EDITORIAL

Business schools in an age of globalization

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Abstract

Purpose – The purpose of this paper is to consider the role of the business school now and in the future.
Design/methodology/approach – The paper takes the form of an editorial review and argument.
Findings – The paper acknowledges the impact of globalization and “marketization” on business schools.
Research limitations/implications – The editorial offers scope for accounting academics to engage with the university and protect against business school corporatization and/or privatization. This is an important issue in higher education, not only in Australia, but internationally.
Originality/value – The paper provides important empirical data and research information to scholars in the interdisciplinary accounting field of research about the future for business schools.
Keywords Accounting research, Business schools, Globalization, Universities, Higher education

Paper type General review

1. Introduction

The world we live in as accounting and interdisciplinary researchers is rapidly changing (Ryan et al., 2008). In this editorial, we would like to reflect on the business school and its larger context, the higher education system (HES). Our work in business schools and universities as academic scholars, leads us to consider four general questions:

(1) Where will business schools be in the future?
(2) What is the role of the market and globalization in creating the business school?
(3) What will the business school profile look like in the future?
(4) What of research in the business school?

While our observations are based on our own experiences as professors in large business schools in Australia, these observations apply to business schools elsewhere. Higher education is one of Australia’s largest export industries and the Australian

higher education sector is the biggest provider of international tertiary education in the world (DEEWR, 2008a). One Australian university alone has over 17,000 equivalent full time staff enrolled in a business school.

Where will business schools be in the future? Imagine the university ten years from now – a university without a business school. A few academics may have reinvented themselves into experts in climate change, health, or transport and one or two management academics may have returned to their original disciplines in sociology, psychology, or statistics. However, the majority, especially accounting and finance academics, will have retired or be employed with private higher education providers. There are reasons why the business school may have been a creature of its time, principally reliance on the market, their lesser role within the university and their lack of an appropriate research value proposition. There are also good reasons why the business school should remain within the university, not least of which are the important role of business within society and the values held by business academics.

What is the role of the market and globalization in creating the business school? Australian business schools over the last three decades have been driven by market demand. Historically business studies, apart from the a few graduate schools of business, were the domain of the vocational tertiary education sector. The rise of business degrees in universities was the direct result of the massification and later marketization (deregulation) of the Australian HES (Ryan and Guthrie, 2008). “Business” degrees appeared in universities following amalgamations with Colleges of Advanced Education in the 1980s, the beginning of the massification of higher education in Australia. With the marketization (deregulation and corporatization) of the Australian HES in the 1980s and the introduction of fee-paying international and postgraduate students, business degrees became highly popular. By responding to this demand and creating further demand through new international and offshore markets, business schools have flourished in the corporatized environment of the Australian HES, as demonstrated in Table I.

As business schools have lived by the market, they may also wither by it. Uncontained growth is as dangerous as market risk. Demand involves risk, risks related to exchange rates, changes in student subsidies, and international and local competition. The entry of online programs and private higher education providers pose threats to the viability of business schools, especially in the areas of finance, accounting, and other business disciplines. For instance, in Australia, only 12 months after their introduction in 2006, private higher education providers, with both online and face-to-face degree programs, had captured 10 percent of higher education

<table>
<thead>
<tr>
<th>1996</th>
<th>2007</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total student enrolments in Australian HES</td>
<td>634,094</td>
<td>1,029,846</td>
</tr>
<tr>
<td>Business students (%)</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>International students (%)</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>International students in business (%)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>Postgraduate coursework students in business (%)</td>
<td>31</td>
<td>40</td>
</tr>
</tbody>
</table>

Table I.
Growth in business schools

Note: <sup>a</sup> These data are for 1997 as no 1996 data were available
Source: Adapted from DEETYA, 1997 and DEEWR, 2008b
students, with the biggest demand from international business students (DEEWR, 2008b). Private providers range from multinational companies such as Kaplan and Cengage, to private colleges and professional associations such as certified practising accountants and the institute of chartered accountants in Australia. They provide for niche markets in high demand areas. With low overheads, including highly casualized teaching staff, they have the ability to provide degree “products” through a teaching only focus and, increasingly, a promise of employment through their links with industry and professional service organizations. Compared to state universities, where academics are increasingly encouraged to disengage from students and professions in favor of research, private providers compete directly for students with university business schools (Parker, 2002).

Within the university community, business schools have relatively poor standing. Success in revenue raising has meant that business schools are regarded in their institutional role as “cash cows”. Business schools have been highly successful in commodifying higher education and contributing financially to their universities. They have not only attracted large revenues from fee-paying international and postgraduate coursework students, but minimized costs with the highest staff/student ratios at 1:34 (DEST, 2007). Financial success has sometimes been at the cost of academic respect within the university (Ryan and Guthrie, 2009a). They are rarely held out as examples of the university’s strength or contribution to society. Universities have actively encouraged business schools to meet the increasing demand for students and revenue without regard to whether the schools stay within the mission of the university.

What will the business school profile look like in the future? Will the university still want its business school, if it ceases to be a “cash cow”? This question may lead to the potential demise of the business school. If the business school is unable to enunciate a value proposition that provides a legitimate role within a university, then what is its future? The current value proposition or purpose of an Australian business school seems to lie in the salaries its graduates attract and the revenue it provides to its university. A paper for the Australian Business Deans’ Council (ACCESS Economics, 2005) suggested openly that the “value” of a business degree was in attaining higher salaries than other graduates. It is not uncommon for MBA rankings to equate graduate salaries with quality, be that of graduates or the program itself. This type of utilitarian thinking goes beyond promises to students, to the behavior of business school managers when they appear to give greater importance to sustaining financial growth than the problems created by the growth. Even if business schools were to substitute financial discussions for less-utilitarian concerns, they may still have difficulty in articulating a clear and scholarly purpose.

The problem has its basis in understanding whether or not business schools are a professional school or a purely academic school. This is a problem not limited to Australian business schools. The first business schools were established by wealthy philanthropists in the USA over 100 ago (Khurana, 2007). Their intention was to give business credibility as a profession equal to medicine, law and engineering. But, unlike other professions, business itself lacks a distinct and common ethos grounded in furthering the quality of life. When this absence of ethos translates to the business school, it stands accused of teaching technique and preaching greed (Khurana, 2007). A professional ethos is missing, both in practice and in the classroom. A special course in ethics is not a solution. Further, the business school curriculum remains distinctly
multidisciplinary, with little evidence of a distinct body of knowledge or even a convergence of disciplines such as occurs with medicine and law (Ryan et al., 2008). Current publishing regimes do little to encourage interdisciplinarity (Guthrie et al., 2004). Unlike other professional schools, business school links to practice and practitioners are often weak. For many business schools, the strongest link to practitioners is through casual academics, of which there are many.

What of research in the business school? The quandary presented by the research imperative, is that not only does relevance appear to decline and academics disengage from teaching, but academic individualism and opportunism increase as colleagues compete for points and publications (Gray et al., 2002; Neumann and Guthrie (2002). The social contribution remains unclear and even the financial contribution is put at risk. Continually recruiting established researchers not only drives up salary costs as the pool of such individuals is small in Australia, but it fails to regenerate the profession of scholarly activity. Despite the emphasis on research, the business school's record in research, training research higher degree students is poor (DEEWR, 2008b; Guthrie and Neumann, 2007).

Despite the evidence suggesting business schools have a looming use-by date, there remain at least three good reasons why the business school should remain in public universities. First, business is a large and important part of national and international communities. Understanding it, both technically and critically, is an important social contribution, the type of contribution a university should make (Guthrie and Neumann, 2007). Second, the number and percentage of international students studying business provides an important advantage for Australia. However, this advantage must be appreciated and managed for its educational and social value not simply its financial return. Third, business academics are essentially academics at heart. Their beliefs and values are no different than those in other faculties, but their environment is. Business academics want to make a worthy academic contribution, not be relegated to a role of mere fund-raisers (Ryan et al., 2008).

Based on contemporary research on business school academics (Ryan and Guthrie, 2009a; Ryan, 2008), we make two observations to assist business schools to remain as creatures of the university. First, being profitable is not a problem, providing academics have ownership and control of what they do and are not reduced, by commodification of teaching and research, to the level of a factory employee. Business academics can maintain value and values at the same time. Second, smallness and human interaction make for more engaged academics and students. This smallness relates equally to school size and class size. Neither a “bearpit of ideas” nor a “creation of understanding” occurs in large schools and large classrooms (for example, 600 undergraduate business students in a lecture theatre is not uncommon in higher education in Australia). A clear and acceptable value proposition will only come through communication, not bureaucratic decree.

In conclusion, business academics have different strengths and weaknesses, different contributions to make. A one-size-fits-all approach only serves to alienate individuals either from commitment to their school or to the academic profession or both. Within a professional business school there is room for researchers, teachers, consultants and practitioners, and in combination. Going with the latest fad, whether it be accreditation or excellence in research in Australia, is not always good for business. This is not a statement against research, but against research only. If business schools
exclude teaching and practice from their mission, their contribution is diminished. If business schools reject playing image games with marketing, rankings and accreditations, in favor of dealing honestly with their problems, they would help to ensure their place as creatures of the future.

2. The *AAAJ* APIRA conference

*Accounting, Auditing & Accountability Journal (AAAJ)* now boasts a long history of convening one of the leading international interdisciplinary accounting research conferences – The Asia Pacific Interdisciplinary Research in Accounting (APIRA) conference, on a triennial basis, in agreed rotation with the European interdisciplinary perspectives on accounting and the North American critical perspectives on accounting conferences. Sydney will see the sixth conference return in 2010 and planning for that event is well underway.

With a reputation for academic rigor, and the participation of world leading interdisciplinary accounting researchers, *APIRA 2010* promises to attract strong representation from interdisciplinary accounting researchers the world over. Some of the most prolific researchers from the UK, Europe, North America, the Asia-Pacific region, and many other countries are represented in APIRA’s International Scientific Committee. A strong interdisciplinary program of research papers and forums addressing the relationships between *AAAJ* and their social, institutional, economic, and political environments will be included in the program.

This conference will provide an exhilarating period of intensive discussions, debates, and networking with leading and emerging scholars in our field. APIRA 2010 will be held at the University of Sydney, New South Wales, Australia. The conference’s plenary speakers at this stage will include:

- Professor Barbara Czarniawska – Professor of Management Studies, Gothenburg Research Institute, University of Gothenburg, Sweden.
- Professor Chris Chapman – Professor of Management Accounting, Imperial College Business School, University of London, UK.
- Professor Dean Neu – Future Fund Professor of Accounting, University of Calgary, Haskayne School of Business, Canada.
- Professor Jan Bebbington – Professor of Accounting and Sustainable Development, University of St Andrews, Scotland, Director, Vice-Chair (Scotland), Sustainable Development Commission.
- Professor Jane Broadbent – Deputy Vice-Chancellor of Roehampton University, UK.
- Professor John Roberts – Professor of Accounting, The University of Sydney, Australia.

As was expressed in our recent editorial (Milne *et al.*, 2008), there is an urgent need for us to find alternative (un)sustainability ways of academic work, especially when it comes to conferences and carbon footprints. With the advent of increasing concerns over climate change, human-related carbon emissions, and the knowledge that the aviation industry is deeply implicated in burning fossil fuels, there is now little doubt that some academic work can be judged a polluting activity.

For the 2010 APIRA’s conference, we are exploring several new ways to make the carbon footprint as neutral as possible. This includes use of greener conference venues,
some plenary speakers by film and other means and a strong reliance on internet rather than paper copies. Further contemplated future strategies include: offsetting the carbon emissions in secure sinks, reducing the carbon footprint by holding APIRA in locations that minimize total carbon emissions, running part of APIRA using formats like web and video links that reduce carbon footprints, and use of public transport.

3. *AAAJ* Editorial Board and operations

The following provides a brief discussion on the contemporary strategic direction of *AAAJ* as seen through the eyes of the editors. In *AAAJ*, we have maintained our commitment to accepting high quality scholarship from new frontiers of accounting knowledge, embracing the new and the different, and supporting both established and emerging scholars’ work. Our special issues continue their record of success with thousands of downloads, attraction of high-quality papers and strong competition for space. The special issue themes are designed to push the boundaries of the discipline and to encourage new fields of research.

*AAAJ* maintains its commitment to publishing full length refereed articles and commentaries. In addition, it continues to publish its refereed methodological insights section, which has made major contributions to the accounting methodology literature. Its literary section, presenting short prose and poetry, challenges, critiques, and reflects on the organizational world of business, the profession, government and work in general. The *AAAJ* Editorial Board continues to annually select a paper to be awarded the *AAAJ*/Mary Parker Follett Award for Excellence. The awards have continued to be won by scholars from around the globe.

The *AAAJ* Editorial Board numbers 80 academics from countries around the globe, ranging from established senior scholars to the leading emerging researchers in our field. Editors and associate editors are leading scholars across Australia, UK, Europe and North America, while executive and editorial advisory board members represent the UK, Europe, Japan, North America and Australia.

For 2010, we welcome Professor Jan Bebbington, of the University of St Andrews and Professor Kerry Jacobs of the Australian National University as new Associate Editors of *AAAJ*. They complement a team of leading scholars assisting the editors’ in the future strategic development of *AAAJ*.

We also welcome as new members of the Editorial Advisory Board in 2010:

- Professor Amanda Ball – University of Canterbury, NZ.
- Professor Paul Collier – Monash University, Australia.
- Professor Suresh Cuganesan – Swinburne University of Technology, Australia.
- Professor Richard Petty – Macquarie University, Australia and Hong Kong.

*AAAJ* also draws on the services of an *ad hoc* referee community of over 300 scholars internationally.

4. *AAAJ* special issues

*AAAJ*’s tradition of championing new and emerging fields of accounting research has a strong future with a range of commissioned *AAAJ* special issues due to be published in the next few years. These include the following subject areas shown in Table II.
5. Conclusion
We have witnessed ongoing dynamics, change, and development in the interdisciplinary accounting research community in recent years. As in business schools, as discussed in this editorial, this ongoing transformation is a vital part of the community’s maturing and invigoration. As editors of *AAAJ*, we remain committed to this journal’s original mission and core values and we continue to engage and reflect with our growing community of scholars who identify with *AAAJ*.

At *AAAJ*, we offer ongoing stability of philosophy, direction and support for this community of scholars. On that platform of consistency and stability, we continue our tradition of embracing the new, the risky and the different. For us, this is the stuff of change, innovation, critique, and challenge. It remains our intended contribution to the cut and thrust of interdisciplinary accounting research.

### Future *AAAJ* special issues

<table>
<thead>
<tr>
<th>Topic</th>
<th>Authors</th>
</tr>
</thead>
</table>
| Accounting and subalternity | Dr Cameron Graham  
Schulich School of Business, Canada |
| Accounting and the visual | Dr Samantha Warren  
Surrey University, UK  
Dr Jane Davison  
University of London, UK |
| Accounting for cities in the 21st century | Professor Irvine Lapsley  
University of Edinburgh, UK  
Professor Fabrizio Panozzo  
Ca’ Foscari University, Italy |
| Accounting for politics: power/strategy/accountability | Professor Stewart Clegg  
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University of Lueneburg, Germany |
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| Papers from the sixth Asian pacific interdisciplinary research in accounting conference, Sydney, Australia. Accounting and popular culture | Professor Garry Carnegie  
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References


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