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Management a Profession? Where's The Proof?

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Management a Profession? Where's the Proof?

A few years ago a compensation committee I was serving on was deliberating about the use of stock options for the senior executive team. As it happened, Penn State's Donald Hambrick had just published some revelatory research on how stock options affect a company's risk behavior. When I asked our compensation consultant if he knew about the article, he said no. When I offered to send it to him (along with other important articles from the volumes of research on the topic), he had no interest.

How could someone we were paying so dearly for advice be so indifferent to evidence that might inform our decisions? And why didn't my board colleagues see this as cause to question our selection of adviser? I was disappointed—but not surprised. To be fair, our adviser's behavior was hardly unusual. When I tell this story to others in the HR consulting industry, they often suspect I'm talking about someone from their company.

Harvard Business School's Rakesh Khurana has embarked on a campaign to make management more of a true profession, and he's right to bemoan that it isn't. But Khurana's focus is on one aspect of professionalism: the adherence to "higher aims" than self-interest or economic benefit. In fact, professions have another defining feature: a specialized body of knowledge that practitioners are obliged to apply in their daily work.

In law, people must pass an exam to gain admission to the bar. In medicine, continuing professional education is required of doctors. What is important, though, is not the licensing and courses themselves but the overall mind-set that effective practice depends on awareness of advances in the field.

In business, the movement toward using the best available scientific data to make decisions—evidence-based management—



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seems to be growing. It has the strong support of the Academy of Management and the Conference Board. The idea of competing on analytics is catching on. The venture capital community is investing eagerly in start-ups offering solutions that mine raw data for practical, strategic information.

But setting higher knowledge standards for managers will require action from many more constituencies.

Start with business schools—which are the leading source of management research and have reason to believe in its power. As Wharton's J. Scott Armstrong and others have shown, research is the differentiating factor that makes some schools' degrees more valuable than others'. Many need to shore up that strength. Rigor can be eroded, for example, when students demand more-enjoyable instructors for electives (often in leadership and entrepreneurship) and schools hire practitioners. There's noth-

ing wrong with the voice of experience—it often leaves a stronger impression. But if those instructors aren't proponents of science-based practice, their influence may weaken the intellectual foundations of business training.

Management publications also have their part to play. Too many books and articles—even in scholarly journals—purport to offer important new insights but fall short. When editors ignore prior research, they undercut the idea of cumulative knowledge building. When they fail to challenge methodologies, they publish invalid findings. (One question that apparently isn't always asked: Did the measurement of outcomes come *after* the measurement of the factors that allegedly produced them?)

The most important actors, however, are the public and private organizations where management gets done. They must cultivate in their people the belief that good decisions depend on relevant evidence and data. They should compel managers to draw on sound research and learn deliberately from experience. The U.S. military regularly conducts after-action reviews; hospitals convene mortality and morbidity meetings. Yet such voluntary formal reviews of decisions and their outcomes are rare inside companies—even ones that have made costly blunders.

Surprisingly, it is in the start-up world, where there are presumably fewer resources for analysis and less time for reflection, that I've observed the greatest reliance on accumulated evidence. It's part of the ethos of the "lean start-up" movement; after all, what better way to cut development time and costs than to avoid mistakes?

Before management can be considered a profession, its practitioners will have to see themselves as part of a larger purpose. But it took more than higher aims to move medicine beyond quackery. It took science and its application to practice. In a world afflicted by complex problems, we should have more assurance that managers will also draw on knowledge greater than their own. ♥

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