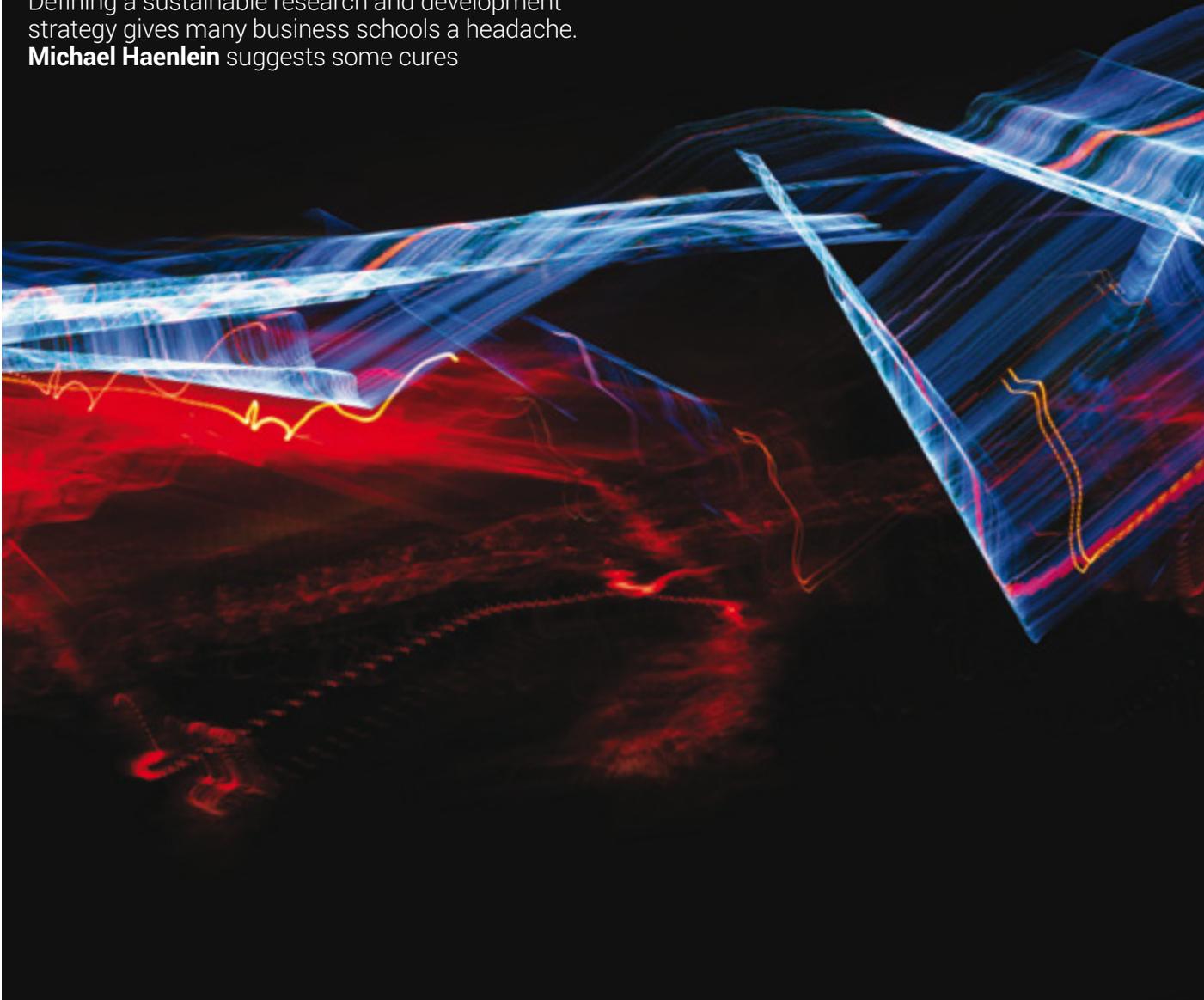


# Much ado about ... scientific research

Defining a sustainable research and development strategy gives many business schools a headache. **Michael Haenlein** suggests some cures



If there is one thing most, if not all, business school deans can agree on it is that research is an expensive activity.

Several years ago, Christian Terwiesch and Karl Ulrich from the Wharton School at the University of Pennsylvania in the US estimated the cost of creating an A-Journal article at approximately \$400,000 (about €350,000)

The logic is simple: assume the average faculty member spends 50% of his or her time on research and, in doing so, publishes three articles every four years (or 0.75 articles per year). If an article has on average two co-authors then the cost per article can be determined by multiplying the annual salary cost per faculty (including benefits and overheads) by  $0.50 \times 2.0 / 0.75 = 1.33$ .

With annual salary costs of \$300,000 the result is a total cost of \$400,000 per article. This value can easily be customised to any business school by applying the assumptions relevant to that institution.

These significant investments are usually justified, at least in part, by the importance of research for national and international rankings. Yet, when looking at the relationship between research and ranking position this assumption becomes questionable. For example, the Financial Times Business School Rankings, which represent an important yardstick for many institutions in Europe, does not consider the FT research rank (which measures the number of publications in A-journals weighted for faculty size) in its Masters in Management ranking. And even in the full-time and executive MBA rankings, where research plays a role, its impact is only small.

(A simple linear regression model using the 2018 FT Executive MBA ranking results in an adjusted R<sup>2</sup> value of 93.6% including research and 90.3% excluding research. For the 2019 FT Global MBA ranking the corresponding values are 92.2% and 91.1%.)

While this may be different in some national rankings, which can play a pivotal role for business schools in their local markets, it still raises the question whether rankings alone are sufficient to justify the focus many institutions place on research these days.

Confronted with all this most deans would argue that research has benefits that go beyond a mere improvement in rankings. Three points are frequently named in this context:

- First, research on important issues can help gain press coverage and hence improve their brand awareness and brand equity, which in turn positively influences applicant numbers.
- Second, having expertise in cutting-edge fields can help to position a business school in the lucrative and increasingly vital executive education market by offering knowledge that cannot easily be found elsewhere.
- Finally, being research focused is often seen as a necessary condition to attract new, top-notch faculty members, especially those with strong logical reasoning, communication and teaching skills.

Yet, again though, these arguments are in many cases less obvious than they may appear at first glance. A big proportion of research published in leading peer-reviewed journals suffers from the weakness of being on topics managers generally care little about. This issue has become more pronounced in recent years. More and more researchers are either not aware of the issues that have true importance for managers and/or do not have the ability to study those issues or the motivation to do so. This limits the way in which such research can be leveraged in public relations or marketing activities.

In addition, more and more business schools have started to separate, in one way or another, research and teaching faculty, in part due to the large cost of research-active faculty. This leads to the fact that research-active faculty teach substantially less and in turn, that the majority of classroom teaching is done by teaching or adjunct faculty who frequently are less research active. This challenges the notion that research can be translated into an improved classroom offering.



How can business school deans deal with this struggle, especially in times where resources are increasingly scarce and where many fundamental aspects of the business school model are under question? How can they define a research and development strategy that makes “an impact on the constituencies that are important to and part of the school’s strategy” as required by the EQUIS accreditation framework?

And most importantly, how can they facilitate the transition from a traditional European research model, which places strong emphasis on outputs such as books (monographies and textbooks) and case studies as well as qualitative and interdisciplinary research in general to an anglo-saxon one where the key benchmark for evaluation is peer-reviewed journal articles?

I am frequently confronted with questions like these at my own institution as well as at universities and business schools where I serve as a research advisor. And my answer is usually that measuring the quality or success of a research strategy by simply counting the number of publications in peer-reviewed or impact-factor journals is often a slippery slope.

In most cases it is not necessary that every individual faculty member starts to engage in research that can be published in such journals and neither is it advisable to completely discount alternative outlets such as academic journals in local languages, monographies, managerial articles, or even textbooks and case studies.

Instead, it is important to define a research strategy that allows schools to achieve their main mission of educating a new generation of managers and entrepreneurs. This can be achieved either by engaging in research that allows schools to attract better talent (for example, through improved ranking positions or improved marketing/ PR activities) or in research that translates into an improved teaching experience for both degree programmes and executive education.

Research for research sake or for the mere sake of publications is something that fewer and fewer schools should and will be able to afford in future.



Based on this logic there are four actions that deans should focus on:

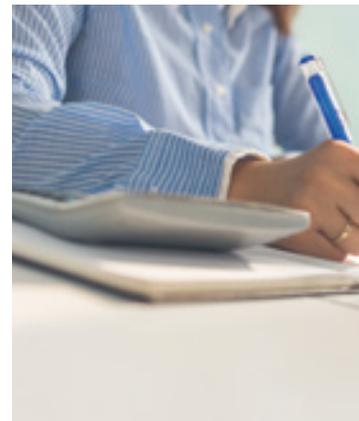
**First, ensure your research-active faculty has the awareness, ability and motivation to study important topics**

Research conducted at business schools is usually managerially relevant in the sense that it pertains to a problem of concern for some managers. Yet some problems are clearly more important than others because they affect more managers, managers at a higher hierarchical level or lead to stronger belief shifts among those managers.

These are the problems that research should focus on. This requires that faculty are aware of such problems, have the conceptual and methodological abilities to study them, and that business schools implement incentive systems that provide a motivation for doing so.

**Second, incentivise the transmission of research outcomes instead of mere publication**

A research project on an important topic does not stop once an article has been accepted in an academic journal. Instead, at this stage researchers should help to diffuse the knowledge created to as large an audience as possible. This includes crafting managerial versions of their work that can be leveraged in marketing and PR activities, generating teaching materials such as slides or case studies around the project that can be leveraged in the classroom, giving interviews on their area of expertise or engaging in social media activities.



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*Instead, it is important to define a research strategy that allows schools to achieve their main mission of educating a new generation of managers and entrepreneurs*



**Third, accept that research is a skill that changes dynamically and needs to be developed**

Standards for publication in leading journals evolve constantly over time and what used to be acceptable a decade ago may no longer be so today. This implies that faculty members who have not been active in research for a certain period may need to be trained in the “rules of the game”. Otherwise they risk applying the principles they learned in the past, which will be a source of ongoing frustration.

**Finally, understand that each faculty member should contribute to research output, even if it is in different ways**

Let’s be realistic – it is not likely that an entire faculty team that used to be focused on publishing one type of research can be transformed into one that publishes another type of research. In addition, the interest and focus of faculty may change after the tenure process compared to before.

Focusing exclusively on articles in peer-reviewed journals while neglecting all other

forms of output is therefore unlikely to be efficient. It will force some part of the faculty to run behind a train which they will never be able to catch, which again leads to frustration and inefficiencies.

Deans should realise that many forms of research output matter and leverage each faculty member in the best possible way to achieve this goal. Multiple strategies exist for this and it is important to choose the one that is most adapted to the context of an individual institution.

I want to finish this article on a personal note by saying that I love research. I have spent my entire career working on questions that I am passionate about. I have published in the leading journals of my field and am involved in most of them, either as former editor-in-chief, associate editor or as a member of the editorial review board of an advisory panel.

But doing research is more than simply publishing manuscripts in peer-reviewed journals that few practitioners care about. It is about working on topics of true importance and ensuring the knowledge created is translated into the classroom and beyond.



**About the Author**

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