Let's talk: getting business and academia to collaborate

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Introduction

Businesses are increasingly looking to universities as sources of innovation and competitive advantage, as they seek to address the competitive pressures inherent in their operating environment. At the same time, universities, and business schools in particular, are becoming more aware of the value of knowledge and seek more opportunities to interface with business. While one might expect a high degree of mutual interdependence between the two sides, the literature is highly critical of the extent of business-academia alignment, suggesting that much of the teaching and research carried out in universities fails to meet the needs of business. Mintzberg (2004), in a highly provocative article, argues that business schools and, in particular, MBA courses tend to reduce strategic management to a toolkit of analytical techniques that often fail to achieve relevance for the organization. The gap between theory and practice has become wider than ever, with blame being apportioned between business and academia. This article focuses on the exchange of knowledge between academia and business that Pfeffer and Sutton (1999) term the ''knowing-doing gap''. It aims to identify means by which this gap can be narrowed in managing strategic change effectively.

The ''knowing-doing gap''

Bennis and O'Toole's (2005) influential paper in the *Harvard Business Review* argues that business schools have adopted an inappropriate model of academic excellence, measuring themselves solely by the rigor of their scientific research and becoming less and less relevant to practitioners. This growing divide has been a subject of concern amongst many management academics for a number of years (Leavitt, 1986; Bailey and Ford, 1996; Mintzberg, 1996; Huff, 2000; Starkey and Madan, 2001; Hatchuel, 2001; Pfeffer and Fong, 2002; Clegg and Ross-Smith, 2003; Van de Ven and Johnson, 2006). The broad argument is as follows: Because of the need to get academic status, business schools have become too focused on analytics and problem-finding rather than problem-solving and implementation. Management is taught as a science rather than as rooted in action and this has led to a separation from the management profession. This divergence is a fundamental problem for an applied field such as management. Those who apply management knowledge are legitimate stakeholders and business schools may lose their legitimacy in knowledge generation if their research is seen as irrelevant. In essence, business schools seem to sacrifice relevance in favor of rigor. However, there has been little research into the ways in which academics and practitioners do actually engage with each other in the business and management disciplines (Starkey and Madan, 2001).

Pfeffer and Sutton (1999, p. 18) contend that this ''knowing-doing gap'' is largely a failing on the part of universities and suggest that ''for scientifically developed organizational theories to be interesting, understandable and worth implementing, they must both question and be

based on the assumptions that managers make in practical decision making situations.'' The reality is that practitioners largely ignore the outputs of strategy research for a number of reasons:

- To date, research has tended to focus on knowledge management rather than the impact of knowledge on organizational performance.
- Most strategy research is about know what rather than know how.
- There is an over-reliance on theory to the virtual exclusion of practitioner utility.
- There are limited effective conduits between academics and practitioners.

As a result, few practitioners read studies published in the principal high ranking strategic management journals and instead largely focus on a small number of high profile non-academic authors in the trade journals and in best-selling books. The problem with taking this simplistic approach, though, is that the challenges of implementation are insufficiently understood and many companies fail to distinguish between operational effectiveness and strategy as they are increasingly driven by conditions emanating from a volatile operating environment. In addition, as many of the articles and books that company CEOs and managing directors read are not peer-group refereed, they are likely to propagate the views of the author. Reading such books/articles provides a ''pot luck'' approach for CEOs and managing directors, many of whose companies can ill afford to make a fatal decision.

There are factors on both sides that provide good reasons for academics and practitioners to work more closely together. Firms are facing harsh decisions in the quest for competitive advantage while at the same time academia has the potential to be a fruitful source of ideas and innovation. At the same time, universities are facing changing demands from stakeholders to become more business-facing and increasingly are becoming dependent on private sector funding. The majority of studies and reports support the concept of collaboration between academia and practitioners as the way forward (Lambert, 2003). In this co-production, knowledge is stressed. This requires practitioners and universities to be more closely involved in the framing of the research and its active dissemination (Starkey and Madan, 2001). Van de Ven and Johnson (2006, p. 803) contend that ''by leveraging their distinct competencies, groups composed of researchers and practitioners have the potential to ground and understand complex problems in ways that are more penetrating and insightful than they would be were either scholars or practitioners to study them alone''.

Bennis and O'Toole (2005, p. 103) sum up by stating that ''things won't improve until professors see that they have as much responsibility for educating professionals to make practical decisions as they do for advancing the state of scientific knowledge''. However, it could be argued that it is easy to reach this consensus but quite another matter to engage practitioners in in-depth research of a prolonged duration. Starkey and Madan (2001) point out the knowledge gap that exists in relation to the lack of models of collaborative research and its dissemination. The research reported in this paper explores this gap in relation to strategic management.

Researching the gap

If the strategic management discipline is to overcome the ''knowing-doing'' gap, its theory needs to be related more closely to the situations in which managers operate. Collaborative enquiry needs to be emphasized and this requires the active involvement of practitioners in framing the research and providing a perspective on the context in which strategy is implemented. Our research explored how to do this based on the following research questions:

RQ1. How is strategic management theory applied in practice?

RQ2. What is the role of universities and other organizations in transferring strategic management knowledge to practice?

RQ3. How is the transfer of strategic management knowledge impacted by the different contexts of practice?

The research involved conducting 17 in-depth interviews to get a balance of views from different stakeholder perspectives on the academic/practitioner divide in strategic management. The interviewees came from three groups: academics, practitioners and experts. The emphasis in selecting interviewees was on identifying those who might be expected to have an informed perspective on the subject. We only interviewed a limited number of academics and these had particular perspectives stemming from specific roles relating to practice. In this, the authors were mindful of their own closeness to the subject matter as members of the academic community and therefore put an emphasis on gaining insights from practitioners.

The sample of practitioners was made up of practicing managers at the level where strategic management theory and tools are utilized. They were chosen because they were known through the networking activities of the authors and covered a range of different organizational contexts. The interviewees were all were willing to give up time to be interviewed and therefore may have been positively inclined towards academia. However, on balance, the benefit from the richness of data gained from these interviewees in terms of involvement in contemporary practice was felt to outweigh the disadvantages. The experts/consultants group was also included because members of could give third-party perspectives from a position outside academia and practice.

How is strategic management theory applied in practice?

Not surprisingly, a range of well-known frameworks dominates application in practice. They are attractive precisely because they are well-known, given the critical need to communicate strategies widely throughout an organization from the top management to shop-floor level. Examples include SWOT analysis; PEST analysis; resource-based view (RBV) and Porter's Five Forces analysis. Therefore, whilst it may be tempting to dismiss such tools as unsophisticated, they have a wide currency amongst practitioners:

> On the basis that we need to communicate at shop-floor level as well as to senior management, we will often use simple, iconic frameworks and models which can be understood by all (Practitioner).

Strategic decisions are seen as inherently risky and decision-makers looking to offset risk may understandably avoid new approaches, although this may not always be a sensible stance. Few organizations are able to refer to novel and significant strategy techniques and approaches that have recently been introduced. This is exemplified by another respondent talking about the use of strategic tools and techniques as:

> Giving management hooks on which they can hang their ideas and so in that sense it is very useful, but practitioners want silver bullets and want to avoid complexity at all costs (Expert).

Theorists and practitioners alike subscribe to the observation that many of the pronouncements about strategy tend to focus on the obvious. This reflects the observation that business is focused on the here-and-now and the stability of their core business or activity as well as on what is perceived to be both straightforward and workable:

> In my experience even relatively senior managers are not averse to the use of incredibly common strategy templates. If it helps they'll use them (Practitioner).

There appears to be a lack of willingness to tamper too often with strategic planning mechanisms in order to adapt to new, but potentially ephemeral, techniques. In addition, overlaying too many strategy approaches can be seen to introduce unnecessary complexity into organizations where strategic imperatives need to be simple. Implicit sharing of strategy theory and application may also be a result of the lack of time managers have for such activity, reflected in a ''coping'' rather than planning environment. This is particularly the case in smaller firms, where novel techniques and approaches may be used on a more ad hoc basis within specific projects. There is surprisingly little bashfulness about using strategy icons or borrowing ideas from applied journals. The emphasis is on utilizing ''anything that will help'' and there is little resistance, even at top managerial levels, to the application of commonplace strategic theories. Application of more detailed strategic

thinking derived from academia or the use of new concepts tends to be hit or miss. It is difficult to predict which methodology will appeal:

> I pick and mix from a wide array of available strategy techniques, depending on my purpose, audience and level of sophistication required (Practitioner).

There is a consensus that whatever approach or framework is utilized must have commitment from the top and be used over a period of time. This also means that the approach or paradigm must be carefully positioned at a strategic or tactical level as appropriate. Care must be taken also to ensure that the technique does not dominate the required, underlying thinking/application process:

> I suppose, having been a consultant before taking up this management role, I am sensitive to the possibility that strategy techniques can be merely superficially ''grafted'' onto an organisation's own thinking (Practitioner).

The overall impression is that the strategic change process is dominated by the use of some basic tools and the challenges of implementation across the organization. This approach of sticking to the basics perhaps limits innovative thinking and novelty in the light of the degree of challenge posed by the contemporary competitive environment. It should be noted that this finding was not unexpected in smaller firms where resource constraints are often a critical factor.

What is the role of universities and other organizations in transferring strategic management knowledge to practice?

The main role of universities is seen as the education of large numbers of people in basic strategy concepts. This provides a willing and able audience for participation in strategic development programs within organizations, the audience having been, to some extent, pre-exposed to the canon of strategy practice. Quite a lot of strategy approaches are transmitted tacitly between practitioners rather than through a formal conduit between academia and commercial organizations. Practitioners may well use pre-existing networks, such as MBA alumni, to facilitate this. The important point is that strategy ideas, emanating from academia, permeate thinking slowly with little ongoing dialogue between the two parties. The approach or theory being developed must be seen as highly relevant by the client organization if they are to devote time and resources to following it through. Academic strategists invited into the company tend to have significant industry knowledge rather than simply theoretical knowledge or in-depth research expertise. It is very important that the academic's ability to apply strategy techniques and paradigms is based on an understanding of the company or industry context. For this reason, companies often prefer commercial consultants. Consultants are seen as an effective bridge in terms of translating academic knowledge about strategy into business language. At the same time, reservations exist as to whether the commercial consultant faithfully interprets academic findings and outputs. Consultants are seen in some quarters as taking a superficial approach when applying techniques and paradigms sourced from academia:

> Some businesses take the route of consultants but there are also problems with this approach, as well as the expense involved. They like to impart the result but they don't really like to impart the true knowledge. Of course, at the end of the day that is their competitive advantage (Practitioner).

It is difficult to identify the precise nature of more direct routes for knowledge exchange between academia and practitioners. Our interviewees presented an opaque picture with a lack of clarity as to how organizations might or should access strategy thinking from within academia. This also extends to some uncertainty about what industry ''needs'' and, from the

point-of-view of the academic, what should be provided to client organizations. Universities are seen as becoming more business-facing generally and, as part of this, making additional efforts to reach out to practitioners. This may apply more in areas such as technology rather than in strategic thinking. Within strategy and the wider field of business and management, the impression is that firms have little understanding of what could be available from universities:

> Business would rarely go to a business school – it would be very low down on their list. Of course, business does not know that you are interested in doing real projects – you need to tell them that you are interested in dealing with real problems (Expert).

While we found some notable exceptions, the general picture is of practitioners facing highly uncertain environments but rarely interacting with strategic management academics. Moreover, on the rare occasions that contact is made, the culture and structure of academic organizations is often considered inflexible in relation to the needs of business people:

> The problem is that they are alien in terms of business… the classic is ''we don't work in the summer'' … and so you ring up and say ''what I want is a course in two weeks time for my managers'' – they can't respond to that kind of request (Practitioner).

How do different business environments affect the transfer of strategic management knowledge?

A ''one size fits all'' approach to strategy is clearly inappropriate when the context in which strategy is implemented is ignored. For example, the public sector provides a special instance when it comes to the transfer of strategy practice and there has been little attempt to significantly mould strategy techniques for public sector use. Consider the example of the UK central government that provides, in some instances, a repository of strategy and other management paradigms and techniques to its satellite organizations together with recommendations on use. A general observation from our research is that strategy frameworks need to be better segmented to suit the sector, the size of organization and the culture in which the organization operates.

In the public sector the key to this segmentation may be an appreciation that while the private sector is more content-focused (strategy analysis), the public sector is more process-focused (strategic change). Individual public sector organizations may have limited first-line use for major strategic techniques since they see themselves merely implementing and executing change strategies that have largely been constructed at the center:

> Central government policy units do make an attempt to hand down useful strategy tools and methodologies: the problem is that many of them are unsuitable both because they are simply derived from private sector practice and are therefore not fit-for-purpose and, where we are more tactically rather than strategically focused, often inappropriate (Practitioner).

There may be industry differences too. Consultants attempting to understand differential strategic value within the banking industry, for example, may develop their own business modeling techniques that differ markedly from traditional strategy practice techniques. Company size is also important. People from smaller companies may gain more benefit from exposure to strategy-in-academia than those from larger companies, who are likely to be exposed to relevant approaches through a larger pool of colleagues and connections:

> It is difficult getting our hands on the knowledge available from external sources – and of course, some smaller firms have difficulties knowing if they need new knowledge and what type of knowledge that might be (Practitioner).

A model for effective collaboration: achieving credibility

On the basis of our findings, the key elements of a model for better collaboration include context, content, effective processes and credibility. As illustrated in Figure 1, context and content need to be proactively managed through effective processes. In this model, credibility can be seen as an output of successful collaboration. While credibility is to some extent conferred by title and institution, this is seldom sufficient to persuade the practitioner

Figure 1 Model for effective collaboration

Source: Derived by the authors from the data
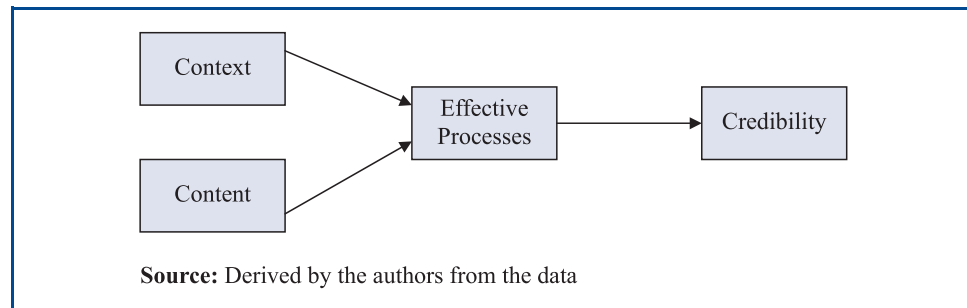
of the value that can be added through collaboration. The inputs to the model are discussed below.

Context

A theme that emerges from our interviews is that the academic must understand the context of the industry sector and the implications of strategy implementation in that sector. This links closely to the credibility of the academic if he or she is to be effective in engaging with practice. Strategic management is by definition organization-wide and will require academic/practitioner engagement at the highest level. Younger or less experienced academics may lack the experience to operate effectively at this level, yet how are they to develop this experience and expertise? Gaining credibility will require academics to put a greater emphasis on finding opportunities to work in the context of practice. For those with relevant practical experience, this perhaps means seeking out consultancy work or other schemes to ensure ongoing and up-to-date contact with strategic management in the real world. These also may provide opportunities for experienced academics to involve less experienced colleagues as a way of building experience and credibility. Alternatively, the less experienced academic may gain credibility through seeking placement opportunities with industry and other organizations. In either case, universities will need to invest in the development of less experienced academics by allowing sabbaticals or regular time off from teaching to conduct this type of work.

An increased priority on working in context on the side of academics needs to be matched by a willingness of practitioners to involve academics more closely. Our research suggests that this may be very dependent on the attitude of practitioners to the world of academia. Broadly, practitioners fall into three groups: those who actively seek out links with academia; those who are well-disposed to academia but do not seek contact, and those who are negative towards any involvement.

Content

Our research confirms the findings of others that academic outputs do not generally reach the practitioner community because of their format, the language employed and the lack of relevance of the subject matter to their immediate needs. But how far do the existing academic culture and systems really encourage the development of content for practitioner communities? In the UK, the Research Assessment Exercise (RAE) and other institutional mechanisms for directing funds for research emphasize publication in a limited number of high-ranking academic journals. In turn, individual universities respond to this through their recruitment and promotion policies designed to optimize their research ranking as measured mainly through academic publication and research grants awarded. In addition, individual academics who are lead researchers in their field tend to interact with other lead researchers only at specialist conferences The use of narrow measures of academic endeavor designed to encourage academic rigor does little to motivate academics to relate to issues that are considered important to the world of practice and little to encourage knowledge dissemination and debate outside the academic community.

" **Few practitioners read studies published in the principal high ranking strategic management journals and instead largely focus on a small number of high profile non-academic authors in the trade journals and in best-selling books.** "

Therefore new measures of academic excellence will need to be developed in order to encourage more academics to pursue activities relating to stimulating wider debate and dissemination. At the level of individual academics, this could start with the process of setting the agenda for research. How important is the research topic to the wider community? This, of course, requires involvement in the social process of relationship building. However, our research suggests that the development of relationships between academics and practitioners does not emerge automatically. Collaboration needs to be proactively developed and managed.

Effective processes

Business schools and universities must understand the knowledge needs of their communities and provide frameworks for collaboration often on a multidisciplinary basis. Strategic management academics should be well-positioned to contribute to situations where a client already working with the university on, for example, an innovative engineering project is identified as needing to address strategic change issues.

However, the major barrier to knowledge exchange is a perceived lack of accessibility. There is a need for a process of translation, synthesis, interpretation and delivery if academic research is to be more effectively shared outside the academic community. One suggestion emerging from our research is that the academic can provide a valuable knowledge brokering role and, again, strategic management academics would seem to be strongly placed to contribute to this. Knowledge brokering is about more than teaching and research, requiring institutions to understand the knowledge needs of their communities and to support academics in serving the needs on an ongoing basis. This again relates back to the role that the higher educational institution plays within the community. Our research suggests that more firms would contact and liaise with academia if they had a better understanding on what is available from universities and also if they believed that universities could relate to their "real world" problems.

Conclusions

Organizations in both the private and public sector are facing environments that are changing rapidly in the face of globalization and continuing technological development. However, there is little evidence that new developments in thinking about strategy are guiding organizational practice. Organizations, for good reasons, seem to have absorbed standard, iconic strategy techniques and processes and are not, generally, relying on academia for new insights. Academics therefore need to take steps to ensure that they remain, or indeed become credible amongst strategy practitioners. Our research suggests how this can be achieved through attention to context, content and processes.

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