Academics working across the boundaries - conflict of interest or mutual enrichment?

In contrast to most of their counterparts in the corporate sector, business school academics are often given the opportunity (if not encouraged by some schools) to work beyond the boundaries of their schools, say **Patrick De Greve, Nicola Kleyn** and **Mark Smith**

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These arrangements may be with other faculties in home universities, with other (usually non-competing) schools or with external science and education-related entities, and include activities such as research collaborations, teaching and examination engagements and editorships for academic journals. Increasingly, faculty are being offered attractive and sometimes lucrative opportunities to work with corporates and other organisations in a panoply of roles where they are paid to speak, write, promote, educate, train, design, research, advise, consult and serve as board members. There is a high demand for these talents, and they are well compensated.

In some cases, external faculty work may deepen and strengthen the school's brand name and demand for its offerings. In others, the outcome may not be so rosy. Faculty may lose focus on their home institution, they may monopolise relationships derived through their schoolwork for personal gain, and may even become direct competitors of their business school employer either as individuals or in setting up competing external organisations.

Navigating the tricky terrain of whether, and if so how, faculty should work across boundaries is complex and requires a nuanced understanding of the school's environment, stakeholders and ethos. We explore the positive and negative effects of external faculty work, how tensions might be resolved and show how one of our schools has contracted with faculty to benefit both the faculty and the school in responding to external opportunities.

The upside

For faculty, extra-organisational work has been regarded as a source of freedom, an opportunity to enrich and legitimise an academic profile, and in the case of paid work, an attractive opportunity to augment faculty earnings. Extra-organisational teaching can bring benefits to both schools and their faculty including prestige, access to new networks and opportunities to learn about different contexts including technological and physical infrastructures, and ways of working in classrooms.

Accreditation bodies and external advisory boards are often keen to see evidence and preferably impact from consulting and engagement with business and government alike. Such work can also be used to supplement growing calls on the academy to provide evidence of impact on public policy and practice.

This exposure to other organisations can enrich much of the offering in the classroom for MBA students and other executives. The diversity of experiences with practice complements academic training and can provide legitimacy for faculty who engage with highly experienced students. Furthermore, there is a certain prestige for the business school in being able to record evidence of consulting and advisory work for leading blue-chip companies.

Engagement with practice also provides schools with an opportunity to augment linear academic trajectories that rely solely on an intense focus on research and publications. This can provide opportunities to attract strong practitioners as teaching faculty and to provide alternative options to career academics who may wish to lessen their focus on scholarly research.

There's also an argument to be made that as many business schools preach and teach about the importance of entrepreneurship, faculty members who thrive from participating in entrepreneurial activities like start-ups, scale ups, board mandates and PE involvement showcase their expertise in action. 'Walking the talk' can enable them to have more impact in teaching, act as a role model and be inspirational for the next generation of talents. Of course, for the faculty member themselves, the income models (share allocations and options, incentive plans, free agent fees, sign up bonuses) that come with these assignments are even more lucrative than billing by the hour and serve as a stark reminder that maybe it's time for business schools to rethink their standard rewards systems.

The downside

What's good for faculty may not necessarily be in the interest of the business schools that home these permanent academics. Business education is expensive and supporting research and other activities that do not bring direct income streams have made schools and their deans more attentive to what they expect from faculty. A new breed of academic managers with new perspectives and pressures are paying greater attention to the management of academic resources and questioning the wisdom of traditional norms. They face renewed pressure to align the skills and talents of their faculty with opportunities to build income and brand equity and to manage these across new modes of delivery. Part of their focus is to scrutinise potential conflicts of interest, particularly in the arenas of executive education and consulting, which are growing areas and a valuable source of income for many schools.

Unlike members of a true gig economy, permanent faculty who leverage market opportunities do so from guaranteed and secure positions at their alma mater. They can price their services at marginal cost with no repayment to the institution (or the citizenry that might fund these in the case of public institutions) for investments made over the career of the faculty member. Not only have their institutions invested in their skills and knowledge; they have often funded the development of teaching materials and other intellectual property that is not theirs to sell on.

From a client perspective many large corporations, corporate universities, L&D departments, etc., are well structured and master their needs in such a way that they have the maturity to cherry pick their faculty of choice and design impactful programmes around them, coordinating and facilitating the entire learning journey. In using the faculty member's title and

affiliation, they benefit both from the brand of the business school and the capabilities of the professor while the home school gains little beyond lost executive education revenue opportunities.

Whilst deans and professional managers might bemoan the behaviour of their faculty, they complicate matters by using temporary teachers and short-term contracts. These provide built-in flexibility and capacity for core teaching activities, sometimes at the cost of precariousness for the individuals involved. While these teachers may deliver a large proportion of total hours on the key 'product' of the school they may not be loyal. However, using 'fly-in' faculty might bring fresh perspectives that benefit the school and its faculty community. All too often though, there's little opportunity or incentive for such faculty to spend time building relationships that would ensure alignment with a school's brand, sustained engagement with students and a chance to imbibe the culture of their host school. And why should they? They have other engagements to fulfil, which in many cases might be to teach at competitor schools. The growing demand for online materials further complicates the situation. In many cases, there is nothing that prevents faculty from recording courses for other schools (perhaps even from their home offices) which can then be branded and resold, over and over.

The pressures and paths that have led to our current situation are unlikely to recede. What is needed now are new ways of doing things that tackle the tension and keep both the 'good money' and talented faculty members in our schools.

A different way - Vlerick's academic partners

When designing its faculty model Vlerick Business School differentiated between individual career builders and institution builders and created differential incentive systems, career paths and expectations towards them. Some faculty benefit from a more traditional model. For those who are entrepreneurial and seek to grow in partnership with Vlerick, a new faculty model, the Academic or PURE PLAY Partnership was created. The relationship is characterised by a strong "psychological contract" as of the level of associate professor for those faculty that subscribe to the institutional agenda, the strategy, the ambition and who want to commit the full 100%. Faculty members who have top talents and have built a trusted relationship are provided with, and generate opportunities to teach, research and provide service within the school.

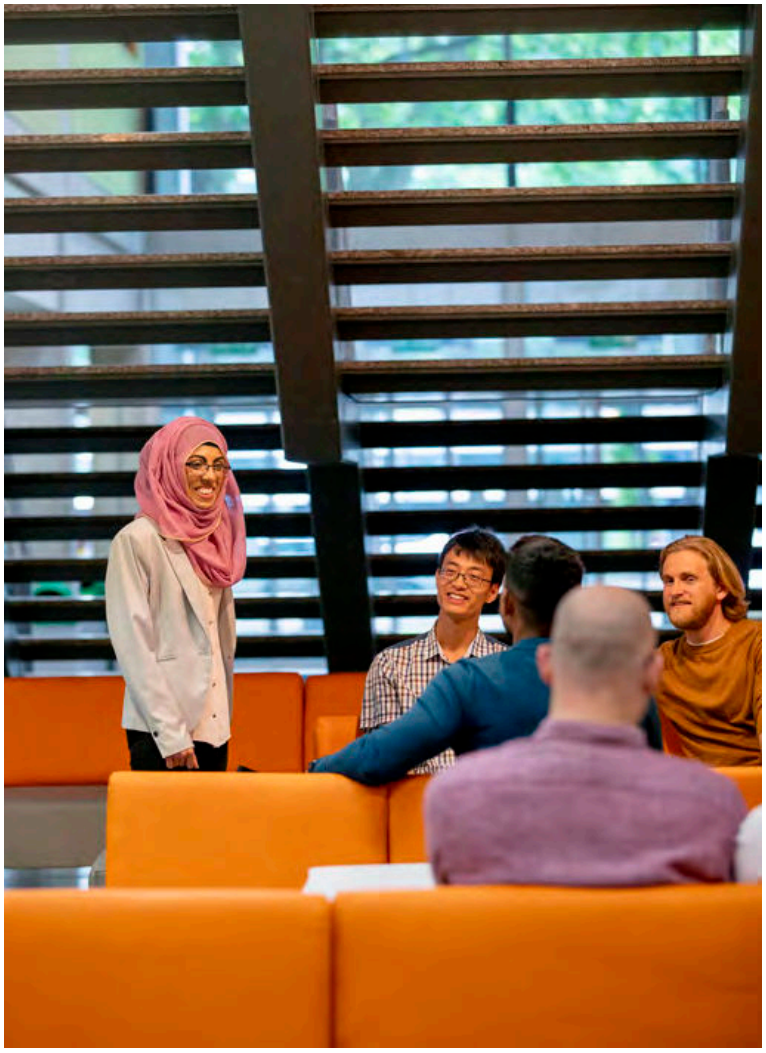
The academic partnership offers faculty significant entrepreneurship, freedom, and autonomy to be fully engaged in the school's agenda avoiding the temptation for them to be "seduced" by outside activities. In return, the school pays a premium to these faculty and has invested in elaborate reporting systems, feedback and evaluation processes to monitor and report on the multiple dimensions of the job to be done. The academic partner evaluation system is perhaps the magic formula to make it all happen and make them 'hunt as a pack' (to quote the McKinsey saying). Vlerick took learnings from incentive systems in the corporate and consulting worlds to design a model that allows the money from all activities the academic partners undertake to stay in the school. All renumeration first comes into the school, it is jointly used to make progress on our ambition and strategic agenda and if the school does well it can/could be distributed in second order.

The academic partnership rationale is one of pure play and is based upon four strong foundations: a business and entrepreneurship focus, a deep-rooted psychological contract and strong commitment towards the institution, an aligned human resource strategy and policy focusing on partner development and feedback and finally, one that is backed by a solid legal, social security and engagement contract. Full disclosure of all activities and full transparency is key to making it work.

Vlerick has found that the partnership model enables unity in diversity, as it allows faculty with very different profiles (from research-focused to teaching focused) to be equal partners in building the school.

Vlerick still has its other career track, the pure academic path (assistant, associate, full professor) where these talents focus more on individual careers. The School allows these faculty to spend one day a week outside the school. Ideally, they seek to buy off this day (so-called overload teaching or overload in research) so that faculty spend it at 'home'. 'Because if they are great, relevant, on the edge, why would we want them to do their gig somewhere else?'

> *"In a world with a shortage of academics business schools may need to ensure their teaching talent is fully utilised at home before sharing it with others*



In a world with a shortage of academics business schools may need to ensure their teaching talent is fully utilised at home *before* sharing it with others. Inculcating this principle in both regulations and culture could prevent undesirable situations. An example of which involved a faculty member who avoided fulfilling obligations within their home business school, citing overwork, but who was then found to be spending days teaching elsewhere in the same university. Another situation involved two faculty members who set up a private executive education business, whereby they were paid dividends (the disclosure of which was not required) and which did not conflict with faculty limitations on earnings.

For some schools, a Vlerick-like option is feasible. For others, particularly public universities where salaries may be highly regulated if not capped, other solutions need to be found. As schools, we need to ask questions of ourselves. How innovative and entrepreneurial do we want to be? Do we have the courage and the energy to design appropriate social and financial incentives alongside tracking and monitoring systems that disincentivise behaviour which hurts our institutions? The first step is to acknowledge and understand the problem and to share it within our communities so that we can find win-win defensible solutions that balance the needs of faculty, schools, funders, and clients.

Resolving the dilemma

Left unchecked, the growing number of outside opportunities will challenge the job security, autonomy and flexibility that are hallmarks of being a faculty member in a tenured position. It is folly for faculty to ignore the lure of the external. So too is seeking to treat faculty as corporate employees and prohibiting all external engagements. Schools need to find a middle road that is likely to involve overhauling incentive and performance systems and processes along with legal and psychological contracts with faculty.

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