Does academic research have to have impact?





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Not necessarily say **Udo Steffens** and **Michael Grote**. What is more important for both researchers and students is that research and teaching is based on rigorous scientific thinking

A current lively discussion among business school deans centres on measuring the impact of not only business schools themselves but also of the research they carry out. The catchphrase to be heard is: "impact is the new relevance".

Today it is often said that research – especially research by business school faculty – needs to be relevant and/or impactful as well as rigorous. One could argue that the ultimate goal of academic research appears to take a route similar to the stylised impact process outlined in Table 1 (overleaf), in which research is distributed through a multitude of channels and impacts a large variety of stakeholders along the way.

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Table 1:

Various impact stages of academic research - the ideal world

Research Outlet	Transfer Medium	Impact Area
Idea	Presentation and discussion in internal brown bag seminar	Frankfurt School faculty
Working Paper	Presentation at research seminars	Faculty at other business schools
	Presentation at academic conferences	Faculty and researchers
	Coverage by The Economist	Readers of <i>The Economist /</i> interested public
Article	Published in Econometrica (the most prestigious	• Faculty that reads and understands Econometrica
	Economics journal)	Becomes a classic that influences research
	 Receives large number of citations 	by many others; on syllabus of many PhD
	 Coverage by other media outlets 	programmes
	 Used in teaching at Frankfurt School, develops 	Interested public
	into case	Students at Frankfurt School
Case	Used in teaching at other schools	Students at other business schools
	Used in executive education	International executives
	Used in in-house programmes	Specific firm executives
Consulting	Professor becomes sought-after expert	After consulting, Apple, GE, Google and Tata
		increase earnings by 20%; customer satisfaction
		and employees' happiness increase significantly
Spin-off	Consulting firm spun-off successfully by	New clients recommend the research-based
	professor and PhD students	firm
Knowledge	Practice becomes new industry standard	Measurably increases efficiency industry-wide;

The table illustrates an obviously fictitious and slightly ironic story that exemplifies the somewhat outsized expectations academic research is confronted with. While it is hard to disagree with this approach, particularly when rigor and relevance go together so well, it becomes problematic when there is a trade-off between funding rigorous research or funding research projects that could be deemed as having a potentially greater impact. This is where a research strategy is necessary. Frankfurt School's research strategy emphasises rigor over relevance.

There are several arguments that are often forgotten when considering the qualities of rigorous research. Indeed, according to the *Financial Times* or *Economist* rankings, the world's leading business schools are predominately those that produce the most rigorous research when measured by their output in top academic journals (for example by the University of Texas at Dallas list). We believe that this is not a coincidence. There are several reasons why:







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• First, exposure to not only the results of research but also to the process of rigorous research itself provides students with insight and skills that can be used to solve future tasks.

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With this in mind, a successful researcher who engages in rigorous research is one of the most valuable teachers for any student. For students, being confronted with rigorous research – and ideally conducting such research themselves – will lead to humility and critical reflection, especially with regard to the creation of seemingly fast and simple solutions. There is a reason why consulting firms, who are in the business of solving complex practical problems, love to employ mathematicians and scientists.

• Second, the results of research flow into the classroom long before they are printed in textbooks. Most of what we teach from textbooks began as research published in rigorous academic journals some 20 or more years ago Academic disciplines develop fast. In order to teach at the current frontiers of knowledge, faculty must have knowledge of the latest concepts.

• Finally, top-level research is one of the best quality assurance mechanisms for classroom teaching. It is undeniable that researchers who contribute to pushing the frontiers of knowledge in their respective field understand their subject at an expert level. In addition, to face the many difficulties and obstacles in publishing top-tier research, a researcher must be fairly enthusiastic about his or her area of specialisation. We cannot think of a person better suited to spark interest in the classroom about a particular subject than an enthusiastic expert who enables students to develop a deep and firm understanding of a particular field.

Complementary to this is the idea that intelligent people wish to be taught by other intelligent people. In order to satisfy the demand of the most sophisticated students and participants, schools must attract the smartest faculty – in other words, the experts in their fields.

For these reasons, Frankfurt School values "just another Econometrica paper" with no fuss attached quite as much as research deemed as being highly impactful. Instead of pushing for research that generates the greatest waves, Frankfurt School does not indicate how impactful research should be.

Naturally some rigorous research makes headlines in public media and has a noteworthy impact on society, particularly when it concerns issues such as health or sports.

For example, a 2016 study by Frankfurt School's Professor Eberhard Feess of more than 4,000 Bundesliga football matches found that referees systematically err in favour of well-known teams, a finding that received considerable media coverage in football-loving Germany and beyond. In this case, the greater impact of this research is its potential to influence German rules concerning the use of video material in refereeing decisions.

As the management of Frankfurt School, we are very pleased by such research and corresponding coverage, as it serves as free advertising. The publicising of such research in the media shows that business schools are not boring but rather that the work of such institutions is more than simply imparting accounting or marketing tricks.

In other words, it shows that business schools engage in a wide array of interesting and relevant topics. We can change the world! But do we think





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that this research is better suited to make our students think of clever solutions to future problems than other rigorous research that has no impact whatsoever in the real world? The simple answer to this question is "no".

On the other hand, consider a much applied piece of research, the *Global Trends in Renewable Energy Investment* report, published annually by the Frankfurt School – UNEP Centre for Climate and Sustainable Energy Finance and Bloomberg New Energy Finance.

Each year this report is referenced thousands of times in global media outlets. Moreover, numerous entities such as investment banks, large investment funds and firms in the renewable energy sector utilise and base their decisions partly on the findings of this report. Obviously, this is superb for Frankfurt School, but if we were to ask our students what they can learn from this (apart from using the data and noting trends depicted in the report) the answer would unfortunately be not very much. It goes without saying that business school students and participants require a considerable amount of exposure to the practical world – but not necessarily in the form of applied or impactful research.

Exposure to and, ideally, training in rigorous academic research benefits students immediately/ Researchers actively help students to understand their field better, identify interactions between different sub-fields and current questions. The scientific method is an enormously practical guide to conquer future challenges and to better management decisions, irrespective of its immediate "impact" on the real world. For faculty, just another *Econometrica* paper will do.



ABOUT THE AUTHORS

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