

*Nothing Succeeds Like Failure: The Sad History of American Business Schools*, By Steven Conn New York: Cornell University Press

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data analysis. Few practical or insightful ideas are emerging from modern management research. As one distinguished scholar told me, any manager who used work published in our high-level journals to manage would be fired within six months. I could not disagree. At least our forebears, however disreputable they may have been, dealt with issues that mattered. We better consider what Tourish says very carefully.

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### **Nothing Succeeds Like Failure: The Sad History of American Business Schools**

By Steven Conn

New York: Cornell University Press.

Attacking business schools is like shooting fish in a barrel, as business schools make an easy target. Business schools feature more highly-paid professors, do not have a connection to traditional research, borrow social science methods (and then proceed to misuse them) and have better facilities, more funding and better furniture than do other academic institutions. For that reason, it should not surprise us, in any way, that we are hated on campus. Steven Conn has written a book deeply criticizing the modern business school. The book is worth a read but has some serious limitations. It offers occasional profound insights surrounded by some “snark” and what I would consider to be some “falsehoods.”

Let’s say a few words on Conn and the limitations of his work. First, he is an excellent historian and a fine writer. The sections on basic history are well-researched, insightful and well-written. That is especially true about his work on how business sought to become a profession. He is a first-class historian, and his academic career clearly

bears that out. Second, however, I am not sure that Conn has taken a class in business or even has any understanding of the field. Such a background greatly limits the scope of his criticism. Even worse, Conn seems neither willing nor interested in grappling with some of the larger issues of the field. Khurana’s book on the business school, while very critical, is more reasoned and understanding. Conn does not seem willing to approach the field with any sense of empathy or understanding, and that unwillingness limits his historical vision. Third, since he has not really interviewed or taken time to understand business professors, that failing limits his understanding of how a business school works.

Take an obvious issue: Conn’s writings on AACSB, which is the major accreditor of business education in the world. I would first like to make my credentials known: I am director of assessment at my business school. Therefore, I have worked directly with AACSB and understand the power they wield. Simply put, AACSB calls the tune, and schools are forced to dance to it. Strategy and business ethics are part of the curriculum because of AACSB. Business academics are forced to publish—even at teaching schools—because of AACSB. Losing AACSB certification would be damaging to any business school. Even institutions such as Harvard must show deference to AACSB. Yet Conn is very skeptical about the influence of AACSB.

Another issue: Conn is correct in saying that business schools do not spend a tremendous amount of time writing about business events, such as the Great Recession or the collapse of Enron. He is wrong in saying that those issues are not discussed in our classroom teaching and textbooks; both play a key role in ethics classes. We are silent in our research, but that silence is a function of the peer review process: it takes several years to publish a journal article. We are also devoted to theory building. Therefore,

we often build models that do not have a deep connection to the real world. That is a limitation, but there are reasons for it.

Likewise, Conn is wrong about case studies—an interesting issue for an historian. People study history to understand the past and thereby understand previous mistakes and why certain things are in their present form. For the same reason, we use case studies to understand how people could act in similar circumstances. Conn is deeply critical of the use of case studies, noting that each event is distinct. That is true to an extent, but behaviours tend to be similar across situations, a point verified through meta-analysis. The bridge between the case study and actual events is theory. Likewise, the best cases are more open-ended. Rather than expecting a clear answer, a professor judges students on how they have developed their answer.

Nor is the business school as dangerous as Conn implies with his argument that business schools are producing corporate psychopaths or “snakes in suits.” To make such an argument he would have to compare the performance of business students with other majors. I imagine that he would find that business students are comparable to lawyers and political science majors. Furthermore, many of his examples of lack of morality, such as the Great Depression and the Great Recession, were due either to government failure or to rent-seeking (a business and government failure), rather

than to pure business failure. Likewise, Conn also does not spend enough time searching for the business response to the Great Depression. The Hawthorne studies, which were of major significance, had arguments that addressed some of the issues of the Great Depression.

Another limitation of Conn’s work can be seen when he writes about the closure of K•B Toys, which he blames on Bain Capital. Consulting and finance firms are a major target these days, but K•B was a target because even in the late 1990s its business model could not work. Even Toys-R-Us, larger and better able to resist, had to deal with the same issues, particularly cheaper products. Conn is correct here on one point: too many of the best business students go into finance, accounting and law, and not enough into management. Much of modern life is about rent-seeking rather than actual value creation.

Conn is also correct in his implication that we need more humanism in business education. However, this remedy would need insight on the part of liberal arts professors. Given the issues facing liberal arts—low enrollments and a lack of relevance, perhaps it would be best for them to fix their own house first. Physician, heal thyself.

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