Australian Business Schools: more than ‘commercial enterprise’?

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ABSTRACT

This paper raises important issues for the identity of Australian business schools arising from the debate on the relevance of management education, a debate largely held outside of Australia. The identity theory of Laclau and Mouffe (1985), adapted to organisations by Bridgman (2005), is used as a basis to examine both general issues in the ‘relevance’ of management education debate and their pertinence to Australian business schools based on three competing identities: the ‘academic department’, the professional school’ and the ‘commercial enterprise’. The paper concludes that, although pressures from external government policies and internal institutional priorities have resulted in business schools becoming ‘cash cows’, appearing to privilege the ‘commercial enterprise’ discourse, the values and identities of individual academics and their academic units remain aligned with the ‘professional school’ and ‘academic department’. While the dominance of one discourse or identity is yet to be decided, the debate is highly pertinent to universities in developing their own identities in an environment of competing pressures and discourses.
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). Historically, especially in the United States, the debate has been between academic rigour and practical relevance. More recently, a third element has entered the debate, that of ‘being a business’. The relevance debate reflects “the tensions between the dictates of the discipline, the needs of managers [practitioners] and the politics of the university” (Spender, 2007, 34) and in doing so becomes a contest for the identity of business schools (Bridgman, 2005).

Organisational identity is broadly defined as the common perceptions of organisational members of what is distinct about their organisation making it different from others and enduring over time and circumstance (Alvesson and Empson, 2008). A more dynamic definition is employed by Bridgman (2005) and used in the paper. Drawing on the discourse theory of identity of Laclau and Mouffe (1985), Bridgman (2005) explains organisational identity and identity change as having three main characteristics. First, organisational identities are not stable and enduring but subject to change from competing discourses of what the organisation is meant to be. Second, organisational identity is the product of both the beliefs of organisational members and the organisational practices that support or challenge these perceptions. Third, organisational identity represents a power struggle because members and external phenomena have different degrees of power in directing the discourse. “The affirmation of any organisational identity necessarily involves the displacement of others and is therefore an act of power that serves particular interests” (Bridgman, 2005, 18).

From his interviews with sixty five UK academics from six business schools, Bridgman (2005) identifies three competing discourses in the ‘contest for identity’: the ‘professional school’ (practice related teaching); the ‘academic department’ (rigorous research) and the ‘commercial enterprise’ (the need to be a business). Being subject to these competing discourses, makes the business school an ideal site for understanding identity as the discourses produce internally conflicting objectives (Bridgman, 2005; 2007a). The struggle between competing discourses is manifest in the tensions and debates over the relevance and purpose of business schools (Bridgman, 2005,).

The question of purpose, or value proposition, of a business school requires understanding various constituencies and their influence on the school. 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). When this occurs, the value proposition for business schools lies in the utility of what they do, credentialing and socialising, rather than what they know, creation and transmission of knowledge (Spender, 2007; Khurana, 2007). The current value proposition for US business schools is described by Pfeffer and Fong (2004) as based on utilitarian promises of career enhancement and money making rather than intrinsic interest in the subject matter and intellectual engagement. Among UK business
schools, Bridgman (2005) and Stiles (2004) found the research discourse to be dominant, however, this was clearly motivated by the national Research Assessment Exercise (RAE) which determines government funding, institutional status and individual career prospects.

Both identity and debates on relevance are significant to understanding universities. The identity of the academic unit largely determines the level of productivity in relation to teaching and research (Blackburn and Lawrence cited in Knight and Trowler, 2000; Ransdell (1998). The relevance debate is important, not only because of the value of self reflexivity; but also because of the need to view the debate in the context of the increasingly uncertain identity of universities (Starkey and Tiratsoo, 2007). To date, management academics from the US and UK have been the major contributors to the debate. Australian contributions have been scarce, despite the rapid growth of business schools (Cecez-Kecmanovic, Juchau, Kay and Wright, 2002) and significant changes to the higher education system in this country (Ryan, Guthrie and Neumann, 2008).

In the face of declining government funding, business schools and international students have been a major source of income or ‘cash cows’ for Australian universities (Macfarlane, 1995; Hazeldine and Miles, 2007). For almost a decade, thirty per cent of all students in Australian higher education institutions have undertaken business degrees (DEST, 2007) with fifty per cent of business students being full fee paying international students which compares to twenty five per cent for the total higher education sector (DEST, 2007). In Australia, the interests of the university and its business school are closely intertwined.

The purpose of this paper is to apply Bridgman’s (2005) framework to understand the implications of the debate on the ‘relevance’ of management education for the identity of Australian business schools (ABS). Bridgman’s three discourses are used as a framework to summarise key criticisms within the broad debate and then test their relevance to ABS based on literature analysis and empirical research in graduate schools of business (Ryan and Guthrie, 2008a). Section 1 summarises the debate issues for each of the three discourses: commercial enterprise, academic department and professional school. Section 2 provides an overview of ABS in terms of the three discourses and section 3 draws tentative conclusions about the dominant discourse in Australia and points to its relevance for higher education institutions.

1. Issues within the discourses

This section examines the general controversies and criticisms raised in the literature on the relevance of management education and business schools. The issues are organised according to each of the three competing discourses suggested by Bridgman (2005): business school as ‘academic department’; ‘professional school’; and ‘commercial enterprise’.

1.1 Business School as ‘Academic Department’

The ‘academic department’ privileges research over all else, prioritising communication with academics ahead of interactions with external audiences or students (Bridgman, 2005). However, within the relevance debate the role of
management research is questioned in terms of there being too much, too little and whether it has any utility apart from reputation enhancement. This sub-section addresses each of these three issues.

First, an overproduction of research is attributed to rankings and research measurement exercises where quantity of research output is more important than quality (Harmon, 2006). There is a tendency for the primary goal of research in business schools to be the enhancement of reputation through status competition rather than enhancement of management practice (Pfeffer and Fong, 2002; DeAngelo, DeAngelo and Zimmerman, 2005). Competition for status results in an overproduction of irrelevant research because quantity not content is the only measure of relevance for rankings (Bennis and O’Toole, 2005; Harmon, 2006; Parker, 2007). An overemphasis on research detracts time, effort and resources from teaching (Harmon, 2006; Spender, 2007) and leads to goal displacement whereby the “organisation’s overall goals are displaced or otherwise unmet [by the] commodification and practical irrelevance of business scholarship” (Harmon, 2006, 235).

Driven by status competition and, in the case of the UK, by the national funding and assessment process, the RAE, (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, 2005; 2007a; 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 research publication regardless of relevance becomes the goal.

Second, and conversely, business schools are criticized for an underproduction of research caused by a shortage of qualified academics and an increasing reliance on casual academics. A decline in doctoral students and the aging of tenured faculty has created a shortage of qualified management academics resulting in the recruitment of less qualified casual academics (DeAngelo et al., 2005; Nemetz and Cameron, 2006). The shortage of qualified academics has driven up salaries and led to reduced teaching loads for tenured academics, thus placing additional financial pressure on business schools (Pfeffer and Fong, 2002; Nemetz and Cameron, 2006). Financial pressure leads to cost cutting measures such as employing more casual academics; increasing class sizes and lowering entry criteria. Consequently, although the teaching load may be less, more time is taken supervising casual staff and teaching large and diverse classes, thus negating any savings from load reduction (DeAngelo et al., 2005). Overall research production is minimised by decreasing numbers of tenured academics and the erosion of their time for research through having to engage in more complex teaching requirements and to supervise casual staff (Nemetz and Cameron, 2006).

Third, criticisms of the utility of management research are divided between whether it is too theoretical (Starkey and Madan, 2001; Pfeffer and Fong, 2002; Starkey and Tempest, 2005) or too lacking in theory (DeAngelo et al., 2005,). Calls to increase the relevance of research 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). Further criticisms of research include the absence of integrating, and thus realistic, disciplines (Knights and Willmott, 1997; Starkey and Madan, 2001; Spender, 2007) and the inaccessibility of research to practitioners in terms of language and publications (Starkey and Madan, 2001; Pfeffer and Fong, 2002; Bennis and O’Toole, 2005). In defence of the acceptability of writing for internal audiences, Grey (2001, S29) argues that this is the process whereby ideas are refined, tested, criticised and discarded, “it is central to the development of useable knowledge”. 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 his research on UK business schools, Bridgman (2005; 2007a; 2007b) found that, with the exception of one school, the ‘academic department’ was the dominant discourse and both academics and their business schools identified primarily as ‘scholars and scholarly’. One of the six schools was experiencing an identity crisis by attempting to maintain the ‘professional school’ identity in the face of institutional practices promoting the ‘academic department’. Research comparing the values and identity of business school academics in the UK and Canada confirmed that UK schools were more likely to identify as ‘academic departments’ than their Canadian counterparts who were more divided in their values and slightly favoured the ‘professional school’ over the academic department (Stiles, 2004). Both studies pointed to the influence of the RAE in the UK in reinforcing the ‘academic department’ identity in the UK.

Issues of relevance for the ‘academic department’ are summed up as management research being a victim of either reputational imperatives leading to an excess of irrelevant research, or resource deficiencies that impede the production of quantity and quality of research. A further contradictory set of criticisms concerns whether the research is excessively or insufficiently theoretical. Regardless of criticism, the ‘academic department’ competes primarily with the ‘professional school’ for precedence in identity.

*Business School as ‘Professional School’*

The ‘professional school’ is a “practical not academic institution” where teaching and developing links with industry take priority over research (Bridgman, 2005, 9). Controversies in the wider relevance debate pertinent to the ‘professional school’ are focussed on curriculum and educators. 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 diversity of disciplines in management education, 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). The remainder of this sub-section addresses the issues of curriculum and educators.

First, criticisms of the content of the business curriculum focus on it being irrelevant because it is 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;
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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). Critics argue that because business education is built on individual disciplines with minimal integration, it fails to reflect the multidisciplinary and contextualised nature of practice (Grey, 2004; Mintzberg, 2004; Armstrong, 2005; Starkey and Tempest, 2005; Spender, 2007).

Criticisms that content is uncritical, value laden and sometimes unethical are more serious concerns as they go to the purpose of management education and the role of the university as a contributor to citizenship. The Master of Business Administration (MBA), in particular, 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). Corporate scandals are judged to be evidence of business schools being “ethically compromised” (Starkey et al., 2004, 1523).

Second, management educators themselves 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.

Criticisms directed at management educators being too academic to be relevant point to status competition based on research output denigrating teaching so that academics are too specialised to teach practical, integrated and relevant material. As a consequence of the imperative to research and publish to enhance school reputation and ensure promotion, management academics are directed away from holding an interest in teaching (Bennis and O’Toole, 2005; Harmon, 2006). Paradoxically, a concentration of staff and resources into research results in the 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.

Criticisms of management educators being insufficiently academic rest on two main grounds: an overemphasis on teaching at the expense of research and an over reliance on large numbers of adjunct or casual teachers. The first ground, an overemphasis on teaching, created by media rankings and competition for students, prejudices teaching over research, affecting hiring criteria and increasing opportunities for additional pecuniary rewards. Together these encourage academics to substitute teaching for research (Zimmerman, 2001). Similar arguments about the effect of rankings are used to justify the reverse outcome, that research dominates teaching. The apparent contradiction may be explained in terms of scarce tenured positions being offered to researchers while the more common contract and casual positions are given to teachers (Gioia and Corley, 2002).

The second ground, and similar to arguments explaining underproduction of research, cost cutting and an increased reliance on casual academics to teach, has undermined the professional standing of business schools. The shortage of qualified academics, as
explained earlier, has placed financial pressures on business schools leading them to cut costs by increasing class sizes, lowering entry requirements and employing less qualified casual academic (Pfeffer and Fong, 2002; DeAngelo et al., 2005; Nemetz and Cameron, 2006; Starkey and Tiratsoo, 2007). The consequences are a decrease in quality of education and reputation as qualified academics have less interaction with students, and casual academics not only have lesser qualifications, but little time to give to students outside their contracted teaching time (Nemetz and Cameron, 2006).

In summary, the criticisms of the relevancy of the ‘professional school’ identity reveal similarities with controversies in the ‘academic department’ identity, namely that it is either too practical or too academic. Both of the criticisms are affected by engagement in status competition and resource deficiencies, factors associated with being a ‘commercial enterprise’.

**Business School as ‘Commercial Enterprise’**

For Bridgman (2005), the ‘commercial enterprise’ is the identity used to describe the discourse whereby the school becomes a ‘business’, the values and practices of which are antithetical to both other discourses. Within the context of Bridgman’s research in the UK, the ‘commercial enterprise’ is the result of government initiatives to commercialise research. For the purposes of this paper, the ‘commercial enterprise’ discourse is used in the broadest sense of a focus on profit seeking, albeit through the commodification of teaching or research. This section summarises issues surrounding the ‘commercial enterprise’ identity emanating from the revenue raising activities of business schools and the competition in which they engage.

An historical analysis of management education shows the remarkable ability of business schools to reinvent themselves (Tyson, 2005) and adapt quickly to externalities such as diverse student markets, emerging fields of study, new technologies for delivery and unconventional teaching methods. Their success as an industry has been described as “one of the great (economic) success stories of the past 50 years” (Viten, 2000, 183). Merrill Lynch estimated that, globally, corporations and educational institutions spent a combined $3.3 trillion on management education (2000, cited in Friga, Bettis and Sullivan, 2003).

Developments in management education in the past two decades include: recruitment of international students; appearance of corporate and private commercial institutions development of executive management programs; growth of on-line education; and creation of alliances with international universities, especially in Asia (Mast, 2002; Friga et al., 2003; Thomas, 2007). Within a more globalised and competitive context, the tension between theory and practice has become even more pronounced. The fact that some 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). Still, not all business schools have benefited from their revenues. In many universities, business schools are perceived as a ‘cash cow’ from which their institutions take earnings to subsidise other programs (Macfarlane, 1995; Friga et al., 2003; Starkey and Tiratsoo, 2007) or other non-academic public relations activities (Zimmerman, 2001). It is little coincidence that a change of focus to revenue raising was accompanied by the emergence of competition between schools.
Within the relevance debate, much is made of the role of competition and its impact on determining the behaviour of and identity of business schools. Sources of the competition include both media and research rankings, and accreditation processes. The existence of competition is explained in terms of orchestration by media rankings encouraging business schools to practice what they preach, business (Gioia and Corley, 2002; Pfeffer and Fong, 2004; Hedro, Sahlin-Andersson and Wedlin, 2006b). Rankings are used as marketing tools because they appear to make business schools compete on consumer-based criteria (Zimmerman, 2001; Gioia and Corley, 2002; Dill and Soo, 2005), while accreditation is used as a marketing tool to balance reliance on rankings alone (Harmon, 2006; Hedro, Sahlin-Andersson and Wedlin, 2006a). The following discussion explores the causes and impacts of competition on the values and behaviour of business schools.

The most common causes of competition are media rankings and accreditation processes. Media rankings have publicly had the effect of “the rules of the game” (Gioia and Corley, 2002), a game in which business schools have been active participants (Gioia and Corley, 2002; Trank and Rynes, 2003; Harmon, 2006; Hedro et al., 2006a). 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. Accreditation, instead of being a seal of quality, has become a branding exercise to attract students (Hedro et al., 2006a; 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 scarce 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 commercial identity of schools at the expense of both relevance to the field and rigour in academic pursuits (Zimmerman, 2001; DeAngelo et al., 2005; Bridgman, 2007a; Khurana, 2007).

At the extreme, the ‘commercial enterprise’, with its focus on competition and image management, colonises traditional academic values and identities into those of the business firm. 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). This in turn has the effect of converting students into customers with the attendant problems of keeping students happy regardless of standards and quality (Trout, 2000; Gioia and Corley, 2002; Trank and Rynes, 2003; Starkey and Tempest, 2005), and redirecting resources into ‘non core’ functions such as short term public relations and image management investments (Zimmerman, 2001; Gioia and Corley, 2002; Trank and Rynes, 2003; DeAngelo et al., 2005; Spender, 2007). Overall, participation in competition expands the number of interests that business schools must serve as well as drive a wedge between teaching and research.

Although some literature suggests academic values have been colonised (Parker and Jary, 1995), or are at least open to erosion (Henkel, 2004; Slaughter and Leslie, 1997)
from the impositions of managerialism and marketisation, others refer to the resilience of academic values in the face of such challenges (Pritchard and Willmott, 1997; Kogan, 2000; Henkel, 2004). In relation to the ‘commercial enterprise’ discourse, both Bridgman (2005) and Stiles (2004) found that this was the least powerful discourse affecting the identity of both UK and Canadian business schools. “The conception of the business school as a commercial enterprise might be popular with policy-makers, but it appears large numbers of business school faculty are yet to be convinced” (Bridgman, 2005, 17). Resilience to external impositions by academics is explained in terms of their status being derived from students and colleagues rather than pleasing management (Parker and Jary, 2005); refusing to seriously engage with bureaucratic processes (Pritchard and Willmott, 1997; Henkel, 2004) rejecting ‘hard’ managerialism (Pritchard and Willmott, 1997) and increasing collegial solidarity in opposition to management (Henkel, 2004).

In summary, controversies within these three discourses indicate that the business school is subject to competing forces between the three identities and within each of them. Clearly, not all business schools are the same. They vary, inter alia, in nationality, history, location, size and resources. The following section examines the applicability of issues raised in the relevance debate for each of the three discourses in relation to Australian business schools generally and autonomous graduate schools of business specifically.

2. Australian Business Schools (ABS)

Although Australian business academics have not been active participants in the relevance debate on management education, they are firmly established in the global market for management education and subject to the same insecurities and competition arising from that market. This section begins with an overview of the Australian higher education sector (AHE S) and Australian Business Schools (ABS) followed by discussion of issues and their bearing to each of the three potential identities for ABS. Evidence for status of Australian business schools is drawn from national statistical data, papers by Australian scholars and empirical research on ABS.

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 nation’s third largest export industry behind coal and iron ore (IDP, 2008). In the decade 1995-2005, the rapid growth in international students has resulted in Australia now having the highest percentage of international students in the world (OECD, 2003). Twenty six percent of total higher education enrolments in 2006 were international students (DEST, 2007). Not coincidently, this growth is matched with an increase in university income from non-government sources of 98 per cent and a

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1 Australian business schools are predominantly large multidisciplinary schools offering undergraduate and postgraduate degrees in general business and specific business disciplines such as accounting. A minority of universities have autonomous graduate schools of business as separate academic units operating as a profit centres within the university. These schools are generally smaller but better resourced than their undergraduate counterparts and having a strong commercial in focus and teaching non traditional hours in a variety of modes and locations across Australia and overseas. Graduate business school academics receive salary loadings and/or have opportunities to supplement their incomes through additional teaching, training or consulting.
decrease in government funding of four per cent making the AHES among the most reliant on private funding in the world (OECD, 2007). Australia, similar to the UK, does not have the endowment culture prevalent in the US (Contractor, 2007) so student fees, especially from international students, constitute the largest proportion of private funding sources.

Australian universities are described as ‘entrepreneurially aggressive’ (Slaughter and Leslie, 1997) and highly focussed on financial management based on revenue growth (student numbers) and costing cutting. In the decade 1995-2005, the overall number of students in Australian higher education increased by 70 per cent while full-time academic staff numbers dropped by two per cent and casual academics increased by 58 per cent (Cecez-Kecmanovic et al., 2002). Despite significant decreases in public funding in the past two decades, government influence and control of higher education has increased substantially (Ryan et al., 2008).

Australian business schools are responsible for much of the financial ‘success’ of their universities by attracting the bulk of full-fee paying students, international and postgraduate coursework students. Almost 50 per cent of all international students are enrolled in business/management programs and postgraduate business programs account for 40 per cent of all postgraduate programs (excluding research higher degrees) (DEST, 2007). This ‘success’ has not come without sacrifice. Staff-student ratios for business schools are the highest of any discipline in Australia at 34:1 (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). It has been estimated that up to 80% of undergraduate teaching is carried out by casual lecturers (Percy et al., 2008).

Concern about the state of business education led to an Australian Government funded study of the field in 2002 (Cecez-Kecmanovic et al., 2002). The study paints a bleak picture of business schools 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 at non-traditional hours, in multi-locations and modes producing revenues to subsidise the wider university while having to forgo time and opportunity for research and other scholarly engagement. Five years later, a follow up study by Freeman, Hancock, Simpson and Sykes (2008) reports that nothing has changed in regard class sizes, shortages of academics and casualisation and resource allocation.

With the deregulation of higher education in the mid 1980s, Australian universities were allowed to charge fees to international and postgraduate students. Business education was quickly recognised as a potential ‘cash cow’ in both these areas, becoming the largest and fastest growing sector in Australian universities (Cecez-Kecmanovic et al., 2002). From a macro perspective, at least, it would seem that business schools have been dominated by the “politics of the university” (Spender, 2007, 34) and the discourse of a ‘commercial enterprise’, since the deregulation of higher education two decades ago.

Whether ABS have succumbed to the policy-makers and politics of the university is further explored in this section with evidence for each discourse being offered at both
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ABS as ‘Academic Department’

The ABS appears less captured by the ‘academic department’ discourse than its UK counterparts, although a proposed national research ranking exercise for Australia may strengthen this discourse. This assessment of the ABS is based on low research output, type of research and few doctoral students.

Controversies over the ‘relevance’ of management research have generally been absent in ABS, possibly because there has not been sufficient research output nor sufficient full-time academics. Given the teaching loads, varied teaching locations, diversity of students, large class sizes and high casualisation experienced by Australian business academics, it is not surprising that the research output is lower than in other disciplines (Cecez-Kecmanovic et al., 2002; Palmer, 2002; Mathews, 2003). This situation may have changed since 2005 when preparations for a proposed government research ranking exercise began (Parker, 2007). Already there is anecdotal evidence that business schools are hiring established researchers over young career researchers or those with teaching abilities (Cecez-Kecmanovic et al., 2002). However, participating in bidding wars for scarce academics inevitably drives up salaries, reduces resources and leads to further casualisation (DeAngelo et al., 2005; Nemetz and Cameron, 2006; Lebihan, 2007).

Preparations for the proposed research ranking scheme have also involved merging multidisciplinary graduate schools of business into large undergraduate faculties to create larger discipline clusters. This may further isolate the disciplines from each other and undermine opportunities for cross disciplinary research (Starkey and Madan, 2001; Harmon, 2006; Spender, 2007). Thus, the type of research being done by ABS may be negatively affected by the very efforts being made to bolster research output.

Further evidence against the Australian business school identifying as an ‘academic department’ is seen in the enrolments in business research degrees being only 7 per cent of all research higher degree students (DEST, 2007). The relatively small number of doctoral students in business education may be attributed to, inter alia, the lack of time for supervision by full-time academics (Zimmerman, 2001; Palmer, 2002). The paucity of doctoral students does not bode well for increasing research output or for replenishing the already depleted supply of qualified business academics.

Some evidence for the ‘academic department’ may be found in the existence of recruitment and promotion criteria weighted toward research performance for business academics, as they are for most academics. Forster (2007) presents a case for research dominating teaching and other academic pursuits among Australian business academics based on these criteria. However, the research that has been done by is accused of being inaccessible to practitioners and possibly irrelevant (Forster,

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2 Ryan and Guthrie (2008a) is based on research undertaken by Suzanne Ryan in 2002/2003 for a doctoral thesis. Interviews were held with twenty one academics from three autonomous graduate schools of business. The twenty one academics were treated as one sample and no comparisons were made between schools.
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2007). In a survey of the readership of CEOs, Forster found that of the very few academic journals that were read at all, most were either the lowest ranked academic journals or not ranked at all. Reasons given for not reading academic journals were the language and the irrelevancy of the method. The most common form of transmission of business research was through teaching, especially MBA students and executive programs (Forster, 2007).

Despite the apparent low interest in research among ABS, the findings of Ryan and Guthrie (2008a) in relation to Australian graduate business school academics are similar to those of Stiles (2004) in Canada, pointing to research being important to business academics, although not as important as teaching. However, if Australia follows the UK in implementing a national RAE type system, the ‘academic department’ may dominate. Practices such as measuring research and its use as a basis for determining individual status, promotion and resources are especially strong and likely to colonise values, behaviour and identity (Pritchard and Willmott, 1997).

Propositions:

1. External pressures from shortages of qualified full-time academics and high staff-student ratios and student diversity limit the amount of research and weaken the discourse in favour of ABS being an ‘academic department’.
2. Internal institutional recruitment and promotion practices together with the proposal to fund universities according to research output will likely strengthen the ‘academic department’ discourse.
3. Australian business research in Australia is already subject to similar criticisms to that in the US and UK, quantity is privileged over quality or practical relevance.

3.2 ABS as ‘Professional School’

The ‘professional school’ discourse gives priority to teaching over research and other activities. Within ‘teaching’, the emphasis is on practical and relevant curricula involving partnership with industrial and commercial practitioners (Bridgman, 2005). Although the disproportionately large number of coursework students in ABS might indicate a preference for teaching, the large class sizes, high degree of casualisation, poor student evaluations of teaching and lack of industry involvement indicate that the ‘professional school’, at least at the undergraduate level, is not strong.

Among undergraduate business schools, the increasing numbers of students, both local and international, have not been matched by increasing numbers of business academics. Staff-student ratios in ABS are the highest of any discipline as large class sizes and casual academics are used to cut costs. It is not surprising that evaluations of teaching by Australian business students are poor (Cecez-Kecmanovic et al., 2002). Recently a report by the Australian Business Dean’s Council (ABDC) and the Carrick Institute (a national institute for funding programs to improve teaching and learning in Australian universities) proposed a series of recommendations to improve teaching and learning in business schools, including developing closer links with commerce and industry (Freeman et al., 2008). In undertaking this project, the ABDC appears to be conscious of the need to be more like a ‘professional school’, but whether deans have the power to deal with resources and staff shortages or the will to resist national research rankings, should be a test of their commitment and ability to be a ‘professional school’.
Similar to the US and UK, shortages of qualified academics resulting in high rates of casualisation among business educators is a critical issue facing Australian business schools (Cecez-Kecmanovic et al., 2002). Although shortages and casualisation of educators is a global problem, it is most acute in ABS where the pool of qualified academics is small (Lebihan, 2007). 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 faculty and decreasing recruitment of younger staff (Macnamara, 2007; Lebihan, 2007). While business deans try to justify the rates of casualisation as providing students with exposure to practitioners (Lebihan, 2007), the reality is greater administrative loads for full-time faculty and less access to educators for students (Cecez-Kecmanovic et al., 2002). Although large percentages of casual staff would indicate Australian business educators are more likely to be less academic than overly academic in their teaching, given the abovementioned obstacles to quality teaching, the practical relevance of teaching seems a moot point.

Criticisms of Australian institutional practices and curricula are akin to those made in the UK and US. Recruitment and promotion policies in Australian universities similarly tend to devalue teaching and consultancy compared to research performance, although this may be less so in graduate schools of business where teaching ability and contact with industry is important (Foster, 2007). Calls by a national inquiry into management education in the early 1990s (Karpin, 1995) to foster closer links with business and industry have largely gone unheeded as academics fear too much vocationalism (Mathews, 2003). In terms of curricula, the MBA is especially targeted. The MBA structure and content was wholly imported from the US in 1960s, drawing criticisms that it is not relevant to Australia and has not kept pace with changes in the environments, remaining as is does in the past modernism era (Bubna-Litic and Benn, 2003). Criticisms of business curricula generally being conservative, out of date and inflexible made by over a decade ago by the national inquiry (Karpin, 1995), were reiterated in a recent report by the Australian Business Deans Council (ABCD, 2008).

In the face of large student numbers, high staff-student ratios and high proportions of casual staff, there appears little evidence of the ‘professional school’ being present in ABS, at least at the undergraduate level. Within graduate schools of business, where classes are smaller, focus on students is greater, and links with practitioners, including students themselves, are stronger, there may be a case for the ‘professional school’ dominating. Evidence from Ryan and Guthrie (2008a) is similar to that of the Canadian business schools (Stiles, 2004) and demonstrates that the ‘professional school’ discourse is dominant. However, as autonomous graduate schools are increasingly absorbed into large undergraduate business faculties, this discourse may be difficult to sustain. For the majority of ABS, the obstacles to identifying with either the ‘academic department’ or the ‘professional school’ arise from the dominance of the ‘commercial enterprise’ discourse.

Propositions:
4. External pressures from shortages of qualified full-time academics and high staff-student ratios, student diversity and limited contact with industry militate
against the ‘professional school’ discourse in large business schools with both undergraduate and postgraduate students.
5. Internal institutional practices generally do not recognise contributions to teaching, consulting and networking. These activities are secondary to the research discourse.
6. An exception to the above is in autonomous graduate schools of business where the ‘professional school’ is slightly more dominant than the ‘academic department’.

3.3 ABS as ‘Commercial Enterprise’
The evidence for Australian business schools being a ‘commercial enterprise’ is strong in terms of preoccupation with fee-paying coursework students; their entrepreneurialism; their value proposition; focus on image management through rankings and accreditation; and through their engagement in competition. Commodification of research, although starting to appear (Guthrie and Neumann, 2007), has not had the same government impetus as in the UK (Bridgman, 2005). Rather, the emphasis in ABS has been on the commodification of teaching, particularly through recruiting full-fee paying students.

Student fees, especially from international and postgraduate coursework students, are the main source of entrepreneurialism and commercialisation in Australian universities. Full-fee paying postgraduate business students (non research) represent 40 per cent of all Australian postgraduate students compared to 7 per cent of all research higher degree students (DEST, 2007). Further, 55 per cent of the postgraduate business students are international students (DEST, 2007). These statistics indicate a much stronger focus on the ‘commercial enterprise’ than on the ‘academic department’.

Business schools were 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 2006, offshore students accounted for 27 per cent of the 250,000 international students enrolled in Australian universities (DEST, 2007). Among all offshore students, business students accounted for 66 per cent of postgraduate students and 75 per cent of undergraduate students (DEST, cited in Cecez-Kecmanovic et al. 2002). Since the mid 1990s, business schools have led the expansion of full-fee paying students, both international and postgraduate, in the Australian higher education system.

The utilitarianism that is said to permeate the value propositions of business schools (Pfeffer and Fong, 2004; Spender, 2007) and indicate values similar to those of the market is beginning to emerge in ABS. In 2005, the ABDC commissioned a private consulting firm to report on the economic value of a business degree, primarily to students (ACCESS Economics, 2005). The report provided material for marketing business degrees by appealing to the utilitarian and pecuniary interests of students.

ABS and their universities are engaging in expensive branding and marketing exercises (Goldney, 2008). Media rankings and accreditations are gaining greater influence on ABS. In recognition of the potential impact of rankings, the ABDC prepared a discussion paper for the media in an effort to improve rankings (Jones, Speed and Edwards, 2007). This was done despite evidence that rankings have little
influence on student choice apart from the minority of full-time students wanting entry to elite schools (Dill, 2007; Roberts and Thompson, 2007). Likewise business school accreditation through US and European bodies (AACSB and EQUIS) is increasing as a branding exercise for international marketing among ABS. This is an expensive and time consuming exercise requiring substantial time, resources and organisational change which may ultimately lead to greater sameness (Julian and Ofori-Dankwa, 2006).

At the international level, ABS tend to compete with each other rather than other countries. Marginson (2006) warns that Australian international education has been largely positioned on cost advantages because of a relatively weak Australian dollar; however this has changed in recent years, eroding the cost advantage. This is particularly pertinent to the MBA market as differences between programs are minor (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).

Despite the evidence in support of the dominance of the ‘commercial enterprise’ among ABS, identification with this discourse among individual academics is not strong. Both Bridgman (2005) and Stiles (2004) found business school academics to be least affected by the ‘commercial enterprise’. Among the Australian graduate business school academics interviewed by Ryan and Guthrie (2008a), the school culture was most often described as entrepreneurial; however, this was tempered by strong allegiances to traditional academic values. The small size and autonomy of these academic units may account for their being able to be both entrepreneurial and collegial (Ryan and Guthrie, 2008a). In accordance with the empirical studies of Pritchard and Willmott (1997) and Henkel (2004), collegiality among academics increased in the face of impositions from ‘hard’ managerialist behaviours by deans or central university management (Henkel, 2004).

It would seem, at least on the surface, that ABS have been captive to the ‘commercial enterprise’ discourse to the detriment of being either an ‘academic department’ or ‘professional school’ or a combination of these two. However, at a school and individual level, Australian business academics have resisted engaging with the discourse of the ‘commercial enterprise’. Ironically, in the near future, even the dominance of the ‘commercial enterprise’ may be threatened by, first, falling student demand and the need to improve the quality of education (‘professional school’), and second, the need to gain status recognition through increasing research output (‘academic department’). If the UK is the model to be followed in Australia, the struggle between these two major discourses will be won by the colonising practices that give research priority over teaching (Pritchard and Willmott, 1997).

Propositions:

7. External pressures from government policy and subsequent university financial requirements have elevated the importance of the ‘commercial enterprise’ discourse for ABS which appear to have succumbed to this discourse by generating revenue and cutting costs to the detriment of both other discourses.
8. Internal institutional policies and practices have further pushed ABS down the path of ‘commercial enterprise’ by viewing business schools as institutional ‘cash cows’ without concern for their academic or professional status.

9. Despite the external pressures and internal practices, business school academics, at least those in graduate schools of business, reject this discourse in favour of the ‘professional school’ and, to a lesser extent, the ‘academic department’.

3 Conclusion

Despite, or because of, their marketing and financial success, business schools remain uncertain of what they are, trapped between aspiring to academic rigor and respect while remaining relevant to the fast moving realities of the business and management world, including that of their universities.

Although reduced government funding and subsequent perceived competition between schools has led them to behave like businesses, their success appears to have complicated their search for identity. If, as Augier and March (2007, 136) propose, the relevance debate is simply a mask for the “serious political contest over control of business schools and management education”, then, in Australia, the contest appears to have been won by the policy-makers and university administrators. From an external perspective, ABS are firmly ‘commercial enterprises’, committed to competition and revenue generation. However, this discourse has failed to win the hearts and minds of business academics who continue to identify with the more traditional discourses, especially the ‘professional school’ in the case of graduate school academics. However, the extent to which this identification will continue depends on institutional and school responses to proposed national research rankings.

The contest between the discourses is an important forerunner for universities generally as they become increasingly competitive and utilitarian, struggling to maintain their identity as a social institution (Khurana, 2007; Starkey and Tiratsoo, 2007). The foundations of the relevance debate in management education goes to the heart of the struggle for identity, “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 wider higher education section.
References


