

ENHANCING MANAGEMENT EDUCATION RELEVANCE: JOINT CREATION OF KNOWLEDGE BETWEEN BUSINESS SCHOOLS AND BUSINESS

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ABSTRACT

Management education has been criticized for its limited contribution to both students and business. Yet, the traditional education approach has not undergone fundamental changes in decades. A number of new educational models have been proposed, but challenges seem insurmountable when it comes to implementation. This article explores how an effective change in management education could be made through joint creation of management knowledge between business schools and the business community. We argue that this collaboration in knowledge creation complements the new management education models and is helpful to their implementation.

JEL: I20, I21, M10

KEYWORDS: Management Education; Business Relevance; Joint Creation of Management Knowledge

INTRODUCTION

Management education has been criticized for its irrelevance to the real world practice and limited contribution to students' career success. The wave of criticism was triggered by business failures such as the loss of U.S. dominance in the world car market three decades ago. Hayes and Abernathy (1980) contended that American managers have led the way to economic decline because of their analytical detachment and focus on short-term cost reductions. These inferior managers were often educated by business schools, so Leonard (1984: 47) argued that "the disastrous American emphasis on short-term, bottom-line management owes less to science classes at Central High than to MBA classes at Harvard."

More recently, scholars and practitioners have intensified their criticisms. They complained that graduates can use very little of what they were taught in school (Detrick, 2002); business schools foster specialists, not managers (Mintzberg & Gosling, 2002); consulting firms can reproduce a two-year business school experience in three weeks (Preffer and Fong, 2002); and employers hire MBA students because they are "a prescreened pool," not because they believe that the education delivered in the classroom creates value (Leonhardt, 2000). Therefore, business schools appear to have been "on the wrong track" and lost their way (Bennis & O'Toole, 2005). They are less successful than the burgeoning number of MBA graduates might indicate (Preffer & Fong, 2002), and their "golden days" seem to be over (Bridgman, 2007).

Facing the widespread criticisms of management education, scholars have proposed a number of new educational approaches and models. Some of them are incremental, focusing on improvements in curricula and/or teaching methods, such as requiring a business ethics course in the undergraduate core curriculum (Rutherford et al., 2012), team teaching (Greiner et al., 2003), using executives as professors (Clinebell & Clinebell, 2008), learning-on-demand (Armstrong & Sadler-Smith, 2008), and design thinking (Dunne & Martin, 2006). Other educational proposals are more radical. According to Grey (2004), incremental solutions are not sufficient for addressing the problems business schools face. The problems in management education should be tackled with changes in pedagogy rather than changes in curricula (Campbell et al., 2006). A less-than-relevant curriculum may be a main culprit, but "the

curriculum is the effect, not the cause, of what ails the modern business school (Bennis & O'Toole, 2005: 98). Thus, some more radical approaches are proposed, including the student-as-partner model (Ferris, 2002), the student-as-client model (Armstrong, 2003), the professional model treating management as a profession (Bennis & O'Toole, 2005; Khurana & Nohria, 2008) and critical management education (Bridgman, 2007; Dehler et al., 2001; Grey, 2004).

Despite all these responses from management educators, the traditional educational approach has not undergone any fundamental change (Welsh & Dehler, 2007). Countless calls for changes have been made, but the "pleas seem to fall on deaf ears" (Bell, 2009). According to Pfeffer and Fong (2002), a profound change in contemporary management education will be limited in the U.S. in the foreseeable future because of institutionalized practices. The most prestigious business schools have little incentive to change the rules of the game that put them on top. Because they are able to attract the best students, who are sought-after job candidates that are offered the highest salaries, these schools are insulated to some degree from external adverse influences. But what about less prestigious schools? They are facing more serious challenges in today's competitive education arena. They need a fundamental change more than the elite group does.

This article explores how we can make a change in management education so that it becomes more relevant to business and more helpful to students' career success. We acknowledge the value of the new proposals, but we also argue that each proposal, if used alone, may not be sufficient to address the problems plaguing business schools. We further argue that in order to make effective fundamental changes to the curricula and pedagogy, business schools and businesses need to go beyond current collaborations.

The remainder of the paper is organized as follows. First, we conduct a literature review of management education in the U.S. and discuss challenges the traditional business schools face. Second, we analyze the new educational models aimed at solving the problems in management education. Third, we propose the next critical step in management education: the joint creation of management knowledge by business schools and the business community. We conclude that the collaboration in knowledge creation is a starting point for addressing the challenges facing business schools and a necessary condition for successfully implementing the new educational models. Therefore, it warrants further attention and development efforts.

LITERATURE REVIEW

With a gift of \$100,000 made by Joseph Wharton in 1881, the University of Pennsylvania established the first business school in the United States. In 1900, the first MBA program was started at Dartmouth College's Tuck School of Business. There were approximately 150 business schools at that time (Friga et al., 2003) and more have been established since then. Student enrollment in business schools increased dramatically after World War II. By 1955, business had become one of the most popular undergraduate majors (Cheit, 1985).

Friga and colleagues (2003) divided the history of MBA education in business schools into several eras. The earliest era was corporate-based and emphasized business relevance. Most business professors were corporate managers. They brought their business experience into the classroom and contributed to the design of the MBA program. The faculty-based era began in the 1950s. This era was marked by an increasing focus on research and academic rigor, so business schools became less vocational. The swing of pendulum from business relevance to academic rigor also applied to undergraduate programs as they were evolving.

Ironically, when business schools focused on practice in early times (corporate-based era), they were criticized as being too vocational. After they shifted focus from practical usefulness to academic legitimation (faculty-based era), they were criticized as being too academic, distant from business practice, and not producing effective managers needed by business. Friga et al. suggested that business educators should not return to the corporate-era as they strive to tackle the relevance issue. Instead, they proposed that business educators move into a “student-based” era in which business schools emphasize “delivering the most important content in the most efficient manner and at the lowest cost” (2003: 236).

Management education is now becoming more competitive than ever before. First, for-profit organizations like the University of Phoenix and Kaplan University have made significant inroads into the academic arena (Friga et al., 2003). They offer associate’s, bachelor’s, master’s, and doctoral degrees, just as traditional business schools do. Second, corporate universities have grown exponentially. They were first started at Disney, McDonalds and Motorola more than three decades ago to train their own employees. The number of corporate universities has now surpassed 4200 on a global basis (Meister, 2006). Many of them train not only their own employees, but also those from other companies (Stuart, 1999). Third, consulting firms are challenging traditional management education by performing both internal and external management training services (Moore, 1997).

It is clear that traditional business schools are not the only institutions that offer management education. In order to survive and excel, they need to pay attention to the competitive environment (Pfeffer & Fong, 2002). Since non-traditional education providers are now competing for students who seek management knowledge and skills, students will inevitably compare their offerings with traditional academic programs, whether business schools like it or not (Armstrong & Sadler-Smith, 2008). As academic institutions, business schools “can no longer make uncontested claims to knowledge supremacy” (Starkey & Tempest, 2005: 71). If they cannot provide management education that both students and business value, they are unlikely to survive in the long-run (Grey, 2002).

Who Is to Blame?

Behind the criticisms of management education are some well-established educational practices in most business schools. First, program design is function-oriented. Russell Ackoff, a pioneer in management science and systems thinking, noted that business reality cannot be divided into separate disciplines. As he stated in the inaugural issue of *Academy of Management Learning and Education*, “There is no such thing as a marketing problem or a financial problem or a production problem. These are points of view, not kinds of problems” (Detrick, 2002: 60). Greiner et al. (2003) contended that the shift away from interdisciplinary thinking in business education has led to students’ insufficient preparation to become strategic leaders.

Second, management education has been overemphasizing analysis, treating management as science. This analytical approach has led to problems such as “knowing-doing gap” (Greiner et al., 2003) and the inability to address issues that are ambiguous and context-based (Bailey & Ford, 1996). The art part of management has been downplayed to the detriment of business students. According to Adler (2006), artistic skills are becoming more attractive in the 21st century because of the importance of creativity and innovation. Pink (2004) predicted that the traditional MBA students will become this century’s blue-collar workers, performing analysis and crunching numbers because these skills are easily learned and imitated. In contrast, he anticipated that an arts degree will become “the hottest credential in the world of business” (p.21).

Third, many business courses use economic and financial indicators to measure success. The overemphasis of economic success and under-emphasis of values and ethics have contributed to unethical behaviors of business school students. Studies show that students in business schools are more likely to

cheat in classes than those in other schools, such as law, medicine, and science; are more likely to help fellow students cheat in exams; and are less likely to report cheating to authorities (Pfeffer & Fong, 2004). Students' academic dishonesty is carried through to their professional conduct in the business world. According to Starkey and Tempest (2005: 65), "the business school has championed an approach to business that has led to the management practices that characterize the dysfunctional aspects of contemporary capitalism."

It is indisputable that business schools are responsible for the education they deliver. According to Trank and Rynes (2003), however, business schools may seem, to some degree, to be a "passive victim" in de-professionalization because management education is also influenced by factors beyond their control. Other parties, including business, students, and media rankings, have also played a role in "moving our cheese." For example, businesses often prefer graduates with immediate skills necessary for the first job and emphasize specialized knowledge over social and ethical behaviors (Rynes et al., 2003). Thus, students want specialized training and show little interests in theory and behavioral topics. Business schools, which increasingly depend on students and businesses for revenues, have to satisfy this immediate interest. Media rankings have pushed business schools further in their short-term orientations: students and employers are deemed to be business schools' two customers. "Let the customer speak" is the philosophy behind *BusinessWeek's* ranking of business schools (Reingold, 1998).

The viewpoint of student-as-customer may seem reasonable because students pay for the services provided. Without students, educational institutions would not exist. But, as Porter et al. (1997) argued, this viewpoint is seriously flawed. In the business world, customers are assumed to be "king" and "always right". Students are not always right when it comes to business education (Rubin & Dierdorff, 2009). They often know their "symptoms" or "wants," but may not know their "underlying needs" (Armstrong, 2003). For example, managing people is a fundamental task for managers. Based on a 1997 study commissioned by AACSB, however, MBA students ranked human resource management as least important in the business school curriculum (Educational Benchmarking Institute [EBI], 1997). If students are treated as customers, it is difficult for business schools to dissatisfy them in order to correct them. The result will be a compromising of academic standards.

Though businesses are an indirect "customer", they have a significant, if not greater, impact on students' behaviors because they employ students during and after graduation. If businesses prefer students with immediate specialized skills such as sales, technology management, or financial engineering (Trank & Rynes, 2003), then students will be less likely to take other courses that businesses do not seem to value. Business schools may mandate education in areas like soft skills or ethics, but what if students are not motivated? Motivation is a necessary condition for effective learning (Baldwin et al., 2011). If students have little interest in certain courses, they may be tempted to cheat in order to get a good grade. As we discussed earlier, business students are more likely to cheat than those in other schools.

A number of solutions have been proposed to address the problems in management education. Some focus on incremental improvements of programs, curricula or teaching methods, which are relatively easy to implement. Others are related to the pedagogy itself, so they are more radical. Given the purpose of this study, we discuss four radical proposals that represent a departure from the traditional management education: student-as-partner, student-as-client, the professional model, and critical management education.

NEW MANAGEMENT EDUCATION MODELS

Student-as-Partner Model

Franz (1998) argued that “whatever you do, don’t treat your students like customers!” He claimed that faculty would be tempted to entertain students, please them, and make them happy if students were customers. Moreover, rule-bending and grade inflation would be expected. If students are not customers, who should they be? Ferris (2002) suggested students are junior partners, while professors are senior partners. Central to this student-as-partner model is the collaborative relationship between students and professors. An important function of professors as senior partners is mentoring. They need to work hard to ensure the quality of the products of this relationship, including papers, presentations, and tests, so that both parties will win. According to Ferris, the student-professor partnership represents an “ideal model” stemming from “the real,” which can help both students and educators grow.

Student-as-Client Model

According to Armstrong (2003), the student-professor partnership model is useful for doctoral teaching, but may not apply to undergraduate and MBA programs because of three factors: large class sizes, relatively low students’ educational maturity, and limited student-faculty interactions. He proposed a student-as-client model, which might work better for undergraduate and MBA students. Students have unmet needs in intellectual development and employability, so they, as clients, seek help from professionals (namely, faculty). Faculty members are able to provide directions or corrections to students. Students then should follow faculty’s advice in order to benefit from the service. They need to know that “certain issues are matters of professional judgment that they may not immediately appreciate” (p. 374).

The student-as-client model has its appeal. It puts faculty in a more active role in which they can say no if students are wrong. However, the model assumes that faculty members have “all the knowledge and expertise, and the only challenge is to get that knowledge and expertise to the student-client in a satisfactory way” (Ferris, 2003: 375). This is not true in today’s business environment characterized by complexity and uncertainty. As Ferris argued, faculty also needs to learn and grow. Treating students as partners would reflect the reality better than treating students as clients.

The Professional Model

Management education has also been criticized for failing to shape students’ ethical behaviors (Starkey et al., 2004). Corporate scandals, such as the recently discovered manipulation of LIBOR by some of the world’s largest banks, provide support for this argument. As a result, scholars have suggested that management be treated as a profession, and business schools model themselves after other professional schools (Bennis & O’Toole, 2005; Khurana & Nohria, 2008). For example, professions such as medicine and law have codes of conduct, so business schools could teach the meaning and consequences of business codes. These codes would remind managers of their obligations, help curb misconduct, and benefit the whole society (Khurana & Nohria, 2008).

The professional model may help shape managers’ professional behaviors, but business schools can hardly enforce any professional standards because management is not a profession in the classic sense (Mintzberg, 2004; Pfeffer & Fong, 2004). For a profession such as engineering or medicine, knowledge can be codified and its effectiveness can be certified. For business management, people have neither reliably codified much of its practice nor certified its effectiveness. In terms of educational background, an engineer, physician, or lawyer would not be trusted without formal training; in contrast, managers who have never entered a management classroom are often trusted because they do not need a management degree to run a business successfully (Grey, 2002).

Critical Management Education (CME)

CME has been advocated by many European scholars and is practiced in Europe (e.g., Dehler et al., 2001; Grey, 2004; Learmonth, 2007). A critical approach to management education draws upon students' experience, work or non-work-related, and problematizes rather than simply validates management theories, assumptions, and taken-for-granted models. Grey (2004) argued that CME may help reinvent business schools by emphasizing two elements: values and context. He contended that management is never neutral and is always value laden. Therefore, business schools should not treat values as a topic reserved for courses (or modules within courses) that focus on business ethics or corporate social responsibility. Instead, he proposed that business programs integrate the concept of values into discussions and analyses across the curriculum because values are an integral part of all managing. Dehler et al. (2001) suggested that management education overcome its longstanding simplification agenda because business management displays irrational complexity that defies abstractions. CME can equip students with an understanding of the complex historical, social, political, and philosophical traditions that underlie the contemporary perspective of management.

Reynolds (1999) pointed out that CME's solution to the problems facing management education is not without its pitfalls. CME may generate disruptive consequences in terms of adverse psychological or social impact. Learners, who are required to continually question conventional assumptions, established structures, and common practices, risk "cultural suicide" by inadvertently excluding themselves "from the cultures that have defined and sustained them up to that point in their lives" (Brookfield, 1994: 208). Practitioners, who are being consistently questioned and challenged, may feel powerless or alienated (Reynolds, 1999). But the counter argument is that a departure from the norm is often necessary when the environment is changing. Concepts such as "disruptive technology" and "radical innovation" reflect this need.

Discussion

All the above proposed solutions to the problems of management education have their merits. Both the student-as-partner model and the student-as-client model reject the notion of students as customers, a notion that has generated more problems than benefits. Working with partners or clients help professors avoid becoming "passive victims" who hesitate to say no to students. Instead, these perspectives encourage them to uphold high academic standards, which, in turn, should have positive impacts on students' professional behaviors after they become managers in the business world. There is a dilemma when business schools implement these two models: if businesses take a short-term view, for example, preferring immediate technical skills when hiring new graduates, then we expect students will respond with short-term pursuits. How should business schools respond?

The idea of management as a profession is not new. It originated a century ago (Khurana & Nohria, 2008). However, it has been difficult to model business schools after other professional schools, such as medicine and law. First, the correlation between academic degrees and business success is often weak. This is a relevance issue, which has been criticized recently. Second, people can run business without a business degree. This situation is very different from those faced by medical and legal professionals. Third, there are no universal theories or frameworks that address problems in the business world. Predictability is low and solutions tend to be context specific. Fourth, although professional codes can help improve ethical behaviors, which are particularly important in business, their role is limited. A main reason is that, except for the field of accounting, they do not have binding forces and are not as enforceable as those in law and medicine.

CME seems to have important implications for solving problems facing management education. By taking values into account, which is one component of CME, students can explore the rationale and

consequences of a wide range of managerial actions (Grey, 2004). When a broader context is used in teaching, which is another component of CME, students can grapple with the complexity of business environment and the contextual nature of business. CME helps bring students to the reality of business management, thus contributing to the issue of business relevance. Despite its merits, CME is not likely to help change what is taught in the core curriculum in American business schools. According to Zald (2002: 366), it is “a largely marginal enterprise, tolerated (sometimes barely) but not taken seriously, especially in the elite schools.”

It is not easy to put these new models into practice. Effective management education is too complex to address on a basis of a single theoretical framework. More importantly, successful implementation of these new models requires joint efforts from business schools and the business community. First, business has the final say as to whether management education is effective. If business school graduates cannot help improve the overall well-being of business, management education fails. Second, business has huge impact on educational practices. As far as recent criticisms are concerned, business is a culprit in “moving our cheese” (Trank and Rynes, 2003). Third, students’ behaviors are not only affected by education, but also by business because it is the source of job opportunities.

Partnerships between business schools and business are not new, but they are largely on the personal and local levels (AACSB International, 2006). We propose that business schools partner with the business community to create management knowledge. Our call for action is not a simple collaboration on certain projects between business schools and businesses; it is far more foundational and shifts the role of business in management education. Traditionally, business has been viewed as a “customer,” though indirect, and the relationship between business schools and business has been hierarchical (Elliott & Reynolds, 2002). Academics are supposed to create and disseminate knowledge, while practitioners are expected to apply knowledge. Their collaboration does not go beyond this hierarchical relationship. A knowledge-creation partnership puts the collaboration in a context of non-hierarchical relationship in which knowledge is created jointly by business schools and the business community. In the following section, we discuss the joint creation of management knowledge in detail. We also explain how this collaboration can complement the new educational models and facilitate their implementation.

A NEW PATH FORWARD: JOINT CREATION OF MANAGEMENT KNOWLEDGE

According to Augier and March (2007), professional schools experience tensions between experiential knowledge and academic knowledge. The former is derived from practical experience, while the latter results from scholarship. While these two types of knowledge should be integrated into a balanced perspective, they often are perceived as dichotomous. Historically, the emphasis has been shifted from one type of knowledge to the other. Recent critiques of business schools are their focus on academic knowledge at the expense of business relevance. Why is it difficult to balance and integrate the two types of knowledge? There can be many explanations to this separation and the influencing factors vary. We argue that two influencing factors are fundamental: misunderstandings between academics and practitioners (AACSB International, 2006) and their hierarchical relationship (Elliott & Reynolds, 2002). These two factors are related and help explain why management education has evolved to the point we have today.

AACSB International (2006) reported that misunderstandings exist between business schools and the business community. On the business side, executives still view business schools as the “ivory towers” whose pace is different from that of business. Teaching and research are thought to be too academic, isolated from real-world practice and day-to-day operations, and slow to respond to new business challenges. On the business schools’ side, deans and faculty believe the business community misunderstands the importance of academic rigor and their missions of teaching and research. They are frustrated by the short-term pursuit in the business world and also disappointed by the difference between

what business executives say and what they do (Rynes et al., 2003). Compared with other professional schools such as law, medicine, and engineering, business schools “are relatively unique in the degree of separation from the profession that they supposedly serve” (Pfeffer & Fong, 2002: 89). If the academic and business worlds remain separated, it is hard, if not impossible, to resolve the relevance issue of management education.

The misunderstandings between academics and practitioners result to a large degree from their hierarchical relationship. The unilateral transfer of knowledge has generated questions about the value of the knowledge created by academics. Based on a study of business ideas, Davenport and colleagues (2003) concluded that most business schools have not been effective in creating useful business ideas. Therefore, it is necessary to make the academic-practitioner relationship less hierarchical (Elliott & Reynolds, 2002; Reynolds & Vince, 2004). “Truth is not to be found inside the head of an individual person; it is born between people collectively searching for truth, in the process of their dialogical interaction” (Bakhtin, 1984).

Based on this perspective, we strongly advocate that both academics and practitioners make contributions in terms of ideas and experience to the development of management knowledge (Reynolds & Vince, 2004). This argument is particularly important in today’s business environment in which business conditions and effective business practices are ever-changing. The joint creation of management knowledge is not about collaboration between certain business schools and business firms. It needs commitment and effort made by the two communities.

Collaboration between Business Schools and Business

Collaboration between business schools and business has long existed. As early as 1881 when The Wharton School, the first collegiate business school in the United States, was established, practitioners were invited to teach undergraduate business courses (Cheit, 1985). When MBA programs were introduced into business schools, professors were largely practicing or retired managers who shared business experience (Friga et al., 2003). The early collaboration between business schools and business was focused on practical implications of management education. It was this type of collaboration that attracted criticisms of insufficient rigor in terms of the knowledge and skills that students gained, which led business schools to pursue academic legitimation.

Collaboration between the two communities has gained favor in recent years. This collaboration has taken two forms: business participating in activities in business schools and business schools participating in activities in business. The former includes business providing financial support to business schools, executives serving on the advisory boards of business schools, and business leaders teaching or speaking in business classes. The latter includes faculty/staff serving on corporate boards, faculty/staff working as consultants or researchers, and students conducting field projects or working as interns. Unfortunately, these collaboration activities have not helped solve the relevance problem of management education on a broad scale. They are based on hierarchical relationships and largely have been limited to personal and local connections between business executives and schools (AACSB International, 2006). In order for the collaboration to have more positive impact on management education, we propose joint creation of management knowledge between the business school and business communities.

Joint Creation of Management Knowledge

Traditionally, each party, the business school or business, tends to do what it has been accustomed to do in its own field and “neither tribe is universally attracted to the habits and discourse of the other” (Reynolds & Vince, 2004: 454). Facing this disconnect between the academic and business communities, Reynolds and Vince asserted that “we cannot overemphasize the importance of negotiating a language

that speaks to both communities” (p.454). The challenge of accomplishing this goal is enormous, but it is worth trying because it is a key project for management learning. It needs collaboration beyond the personal and local level to the industry-wide level, as suggested by AACSB International (2006).

A starting point for negotiating a language speaking to both communities is to integrate both academic and experiential knowledge. Managers often prefer experiential knowledge due to its implications for immediate application in a specific context, while academics often focus on academic knowledge whose models and frameworks tend to be oriented toward a longer time horizon and broader scope. The integration of the two types of knowledge is a solution to the conflict existing between the two communities (Augier & March, 2007). It is a consensus building project which helps remove misconceptions and mistrust. It is also practically important because effective management needs to balance firms’ short-term operation and long-term development (Brotheridge & Long, 2007). Experiential knowledge contributes to the former effort and academic knowledge to the latter.

To build consensus, both academics and managers need to recognize the role of each type of knowledge. On the academic’s side, a key element is the understanding that the business context entails more than economic and technical issues. It also has historical, social, political, and philosophical dimensions (Dehler et al., 2001). It is imperative to change the traditional simplification approach to business management, which has generated management knowledge that is not just undesirable but inaccurate (Grey & French, 1996). On the manager’s side, the traditional perception of academic knowledge needs to be changed. John Reed, the former chairman of CitiCorp and interim chairman and CEO of the New York Stock Exchange, commented that an understanding of underlying ideas and theories can help business people perform activities more intelligently and more effectively. From this standpoint, basic theoretical frameworks should not be sacrificed for the purpose of achieving immediate business relevance in management education (Augier, 2006).

In order to integrate the two types of knowledge, academics and practitioners need to work together. Practitioners’ ideas should be given “equal standing” with those of academics and both parties should negotiate meanings through dialogue, draw on theories, and develop thinking that informs their actions (Elliott & Reynolds, 2002). Academics can also conduct research with practitioners (Latham, 2007), invite practitioners to serve on boards of scholarly journals, create new journals with them, and include their insights in textbooks (Cohen, 2007). The joint creation of management knowledge is a way to bridge the academic and business worlds, but the conflict between them is unlikely to be eliminated (Augier & March, 2007). According to Augier and March, management education “reflects both managers and educators,” and it is their unsolvable conflict that provides opportunities for making management education more useful.

The joint creation of management knowledge can benefit both business schools and the business community. For business, a main challenge is to find capable employees who can manage in today’s turbulent environment (AACSB International, 2006). To accomplish this goal, many firms have established their own corporate universities to train employees. One limitation is that this type of training tends to emphasize experiential knowledge. As a result, it often loses the depth of insight that is found in academic settings (Mintzberg & Gosling, 2002). When realizing the importance of academic knowledge, business executives are likely to tap into the academic resources in a better way. They may reexamine their human resources policies and avoid the contradictory behaviors, for example, touting the need for well-rounded students, but hiring those with immediate specialized skills (Rynes et al., 2003).

The new competitive environment of management education poses challenges to the survival of the traditional business schools. How do they compete effectively with the new entrants and other non-traditional education programs? What will be their competitive advantage? The leading business schools’ positions are not likely to be unseated due to their reputation and recognition. For schools without elite

status, a main challenge is establishing competitive positions in the academic context. They cannot return to the “trade school” model, nor can they deliver education in the “ivory tower.” The best choice is to look for sources of competitive advantage through integrating both academic and practical sides of business, which requires joint creation of management knowledge by business schools and business.

As we argued above, the joint creation of management knowledge needs an industry level collaboration between business schools and business. However, current structures and processes are unlikely to promote their partnership beyond the personal and local level (AACSB International, 2006). A third party is needed that can play a leadership role, serve as a facilitator, and help bridge the two communities. Because of its unique position, AACSB can provide a link for business to have a voice in management education. It can also help establish a structure through which the interests of both academic and business communities be addressed, communication barriers removed, and mutual trust improved. Other professional organizations such as Academy of Management (AOM) also can serve as a bridge. By reaching out to their business counterparts (e.g., business and professional associations, industry groups, and regional and federal chambers of commerce), they can support the translation of academic knowledge for practitioners and practical experience into a core body of knowledge (Rynes, 2007).

New Educational Models Revisited

It will be a great challenge for business schools to seek relevancy in today’s environment without returning to the earlier trade school model (Clinebell & Clinebell, 2008). The new educational models, such as student-as-partner model, student-as-client model, the professional model, and critical management education, may provide new perspectives and avoid repeating history, but obstacles still exist in implementation. Without participation from the business community, all these models have limited value from a practical point of view. The joint creation of management knowledge between business schools and business can help reduce obstacles if these models are put into practice.

Whether students are junior partners or clients, they are at least not treated as customers. This is an important merit of the partner model and the client model. But if business continues its under-emphasis on academic knowledge and overemphasis on experience knowledge and short-term interests, students will adopt these preferences. Business schools will continue to experience the tension between catering to students and upholding academic standards and walk “a tightrope between the academic side of business and the practitioner side” (Clinebell & Clinebell, 2008: 99). If business schools and the business community join together, complement each other, co-create management knowledge, and use it in management education, it will be easier for faculty to play the senior partner role or professional role when dealing with students.

Treating business management as a true profession is not easy, but we believe that the joint creation of management knowledge between business schools and business is a starting point. As a true profession, knowledge can be codified and certified for its effectiveness (Mintzberg, 2004). In reality, it’s difficult. Management knowledge, as we know it, is often contextual. Therefore, Mintzberg argued that effective managing happens “where art, craft, and science meet.” If any certifiable management knowledge exists, it can only be created and identified by both academics and managers. Professions have codes of conduct. It is challenging to teach professional codes effectively in business schools because they do not have binding forces. But if the codes are recognized and supported by business, teaching them can be more effective. Joint creation of management knowledge helps bring the two communities closer, thus promoting the involvement of the business community in enforcing the codes.

According to Bridgman (2007), business schools do not seem to lack a critical orientation. In fact, academics are trained to challenge the conventional wisdom through teaching and research. The problem is their failure to engage with external stakeholders. “Critical scholars in the academy write for the

academy and speak to the academy” (Mir & Mir, 2002: 119), so they have little influence on the external world (Parker, 2002). In order to make critical management education more useful, academics and managers need to work collectively to generate ideas for questioning (Reynolds & Vince, 2004). Though Reynolds and Vince’s argument is related to teaching working managers, it can be extended to broader management education. Management education equips students with management knowledge. If management knowledge is created by both academics and managers, managers also need to constantly question their own assumptions and established practices. The notion of best practices is uncritical.

CONCLUDING COMMENTS

Facing the rise of Japan and its invasion into the American business world decades ago, critics commented that the “competitive performance of the [American] economy declined as business enrollments grew” (Cheit, 1985: 43). Why was business education unable to contribute to the national economy? People cannot help but question its relevance. Though business schools are responsible for the less than satisfactory result, the business community also has contributed to the current state of affairs. Better communication is needed, but it is not sufficient to resolve disparities (Knights & Scarbrough, 2010). More importantly, the two communities need to work together and take concrete actions to contribute to their common cause: improving the overall well-being of business through cultivating capable and responsible managers.

We have provided directions for implementing significant, meaningful collaborations between the two communities. However, those directions are broad. Detailed action plans have yet to be worked out. A number of conceptual and practical hurdles will need to be overcome in order to successfully put our proposal into practice. Future research may focus on how to overcome these hurdles. First, how should the collaboration at the industry level be defined? Can AACSB or AOM sufficiently represent the academic community? Can industry or professional associations sufficiently represent the business community? Second, how should the academic and experiential knowledge be balanced? The effectiveness of management knowledge is highly contextual. How may business contexts affect this balance? Third, we argue that joint creation of management knowledge can help implement the new educational models. More specifically, how can this initiative contribute to the partnership or the client relationship between faculty and students, to business management as a profession, and to critical education? For example, the professional model emphasizes professional codes. How may joint creation of management knowledge help specify and enforce those codes?

Steffy and Grimes (1986) stated that organization science and practicing organizations should be perceived as a single language community. This statement is consistent with Reynolds and Vince’s (2004) assertion of the importance of a common language used by both academics and practitioners. Academics need to reconsider the role of practitioners. Management is more about practice and activity (Grey, 2004). Management ideas are more likely to be generated through the interaction between academics and practitioners rather than by the former alone and then disseminated unilaterally from the former to the latter (Reynolds & Vince, 2004). From this perspective, we have every reason to advocate joint creation of management knowledge between business schools and business.

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