and Fong (2002; 2004) but, ultimately detract from credibility in all contexts (Bok, 2003).

Being relevant to ‘business’ or ‘practitioners’, to which most participants in the debate refer, begs the questions of what is meant by ‘business’ and ‘practitioners’, and ‘practitioners’ of what? Restricting relevance to business and practitioners ignores the fact that not all students are or will be employed in business, and may or may not be managers (Grey, 2004). It also leads to substituting media and recruitment firms as proxies for business to dictate the what and how of management education (Gioia and Corley, 2002, Pfeffer and Fong, 2002, 2004). Additionally, Grey (2001) argues that ‘the managed’ are equally important stakeholders as they pay the taxes to support the institutions. Restricting relevance to these constituencies ignores the “tremendous societal impacts [of] professionally trained leaders, managers and specialists” (Friga et al., 2003, 233).
As a constituency of management education, the public interest is less mentioned than business, media, academia and students. However, the public interest is concealed in the background of most critiques of management education and only occasionally made explicit (Grey, 2001; Starkey and Tempest, 2005; Bridgman, 2007a, 2007b; Spender, 2007). For example, Starkey and Tempest (2005) raise the question of whether the business school has come to reflect a society that is individualist and consumerist or whether it has helped create it.

The more constituencies or stakeholders identified by a business school, the harder it is to determine “the sense of an overarching mission” (Starkey and Tempest, 2005, 68). In such circumstances economic utility can undermine commitment to broad notions of scholarship (Boyer, 1990) and autonomy (Starkey and Tempest, 2005; Bridgman, 2007b). While ever there is uncertainty as to whom business schools must be relevant, their purpose remains unclear and debates on what is relevant are without direction. In fairness, the university itself has multiple constituencies, and, not unlike many institutions, must find a balance between competing demands (Bok, 2003). Pressures from multiple constituencies with conflicting demands have been a hallmark of Australian higher education in the past two decades, pressure which are exemplified in the experience but not the discourse of Australian business schools.

4.0 Lessons for Australia

Unlike their counterparts in the US with experiences of both the ‘professionalisation’ and ‘academic’ projects prior to the ‘commercialisation project’, most Australian
business schools were the product of a ‘commercialisation’ project embraced by the wider higher education sector. Management academics were either too few in number prior to the expansion of business schools, or too busy being a business, to engage in debates about relevancy. Although Australian business academics have not been participants in the debate, they are now firmly established in the global market for management education, and as such subject to the insecurities and competition that arise from that market. The themes outlined have contemporary relevance for Australian business schools as they face an uncertain future and can benefit from the experience and challenges of other business schools. This section begins with an overview of the Australian higher education sector (AHES) and its impact on business schools, followed by discussions of the four debate themes pertinent to Australian business education.

Governments throughout the western world have “repositioned universities as a tool of economic growth” (Parker, 2007, 7) and nowhere is this more obvious than in Australia where the Australian Government boasts that international education is the fourth largest export industry worth $12.5 billion in 2005-2006 (IDP, 2008). In the decade 1996-2005, the rapid growth in international students has resulted in Australia now having the highest percentage of international students in the world (OECD, 2007). Twenty seven percent of total higher student enrolments in 2007 were international students (DEEWR, 2008). Not coincidently, this growth was matched with an increase in university income from non-government sources of 98% and a decrease in government funding of 4%, so that the average revenue from private funding sources increased from 32.1% to 52.8% of total revenue making the AHES amongst the most reliant on private funding in the world (OECD, 2007). Without the
philanthropic culture prevalent in the US (Contractor, 2007), student fees, especially from international students, constitute the main source of private funding.

Slaughter and Leslie (1997) describe Australian universities as more entrepreneurially aggressive than their US counterparts. The universities are not only entrepreneurial but highly focussed on financial management. During the decade, 1996-2005, overall students in higher education increased by 70%, while full-time academic staff numbers dropped by 2% (DEST 2007) and casual academics increased by 58% (Cecez-Kecmanovic et al., 2002). Paradoxically, despite decreases in government funding in the past decade or so, government influence and control of higher education has increased substantially (Ryan et al., 2008).

In 2003, the Australian Government further deregulated higher education to allow private providers to offer degrees. The first Government registered private providers occurred in 2006, and by 2008 accounted for 10% of the higher education ‘market’ (Lane, 2008). In the years between 2006 and 2007, private providers increased by 14% to 105 and their enrolments increased by 92.6% compared to public universities which increased by 2.1% (DEEWR, 2008). The majority of these private providers are small specialised institutions that concentrate on teaching mainly international students rather than research. They pose a threat to the public universities as an alternative higher education option for both undergraduate and postgraduates (Lane, 2008).

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2 Statistics for Private higher education providers were released for the first time in 2008. The number of private providers and their student enrolments relate only to those providers registered by the Australian Government. It is estimated that these number would double if providers registered by the State governments were included (Lane, 2008).
Australian business schools are responsible for much of the financial 'success' of their universities by attracting a majority of full-fee paying students, both international and postgraduate coursework students. The schools have also been subject to the pressures that come with increased student numbers and student diversity. The remainder of this section provides a brief overview of business education in Australia followed by drawing out propositions developed from discussions of each of the debate themes: competition, research, teaching and purpose.

Management Education in Australia

The first Australian MBA program commenced in 1963, paving the way for the gradual introduction of both postgraduate and undergraduate business education into universities. Australian graduates from American MBA programs were behind the introduction of the first Graduate Schools of Business in Australia. These graduates convinced both universities and governments that business schools were needed to improve the skills of senior managers. The first three schools, modelled on the full-time, two year American MBA were established as 'stand alone' schools, charging full-fees to local students and separate from any faculty (Byrt, 1989). Their separation from existing faculties of economics and commerce was the result of tensions within the traditional university structures arising from the multidisciplinary nature of the MBA and its links to business (Palmer, 2002). The early programs were explicitly designed to "disperse North American ideas on management education through the MBA" (Hardy and Palmer, 1999).
Government influence on management education in Australia has been both direct and indirect. Government interest in management education, especially its contribution to improving competitive business skills is demonstrated by the three inquiries into management education by the Federal Government in 1970, 1980 and 1992 respectively. Although each inquiry had the effect of increasing the number of MBA programs and business schools (Byrt, 1989; Lockhart and Stablein, 2002), the real growth in business schools was a response to deregulation of the AHES in the late 1980s (Byrt, 1989).

Changes in government policy and funding, combined with international and local student demand, led to the rapid expansion of management education during the 1990s as university administrators quickly recognised the income producing value of management education to the institution. In response to perceived international competition, and in line with a desire to increase enrolments and enhance revenue through full fee paying postgraduate programs, entry standards were lowered (the GMAT was gradually replaced by less onerous criteria) and course loads and program completion time reduced (Smith and Frankland, 2000; Cervini, 2006; Marginson, 2006). By the late 1990s, every Australian university offered at least one MBA program and their business schools were busy competing against each other in the lucrative Asian market.

Since the 1990s, business schools have led the expansion of full-fee paying students, both international and postgraduate, in the AHES. Australian business schools were

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1 Economics and accounting were long established in universities but undergraduate business degrees were offered by Colleges of Advanced Education (CAE) until the late 1980s after the amalgamation of CAE into universities and the unification of the higher education system (Byrt, 1989).

2 See Cyert Committee, 1970; Ralph Inquiry, 1980; Karpin Inquiry, 1992
among the first in the world to take their programs into Asia, establishing both their own offshore campuses and alliances with offshore private and public educational providers. In 2007, offshore students accounted for 31% of all 273,000 international students enrolled in Australian universities (DEEWR, 2008) and by over 70% were enrolled in business programs. Both in Australia and offshore, business schools compete to attract international students, often the basis of cost (Marginson, 2006). Calls for Australian universities and business schools to collaborate in building an Australian brand of education, built on quality rather than cost, have generally gone unheeded (Cecez-Kecmanovic et al., 2002; Marginson, 2006).

Australian business schools as the engine of a sector wide ‘commercialisation project’ is evidenced by 50% of all international students being enrolled in business/management programs and almost 50% of all postgraduate coursework programs are in business (DEEWR, 2008). This ‘success’ has not come without sacrifice. Staff-student ratios for business schools are the highest of any discipline in Australia at 1:34 (DEST, 2007); casualisation of academic staff is also the highest at 48% compared to 30% for other disciplines (Cecez-Kecmanovic et al., 2002); and research output amongst the lowest (Palmer, 2002). An estimated two thirds of undergraduate students are taught by casual teachers (O’Keefe, 2007).

Concern for the state of business education led to an Australian Government funded study of the field in 2002 (Cecez-Kecmanovic et al., 2002). The study, which concentrated mainly on undergraduate programs, painted a bleak picture of business schools as being understaffed and under resourced. Overworked business academics supported by an increasingly large cadre of casually employed academics were
teaching a diverse range of students in non-traditional hours, in multi-locations and modes to produce revenues to subsidise the wider university while having to forgo time and opportunity for research and other scholarly engagement. A scoping study to improve teaching and learning in Australian business schools undertaken five years after the 2002 report, acknowledges that staff-student ratios, rates of casualised staff, academic workloads and resource deficiencies remain key challenges for business schools (Freedman, Hancock, Simpson and Sykes, 2008).

Despite the state of business schools, advocacy on behalf of Australian business education had been missing. Prior to the large increase of business schools in the mid 1990s, there was neither the pressure nor a sufficient critical mass of management academics to engage in debates on management education. Since there has been a sufficient mass of academics, the pressures of competition and survival appear to have sidelined any discussion of the direction of management education. Business deans in Australia did not form a national group until late 2005, when the Australian Business Deans Council (ABDC) was established (Freeman, 2006).

Overall, it seems that Australian business schools have forgone debates about the relevance of their programs and research in favour of growing students numbers and revenue through increased program offerings and establishing themselves in Asia and online. However, there are two reasons why the ‘relevance’ debate is not totally lost in Australia. First, the recent formation of the Australian Business Dean’s Council with its intent to raise awareness of business education is an important opportunity to examine questions of relevance. Second, there is increasing recognition of the damage done to quality and reputation which, along with an over reliance on business
education in the face of softening markets and private competition, puts the larger higher education sector at risk. The remainder of the section further explores these issues in relation to management education in Australia under the four themes outlined earlier in the paper, competition, research, teaching and purpose.

**Competition – the ‘commercialisation project’**

The ‘commercialisation project’ has been the driving force behind the growth of Australian business schools. The schools and their universities are engaging in expensive branding and marketing exercises, but how serious is the competition and where is it leading? At the national level of internal competition for domestic students, the literature suggests that factors other than reputation, determine choice of university for the majority of students (Dill and Soo, 2005; Dill, 2007). At the international level, especially in Asia, business schools vigorously compete with each, possibly to the detriment of reputation (Marginson, 2006). At both levels, the increasing number of private providers offering business degrees is a new form of competitor with which public universities have had little experience.

In the future, growth in student numbers may be affected more by external factors than marketing efforts. Domestically, a reduction in government subsidy to undergraduate business students may encourage them to seek enrolment in other more highly subsidised programs outside business faculties (Armitage, 2007). Internationally, the strength of the Australian dollar against the US dollar is eroding Australia’s cost advantage for international students (Marginson, 2006). This latter threat is particularly pertinent to the MBA market as differences between programs are minor and reliance on international students is high (Marginson, 2006).
Contrary to the warnings, the presence of a strong Australian dollar since 2006, has not stemmed the flow of international students, but there are signs of it being redirected toward private education providers and away from the public universities (Lane, 2008). Until 2006, Australian universities were protected from private sector competition but with the registration and rise of private higher education providers, business schools are presented with a new form of competitor (O’Keefe, 2007; Lane, 2008). These providers have quickly picked up on the financially lucrative market for business education. The number of students enrolled in their business courses grew by 272% between 2006 and 2007, including an overall increase of 366% in international student enrolments (DEEWR, 2008). Business education is the second largest but fast growing field among the private providers with 29% of all students in 2007 (DEEWR, 2008). Business schools may have to look to their attributes as part of a social institution to differentiate themselves as a means of ensuring survival in the ‘market’ (Grey, 2001; Bridgman, 2007a)

One effect of international competition, particularly student preferences for metropolitan universities and business programs, has been an imbalance in the geographical distribution of international students across universities and faculties. Attempts by non metropolitan, and often the poorest, universities to redress the geographical imbalance by offering low-cost, under-resourced business programs in major cities have created problems for the reputation of Australian higher education. They are described as “junk universities and junk departments” downgrading the perceived quality of Australian higher education and its business faculties (Slattery, 2008, 30).
Until recently, business school accreditations and rankings were less influential in Australia than overseas. Despite recommendations for an Australian accrediting agency in 1992 (Karpin, 1995) and 2002 (Cecez-Kecmanovic et al., 2002). Australian business schools preferred to seek accreditation from the existing agencies in the UK, US and Europe. Although media rankings exist in Australia, there is little evidence, outside the three or four potentially ‘elite’ business schools, that media rankings affect the behaviour of students and schools as they might in the US (Dodd, 2005; Moodie cited in Roberts and Thompson, 2007). For domestic postgraduate students, few can afford to take two years out of work to complete full-time MBA program preferring to undertake part-time studies at night, weekends or online (Slattery, 2006). Australian employees are less likely to require or sponsor MBA qualifications so decisions to undertake further study are made by the individual, usually on pragmatic grounds of cost, flexibility and location convenience (Karpin, 1995; Teicher, 2006; Manns, 2007). Despite this, participation by business schools in accreditation and ranking exercises is growing.

While business deans and marketing managers may be convinced of the benefits of accreditation and ranking, management academics are more sceptical. Australian business academics recently reported their concerns over the time and money costs involved in seeking international accreditations when resources for teaching were being stretched too far (Freeman et al., 2008). In recognition of the potential impact of rankings, the ABDC prepared a discussion paper for the media in an effort to improve the methodology of rankings (Jones, Speed and Edwards, 2007). This was
done despite evidence that they have little influence on student choice apart from the minority of full-time students wanting entry to elite schools.

Lesson

For almost two decades the commercial project has dominated, especially in the international student market. Engagement with this project has taken its toll in terms of quality of education and redirection of resources. Potentially weakening markets and the emergence of new competitors in the private sector provide business schools with an opportunity to change their focus to the ‘core business’ of research and teaching to restore reputation, and perhaps, protect market share.

Research – the ‘academic project’

Similar to other nations, institutional reward systems in Australian universities strongly favour research and publications over teaching (Foster, 2007; Howard, 2008). However, the ‘relevance’ of type and method of research has not been an issue, possibly because of insufficient research output and insufficient full-time academics. Despite having over 30% of all student enrolments in higher education, doctoral students in business account for only 7% of all doctoral students (DEEWR, 2008). Given the teaching loads and class sizes of Australian business academics, it is not surprising that the research output has been lower than in other disciplines (Cecez-Keemanovic et al., 2002; Palmer, 2002).

Yet, there are indications of increasing interest in the ‘academic project’ over the past two years with preparations for a national research ranking system (Parker, 2007).
These preparations have included merging autonomous graduate schools of business into larger undergraduate business faculties (Slattery, 2006). Based on the US and UK experiences, research ranking frameworks bring with them the pitfalls of overproduction of irrelevant research and redirection of resources away from teaching (Starkey and Madan, 2001; Spender, 2007). Already there is evidence of this latter practice from business academics complaining that preparations for the proposed research ranking exercise were diverting resources away from teaching (Freeman et al., 2008).

The type of research being done by Australian business academics may be negatively affected by the very efforts being made to bolster research output. In particular, merging graduate schools of business into large undergraduate faculties to create larger discipline clusters to boost research output, further isolates disciplines from each other and undermines opportunities for interdisciplinary research and the development of management as a discipline rather than a collection of disciplines (Starkey and Madan, 2001; Harmon, 2006; Spender, 2007; Howard, 2008; Ryan, Neumann and Guthrie, 2008). Ironically, early calls to merge autonomous graduate schools with larger business faculties were based on a desire to increase interdisciplinarity in management research (Hardy and Palmer, 1999).

There is already anecdotal evidence that business schools are participating in bidding wars to hire established researchers in preference to young career researchers or those with teaching abilities (Cecez-Kecmanovic et al., 2002; Lebihan, 2007). Experience elsewhere shows such activities inevitably drive up costs and reduce resources leading to further casualisation of teaching academics with subsequent pressure on full-time
academics to manage them ((Pfeffer and Fong, 2002; Bennis and O’Toole, 2005; Harmon, 2006; Nemetz and Cameron, 2006)). Neglecting the employment young career academics exacerbates the national shortage of business academics. The relatively small number of doctoral students in business education may be attributed to a number of causes, including higher salaries outside of the university and lack of time for supervision by full-time academics (Zimmerman, 2001; Palmer, 2002). In either case, the paucity of doctoral students does not bode well for increasing research output or for replenishing the already depleted supply of business academics (Healy, 2008; Brailsford, 2008).

Lesson

Until recently the ‘academic project’ has been stymied by the dominance of the ‘commercialisation project’ with a resultant lack of time for research. Increasingly business schools are focussing on the ‘academic project’ but in a manner that potentially undermines opportunities for relevant interdisciplinary research and the development of management as a discipline. Business schools are also at risk of engaging in overproduction of research to meet internal and external rankings. Practices such as recruiting established and thus expensive, researchers may offset any short term gains in research output with costs to the ‘professional project’ and the longer terms development and supply of management academics. There remains time before finalisation of a national research assessment framework for business schools to examine these issues and determine a means of managing them so that the ‘professional project’ may be kept alive.
Teaching – the ‘professionalisation project’

To date, the ‘professional project’ has received the least attention of the three projects and this has been to the detriment of both program content and educators. The structure, content and textbooks of Australian MBA programs are essentially replicates of MBA programs from the US (Clegg and Ross-Smith, 2003). The need for interdisciplinarity in management education, although common throughout the literature, was highlighted as a particular problem in Australia (Cecez-Kecmanovic et al., 2002). This was further supported Mathews (2003) whose study business curriculum found Australian business academics held concerned that business programs were too vocationally oriented and insufficiently integrated (Mathews, 2003). Calls to design a more Australian MBA curriculum that is interdisciplinary and critical in its approach have largely been ignored (Bubna-Litic and Benn, 2003). As with research, the creation of large business schools to cater for disciplinary research clusters potentially undermines exchange between the disciplines and dissipates focus on, and responsibility for, program and course integration (Green, 2006).

Program content is also affected by the nature of the students, in particular their ability, experience and diversity. The dumbing down of the Australian curriculum is attributed, not to students behaving like consumers, but to low entry standards, decreased program requirements, language difficulties and diversity within large classes. Experience rather than ability, as measured by GMAT scores, was the preferred entry criteria to postgraduate programs (Palmer, 2002), but even experience has been reduced or abandoned as an entry criteria in order to attract international students (Marginson, 2002; Saunders, 2006). In addition to lowered entry criteria for
acceptance into business programs, course loads within programs have been reduced to attract more students, both domestic and international, so that many postgraduate courses resemble recycled undergraduate courses (Marginson, 2002: 2007).

International students provide one of the major challenges for Australian business schools in terms of their diversity of background and abilities, including language skills (Birrell, 2006). International students have changed the nature and balance sheet of Australian higher education, most especially in business education. There have been significant penalties for over representation of international students in business schools especially when they “take marginal students and collaborate in migration-driven enrolment in which the program is irrelevant and scholarship is devalued” (Marginson, 2007, 9). While universities and government continue to call for greater internationalisation of curriculum, domestic business students complain that the curriculum is overly internationalised (Cecez-Kecmanovic et al., 2002). The proliferation of international students in business schools in metropolitan universities has caused a lack of integration between local and international students in addition to threats to quality (Marginson, 2007; Das and Jensen, 2008). High levels of national diversity among students is challenging in time and effort for educators and requires greater institutional investment in teaching and learning support (Freeman et al., 2008; Barthel, 2007).

The issues affecting business educators are similar to those in the US and UK relating to shortages of qualified academics and high rates of casualisation among business educators (Freeman et al., 2008). Shortages are exacerbated by continuing growth and expansion in student numbers, lack of financial resources, staff redundancies, low
numbers of doctoral students, relatively lower salaries for Australian academics, an aging full-time faculty and less recruitment of younger staff (Macnamara, 2007; Lebhan, 2007; Brailsford, 2008). Given the large numbers of part-time and casual staff, Australian business educators are more likely to be less academic than overly academic. Although shortages and casualisation of educators is a global problem, it is most acute in Australian business schools where the pool of qualified academics is small (Lebhan, 2007). While business deans justify the rates of casualisation as providing students with exposure to practitioners (Lebhan, 2007), the reality is greater administrative loads for full-time faculty and less access to educators for students (Ćeeez-Keemanovic et al., 2002).

**Lesson**

The ‘professionalisation project’ has been, and still is, the poor cousin to the others despite teaching being the raison d’etre for the existence of business schools. The content of management programs not only lack the relevance of integration and interdisciplinarity, but are undermined in quality and standard subjected to suit the demands and consequences of the ‘commercialisation project’. The quality of management educators and hence education has likewise been weakened by an over reliance on casual teacher and increased workloads of full-time academics. In view of the pressing imperatives from the ‘commercialisation’ and ‘academic’ projects, it will take a strong will on the part of business schools to focus on the ‘professionalisation project’. However, the benefits of doing so may ensure greater relevancy and respect from all stakeholders.
Purpose

Issues of purpose and constituency have not been obvious among Australian business schools. While the first business schools were established to serve national skill development, the majority of schools were established to serve institutional revenue generation and, thus contribute to national export income. Debates on management education being insufficiently or overly academic had long passed by the time Australian business schools began to flourish, and, hence, these issues are rarely addressed. An exception to this lay in the first report of the newly constituted ACBD. The ACBD chose as its first task to commission a report on the value to students of a business degree (ACCESS Economics, 2005). The report was couched largely in utilitarian terms of graduate salary levels and return on investment, terms described earlier as being a doomed value proposition (Pfeffer and Fong, 2002; 2004) and detracting from credibility in all contexts (Bok, 2003).

Discussions of purpose identified the key constituencies as practitioners and other academics. In Australia, there is another important constituency, international students. The impact of international students on business education in Australia appears distinctive to Australia and the presence of international students affects all aspects of business education, particularly quality (Marginson, 2007). If Australian business schools were to reflect on their constituencies and purpose, it might do well to include international students as a separate constituency given their sizeable presence in, and influence on, business schools. Such inclusion would be on the basis of developing a distinctive purpose, not meeting utilitarian demands.

Lesson
Until Australian business schools are ready to seriously reflect on the alternative projects and their meanings to the future of the business school, issues of purpose and value proposition will remain unexamined. An examination of the relevance debates, especially in relation to the ‘professionalisation’ and ‘academic’ projects, should revive interest in value propositions built around intrinsic interest and intellectual engagement (Pfeffer and Fong, 2004) replacing the utilitarian proposition put forward by the ABDC and offering business schools a legitimate place in the university. The conscious inclusion of international students as a stakeholder in the Australian business school is a means for the schools to differentiate themselves and offer a broader education for all.

5.0 Conclusion

This paper raises important issues for Australian business schools stemming from the debate on the relevance of management education, a debate largely held outside of Australia. The history of management education combined with contemporary themes in the debate on the relevance of management education are used as a basis to draw out lessons for Australia. Over the past two decades, Australian business academics have been focussed on generating profits for their universities and have not had time to reflect on the state of their field and engage in public debates on quality and educational outcomes. Ironically, impending threats to their financial success from changing markets and new competitors, make such contemporary reflection important. A focus on ‘core business’ and reputation rather than revenue, may ensure longer term financial security.
Concluding his history of management education in Australia, Byrt (1989, 14) proposed a broad vision for the future of management education, one that would “widen the horizons, conceptually, environmentally and emotionally, develop analytical abilities [and] facilitate self awareness”. Since this was written in the late 1980s, the landscape for business schools has changed radically with the imperative to pursue growth and revenue generation. It is small wonder that Australian academics have been absent from the debates on relevance, questions of relevance were lost long ago. However, there now exists a strong utilitarian reason, longer term survival, for business schools in Australia to engage in the ‘relevance’ debate and with more scholarly discourses. Australian management academics have the advantage of the experience and words from elsewhere to assess the consequences of past actions and future decisions.

The issues raised in the debate on management education are important for the wider university sector. “The business school stands at the fault line where the future of the university and the future of society intersect”, where contests between the state and market are played out positioning the business school as key site for addressing this challenge (Starkey et al., 2004, 1527). Can the business school, and the university more generally, remain in a space where autonomy is based on philosophical reflection or will “subservience to practical utility” take precedence (Starkey and Tempest, 2005, 67)? The foundation of the relevance debate in management education is “an irredeemably political contestation about the nature and purpose of business schools” (Grey, 2001, S27), a debate that increasingly needs to be repeated in the Australian higher education section generally.
References


