

The Sustainability and Ethics of Management Research: Are We as Management Faculty Unprincipled Agents or Engaged Stewards?

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Does our scholarly research serve the interests of our key stakeholders? Using the perspectives of agency and stewardship theories, we encourage our colleagues to address important questions surrounding the sustainability and ethics of what we do as social scientists.

Management faculty generally have three broad areas of responsibility: teaching, research, and service. Although universities place varying levels of emphasis on those three categories, academic research has long been considered of primary importance. Research production is widely used to determine initial job placements, raises, promotions, tenure decisions, and resource allocations. Career success often hinges primarily upon research output in a large percentage of business schools worldwide.

An agency theory approach would question whether our research fulfills our principals' goals or is simply the folly of unprincipled agents seeking to maximize their own rewards. Should measures be taken to further align our goals with those of our principals? Is the principal-agent relationship even relevant in this context, or is stewardship theory more descriptive of our roles as academicians? Agency theory suggests agents employed by principals make decisions on their behalf. Those agents are viewed as self-interested actors who likely pursue goals counter to the desires of principals and are difficult/expensive to monitor. The management literature typically portrays agents as senior executives and principals as owners of the organization. Eisenhardt (1989) argues that agency theory can be applied in a variety of contexts, including employer-employee relationships.

But *who are our principals, and what do they expect of their agents?* If we faculty are agents, on whose behalf are we acting? As thought leaders, society in general has a vested interest in our work. Moreover, the vast majority of us were educated in doctoral programs at public (thus largely taxpayer supported) institutions, potentially creating at least some level of responsibility to society with regard to our work product. Is "society" the principal in this case? With regard to faculty at state universities, one could argue that the more salient principals are those who employ us more specifically, namely the taxpayers of the various states in which we work and perhaps the students/families who pay tuition. For scholars at private universities, the determination of the agent(s) is a bit "cleaner" because taxpayer funds are less significant to the operation of the university, and tuition revenues from students/parents are paramount. (We acknowledge, however, the key role played by federal funds granted to universities of all types.) "Students-as-principals" is surely a controversial topic among faculty, and rightly so. Students are on our campus to be evaluated, challenged, and sometimes removed from the process due to poor

performance. And does it make sense to view them, perhaps, as quasi-principals? Within the context of universities (especially public ones), there is a unique hierarchy of principals with potentially divergent goals for their agents and their interactions with those agents. Thus, the traditional “agent-as-employee” model is not a perfect lens through which to examine our responsibilities, but it does provide insights.

The agency problem is exacerbated in situations when the behavior or output of the agent is difficult to observe. Given the obscure nature of academic research (relative to, say, piecework in a manufacturing context), we suggest that agency-related risks are particularly salient within the context of management scholarship. In particular, it is expensive for our principals to monitor our work (or even understand our output), leading to the suggestion that our behavior be controlled contractually. This is in essence what occurs in business schools. Expectations are set for us with regard to teaching, research, and service, and annual reviews are designed to ensure our conformity with those expectations. However, are our principals’ goals for us reflected in those agreements, particularly with regard to where many of us spend the majority of our time, namely, in producing research?

We do not presume to fully understand the expectations placed upon us by the taxpayers, though as long-time employees of state universities, we *should* have a good understanding of this. Nevertheless, it seems reasonable to suggest that they expect us to create value in our three areas of work. (Of course, this assumes that teaching, research, and service are themselves the desired categories.) But, how do they define “value,” especially with regard to research? Several options come to mind. The one that appears most reasonable to us, based upon extensive conversations with business leaders about the topic of empirical management research, is that non-academics have an expectation that our work will be practically relevant.

This seems a rather straightforward expectation, but it clearly places an obligation upon us as scholars to determine specifically the challenges our principals are facing, as well as ways in which we can structure our research to help them address those challenges. This begs the question, how do we determine what their needs/concerns/challenges are? Are we doing enough to build a robust bridge between research and practice so that our research creates enough value to justify our existence and, thus, enough value to be sustainable?

What about our other principals – the students and their families who are paying tuition? A recent study by the Higher Education Research Institute at UCLA found that the top two criteria used by students in selecting a university is the school’s academic reputation and the extent to which the school’s graduates find good jobs. Clearly, then, our student-principals would desire faculty to be engaging in behaviors that help them secure meaningful employment and improve the university’s academic reputation. Does management research, as currently operationalized, achieve these two aims? Should it?

What about the contributions of our research to the ability of our students to gain meaningful employment? If our research enhances the academic reputation of our institutions, are employers more likely to hire our graduates? Do our research agendas lead us to better prepare our students for successful careers, or is the time spent on research a distraction from our teaching that ultimately hurts our students’ chances of long-term career success? Are certain types of scholarship more likely to result in an increased ability of our universities to produce successful graduates? And are other types of scholarship aimed at pure research more likely to replenish current knowledge in the long run and achieve longstanding goals of the university at large?

Answers to these questions require considerable exposition beyond the scope of this paper, and not only through the agency lens. Stewardship theory has much to offer as well, and arguments can be developed that integrate agency and stewardship theories. On one hand, professors, deans, provosts, and presidents alike have an obligation to understand better these issues, or we all risk being viewed as unprincipled agents who behave unethically. On the other hand, doctoral programs require extensive training, commitment to the profession, and the bearing of opportunity costs. These requirements are descriptive of stewards who stake much of their identity on the sustainability of their institutions. Universities vary widely in their relative emphases on teaching, research, and service and the type of scholarship desired. Given increasing imperatives that missions be linked to promotion and tenure, we academics likely find employment in contexts that are best suited for our particular research focus. A key

question then becomes whether we are enhancing or jeopardizing the sustainability of our field by failing to focus our research agendas in ways that satisfy our principals' needs.

REFERENCE

Eisenhardt, K. (1989). Agency Theory: An Assessment and Review. *The Academy of Management Review*, 14, (1), 57-74.