

CREATING THEORY THAT WORKS

Managers need concepts, models and frameworks to be more flexible and dynamic. Unfortunately, it is apparent that management research to date has been unable to provide comprehensive and scientific information of how companies should manage business activities in complex organizational settings.



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Every time a corporate scandal is on a breaking news, professors are normally among the first being interviewed to share their views of "What went wrong?". Educators are extolling how much their academic curricula promoting the importance of human governance and business ethics. Professionals are pressured to figure out a quick solution or standards to prevent scandals for good. Regulators and policymakers are forced to rewrite policies to tighten control and enforcement. New measures are being introduced to monitor business conducts and process. Textbooks admiring troubled companies are being taken off the shelves, and educators are asked to hurriedly refurbish academic curricula to produce graduates with dedication, transparency, and honesty.

This article argues that educators need to stop doing what they currently do, to prevent future Goldman Sachs, Enrons, or Lehman Brothers. Simply because management theories thought in Master of Business Administration (MBA) programs

have much to influence managers to apply them in management practices that educators are now being blamed for creating bad management practice. Paradigm shift is needed within academic circle to stop teaching old theories and ideas that are no longer relevant to current business environment.

Executives all over the world, who attended MBA courses, have learned similar theories which were not directly linked to their organizational eco-system. Even those who never attended business course can think similar ways as these theories have been around for very long time. In fact, we no longer feel excited, thrilled, or surprised in developing new business strategy due to assumption of 'business as usual' and theories perceived as universal adaptor. In Malaysian context, managers are predominantly influenced by foreign oriented theories which they have learnt from managerial textbooks developed from Western organizational values although these theories are argued as irrelevant to the Malaysian environment.

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In contrary view, researchers also have been complaining the lack of managers' supports that normally tend to decline access for researchers to undertake research projects in their organizations. It is critical for researchers to gather adequate data from management practices in order to understand real problems faced by managers, this will enable researchers to produce theories or conceptual framework that reflects of what is happening in daily business operations. Although, reminders were sent to practitioners about the importance of research to the body of knowledge, response rate of Asian countries to participate in research activities are still very low compared to the Western countries. It is imperative to have both companies and higher learning institutions to actively involved in smart collaborations to make use the pool of experts from academia in solving complex managerial problems.

In conclusion, the development of theory as well as practice should be cognisant of the surrounding organizational environment. Further, theory and practice exist in a reciprocal relationship. While theory is meant to guide practice, theory itself should be developed from relevant practices. In the event of changes in industry context, it is argued that the failure of management research to reflect the characteristics and challenges of contemporary organizational settings has led to a loss of relevance and gives rise to the need for more research explaining current practices. It is believed that the first step to narrow this gap is to understand practices in actual organizational settings. Further, the second step is to develop theories suitable for Malaysian socio-economic environment.

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