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Organization Theory is not a Problem but a Solution for Management Education

I am concerned about the future of organization theory and more broadly organization studies. It seems to me that the future challenges lie in particular in the role of organization studies in management education. Interestingly, this happens at the same time when management education and in particular MBA education are increasingly criticized from multiple angles in Northern America, Europe and elsewhere. Hence, I will use this seminar as an opportunity to argue that organization studies are not a problem but a solution for contemporary management education. I will here draw from my work with Eric Faÿ on management education (Vaara and Faÿ, forthcoming).

Criticism of management education has intensified in the 2000s (Mintzberg, 2004; Khurana, 2007). A big part of this criticism has focused on the knowledge and learning provided by MBA education. In a nutshell, the argument has been that management education fails to create knowledge and learning that is useful in practice (Mintzberg, 2004). Expectations about practical relevance do not seem to be met, and the concepts and methods learned are too simplistic to solve the actual problems of contemporary business or other organizations.

Another big problem is that management education seems to reproduce and legitimate problematic values and ethically questionable practices. Managmeent education may socialize students into the ideologies of 'managerialism' and 'turbo-capitalism,' which reproduce one-sided thinking and problematic practices (Grey, 2002). Khurana (2007) has argued that during the past few decades the original professional ideals have been replaced by an ideology of 'market capitalism,' which is internalized by the students. Ghoshal has put it as follows: "Business schools do not need to do a great deal more to prevent future Enrons; they need only to stop doing a lot they currently do" (Ghoshal, 2005, 75).

Despite widespread awareness of such problems, it has proved to be very difficult to change prevailing curricula, teaching methods, or other parts of

management education. One reason is that it is hard to go against the institutionalized expectations that are held about business schools and what they should offer for their 'customers.' Critics have also pointed out that self-regulation through accreditation and the rankings of business schools tend to reinforce prevailing images and expectations of management education (Vaara and Faÿ, forthcoming).

Against this background, it is interesting to reflect upon what organization studies have to offer. Organization theories can provide conceptualizations and approaches to understand underlying problems and challenges in contemporary organizations – without a myopic preoccupation of practical relevance (Knights, 2008). In particular, organization theories help to go beyond simplistic framings where everything seems to depend on management's actions without a consideration of the complexity of contemporary organizations and their embeddedness in wider social and societal systems. It seems to me that one of the key reasons for the disappointments in the practical applicability of management education lies in the fallacy of managerial omnipotence that is unfortunately often reinforced in courses of strategic management or human resource management (not to speak of other areas). Ideally, a focus on organizations would help to alleviate this preoccupation and provide students and practitioners with an array of means to better understand complexities, ambiguities and contradictions in business and other organizations.

Organization studies that are rooted in the social sciences and the humanities also offer means for critical thinking. Such thinking is needed to question and provide alternatives to problematic values and ethically questionable practices that are easily reproduced and legitimated in management education. This may sound idealistic, but by offering a variety of perspectives on organizations one can better understand complicated ideological questions and ethical dilemmas in contemporary organizations.

It is not, however, easy to strengthen the role of organization theory in management education. This is partly due to the institutionalized expectations of

management education that seem to value myopic practical relevance over anything else. However, the increasing awareness of the problems of management education may help to make the case for more in-depth and broader understanding of contemporary organizations.

At the same time, we as organizational scholars have to be critical towards the theories we develop and apply. Whereas existing theories provide a wide array of useful perspectives, they often seem to stem from age-old assumptions of industrial organization that may not hold anymore – or seem relevant for students. Also, prevailing theories do not seem to fully capture the dynamics of contemporary organizations; for example, the dialectics of change and stability. Furthermore, existing theories do not appear to provide adequate means to deal with the technologization and mediatization of contemporary organizations. So there is work to be done.

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