

## **The business of knowledge**

*Della Bradshaw*

Last month, Julian Birkinshaw, professor of strategic management at London Business School, gave a talk to a group of business people. After the discussion, a participant from a leading Malaysian mobile telephone company approached Prof Birkinshaw and told him that, unbeknown to the professor, the telecom company had used one of his articles\* to frame the company's strategic planning process.

The company's top executives filled in a questionnaire about their current management model; how they would like it to look in five years and to achieve this what changes should be made. "I think this is typical of how academic research is used – we rarely offer managers direct, immediately implementable advice, but we are good at helping them to see the bigger picture and therefore to help them make more thoughtful decisions," says Prof Birkinshaw.

The incident also illustrates one of the most complex issues of the relationship between business and academia: the difficulty of quantifying and analysing the impact of business schools on the business world.

The vast majority of managers will never knowingly come into contact with business academia. In the UK, for example, typical of many developed countries, there are 4.8m managers today, according to the UK Commission for Employment and Skills\*\*. But the best estimates are that only one-in-five of those will have any kind of management qualification.

Just how business knowledge is disseminated is critical to the value of management research and in recent years the debate has centred about the availability of "rigorous" (academic) versus "relevant" research. Robin Wensley, director of the UK's Advanced Institute of Management Research, says he has ditched the term "relevance" in relation to research, in favour of "engagement".

"Engagement is the process that in one way or another produces discussions and debates. You can't do that by saying here is a report that is relevant." But he acknowledges this inevitably means engagement with small groups of people, possibly in business school-run executive programmes.

Far more useful at disseminating knowledge are intermediaries, such as newspapers or management consultants. Management consultants can engage managers on many levels says Prof Wensley. The Aim research team, he points out, is funded to the tune of £30m over 10 years; management consultants in the UK alone will gross £100bn over the same period.

For those companies with direct recruiting links with business schools, such as professional services firms and banks, the links between business and academia are more clearly defined.

Goldman Sachs, the investment bank, has traditionally been one of the MBA students' favoured destinations. Despite the employment bloodbath over the past couple of years across the banking sector, Goldman is increasing its recruiting this year, says Edith Hunt, managing director and head of global recruiting.

In spite of concerns over the past year that business schools were not meeting the needs of business in their MBA teaching, Ms Hunt says that Goldman is very pleased with the people it hires and that business schools do a "fantastic job" in teaching analytical skills. As the employment market revives, Ms Hunt says she believes the MBA market will "look more the same than it will look different," in spite of the past two years of turmoil.

At Ernst & Young in the US, Ellen Glazerman, the Americas director for university relations believes the move in US schools to bring practitioners into the classroom has been of considerable help and that MBA programmes provide students with the sort of knowledge about working in a global community, that professional service firms need. However, she is concerned about the move in the US to recruit younger students (under 25), onto programmes. "We tend to bring in MBA hires based on their experience."

Elsewhere, schools are looking at other ways of interacting with business. Outside Barcelona, Spain, Esade Business School has set up Creapolis, where companies rent office space alongside Esade's students. One such tenant is Federico de Gispert, whose company FlowLab, a specialist in IT for the healthcare industry, moved to Creapolis in April.

Mr de Gispert has an undergraduate business degree from Esade and an MBA from Barcelona neighbour Iese Business School. Working alongside his former professors was one reason for his decision to relocate. Most contact between companies and professors and between different companies, takes place in the restaurant, he says. Creapolis has on-site managers to facilitate meetings and build relationships and, he says "there is always the serendipity factor".

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