REVIEW ARTICLE

Sustainability as an Ethical Aspect of the Theory-Practice Gap in Business Schools

Guoxin Ma

Salford Business School, University of Salford, Greater Manchester; M54WT, United Kingdom

ABSTRACT

This paper aims to reframe sustainability as an ethical aspect of the theory-practice gap in business and management education for sustainable development, which should be viewed as an integral part of knowledge produced and disseminated in business schools. The paper adopts a narrative approach to review the relevant literature on two streams of research, namely, the theory-practice gap and sustainability in reforming business schools. The synthesis and discussion of the existing literature suggest that while sustainability is frequently viewed with an ethical sentiment, the existing research overlooks its significance in bringing together knowledge and practice in business schools. This paper highlights the potential of sustainability as a theoretical lens in bridging the theory-practice gap in business schools; proposing to rethink the conceptual space that lies in ethics for further theoretical developments. The author urges business and management scholars to engage in burgeoning debates on business school reforms relating to the theory-practice gap and sustainability with an emphasis on ethics. The author contends that the neglected theoretical linkages between the theory-practice gap and sustainability provide fruitful directions for future research. Through a moral lens, business schools can move toward responsible management education for a more sustainable future.

Keywords: Management education; Business school; Sustainability; Theory-practice gap; Moral education; Ethical aspect of knowledge; Reform

1. Introduction

With the COVID-19 pandemic having put higher education under threat internationally [1], the need for genuine management education for sustainable
development (MESD) is more urgent than ever. With emerging developments among United Nations (UN) member states [2], the sustainable development goals of a shared vision of a better life for all are gaining global momentum [3]. In particular, there has been a growing uptake of sustainability research in business and management education [4-6], especially since the UN’s declaration of the Decade of Education for Sustainable Development and the ‘2030 Agenda’. 

Parallel to promoting education for sustainability in universities [4-6], several global movements over the past three decades have also been gradually transforming business schools in light of a variety of sustainability issues. For example, critical discourses have reflected the nature of management education [7] and business knowledge [8], highlighting the crucial role of business schools in sustainable development [9,10]. As a result, management research has been shifting from the prevailing neoliberal technocentrism (viewing the environment as natural capital) to sustainability-oriented paradigms and approaches [11,12]. Similarly, the scholarship connecting nature and organization under the broad umbrella of business studies has gained momentum since as early as the 1990s [13].

Concurrent with these contemporary movements pushing business schools to reform for sustainability [14,15], there is an ongoing thrust for transforming management education toward bridging the long-standing gap between theory and practice since the 1960s [16-18]. The theory-practice gap in management is a symbolic term that conceptualises the divide between management theory and practice [19-21]. It has also been considered under alternative frames such as research rigorouss/legitimacy versus relevance/impact [22-25]. Lacking a consensus, the existing discussion on the theory-practice gap converges on the debate about business schools and their reforms spanning over the past half of a century [18,26]. Notwithstanding, both streams of rich literature see limited success in attempting to address criticism from powerful stakeholders of higher education, especially following the widespread crisis of corporate confidence:

Business schools are facing intense criticism for failing to impart useful skills, failing to prepare leaders, failing to instil norms of ethical behaviour—and even failing to lead graduates to good corporate jobs. These criticisms come not just from students, employers, and the media but also from deans of some of America’s most prestigious B(usiness) schools [27].

This paper asks the question of what existing literature has gone amiss from the overlapping boundaries between research that has separately examined the concepts of theory-practice gap and sustainability (broadly defined) in management education. This question holds significance for business school reforms for sustainable development while engaging both streams of literature to foster their future theoretical developments. Accordingly, this paper adopts a narrative review methodology in order to concisely review the major themes of business school reforms in addressing the theory-practice gap relevant to sustainability. First, we present a brief introduction to the theory-practice gap debate in business schools, while setting a scene for the following review on business reforms relating to closing the gap through sustainability. We then proceed to our proposal of reframing sustainability as an ethical aspect of the theory-practice gap, ending this paper with brief discussions on the implications for future research.

2. The theory-practice gap in business schools: A brief overview

Following a scientific turn of business schools (for a historical account of the resulting separation between management education and development, see Armstrong and Fukami [28]), contemporary management research typically and primarily aims for theory-building based on rigorous methodologies. However, business schools moving away from the earlier trade school tradition has resulted in a growing divide between management theory and practice. Accordingly, the role of business schools in addressing the gap has nurtured major debates. To a considerable degree, this is due to the long-established expectation that scholars are the best teachers in business schools [29], who create knowledge by research and
disseminate it by teaching. Interestingly, the research on theory-practice gap in business schools has been predominantly focused on the role of management research and the legitimacy of business knowledge, while the pedagogical side has been largely overshadowed and only recently highlighted [26]. This is primarily because research outcomes are usually taken as the primary measure of business schools’ success by popular world university rankings, while the overwhelming priorities of accreditations and rankings place powerful constraints on institutional strategic choices. This has strong institutionalising effects that weaken business schools’ education from within [30]. Accordingly, the existing discourse has been centered around whether, or more accurately, to what extent, management research does or should inform practice.

On one hand, there have been strong views advocating for management research to inform both teaching and practice, which has arguably been failing to equip students with adequate skills in real-life problem-solving (for example, Porter and McKibbin [31]). Pearce and Huang [29] contend that management research, which has become less and less actionable to practitioners, is also increasingly less helpful in the classroom. Supporting this, a recent case study shows that practitioners have different insights from those suggested by theories [32]. Rowland and Hall [33] conclude that there is a disparity between what is taught in business schools and practiced in the workplace. Overall, it is agreed upon that the fundamental cause of the gap is that business schools have a preference of:

...abstract causal explanation over practical knowledge, and for a reason and truth over what works, has led to a privileging of detached contemplation over involved action. Despite repeated calls to make management research and education more “relevant” to practice, many business schools continue to privilege rigour and precision as the arbiters of authoritative knowledge using representational devices such as conceptual models, case studies, and other formal classifications [8].

On the other hand, voices in defence of the rigorous nature of management knowledge also appear to start being established. The opposing views argue that the divide between knowledge and practice is natural, inevitable and supposed to be [34]. Taking it further, some scholars suggest a healthy degree of disparity between scholarship (i.e., the world of ideas), and reality (i.e., the world of actions) [35]. A sense of pride is endorsed in the scholarly progress, which has enabled business schools to abandon the practically relevant but academically inferior management knowledge [36]. The rationale of this line of argument is that:

...social systems are self-referential or autopoietic, which means that communication elements of one system, such as science, cannot be authentically integrated into the communication of other systems, such as the system of a business organization... It is hard to imagine how (science) communication that is based on the true/false code can at the same time apply the relevant/irrelevant code (producing practical solutions/not producing practical solutions) in a meaningful way [37].

On balance, while few would disagree that there is and should be a close relationship between theory and practice, there lacks clear consensus on how ‘close’ the relationship is or should be. From a learning perspective, perhaps managing is best described as a ‘craft’, profound and hard to articulate tacit knowledge usually gained through implicit learning and personal experiences [38]. This gives rise to the implication that learning to manage is to be left to management development (as a function of human resource management) rather than management education in higher education [39]. Notwithstanding, considering climate change, the lives of the poor, and natural disasters including the ongoing COVID-19 pandemic, business schools must strive to help business leaders strike a balance between profitability, environmental challenges and corporate social responsibility [40]. The next section follows this line of thought with a concise review of the main themes of bridging the theory-practice gap within business
schools, focusing on relevant research for sustainable development.

3. Closing the gap: Sustainability for business school reforms

This section focuses on two prevailing themes in business schools’ reforms in closing the theory-practice gap, analytically embedding sustainability.

3.1 Industrial collaborations

A major discourse in bridging the theory-practice gap in business schools evolves around universities collaborating with industry, conceptually grounded in several notions in management literature. These include engaged scholarship [41], action research, knowledge co-production or co-creation [42], researcher-practitioner collaborations, knowledge transfer partnerships, and knowledge networks [43]. When scholars go into field research to learn actual business conditions, they gain more informed insights and fresh perspectives in framing the questions they seek to answer, adapting data collection methods, and adding depth and potential applications of theories and concepts.

However, these benefits of co-produced knowledge from collaborative research between scholars and practitioners seem difficult in empirical research [44]. One reason is that researchers and practitioners have different contexts of knowledge. For example, while researchers commonly aim for theorisation and generalisability, managers tend to put emphasis on situated decision-making in workplace contexts. As a result, such different goals can create difficulty in building a mutual and trusting relationship, which may be crucial for researcher-practitioner collaborations [45]. In this sense, sustainability is a significant but neglected knowledge context or dimension for a mutual agenda, which has been emphasised in both business schools and organisations. For example, there is a recent surge of scholarship on teaching sustainability in business schools [46,47] and sustainability research in organizations [48-50].

On one hand, in higher education, there is an ongoing effort in promoting education not just about but also for sustainability in business schools (original emphases) [51,52]. On the other hand, for organisations, there is recent evidence that suggests positive associations between ethical knowledge mechanisms and corporate performance [53,54]. In particular, emerging research on social entrepreneurship in knowledge creation [55] sees promise in reforming business schools for sustainable development. Collectively, these recent literature developments suggest an increasing demand for sustainability-related managerial knowledge in the workplace, mirroring the general lack of environmental education in business schools. Despite the dialogue between environmental and management education which has been established for over two decades (since, for example, Gough [56]), there has been limited success. In the next subsection, we expand on this by discussing the second major research theme of reforming business schools in closing the theory-practice gap, which relates to one of the most influential programmes in business schools.

3.2 Master of business administration (MBA) programmes

MBA programmes have received significant attention in aligning management theory into practice in business schools [57-59]. In this regard, several suggestions have been put forth regarding MBA programme redesigns. These include multi-levelled and value-adding approaches [60], teaching with evidence-based management research [61], refocusing MBA programmes on practical wisdom, and incorporating reflective and social cognitive learning into MBA education [59]. While there is a variety of business school practices for redesigning MBA programmes, for example in the United Kingdom (see Stoten [62]), there is still a general lack of relevance of MBA curricula to managerial competency requirements.

In the existing discussion, one important aspect of practice is often neglected which relates to the ethical element of knowledge and practice in both business schools and organisations [63]. This is both
curious and unfortunate since recent research on sustainability in business and management research has shown positive organisational outcomes; including shared value creation [64], knowledge management processes [65], co-efficiency [66], knowledge sharing [67], organisational culture [68], and innovation [69].

In this light, redirecting the existing discussion through the lens of sustainability is both necessary and promising. This is because MBA programmes are designed as a professional course which prepares graduates specifically for managerial jobs, and thus have meaningful influences on management decisions in organisations. While research shows that managers require sustainability education to help them better cope with future jobs [70], there is also an empirical correlation between business leaders’ MBA qualifications and their corporate environment performance [71]. Notwithstanding, little has yielded from the earlier call for attention to sustainability issues [72] and recent research advocating for mainstreaming sustainability in MBA programmes (for an exception, see Hesselbarth and Schaltegger [73]). The next section discusses an alternative framing of sustainability that shows promise in this regard.

4. Reframing sustainability as an ethical aspect of the theory-practice gap

Reframing sustainability as the ethical aspect of the theory-practice gap is fundamentally pertinent to practical management knowledge, since a significant aspect of ‘practical wisdom’ calls for ethical and responsible management managers [63,74]. The ethical aspect of the theory-practice gap is manifested in the business schools’ continued failings to meet today’s societal and environmental needs [27,46]. More explicitly and coherently, such failings have been framed and argued in the notion of alternative modes of knowledge production (see Gibbons [75]). While the transition from Mode 1 to Mode 2 knowledge production (i.e., from theoretical knowledge to knowledge blending theory, experience and practice) specifically addresses the gap between theory and practice, the transition from Mode 2 to Mode 3 knowledge production (i.e., focusing on knowledge for future good) calls for particular attention to the implied ethical aspect. Because managers need to realise that the dynamics in managerial decisions affect a wide network of stakeholders, prominent management scholars such as Ghoshal [76] have urged management education to become more aware of its general tendency to create a profits-first mentality without regard for ethics.

This ‘profit over morality’ mindset is particularly difficult and problematic with the ongoing COVID-19 pandemic, which has created many moral and social challenges for managers in the business world [1]. Nonetheless, business schools’ overwhelming emphasis on popular rankings [77] continues working as rhetorical devices to construct institutional status and legitimacy [78]. First, business schools’ prioritised agenda of ‘making the list’ [79] gives privilege to research outputs and publications, while most journals tend to prefer generalisable empirical results that yield abstract and representational knowledge [8]. In turn, there is a persisting barrier to integrating sustainability into management education against the taken-for-granted normativity of knowledge validity and legitimacy [80]. This is despite the empirical evidence which shows media rankings hold no significance to closing the theory-practice gap [81].

Reframing sustainability as an element of the theory-practice gap implies that sustainability should be a measure of theory and is a component of practice. This reframing gives sustainability the edge required to be considered and addressed as an equal dimension of knowledge in business schools to those such as validity, generalisability, relevance, and reliability [23]. This demands not only sustainability’s relevance but also legitimacy in business education. This is both an alternative and addition to humanity and morality reasoning which has been traditionally argued for. This is because only with knowledge legitimacy can sustainability be effectively leveraged to challenge the deeply rooted, often times implied profit-oriented business school education from within. This line of thought is urgent, especially in the post-COVID-19 era, where many aspects of ‘normal lives’ are being challenged and reformed [82].
Finally, several instrumentalist arguments scaffold sustainability’s legitimacy in business education. First, moral management education may better prepare graduates with job ready skills in knowledge application at work [83], while an ethical workplace culture can boost the effectiveness of knowledge sharing and management [67,68]. Teaching ethical decision-making in the classroom enables business students to feel more confident in their ethical problem-solving at work (i.e., moral efficacy), enhances their ethical influences in the workplace (i.e., moral meaningfulness), and encourages them to point out ethical problems in their work lives (i.e., moral courage) [84]. Finally, moral management education may produce leaders for better organisational innovation, culture and performance.

5. Discussion and conclusions

The ethical aspect of business education is vital in cultivating moral managers who can show an appreciation of the environmental and social dynamics in the business world. It is thus essential for business schools to pay more attention to how to more effectively incorporate moral awareness and reasoning in the education they provide to:

...shift cognitive, moral, and emotional levels of development, a renewed emphasis on balance both individually and socially, a less is more sensibility, a holistic systems perspective, and shifting the purpose of the firm to encompass not just shareholder needs, but also societal, stakeholder, and ecological needs and interests [85] (also see Muff [86]; Thorpe and Rawlinson [87]).

However, it has not been an easy task, requiring us to rethink our assumptions about management education for a shared future. A particularly helpful stream of critical scholarship in (re)shaping our visions of business schools promotes alternative mindsets for management education. For example, Kurucz, Colbert and Marcus [88] suggest we use sustainability to provoke new thinking in business schools, centring on an integrated value of economy, society and nature. Still, there remain many questions to be answered:

Is the firm simply a “non-market”, presuming markets distribute the value firms create to its highest social value and so equilibrate the economy? Or are firms’ economic responses to “market failures”, to an economy’s need to equilibrate? What can we learn by presuming firms exist to meet society’s needs for goods and services, or jobs? How to do the assumptions we customarily make about firms connect to practices of economic value creation? [89].

In exploring these questions, Spender [89] concludes that management is essentially about making situated judgements rather than rational decision-making. We argue that such situated judgements involve an ethical aspect that must be emphasised as a legitimate dimension of management knowledge in business education.

Particular attention should also be paid to how we approach accreditations and rankings, arguably the most influential and the most ‘widely and seriously introduced and practised’ in business schools over any other academic field [77]. Despite critical concerns regarding data sources, measurements and implications of popular league tables [79], rankings and accreditations remain a powerful influence on the increasingly globalised business education [90,91].

With the above in mind, our research finds it particularly promising to investigate potential approaches which may help lobby the integration of sustainability into accreditation and ranking system. We also contribute to the literature by underscoring that the pedagogical aspect of management education for sustainable development has been insufficiently examined, where education researchers have an impactful role to play in future research. Our findings resulting from the review and conclusions demonstrate the theoretical significance of sustainability in conceptually connecting knowledge and practice in business schools. The contribution of the paper helps address the theory-practice gap from a different and more sustainable perspective than that which has predominated the existing literature. More specifically, we urge business and management teachers to
engage in burgeoning debates signposted in the below discussions on business school reforms and the theory-practice gap in management education, with different ideas, especially from pedagogical perspectives which have been under-considered in the existing discussion.

While the explosive growth in management literature has been accompanied by a crisis of confidence among managers who face bewilderment in the diverse field of management education, learning, and development [92], there is promise in moving forward with MESD to bring together management theory and practice in business schools. In this ‘defining moment’ for our shared world, it is time for us all to rethink the purpose of business education, to reconsider what makes ‘good’ managers, and to reexamine how to develop managerial competencies to run economically competitive, environmentally friendly, and socially responsible businesses. Theoretically, this paper suggests reframing sustainability as an ethical aspect of a theory-practice gap for prospective research for this challenge. This suggestion calls for future multidisciplinary efforts to engage both teachers and researchers in reforming business schools for the well-being of our planet and society. We earnestly invite the audience to urgently join this important cause.

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