BOOK SMARTS vs. STREET SMARTS

Do Business Schools Value Business Experience?

Dr. David J. Finch, Mount Royal University
Bissett School of Business
dfinch@mtroyal.ca
(403) 560-0111

David Deephouse, University of Alberta
Norm O'Reilly, Ohio University
William Foster, University of Alberta
Loren Falkenberg, University of Calgary

Carola Hillenbrand, University of Reading
Tyler Massie, Mount Royal University
Mackenzie Strong, Mount Royal University

BUSINESS SCHOOLS IN CANADA — Today business schools educate one in five university students who have the primary goal to develop the business skills and knowledge to support career success. To be able to do deliver on this, it requires business schools faculty to have the expertise to blend theory and practice.

Business school students in Canada

21% of all university students

250 000 business school students

50 000 graduates annually

In North America, out of the 1300 PhDs awarded in management annually by universities, only 6% of graduates have any industry experience.

PHASE 1: Biographical analysis of business school faculties in Canada

<table>
<thead>
<tr>
<th>SAMPLE</th>
<th>DATA</th>
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</thead>
<tbody>
<tr>
<td>Total business schools</td>
<td>13</td>
</tr>
<tr>
<td>Total faculty</td>
<td>740</td>
</tr>
<tr>
<td>% with doctorate</td>
<td>83</td>
</tr>
<tr>
<td>% with previous business experience</td>
<td>43</td>
</tr>
<tr>
<td>% actively engaged with business</td>
<td>20</td>
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</tbody>
</table>

Coding of 740 faculty resumes to examine academic and business credentials and how this influences engagement with different audiences.

What type of credentials do business schools have in Canada?

19% faculty with only business experience
23% academic trained with business experience
58% academic trained faculty
Engagement based on academic credentials

In general, this study demonstrates a significant disconnect between business schools and practice as only 20% of business school faculty are engaged with practice. However, this study demonstrates that academic trained faculty with business experience are able to most effectively engage both academics and business; however, these represent only 23% of business school faculty in study.

Implications
PHASE 2: An analysis of hiring criteria on US business schools

DESIGN

Based on the findings of phase 1, we studied 625 faculty job postings at 250 US business schools to find out if these postings offer evidence that business schools value business experience.

What type of credentials do business schools have in the US?

<table>
<thead>
<tr>
<th>Doctorate</th>
<th>Previous business experience</th>
<th>Doctorate and business experience</th>
<th>Previous publishing experience</th>
<th>Previous teaching experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>research-focused universities</td>
<td>comprehensive universities</td>
<td>undergraduate teaching universities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>73%</td>
<td>19%</td>
<td>2%</td>
<td>33%</td>
<td>58%</td>
</tr>
<tr>
<td>69%</td>
<td>30%</td>
<td>13%</td>
<td>18%</td>
<td>40%</td>
</tr>
<tr>
<td>60%</td>
<td>48%</td>
<td>17%</td>
<td>8%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Other findings

Ranking negatively influences a school to recruit faculty with both a doctorate and business experience. Instead, ranked business schools seek to recruit research-focused faculty with a PhD and published research but no professional experience.

Implications

This study offers evidence of a significant disconnect in the management of business schools. Study 1, demonstrates that at an aggregate, faculty who possess both a doctorate and business experience out-perform other faculty in measures associated with engagement. However, most business schools (especially research-oriented schools) do not seek to recruit these faculty; instead, schools primarily recruit professors that reflect the current faculty composition.

Where from here?

This is one of the first studies that empirically demonstrates the disconnect between performance and credentials at the level of a faculty member. More research must examine further questions about the relationship of faculty credentials and performance. For example, how do faculty credentials predict teaching performance?
Phase 1

Phase 2