Whither the MBA?
Or the withering of MBAs?

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Abstract
This paper employs a critical realist perspective to contextualize management education, including the MBA, and facilitate debate on the prospects for its reinvention. Two decades of substantive management education critique has not resulted in any fundamental change in models of content and process used to educate managers. We argue this is a matter of ontology and discuss of the advantages of a critical realist ontology for addressing this issue. A critical realist analysis identifies the generative mechanisms at work that both necessitate and constrain reinvention. We argue that one generative mechanism in particular, a legitimation crisis, could ultimately lead to the transformation of management education. This is explored systemically at institutional, programmatic, and pedagogical levels.
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_The philosophers have only interpreted the world, in various ways; the point is to change it._ – Marx, 1975, p. 423, in Bhaskar 1989, p. vii

_What if Microsoft bought a business school?_ – Crainer & Deerlove, 1999, p. xiv

### Introduction

Recent trends in management education have witnessed an overlaying of capitalistic market logic to the conduct of business schools. The effect has been to reconstruct the traditional teacher-student-curriculum triumvirate into one of producer-consumer-commodity. In the broader context, an industrial, profit-oriented logic in higher education has turned universities into ‘purveyors of commodities within a knowledge “supermarket”’ (Winter, 1999, p. 190). The pursuit of commercial opportunities to acquire resources (Bok, 2003) highlights the ongoing evolution of business schools into actual _businesses_. Educational pursuits become conflated with hospitality management where ‘bedroom occupancy is increasingly a measure of how successful a business school is’ (Crainer & Deerlove, 1999, p. 136) and shifts focus from substance to image (e.g., Gioia & Corley, 2002). As such, the educational mission of business schools becomes merely one component of a product portfolio subjected to a market-driven managerialism focused primarily on garnering and controlling resources.

University presidents’ primary responsibility now involves prospecting and protecting resource streams. Likewise, this priority cascades down to deans who defend their positions with a slavish devotion to resource pursuit in order to deliver their own programs. Efficiency becomes the superordinate goal as quality languishes. Concurrently, the emergent university is not bound by time and space – going so far as to challenge the justification of universities as thought centers at all (Parker & Jary, 1995).
Alternative offerings, some exported to geographical locales far from the institutional home, dilute the significance – both symbolically and substantively – of the management degree itself. External competition such as the proliferating corporate universities – the ‘domestication of management education’ – does not promote ‘education for its own sake but education for the organization’s sake’ (Antonacopoulou, 2002, p. 193). This leads to ‘the tendency to treat education as a commodity’ (p. 188). So now the Heathrow MBA has devolved into an MBA in a Box (Kurtzman, 2004) or the prospect of an MBA in a Day (Stralser, 2004). Programs that once ‘produced’ 100,000 MBAs annually, 11% of these in the UK (Tiratsoo, 2004), are now encountering both a downturn in applicants and a shift away from AACSB International member institutions toward nonmember ones (AACSB, 2002; Merritt, 2005).

The reality is this: commoditization and the leveling of enrollments signals the MBA is a ‘mature product’ in a mature industry, the double whammy of marketers – a hoola hoop in a PlayStation world. Yet while the traditional management education offering is a mature product, the market for higher education is growing (Duderstadt, 2000). Dolence and Norris (1995) estimate that in the US, just to keep an individual on pace with evolving workplace skills and knowledge will require a commitment of one day of education per week. This translates into one-fifth of the workforce in college level courses at any time – roughly 25 million full-time equivalent students (vs. approximately 12.1 million FTEs at present).

Recent observers have proposed strategic (e.g., Friga, Bettis & Sullivan, 2003; Wolverton & Penley, 2004) and content-oriented (e.g., Doria, Rozanski & Cohen, 2003) repairs to management education. But such responses miss the point and fall far short of
being revolutionary or transformational. Instead, the fundamental nature of management education itself must undergo significant transformation – reinvention – not merely its image and offerings.

The purpose of this paper is to advance debate by articulating and exploring issues central to the imperative for reinventing management education generally, and the MBA curriculum more specifically. The heart of our argument, and the thread that connects these three aspects, lies within a position that centers on ontological and epistemological concerns. More specifically, our core position is that the ontological foundation of the management domain presents an under-explored and under-emphasized mechanism for explicating reinvention. We begin by briefly arguing for the necessity to progress beyond positivism, which represents the dominant ontological position in management learning and research. We touch on the interpretivist position, advocated more recently by critical management studies (CMS) proponents. While the CMS project represents a potentially fruitful direction, it represents an orthodoxy that still fails to account for the meaningful ‘reinvention’ of management knowledge.

Instead, we argue for the adoption of a heterodoxical approach originating in critical realism ontology, which complements the intentions of positivism and interpretivism while better serving the needs of both management educator-scholars and the student-practitioners who utilize management knowledge. By more fully contextualizing management education, critical realism enables us to consider the forces at work that both constrain and necessitate reinvention. It is insufficient, however, to address these issues in isolation. The challenge is systemic: management education occurs within a larger societal context (institutional), and the ‘what’ of programmatic
concerns are inextricably bound up in the ‘how’ of delivery (pedagogical). Thus, following a brief overview of critical realism, our discussion employs a three-tier approach attending to institutional, programmatic (the academic unit, i.e., school or college level within the university), and pedagogical aspects.

**Ontological Roots and Implications: From Positivism to Interpretivism to Critical Realism**

Social scientists build a network of assumptions derived from their beliefs about the nature of reality (ontology), how knowledge is formulated (epistemology), and the process by which they gather observations of social phenomena (methodology). (See Burrell & Morgan, 1979; Johnson & Duberly, 2000.) While our interests center primarily on ontological concerns, the inter-relatedness of these three concepts and their assumptions is readily apparent. One’s beliefs about ‘reality’ have an impact on how one comes ‘to know’ and the methods one employs to observe that reality and express knowledge claims. These apparently straightforward descriptions are far from unproblematic, however, and serve as the catalyst for intense debate in social science and, more to our interest, within the management domain.

Positivism, as a descriptive label denoting an overarching approach to knowledge generation (research) and knowledge dissemination (teaching and learning), can be fairly characterized as emanating from a position consistent with that of the natural science model (Burrell & Morgan, 1979; Johnson & Duberly, 2000; Nowotny, Scott & Gibbons, 2001; Thomas, 2004). (Attentive to space considerations, our discussion is necessarily cursory.) While the origins of positivism go back to the mid-nineteenth century (Bailey & Eastman, 1994), contemporary management studies (post-World War II) has been driven by a strong positivist position. One explanation for this can be found in James
Thompson’s (1956) pioneering efforts to advance management beyond a practice-based vocationalism to a professionalism privileging management knowledge derived from natural science inquiry – and by implication marginalizing knowledge derived by other means. (This is not to ignore the contribution of such anti-positivists as Van Maanen, Smircich and Calas among many others). The dominance of the positivist paradigm, contrary to those who concluded it ‘had a short life and violent death’ (Moldoveanu & Baum, 2002, p. 736), has been perpetuated and reproduced by the American and British Academies of Management as well as their premier legitimizing agency, the AACSB International. Training of new entrants to the profession in doctoral courses and self-reinforcing editorial gatekeeping in leading journals further reinforces this political currency. (This, of course, is a bit of an overstatement, yet the point is not unproblematic in spirit.)

Recently, critical management studies has attempted to break free of the ‘hegemonic positivist view of science’ (Bhaskar, 1989, p. 180) through its orientation in the interpretivist perspective. (The interpretivist label is used loosely to encompass constructivist, phenomenological and postmodernist views; see Schwandt, 1994.) The CMS project represents a significant shift toward a more pluralistic intellectual approach to management studies (Fournier & Grey, 2000) as well as to management education (Cunliffe, Forray & Knights, 2002).

**The CMS project: From positivism to interpretivism**

The CMS movement has disrupted and challenged the positivist dominance in the American and British Academies of Management – often prompting rich and emotional debate between those defending truth and objectivity (e.g., Meckler & Baillie, 2003) from
those who call positivism ‘a hegemonic wing’ (Gioia, 2003, p. 286). The interpretivist approach argues for ‘understanding the complex world of lived experience from the point of view of those who live it’ (Schwandt, 1994). The ontological position of interpretivism is that an objective reality, which positivists seek to discover through natural science methods, is not plausible. The researcher-practitioner is simultaneously part of as well as an observer of reality – hardly objective. Observation is an inherently subjective act that positions the researcher simultaneously as observer and participant, potentially impacting the behavior and cognitions of the subjects much as we question a camera’s effect on procedures in a courtroom or demonstration. Reality is a social construction subject to the idiosyncratic experiences and biases of the human condition; reality is relative, constructed principally via discourse.

The interpretive approach to management as it is practiced contextualizes knowledge as perceived through the experience of those actually engaged in the act of managing. The charge of relativism, however, presents the central challenge to interpretivism (for critique on this position, see Schwandt, 1994, pp. 130-131) and its accompanying relation to postmodernism and critical theory. If there is no ‘real’ world other than what is constructed by each individual, then there are no universal criteria for understanding and knowledge is reduced to a relativist position. If all is relative, then theorists have no basis on which to pick and choose, knowledge loses authority and the practitioner is wholly abandoned and can only ‘muddle through’ (Lindblom, 1959). Critics of muddling through have noted that making decisions through successive limited comparisons (relativism) when lacking a critical component serves to reinforce pro-inertia and anti-innovation forces.
We contend, however, that while this evolution is constructive, the CMS project remains insufficient because it takes on the appearance of simply replacing one orthodoxy for another – essentially encouraging the status quo. Reinventing management education requires more than pluralistic discourse. What is lacking is a consideration of those forces which keep these orthodoxies in opposition. Instead, it requires a framework that contextualizes more comprehensively by isolating the forces at work in reproduction while simultaneously fostering its improvement. We call for a more heterodoxical approach as a way out of this maze. As Reed (1997, p. 21) proposes, a critical realist position provides an ontology ‘on which a more structurally robust and inclusive explanations (sic) of organizational phenomena can be constructed.’

The gateway to the future: From interpretivism to critical realism

Acknowledging the important role of the CMS project in challenging the hegemony of positivism, the critical realist position provides a framework for reconceptualizing the management domain and reinventing management education. Supporters claim critical realism portends a more promising alternative than positivist or interpretivist perspectives (Outhwaite, 1983). (Although our sentiments might consider claims to critical realism as a ‘superior approach’ (Boylan & O’Gorman, 1999, p. 138), we also adopt Bhaskar’s (1989) humble aims of continuing the ongoing realist argument rather than attempting to conclude one.)

As a starting point, following the extensive foundation provided by Bhaskar (1975/1978, 1986, 1989), Lawson (1999) notes that realism is neither induction (moving from the particular to the general) nor deduction (moving from the general to the particular), but retroduction (moving from the level of the phenomenon ‘to a different
“deeper” level in order to explain the phenomenon, to identify a causal mechanism responsible’ (p. 10). To grossly oversimplify, if positivism identifies most readily with *prescription* and interpretivism with *description*, realism’s explicit focus is on *explanation*. Positivism’s objective physical world (events and experiences) is essentially a deterministic view that forecloses human choice and renders human beings passive (Lawson, 1997, p. 38). Alternatively, interpretivism implies that knowledge about the social world is ‘mere human construction’ (p. 48).

According to Bhaskar (1989, p. 184), the fundamental ‘aim of science is not prediction and control but explanation and enlightenment.’ Critical realism adopts a position that objects are neither phenomena (empiricism) nor human constructs imposed upon the phenomena. The objects of knowledge are structures, not events. There are three domains of inquiry (Lawson, 1997; Outhwaite, 1983): the empirical: experiences and impressions obtained by direct or indirect observation; the actual: events whether or not they were observed; and the real: structures, powers, mechanisms that generate events. It is the latter one, termed ‘generative mechanisms,’ which according to Bhaskar (1975/1978, pp. 14-15) serves as the basis for causal laws that produce the phenomena in question. To Bhaskar the ‘world consists of things [structures], not events’ and ‘a generative mechanism is nothing other than a way of acting of a thing’ (p. 51).

The critical realist position claims the ‘primary aim of science is the production of knowledge of mechanisms that … produce the phenomena that are actually manifest’ (Lawson, 1997, p. 26) – in essence, explanation that provides ‘an account of those structures, powers and tendencies that have contributed to the production of, or facilitated, some already identified phenomenon of interest’ (p. 23). The realist account
abandons the view that generalizations in nature consist of event regularities, positing that ‘objects of science are structured (irreducible to events) and intransitive (existing and acting independently of their being identified)’ (p. 28). The locus of interest is found in the ‘realist ontology of structures, powers, generative mechanisms and their tendencies that lie behind and govern the flux of events’ (p. 28). In other words, social phenomena are not dependent upon the cognitive capacity of human investigators, but those phenomena are cognitively accessible to them (Johnson & Duberly, 2000).

Where does that leave us with respect to the intentions of the arguments that follow? Critical realism offers an explanatory approach that enables a more useful way of capturing the richness of management knowledge and its underlying (generative) processes. The ‘production of explanations of social institutions is not only, as a general rule, a precondition of criticizing and changing them; sometimes it is criticizing them, and beginning the work of their subversion’ (Collier, 1994, p. 172). That is, critique itself represents a generative mechanism for creating deeper explanations and understandings of organizational processes. Critical realism opens space for explanatory critique as a way of reuniting facts and values (Bhaskar, 1989). If positivism attempts to remove values from organizational knowledge, and interpretivism attempts to incorporate them as relative depictions of this knowledge, critical realism attempts to bring values together with realism consistent with Grey’s (2004) call for uniting values with context.

We take this a step further, as critical realism encourages identification of overarching processes ‘from above’ while exploring the emergent individual-as-actor ‘from below.’ The processes of knowledge creation thus move from a natural science model (Mode 1: traditional basic research) to a social science model oriented toward
applied research (Mode 2), and ultimately to the notion of science as a social activity (Gibbons, et al., 1994). This incorporates critique and multiple modes of knowing (see Thomas, 2004) in addition to creating contextualized learning experiences that foster student capacity to engage in explanatory critique.

While consideration of ontology in organizational research is well established, it is far less common in management education. As the abbreviated (and consequently partial) depiction of ontological concerns above illustrates, however, explicit consideration of ontology can help us to contextualize management education and isolate the generative mechanisms underlying management education that inhibit its reinvention. In this manner we can begin to explain why the numerous critiques of management education have not led to substantive change and are unlikely to do so in their present form. Critical realism provides us with a framework for doing this by identifying the deep structure of management education, thereby exposing these structures to debate and reinvention.

Applying the lens of critical realism to the management education domain offers the potential for a successful reinvention through its focus on the interrelationships among the three levels of context: institutional, programmatic, and pedagogical. As we will argue, contextualizing management education delves below the surface and allows us to identify and explore those generative mechanisms that reinforce our current understandings. At the same time, this analysis also uncovers a different set of generative mechanisms that could be used to jumpstart the reinvention process. Thus using a critical realist approach helps us to see how the context of management education both constrains and necessitates reinvention.
A Critical Realist View of Universities

Diminished legitimacy

Critical realism focuses on the ‘underlying structures, powers, mechanisms and tendencies that exist, whether or not detected, and govern or facilitate actual events’ (Lawson, 1997, p. 20). In this section we describe a legitimation crisis in higher education in the US that, in the absence of institutional reinvention, could easily lead to the withering away of management education programs. (We cannot speak authoritatively to the UK condition, but suspect this crisis applies if recent proposals for ‘topping off’ fees are an indication. See also Workman, 2003.) The causes of this crisis are varied, yet interrelated: resource pressures, the knowledge explosion, and a changing social contract (e.g., Duderstadt, 2000). They necessitate changes in relationships among diverse constituencies, both inside and outside the university boundaries. Any discussion of management education must be grounded in the context of this legitimation crisis.

Resource pressures. Resource scarcity has forced universities into ‘businesses’ managing technology transfer, health-care delivery, insurance, hotel/conference centers, extension services, continuing education, economic investment and so on. Because these strategies generate insufficient revenues, universities also focus on cost containment. Two examples are staffing and financial obligations. Since the lion’s share of university budgets reflect long-term salary commitments, any opportunity to limit and/or control changes in those commitments are particularly attractive. Increased reliance on part-time, adjunct and contract (rather than tenure-track) faculty provide staffing flexibility in uncertain or hostile resource environments. Similarly, reducing institutional contributions (subsidy) to benefit packages buffers the institutions from rapid and
significant price increases. Nevertheless, university dependence upon external constituencies remains. The consequent need to attend to their interests is said to justify ‘strategic’ management – as universities identify key constituents (who control critical resources) and reorganize in an attempt to maximize constituent responsiveness and thus create a stable, more favorable resource environment (Rhoades, 2000).

**Knowledge explosion.** In the knowledge society, the worlds of scientific exploration and mass education collide. This produces pressures for so-called ‘high impact’ research and programs that are judged on their ability to attract stakeholder interest rather than their contribution to the knowledge base. As Nowotny, et al. (2001) suggest, a shift from Mode 1 science to Mode 2 knowledge production alters both the context and process of research by blurring disciplinary boundaries, altering the definition of who should conduct research, and broadening the domain of researchable questions. Transdisciplinarity weakens disciplinary influence over research agendas and alters patterns of resource support. Because the capacity to conduct research is no longer restricted to disciplinary specialists, the boundaries of research communities become more permeable, as knowledge users and brokers are acknowledged as ‘researchers.’ Finally, catchphrases such as the ‘new urban research university’ indicate that a much broader range of topics – social, economic and even cultural – have research importance.

These trends result in a valuation of research increasingly tied to the provision of socio-economic benefits (Duderstadt, 2000). Yet at the same time, universities are organized around disciplines reflecting the historical primacy of Mode 1 science. This structure has long been considered optimal for reproducing researchers. Training and socialization, faculty selection and assessment, promotion and tenure processes all
revolve around the department. The demands of Mode 2 knowledge production, however, require structures to support more diverse roles and a broader set of concerns.

**Social contract.** Resource pressures and the knowledge explosion further complicate the changing social contract that governs public higher education in the US. Historically, education was seen as a public good deserving of significant government support. This has changed, however, due to the largely unfounded claim that faculty members lack accountability. The pervasiveness of this claim has made ‘the draconian budget cuts in American universities politically acceptable’ (Nutt, 2004, p. 1086). Instead of a social institution closely aligned with society’s values and priorities, higher education has become an industry at the mercy of the marketplace.

While still valued as a source of certification and credentials, the university’s value as a source of knowledge gains is being debated (i.e., Mode 1 v. Mode 2). Even taxpayers who acknowledge the continuing value of higher education in a knowledge intensive world resist bearing its true costs in the face of limited resources and other social priorities. Education is increasingly viewed as a private good to be paid for by those who benefit most directly – the student-as-consumer. While universities with established reputations may be able to attract the students and resources necessary to sustain quality programs (e.g., Wolverton & Penley, 2004); it will isolate those institutions from the restructuring efforts ongoing in the higher education enterprise. This raises the issue of whether it is in the Academy’s best interests to have a few leading institutions skim off the cream to maintain their traditional roles.

At the same time, the legitimacy of the university’s role as an independent and responsible critic (if it ever truly existed) is also compromised by the shift from Mode 1
science to Mode 2 knowledge production. As public universities stretch their mission to include more access and vocational programs as well as perforate the boundaries of the scientific community to include new actors and new concerns they create deep institutional fissures as existing power players within the university (the scientific elites) collide with new power players representing strong social and cultural forces. This means that discussions regarding what the knowledge base is or should be are no longer confined to scientific elites. It also means that any notion of the university as a site of autonomous reflection is no longer supported.

**Institutional implications: The specter of permanent failure**

Sustained resource deficits and persistent policy debates over value-added and accountability is moving many public universities toward permanent failure (Meyer & Zucker, 1989). Permanent failure occurs when, as a consequence of sustained poor performance relative to external expectations, hostile exogenous conditions combine with internal dissonance regarding available and desirable options. For example, the organizing logic of corporate models adopted by universities in response to the expectation gap places a greater emphasis on generating resources and managing perceptions of institutional legitimacy than on supporting the generation and dissemination of knowledge. The “managed” university emphasizes efficiency, responsiveness and perceptions of quality by legislators in order to preserve or enhance institutional legitimacy and maintain funding. The legitimation quest provides the rationale for supplanting decentralized decision making and localized adaptation with strong centralized leadership, strategic management and tighter, more coordinated structures (Simsek and Louis, 1994).
After more than two decades of strategic management, however, environmental pressures remain unabated (Duderstadt, 2000) and are compounded by growing internal pressures reflecting tensions created by ineffective administration and value displacement. Birnbaum (2000) describes a succession of seven managerial innovations imported into higher education with relatively low levels of effectiveness. All share the common denominator of gaining administrative control over resource allocation and faculty activity. The other side of increased administrative discretion, however, is faculty workload intensification, faculty expertise commodification, and reduced faculty discretion. This imposition of administrative policies intended to realign faculty activity with external demands evidences limited success yet also creates a cleavage of interests between faculty and administration.

Thus, the generative mechanism currently at work in higher education institutions is the legitimation crisis. The importation of strategic management into the university setting has altered the discursive underpinnings of the institution. When general funds are channeled into building for-profit hotels and conference centers instead of instruction; when faculty expertise is commodified by hiring generic replacements for classrooms; and when research is encouraged more for its potential visibility rather than its substance, the value divergence between corporate and academic models becomes manifest and inflames internal discourse. Over time, a vicious cycle results where poor performance further constrains resource availability, diminishes faculty efforts and lessens institutional legitimacy. Thus, this combination of exogenous and endogenous pressures makes it extremely difficult for institutions to alter their strategic direction or substantively improve performance (permanent failure).
The shift toward the knowledge economy brings the fundamental tensions between research-oriented and access-oriented universities into sharp relief further exacerbates the management challenge. Within the research-oriented university, the distinctions between teaching and research break down; knowledge needs not only to be generated and disseminated but also to be popularized (Nowotny, et al., 2001). Further, it is no longer insulated from political interference in decisions bearing on academic mission. Thus public attitude, expressed through populist issues such as control of tuition levels and admission and transfer policies, lessens the importance of the research-oriented university while favoring the strategic robustness of the access-oriented university. Society embraces the idea of creating knowledgeable communities to maintain or enhance economic activity; yet such communities transcend university boundaries and require a qualitatively different strategic focus and enabling structure.

To summarize, unrelenting resource pressures, the knowledge explosion and the changing social contract for higher education leaves universities in a compromised competitive situation, with substantial internal discord regarding the appropriate strategies and structures to better articulate and accomplish institutional goals. While crucial, innovation is inherently radicalizing. Power structures inside and outside the universities are already in flux, a condition only to be exacerbated by radical change. Finally, uncertainty is rampant. And given the market’s well known dislike of uncertainty, the time horizon for action is severely foreshortened.

The business school dilemma

From a critical realist perspective, the legitimation crisis at work in higher education is alive and well within business schools themselves. Any meaningful
reinvention of management education must take these pressures into account as they make decisions regarding mission, curriculum and pedagogy more crucial, yet difficult to make. And while the legitimation crisis makes implementing change within the current institutional context highly problematic, we would argue it is not impossible. (Many authors have noted the ability of universities to reinvent themselves as necessary e.g., Grey, 2004; Nowotny et.al, 2001; Starkey & Tempest, 2005).

Reinvention requires greater autonomy and flexibility for business schools as well as innovative approaches to curricular content and pedagogy. Business schools are poorly positioned to gain autonomy, exhibit flexibility and engage in substantive innovation. This is all the more troubling given the track record of substantive critique by scholars in the UK, US and EU that clearly calls for reinvention. The recent broadside by Pfeffer and Fong (2002) indicates that even in the most insular and incestuous Academy of Management, a debate over value and relevance of business education has been enjoined. Similarly, the AASCB-commissioned report, Management Education at Risk (2002), demonstrates broad concern over the prospects for management education, a concern validated by a recent Business Week analysis (Merritt, 2005).

The critical realist perspective helps us see that reinvention, if it is to occur, will require alternations in the patterns of interaction among institution, curriculum and pedagogy will lead to redefinition of strategy and environment and new institutional arrangements. After summarizing the developing critique of business schools, Starkey and Tempest (2005) conclude to escape irrelevance business schools must redefine their mission to promote a “broader and more inclusive conception of knowledge than credentialing systems and corporate organizations typically allow” (2005, p. 70). Within
this mission business school will serve as a site for interconnectivity; forging new links ‘between business school and society, between research and practice, and between business schools and businesses themselves’ (2005, p. 78). This conclusion echoes the AACSB International’s recommendations for greater use of ‘nontraditional teachers with rich industry experience,’ ‘blurring boundaries between educational disciplines,’ and ‘forestalling competition by offering more flexible offerings and partnering with other providers to expand their reach’ (AACSB, 2002).

Moving forward requires a legitimating (in the Weickian sense) mission if claims of business school and faculty authority are to be recognized. Business schools are already addressing the tri-part mission of revenue generator, knowledge producer and critical reflector, but we would argue, in piecemeal ways instead of creating a new legitimating logic grounded in the ontology of critical realism.

One legacy of the legitimation crisis is the recognition that the greater the lag between knowledge creation and tangible economic benefit, the greater the need for legitimating activities in public spaces (i.e., Nowotny, et al.’s (2001) agora). The strong tie between external funding (whether state or private) and the demonstration of tangible economic benefit to the community turns business schools into “for profit” enterprises (as distinguished from profitable); where external attributions of value are tied to return on investment. The proliferation of alternative sites of knowledge creation (both programmatic, i.e., consultancies and corporate universities; serendipitous, i.e., learning through work; and superficial, i.e., the boxed-set MBA) has resulted in a socially distributed system of knowledge production. This system is neither confined to the institutional boundaries of the university, nor to the disciplinary segments within it. The
A legitimating mission redefines business school identity as a location of experimentation, encompassing revenue generation, knowledge production and critical reflection. Such innovation is indeed radicalizing. ‘In the US, for example, traditions of promotion and tenure discourage all but the most active and conformist researchers from entering and persisting in business school academic careers’ (AACSB, 2002, p. 17, emphasis added). Redefinition of what it means to be a knowledge producer causes anxiety regarding the meaning of these innovations – whether through disruption of power distributions, the potential need to develop new skill sets, or most importantly, by a perception that professional identity is under assault. This further clouds the context in which business schools make decisions regarding mission, curriculum and pedagogy – they must all be decided within this context of flux.

Again, a critical realist perspective helps us move forward. By illuminating the generative mechanisms in which these actions are embedded allows us to better understand current context as well as undertake constructive action. Redefining universities as locations for experimentation implies both dynamism and dissonance. It is this energy that can be used to propel us forward. And energy is needed.

In the 21st century, knowledge production is no longer self-contained within discipline or institution. Recognizably competent research on managerial issues is being carried out in a variety of locations (not just business schools). Further, the knowledge flowing from this research is tied more to problem context (requiring expertise) than to
disciplinary structure (requiring science). The processes of knowledge creation must transgress traditional disciplinary boundaries (Nowotny, 2000).

A transdisciplinary approach to knowledge production requires changes in the training, selection, socialization and assessment of faculty. Doctoral programs are reinvented when they promote forms of knowledge generation that are inclusive (Mode 2) rather than exclusive (Mode 1). Further, it requires facility in the traditions of both positivism and interpretivism in order to develop an expertise that is a configuration of knowledge, information and situated experience. At the curricular level, critical realism suggests a shift in focus from the acquisition of functional expertise to problematizing the place and role of these specialties in ongoing processes of managing. The challenge is to introduce aspects of local knowledge, which is situated rather than generalizable, and development of social skills such as political acuity.

Resource pressures have lead to a rapid expansion of executive education programs; estimates suggest it may account for as much as 25% of annual revenue (AACSB, 2002). Internal revenue generation through executive programs can provide some measure of local autonomy to pursue those elements of the knowledge production process where there is a lag between knowledge creation and tangible economic benefit. Yet, social and economic forces resulting in a de-layering of organizations combine to reduce the number of executives seeking such programs. Additionally, as currently conceived, such programs raise questions regarding the extent of value-adding knowledge generated.

A more integrated approach would re-conceive such programs as ‘test beds’ for the development of new knowledge where the process matches the increasingly diverse
constituency with pluralistic disciplinary responses. This cuts to the heart of the legitimacy crisis – if the changing social contract means that education is valuable only insofar as it provides tangible economic benefit, then the ability to serve as a hub for transdisciplinary and inter-organizational initiatives that simultaneously engage and create a sense of positive return on investment is crucial.

As critical reflector, if the criterion for ‘goodness’ is discipline-specified then science is removed from areas of potential contestation. If businesses do not succeed, it is not science that is at fault, it is the practitioner’s error. The consequence of both isolating the researcher and alienating the practitioner is the compromised credibility of the practice of Mode 1 science and undermined scientific authority. This isolation must be breached by connecting researcher and practitioner as counter experts in dialogue. We prepare our counter experts through our pedagogy.

**Reinventing management education: Pedagogy and critical realism**

Over a decade ago, Raelin & Schermerhorn (1994) advocated a shift from the traditional (positivist) approach to management education to an interpretive approach where knowledge is contextually defined. As Grey (1996) pointed out, such calls could be marginalized as long as orthodox management education’s claims of success were believable. But by the late 1990s, an interpretivist wedge challenged basic positivist assumptions. As argued above, this shift toward an interpretivist approach itself creates a new set of dilemmas and is not inherently revolutionary. What is needed is a new ontology – and critical realism offers an opportunity to truly reinvent management education and learning. (We do not pose this as *the answer*, but as a challenge to the dominant and emergent ontologies that underlie the management learning domain.)
How students address reality and come to know is inextricably intertwined with the instructional methods that guide and shape their learning opportunities. But with few exceptions the explicit connection of critical realism to pedagogy has been overlooked, although many extant instructional initiatives are consistent with its spirit. From a critical realism stance, giving ontological priority via pedagogy means attending to the generative mechanisms that inspire the tension between agency and structure, stability and change. By facilitating students’ uncovering of those generative mechanisms, they can engage in ‘emancipatory politics’ to transform structures, which ‘must be based on knowledge of those structures’ (Collier, 1994, p. 192). With emancipation and explanation at its forefront, then, the critical realism initiative raises two inseparable questions regarding reinvention: a) what should we teach in management education programs?, i.e., what is the basis for knowledge (epistemology-ontology)?; And b) how might we accomplish that?, i.e., what instructional strategies promote such learning (pedagogy)?

Today, the complex, ambiguous, contradictory and uncertain nature of management is more appropriately embraced as a social and political activity (Anthony, 1986) rather than a technical-functionalist one. The pedagogical challenge for management educators is ‘to reflect the complexity of “management” and the social and political dimensions of “managerial practice” in the content and delivery of our courses’ (Thompson & McGivern, 1996, p. 23). Examples of this can be found in work that addresses the questions ‘What is management? (e.g., Golding & Currie, 2000) and ‘What do managers do?’ (e.g., Thomas, 2003). The aim, of course, is to acknowledge the problematic nature of the practice of managing as prelude to ‘How then, should we
educate our managers?’ (Beck, 1994, p. 238). These questions can be explicated in a series of assumptions.

The first assumption is to acknowledge the dynamic nature of knowledge. In a unique linkage of epistemological relativism with ontological realism, Emami and Riordan’s (1998, pp. 313-314) interpretation of critical realism as pedagogy perceives a ‘process of knowing [that] will be a “continuing spiral of discovery” that requires constant revision.’ Further, this invites ‘an ongoing questioning of our assumptions and insights’ (p. 314). A second assumption concerns the understanding the role of generative mechanisms in the context of managing. Focusing on the mechanisms underlying events presents managing as a messy endeavor, as we are unable to ‘predict with certainty how the observable events and the underlying structures are going to interact’ (Emami & Riordan, 1998, p. 313).

The fact-value interconnectedness of critical realism is a third assumption. Collier (1994, p.197) says ‘given that people unavoidably have values, the way to change those values for the better is by increasing knowledge, both descriptive … and explanatory.’ Similarly, Grey (2004, p. 179) blurs the fact-value relationship: ‘Facts are always impregnated with values … The very selection of what we study is bound up with what is worth studying.’ Further, he criticizes calls for more effective techniques that merely decouple management from values. His position is consistent with a critical realist’s when he argues for teaching management in ways that confront ‘the political, ethical, and philosophical nature of its practice’ (p. 180) – that is, generative mechanisms. Instead, management educators should build upon ‘philosophical – ontological, epistemological, ethical, philosophical, perhaps even aesthetical – assumptions … our
response should be to bring values into the classroom for analysis and discussion’ (p. 180). Clegg and Ross-Smith (2003) make a similar argument, contending that prominent American scholars have ignored serious debates in social theory surrounding power.

Critique is specified as a fourth assumption. As noted, positivism’s determinism defines out the notion of critique, while interpretivism reduces it to relativism. Critique in critical realism ‘asks us to tease out, reflect upon and elaborate our ontological presuppositions. It encourages us to ask: do we really think the world is like this?’ (Ackroyd & Fleetwood, 2000, p. 15). Thus, the critical realism ontology is ultimately transformational (p. 13) and has emancipatory potential (p. 23).

With these assumptions in mind, what key elements should our pedagogies include? As Mintzberg (2004; Mintzberg & Gosling, 2002) and others have long argued, invoking pedagogies grounded in students’ lived experience offers promise and is preferable to ‘dry abstractions’ (Grey, 2004). Clegg and Ross-Smith (2003) agree, emphasizing situated knowledge over universal, opening ‘that which is beneath the surface’ or otherwise rendered invisible to inquiry (p. 93). This leads to a second aim of pedagogy – to embrace pluralism. Critical realists are open to the possibility of multiple perspectives and competing claims about the social world, but at the same time reject the possibility that there are multiple realities (Ackroyd & Fleetwood, 2000). This is not to imply that the critical realist ‘knows’ the truth, only that there is the possibility for an objective social world and that the truth can be known. (Hence, critical realism’s positioning between the absolute of positivism and the relativity of interpretivism.) A third necessary component of a critical realist pedagogy is critical reflection. Extant experience must be subjected to critical scrutiny (Kayes, 2004). Therefore, the
relationship between learning and changing (Antonacopoulou, 2004) should also be open to critique in order to explain the underlying social, cultural, and political contextual factors influencing observable events.

Finally, what pedagogies does critical realism inspire that incorporate the above notions of experience, pluralism, and critique? A category of pedagogies that leverages the messiness of managing has been captured under the rubric of social inquiry (Coombs & Elden, 2004) – instructional approaches that incorporate and privilege student work experience. They include admittedly inter-related and overlapping pedagogical strategies such as cooperative learning, project learning, case-based learning, experiential learning, service learning, discovery learning, and problem-based learning (p. 524). By design, these approaches contextualize learning in ways that cannot be accomplished using traditional teaching-centered pedagogies, including the ever-popular case discussions. But while more closely related to ‘experience’ and amenable to reflection, these pedagogies are uncritical as practiced.

The epistemological and pedagogical implication of critical realism ontology ‘calls for an ongoing questioning of our assumptions and insights, while believing that it is possible to develop increasingly “adequate” views of reality’ (Emami & Riordan, 1998, p. 314). With the caveat that there is no formula but that more of the traditional kind of education is insufficient, we expand the above to include action research and critical pedagogy as particular forms of social inquiry that are better suited to the designs of critical realism.

Despite its rich history, action research remains an under-explored form of management practitioner learning (Coghlan, 2003), perhaps due to the difficulty of its
assessment (Gosling & Ashton, 1994). Action research is a ‘form of practitioner research’ explicitly intended to improve professional practice (McNiff, Lomax & Whitehead, 1996, p. 7) and requires ‘praxis rather than practice. Praxis is informed, committed action that gives rise to knowledge rather than just successful action” (p. 8, emphasis added) – thus learning takes precedence over problem solution. Additional components include critique and emancipation.

Noting that commodification of education ignores questions such as ‘How do I improve my practice?’ (this question originated with Whitehead, e.g., 1994), McNiff responds with an action research variation that explicitly incorporates a critical theoretic view – one that allows people to ‘understand the power constituted nature of their lives, and learn how to challenge’ (2002, p. 33). Rather than unfolding a lengthy account of this process here, we choose instead to point readers to examples that demonstrate critique in action research.

Nason (2000) provides an intriguing account of a practitioner-student’s critique of the underlying motives his colleagues employ to shape his behavior in both social and work contexts. McNiff (2000) invokes her graduate students’ voices in an education context, while Dehler (forthcoming) describes an action research pedagogy introduced into a graduate management curriculum. In the last instance, reflection and reflecting critically is an essential component of the course project. Reflecting critically requires making assumptions transparent, i.e., the taken-for-granted, unquestioned and accepted ‘common sense’ propositions, and institutionalized beliefs and values (Welsh & Dehler, 2004). McNiff (2000, p. 200) describes this as a ‘process of thinking in action, and reflection on thinking in action, as a generative transformational process.’ These
examples show how students delve below the problem-as-event to explain the underlying structures in play, e.g., social phenomena, power relations, and hegemonic ideologies. Critical pedagogy addresses the aim of emancipation, becoming ‘aware of, and work to overcome, the forces of domination and control that influence and potentially distort their work practices. … [students] … see themselves engaged in collective struggle against the forces of colonisation and oppression’ (McNiff, 2000, p. 200). For students this entails a ‘personal commitment to action’ by ‘having the courage to speak and act in ways that are often contested’ (McNiff, 2002, p 17). Critical pedagogy provides a process that increases ‘complicated understanding’ principally by transforming content, context, and process (e.g., Grey, Knights & Willmott, 1996; Reynolds, 1997). Again, to use space judiciously, we direct readers to examples, particularly Dehler, et al. (2001) who identify the transformation of student and faculty roles and responsibilities, curricular content, and the learning process and Mingers’ (2000a) account of introducing critical views to undergraduate students. Finally, Currie and Knights (2003) identify the problematics of implementing a critical pedagogy in MBA instruction.

**Conclusion: Whither, indeed?**

The genesis for this paper was our own frustration that despite two decades of substantive critique of modernist management education (most emanating from the UK, but including our own), this critique became ‘legitimate’ in the US only when Jeffrey Pfeffer weighed in (with due respect to Prof. Fong). Now curiously such is the way of the world – which is to say the hegemonic American Academy of Management; but it caused us to scrutinize the process of legitimation. The choice of framework evolved naturally from the claim: ‘we have a self-reinforcing system that will be difficult to
change’ (Pfeffer & Fong, 2002, p. 91). The institutional barriers (cost structure, faculty training, status hierarchies, and accreditation) are, indeed, significant. But given current market trends (declining student demand, waning corporate support), we may be reaching the tipping point that finally provides impetus for meaningful change.

Critical realism was selected as a framework because engaging in a critical realist analysis of management education not only informs, it contributes to the process of its subversion (Collier, 1994). While critical realists address the ongoing inner conversation (Archer, 2003) in the dynamic interaction between personal and social identity formation, the metaphor is equally useful when applied to the increasing public conversation regarding the legitimacy of management education programs. Focusing on the generative mechanisms holding the system in place is the starting point for understanding the latent potential for change emanating from a pedagogy of inquiry rooted in a critical examination of ‘alternative social ontologies’ (Cruickshank, 2003, p. 3). As a framework, then, critical realism provides a way to examine both the intellectual shortcomings of management education and the practical necessities involved in its transformation, and nudge us closer to that heretofore elusive tipping point.

Discourse within business schools regarding various strategic alternatives is increasingly discordant as the tensions both within and between research and teaching are more fully recognized. Productive debate requires us to find a common language with which to express our disparate notions about what constitutes managing, today and in the future. Critical realism is establishing a presence in social science generally and in the literature in several arenas beyond management, notably economics (Lawson, 1997), operations research (Mingers, 2000b), information systems (Mingers, 2004), and strategic
management (Tsang & Kwan, 1999). While it is premature to conclude that presence necessarily implies credibility, having a common language with which to address issues of structure and agency represents meaningful progress as we experiment with new forms of management education.

References


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