Social Issues and Management: 
Our Lost Cause Found

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The Academy of Management (AOM) was founded to help meet society’s social and economic objectives and in so doing, serve the public interest. However, scholarship in our field has pursued society’s economic objectives much more than it has its social ones. Surveying the supply and demand for all of the empirical research published by the AOM between 1958 and 2000 and all of the research published between 1972 and 2001 that attempts to link a firm’s social and economic performance, we provide evidence for this claim. We then propose reasons for why this research imbalance exists and conclude by foreshadowing a research agenda that honors our field’s historic social values.

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The general objective of the Academy shall be therefore to foster: a) a philosophy of management that will make possible the accomplishment of the economic and social objectives of an industrial society with increasing efficiency and effectiveness: the public’s interests must be paramount in any such philosophy, but adequate consideration must be given to the legitimate interests of capital and labor.


The Academy of Management (AOM) was founded 45 years ago to serve the public interest. The public would be served by scholarship designed to help accomplish both the economic and social objectives of an industrial society. The research record, however,
suggests that these twin goals have not been met. The public interest—as distinct from the private interests of capital and labor—holds a tenuous place in management scholarship; the social objectives of society have not received equal attention in our work. We will document this claim, suggest reasons for why the public interest holds such an insecure place in management research, and propose some ideas to remedy the situation. In the end, we hope to rediscover our field’s lost cause.

Looking at it today, the AOM’s original aspiration continues to be endorsed in a variety of formal ways. The domain statement of the “Social Issues in Management” (SIM) division of the AOM, for example, bears clear testimony to the Academy’s earliest ambitions. Its goal is to “explore and analyze the various environments’ and stakeholders’ influence upon the organization and the organizations’ effects upon these groups.” These environments include the firm’s social, ethical, public policy, ecological, stakeholder, and international business environments. The SIM division holds very broad ambitions. Its reach, however, seems to exceed its grasp. Even with such a broad reach (and the trivial cost of division membership), less than 7% of the members of the AOM in 2003 (862 of 12,489) choose to affiliate themselves with the SIM division and its goals.

Although the founding social ambition of the AOM is continually affirmed, few AOM members seem to identify with it. Even fewer pursue a scholarly research agenda that speaks to these kinds of aims. As we will show, empirical attention has shifted away from the public interests, and when it is preserved in theory and empirical research, those interests end up being framed more by economic sensibilities than by social ones. Indeed, a president of the AOM once lamented, “Right now, the major debates regarding business and management are framed almost entirely by lawyers and economists” (Hambrick, 1994: 15). The public interest and the social objectives that were supposed to stand alongside economic objectives in orienting the work of management scholars seem to have been misplaced. The central tenet of this paper is that as a field, we need to re-balance our ambitions. As business and managers confront growing societal expectations (Paine, 2002), devastating global epidemics (Rosen et al., 2003), and evident failures to hold the public trust (Gordon, 2002), management scholars’ eerie silence on the social role and impact of organizations is conspicuous.

We will structure our argument in three parts. First, we empirically explore how organization and management scholarship has lived up to the public orientation that is considered to be so central to the field’s mission. In particular, we assess the place that research on human welfare has occupied within the broad sweep of management scholarship, how different sub-fields have responded to the tension between social and economic objectives, and how this work has been received. Finding a decline of research on human welfare, we then turn to factors that threaten to perpetuate and even accentuate the trend. Based on this diagnosis, we close by suggesting some ways of restoring scholarly attention to social objectives and public interests, attention that honors the earliest aspirations of our field and reflects the contemporary landscape of pressing business problems.

A Historical Look at Organization and Management Research

It is easy to identify the AOM’s initial and simultaneous desire to contribute to economic and social welfare, and then point out that in our zest to contribute to economic performance,
management scholars failed to shed sufficient light on our social welfare. Call to mind some well known papers (Barney, 1991; Peteraf, 1993; Wernerfelt, 1984) and books (Hamel & Prahalad, 1994; Porter, 1980) that focus on wealth creation and competitive advantage, cite a fledgling critical management studies protest movement (Zald, 2002) to substantiate that we have misplaced our initial aspirations, and simply assert that the field is overcome by an impulse to serve capital’s interests. This kind of argument is indeed too simplistic. Organizational scholars do focus on wealth creation, but we also focus on corporate social performance (Davis, 1973; Wood, 1991a, 1991b) and stakeholder management (Freeman, 1984; Post, Preston & Sachs, 2002). Nonetheless, the oversimplification appears to have some face validity. A February 2003 citation analysis reveals that the Barney (1991), Peteraf (1993), and Wernerfelt (1984) papers on the resource based view of the firm have been cited 887, 287 and 620 times, respectively, while the well-regarded articles by Davis (1973) and the two by Wood (1991a, 1991b) on corporate social performance have only been cited 30, 27 and 96 times, respectively.

A better way to understand our field’s research history is to assess it systematically over time. With more than 12,000 members in the AOM, not to mention the thousands more organization and management scholars who affiliate with the American Psychological Association (and Society), American Sociological Association, European Group for Organizational Studies, INFORMS, Strategic Management Society, Society for Business Ethics and a host of other associations, it is difficult to distill the history and scope of management research. Nevertheless, we have constructed one indicator of the research record: the empirical articles published in AOM journals from 1958 to 2000.

Method

The AOM has been publishing a broad array of organization and management research since 1958. The AOM’s economic and social aspirations, long history, and broad membership mark its publications as a reasonable proxy for the field’s research interests. The AOM published 3,248 articles in 283 issues of the *Journal of the Academy of Management (JAM)*, the *Academy of Management Journal (AMJ)* and the *Academy of Management Review* between 1958 and 2000. Since empirical research arguably reflects the theories that at least have a foothold in orienting inquiry, we decided to focus only on the field’s empirical work. We read and coded every empirical article published in the *JAM* and *AMJ* in this 1958–2000 time period, covering 54% of all academic articles published by the AOM. In total, we read and analyzed 1,738 empirical articles (excluding commentaries and replies).

The dependent variable in empirical work typically represents the outcome a researcher thinks is important and worthy of explanation. As such, it can serve as an indicator of the balance management scholars have struck between the field’s founding aspirations. We analyzed the dependent variables in the empirical literature to determine if they focused on human welfare or performance. Human welfare includes such constructs as health, satisfaction, justice, social responsibility, and environmental stewardship. Because the field of organization and management is one that embraces multiple levels of analysis, we chose to track welfare at three broad levels of analysis: individuals, organizations, and society. We classified work on people, both individuals and groups, within the individual level of analysis. We classified the research on firms, as well as work on inter-organizational linkages,
whether vertical or horizontal, as falling within the organizational level of analysis. Studies of institutions and the public-at-large were classified within the society level of analysis. Alongside these three categories of research on human welfare, we also tracked articles investigating technical and economic performance at any level of analysis. Performance includes constructs that capture decision performance, efficiency, productivity, and both accounting and market measures of wealth creation. Overall, 227 articles examined human welfare (and not performance) and 383 articles examined performance (with no simultaneous look at human welfare); 115 papers examined both human welfare and performance, while 996 articles examined neither welfare nor performance issues.

**Results**

Using a five-year moving average, Figure 1 reveals the percentage of articles in each year of publication that focus on these different dependent variables. The 115 articles that focus both on human welfare and performance are double-counted in the figure.

While management scholarship shows a steadily increasing fascination with performance, interest in human welfare peaked in the late 1970s. In 1978, 32% of all articles examined some form of human welfare as an outcome, whereas in 1999 only 19% did. In contrast, 17% of all articles examined a performance outcome in 1978, rising to 35% in 1999. Moreover, research that does adopt some form of human welfare as an outcome of interest tends to focus its analysis at the individual level (85% of all welfare oriented articles). Little research focuses on human welfare at the organizational level (13%) and even less focuses on societal-level issues (2%). As a point of comparison, 48% of articles concerned with performance looked at the organizational and societal level, rising to 61% by 1999. Although now waning, interest in human welfare has been dominated by analyses at the individual level. Researchers’ increasing fascination with organization-level performance has not been matched by a parallel fascination with organizational or societal-level welfare.

Any look at the history of work in a field, however, must consider both the supply and demand for the work. Figure 1 reveals research output, or supply. A citation analysis of the research yields one measure of demand: the extent to which the research is used. Citation analyses are complicated. We can report the average number of citations received by each category of study revealed in Figure 1. The following profile emerges for the three social welfare variables: articles featuring individual welfare as the dependent variable received an average of 29.04 citations; the organization-level work received 27.09 citations; and the society level work received 20.63 citations. The studies of performance at any level of analysis received an average of 34.61 citations (31.88 for individual, 37.70 for organization, and 21.76 for society levels). Articles focusing on human welfare receive less attention than the articles that examine performance, especially at the firm level; performance and welfare work at the societal level of analysis seems to be the least appreciated work of all.

Using this method to assess demand through citation counts has a significant flaw, however. Earlier articles have a greater chance of being cited, and of course, with the increasing number of organization and management journals, the number of opportunities to be cited changes over time. A better assessment of the demand for scholarly work is to compare the annual citation results to the average number of citations for the articles published in the
Figure 1. Human welfare and performance-dependent variables in all JAM and AMJ articles.
Figure 2. Citation rates for all JAM and AMJ articles.

journal in each observation year. Figure 2 pictures these results. The horizontal line represents the citations’ grand mean for the five-year moving average for all of the empirical articles published in JAM and AMJ in each observation year. The other lines plot the normalized five-year citation average patterns for four kinds of articles (those examining human welfare, performance, performance and welfare, and neither welfare nor performance or what we call “neutral” papers). We created normalized values as percentage deviations from the annual means.

Figure 2 suggests that neither the welfare nor the performance papers garnered a great deal of attention in the early years. That changed first for research with human welfare as the dependent variable and then for the performance papers in the late 1960s. At that time, the average number of citations for each category of papers began to meet and then exceed the average. Consistent with the temporal variance in the numbers of welfare papers exhibited in Figure 1, the reception for this work has waxed and waned over time. Enjoying a peak of popularity in the early 1970s, work on human welfare has fallen in and out of favor ever since. The work on performance, however, has been consistently well received. Since 1970, the citations to this work have never fallen below the journal’s average for the year they were published. An analysis of variance, testing for performance, welfare, and the performance by welfare interaction effect (using the normalized citation value), was significant at the .001 level \[ F(3, 1734) = 10.06 \]. The performance effect was the only statistically significant simple effect. Performance articles on average received 18.1% more citations than the average for their year, while welfare articles received on average 4.7% more citations than the annual average. The difference for the percentages is significant at the .01 level. Although relatively few papers focus jointly on performance and welfare,
these joint articles receive 25.7% more citations than the annual average. However, as the ANOVA interaction term indicates, this difference is not statistically significant from the main effects ($p = .73$).

Without access to this kind of bibliometric analysis, Clegg (2002: 435) recently asserted, “From the 1970s onward, organization theory became increasingly its own series of language games. It favored economic, biological, or engineering models rather than a conception of social relations as the core of organizational life.” Our data generally support this kind of criticism. Clegg’s intra-organizational critique can be extended to look at extra-organizational issues as well. Our data reveal that management scholarship rarely considers the effect of organizational practices on social life outside the boundaries of the firm: fewer than 2% of all welfare or performance outcomes are conceptualized at that level. Whatever happened to the field’s founding ambition to contribute to the social objectives of society? It appears that both “social objectives” (dependent variable) and “society” (level of analysis) hold a tenuous standing in organization and management research.

**Paths to Imbalance**

Why is it that so little research directly considers how organizations affect the social objectives of society? It is important to understand a broader set of ideas about the purpose of the firm in order to answer this question. The AOM’s dual founding ambition ran (and continues to run) smack into a long-standing controversy about the purpose of the firm (Berle, 1931; Dodd, 1932). Nearly 100 years ago, Henry Ford tried to withhold some dividends in the service of a broader conception of a firm’s purpose. He immediately found himself in court. The Dodge brothers wanted the profits that were due to them. Henry Ford lost, and the case continues to set the standard for how the purposes of a firm are understood today. The 1919 decision was unambiguous: “A business organization is organized and carried on primarily for the profit of the stockholders” (Michigan, 1919). A survey of MBA graduates from the class of 2001 (Aspen ISIB, 2001) confirms the power that this paradigm has among those trained on the basis of management research. When asked about what companies’ top priority should be, 75% said firms should maximize value for their shareholders.

Even at the time of its founding, the JAM’s mission statement represented a controversial stance. The JAM was launched the same year that Levitt (1958) published his blistering attack on corporate social responsibility. Levitt (1958) did not mince his words: “...all these well-intentioned but insidious contrivances are greasing the rails for our collective descent into a social order that would be as repugnant to the corporations themselves as to their critics” (p. 912). Twelve years after Levitt’s (1958) article, Friedman (1970) took direct aim at any firm that contemplated making investments in social objectives and public interests other than economic ones. His article has become something of a classic point of reference, a hurdle to be reckoned with by any researcher or theorist whose outcome of interest is something other than a firm’s financial performance. Property rights, the invisible hand of the market, and the government are entrusted to solve society’s problems. Corporate managers are to play no direct role in ensuring the social welfare of society.

With managers as a key audience for management research and the compelling force of economic theory looming as a constant point of reference, the founding aspirations
of management scholarship live in jeopardy. Specifically, organization and management scholarship risks losing track of its social objectives. Consider how the four major branches of the organization and management world have responded to the debate about the purpose of the corporation.

Business Policy and Strategy (BPS) is manifestly concerned with competitive advantage and economic performance. The Division’s domain statement indicates that it is most concerned with “the roles and problems of general managers and those who manage multi-business or multi-functional business units.” These roles and problems focus on ensuring the survival and success of the business enterprise. Rumelt, Schendel and Teece (1991: 6) eloquently capture the essence of the field: “Strategic management as a field of inquiry is firmly grounded in practice and exists because of the importance of its subject. The strategic direction of business organizations is at the heart of wealth creation in modern industrial society.”

Even with its focus on individual and group behavior, the field of Organizational Behavior (OB) keeps a clear eye on outcomes that matter to a firm’s managers. In Staw’s (1984: 658) seminal review of the field, he noted, “While theory-driven research is a necessary ingredient to our understanding of organizations, organizational researchers have had difficulty in sustaining interest in models that do not explain at least some variance in outcomes.” Job satisfaction, absenteeism, turnover, and the links between motivation and performance were the managerially oriented outcomes that captivated OB scholars prior to 1984. Recent meta-analytic assessments of turnover’s antecedents and correlates (Griffeth, Hom & Gaertner, 2000), the relationship between job satisfaction and firm performance (Judge, Thoresen, Bono & Patton, 2001) and employee commitment and firm performance (Wright & Bonnett, 2003) suggest that the central concerns of OB researchers must still be tied explicitly to the ultimate interest of firm performance.

Economic framings have similarly captured the field of Human Resource Management (HRM). Dobbin and Sutton (1998) show how the origins of HRM have been elided and replaced by a self-interested economic rationale. The government’s original concern for the workforce, enacted through regulations, was first recast as the field of personnel management, and then HRM reframed these workforce concerns as concerns about the firm’s economic performance. A social mandate was recast as an economic issue. Attention to human resources quickly found justification in its link to firm performance. The contemporary excitement about strategic HRM and its link to wealth creation (DeLay & Doty, 1996; Huselid, 1995) is a clear manifestation of this phenomenon.

Organization and Management Theory (OMT) scholars have been criticized recently for paying too little attention to the relationship between the firm and society (Bartunek, 2002; Clegg, 2002; Hinings & Greenwood, 2002; Perrow, 2000; Stern & Barley, 1996). The field has been called to task for focusing too much on internal organizational processes and the adaptation of firms to their proximate environment, to the neglect of any analysis of the effects of the firm on society. Perrow (2000: 470) sums up the situation: “Organization Theory, except for a small part of the sociological branch, has not interrogated large organizations, public and private, regarding their social role in society; and where internal dynamics are the subject, it has been explored by those concerned with efficiency and market characteristics such as competitiveness.”
The economic objectives of management have found a comfortable place in the world of organization and management studies. Overstating the case, so as to bring the critique into sharp relief, it can be said that organization and management scholars either line up squarely behind the economic objectives of the firm (BPS), reframe their interests to reflect an economic logic (HRM), graft their work to this economic logic (OB), or simply ignore the effects of the firm on society (OMT).

The attention paid to economic performance is vital to any conception of organization studies. It does bear a potential threat to our scholarship, however, when it eclipses its companion focus on social objectives. The problem confronting organization and management scholarship is not that economic performance has received increasing attention. Indeed, economic performance and the material welfare it secures are essential concerns of society. The problem, rather, is that other worthy concerns seem to be receding or perhaps even commandeered by this abiding focus on performance. Organizational scholarship loses sight of its original goals when social interests are granted license for attention only when some link can be made to a basic sociological question (Galaskiewicz, 1997), a psychological process (Bartel, 2001), or again, economic performance (Margolis & Walsh, 2001). The “invisible hand” in economic reasoning provides a convenient academic division-of-labor rationale for management researchers to ignore societal outcomes and welfare concerns. The economic contractarian point of view, though, has clear limitations (Bradley, Schipani, Sundaram & Walsh, 1999), and its omnipresence blinds us to alternatives. As William Allen, the former Chancellor of the Delaware Court of Chancery stated, “One of the marks of a truly dominant intellectual paradigm is the difficulty people have in even imagining an alternative view” (Allen, 1993: 1401). The balance between economic and social objectives sought in the AOM’s early aspirations could serve as that alternative view.

**Balance at the Periphery**

While it appears that the mainstay of organization and management studies has de-emphasized social welfare as an outcome worthy of empirical investigation, such work is not totally absent. Many scholars have tried to demonstrate empirically that there is a relationship between economic and social objectives. That work, however, does not occupy a central position in the field.

**Corporate Social Performance**

Research on corporate social performance (Wood, 1991a, 1991b) has self-consciously embraced the achievement of social objectives. Scholars have labored for over thirty years to understand the relationship between a corporation’s social performance (CSP) and financial performance (CFP). In looking for such a link, researchers most often seek to establish an economic rationale for companies to pursue social objectives, taking economic performance as the outcome of interest. The substantive and bibliometric standing of this work illustrates how fragile it is to balance “the accomplishment of the economic and social objectives of an industrial society” at the organizational level of analysis.
The CSP–CFP work occupies a lively niche in management scholarship. Between 1972 and 2001, at least 121 papers empirically examined the relationship between companies’ socially responsible conduct and their financial performance (Margolis & Walsh, 2003). Nineteen studies were published in the 1970s, 28 in the 1980s, and 67 in the 1990s. Researchers published 38 new studies in the most recent five-year period alone (1997–2001). Despite the increasing amount of CSP research activity, 100 of the 121 papers attach CSP to an economic rationale (using CFP as the criterion variable). Again, the company’s effects upon society—indepedent of the bottom line—do not garner much attention (Perrow, 2000; Stern & Barley, 1996).

Even when attached to economic objectives, scholarship on the social impact of corporate activity originates at the periphery. One hundred fifty-eight scholars, residing in 74 different institutions, published these 121 empirical papers (13 of these scholars did not note their affiliations upon publication). The profile of the home institutions for these active CSP–CFP scholars does not match the profile of the institutions that are most central to organization and management research.

Table 1 captures the affiliations for the most active CSP–CFP scholars and compares them to the institutions that provided the most people to the AMJ board (editors and reviewers alike) in this same time period. [Given normal publication lags, 1970–2000 reasonably represents the time when these 1972–2001 published papers were being considered for

Table 1
Institutional affiliations: CSP–CFP authors and the AMJ editorial board, 1970–2000

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<th>Authors</th>
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a Sample consists of 158 authors from 74 represented institutions. Thirteen authors (8.23%) had unspecified affiliations.

b Sample consists of 1,483 board members from 147 represented institutions.
publication. Institutional presence on the editorial board is used here as a proxy for an institution's research centrality. Only four of the twenty institutions with the largest number of CSP–CFP authors also reside among the top twenty institutions supplying AMJ board members: Michigan, Minnesota, Oregon and Washington. [The AMJ list only pictures the Top Nineteen universities because with 23 board members, three schools are tied for 20th place. None of these schools are listed in the CSP–CFP Top Twenty list (Michigan State, SUNY Buffalo, and University of Southern California).] The scholars who have done the CSP–CFP work generally do not come from the same institutions that supply the editors and board members to one of the core journals in our field.

As before, an examination of who does this research must be complemented by a demand side analysis of its use. A February 2003 citation analysis of this work reveals that the 121 CSP–CFP articles have been cited a total of 1,735 times. Matching the citations to these articles on a year-by-year basis with the citations that an average AMJ paper received in this same time period, we discover that 121 average articles published in AMJ in these same corresponding years would have received a total of 3,457 citations. Only 15% of the CSP–CFP papers (18 of 121) received an above average number of citations. The research that embraces the social objectives of industry and connects those objectives to an economic rationale still only receives half the citations that a typical AMJ paper does. Note that this is a conservative comparison. Recall Figure 2, which illustrated that AMJ articles with performance-dependent variables generally enjoy above average citation rates.

Taking this analysis one step further, only 355 of these 1,735 total citations to the CSP–CFP articles were made in what might be considered to be the highest status journals that might consider these issues: Academy of Management Journal (147), Academy of Management Review (32), Administrative Science Quarterly (25), Journal of Management (66), Organization Science (7), and the Strategic Management Journal (78). Figure 3 pictures the broad results of our citation analysis. It profiles the citations to each of these CSP–CFP studies, as well as the average number of citations to all papers published in AMJ in each of the observation years. If CSP–CFP research can reasonably be seen as an embodiment of the joint social and economic aspirations management scholars set out 45 years ago, we see clearly that it does not receive the kind of scholarly attention that marks other work in our field.

Institutional Membership

That the social objectives of industry have been relegated to the periphery is also manifest in membership data for AOM. The SIM division might be seen as the primary institutional embodiment of AOM’s founding aspiration to attend to industry’s social objectives. Similarly, the BPS division might be seen as the primary institutional embodiment of AOM’s founding aspiration to attend to industry’s economic objectives. Whereas 7% (862 of 12,489) of AOM members choose to affiliate with the SIM division, 29% of them (3,623) affiliate with the BPS division. BPS may well attend to the societal context within which organizations function (Schendel, Anshoff & Channon, 1980), but its clear attachment to the economic interests of the firm is associated with a status and centrality that SIM does not enjoy.
A survey of business school faculty confirms this conjecture. Using the Business Week rankings as an indicator of status, we surveyed faculty at the ten highest ranked schools in 2002: Northwestern, Chicago, Harvard, Stanford, Pennsylvania, MIT, Columbia, Michigan, Duke, and Dartmouth. We electronically surveyed the tenure track and affiliated management faculty listed in the schools’ web pages for the Management, Organizational Behavior, Human Resources, and Strategy departments. We asked faculty in these departments if they were members of the AOM, and, if so, we asked them if they were members of the BPS and SIM divisions. In all, we asked 470 colleagues these questions. Eleven messages came back to us because the e-mail addresses were no longer valid; 273 of 459 colleagues responded, giving us a response rate of 59.5%. One hundred fifty-two (56.1%) of the respondents were members of the AOM. Of those 152, 48.7% reported being members of the BPS division, while only 7.2% were affiliated with the SIM division. The percentage of BPS division membership in these high-status business schools is statistically higher than the AOM average ($p < .001$) while the percentage of SIM membership is not ($p = .91$). If organizational status carries with it cues to legitimacy and centrality, then concern with social objectives and public interests—as research areas warranting attention in their own right—has not achieved a position comparable to the economic objectives of industry.

**Proximate Factors**

We can conclude from our assessment that (a) work on social objectives is always at risk of being seen as unnecessary because of management scholarship’s primary audience of managerial practitioners and the absolving body of economic theory; (b) since the late 1970s, this research has declined compared to research on performance outcomes; and (c) the extent to which this research is being done, it has not achieved as central a position as
work on economic performance. The risk that a foundational component of management scholarship will continue to drift away, undetected, is augmented by two concrete pragmatic factors: the resource and legitimacy pressures that shape management scholarship. We will illustrate how each affects the growing imbalance in our management scholarship.

Resource dependence. Organization theory itself illuminates the persistent threat posed to the study of how organizations affect human welfare beyond economic performance. Resource dependence theory (Pfeffer & Salancik, 1978) directs attention to the hold that resources have upon an organization’s functioning. The theory suggests that those who control critical uncertainties have significant influence over the shape organization scholarship takes (Pfeffer, 1982, pp. 258–259).

Over the years, schools of business have become the primary homes to organization and management scholarship. This trend is driven in part by enrollment numbers. The Association to Advance Collegiate Schools of Business (AACSB, www.aacsb.edu) reported 17,795 MBA graduates and 79,074 BBA graduates at accredited institutions in 1968; thirty years later the corresponding figures were 102,171 and 233,119. The National Center for Education Statistics (NCES, http://nces.ed.gov) provides numbers that allow a rough comparison between business schools and other traditional homes of organizational and administrative research, namely public administration departments and social science disciplines (primarily psychology, sociology, and economics). In 1970, 140,726 bachelors and masters degrees in business were earned at degree granting institutions (14.1% of the national total), while 229,018 were earned in the social sciences and public administration (22.9% of the national total). By the year 2000, the proportions were almost reversed: 369,967 degrees were earned in business (23.7% of the national total), while 275,471 were earned in public administration and the social sciences (16.4% of the national total). In addition, there is reason to believe that the proportion of faculty doing management and organizational research in these departments also changed in favor of business schools (Zald, 2002). This shift is consequential because business schools depend on different sources of resources than the traditional homes of organizational research.

More than other university departments, business schools have come to rely on business philanthropists and corporations for support. The AACSB provides a list of more than 1.6 billion dollars worth of donations to business schools in the United States since 1984 (with the exception of the University of Toronto, all of the universities are in the United States). A few of the recent donations illustrate the source of these funds. Frank Batten, Sr., the retired chair of Landmark Communications, gave the University of Virginia $62 million in 1999; William Polk Carey, the chairman of W. P. Carey & Co., gave Arizona State University $50 million in 2003; Red McCombs, a San Antonio businessman, gave the University of Texas $50 million in 2002; and the Walton family gave the University of Arkansas $50 million in 1998. In addition, business schools generally charge higher tuition rates than other academic units. In return, the students and those who hire them expect to learn how to address their most pressing concerns. Students and recruiting companies, therefore wield significant agenda-setting power over business schools.

Concerned with attracting and maintaining access to these resources, it is no surprise to find that business schools marshal their resources to ask and answer questions that concern business. Business managers have traditionally cared more about performance (Hackman,
1985), sources of competitive advantage and wealth creation than they have about the social impact of the firm. As the number of faculty at business schools has increased to meet rising demand, so too has the proportion of research studies that address the primary concerns of those who hire our students and fund our institutions. To date, these concerns revolve around economic performance. The research profile depicted in Figure 1 may well reflect how management scholarship, located in schools of business, has addressed the interests and critical uncertainties of those who fund it.

**Institutional pressures.** The drift away from AOM’s founding aspiration to incorporate social objectives as a significant focus of scholarship might also be illuminated through institution theory (Scott, 1995). Organization and management scholarship has had to establish its legitimate standing as an academic discipline, as well as one that is relevant to business. We maintain our academic standing by staying close to scholarship in our base disciplines—psychology, sociology, and economics. The AOM was founded at a time when the extant model of business education was under attack. Tired and skeptical of inferences and prescriptions drawn from idiosyncratic organizational experiences, management practitioners asked for a more dispassionate and agnostic scientific rendering of their work (Gordon & Howell, 1959; Pierson, 1959). Anchoring research in the traditional social scientific disciplines would help satisfy these expectations. Historically interested in individuals, groups, and organizations and so, largely trained in psychology and sociology, organization and management scholars have enjoyed business schools’ prosperity but also labored within the dominant corporate and economic value system. Hinings and Greenwood (2002: 413) recently captured the situation well: “[T]he business school, historically, is dominated by economists and functional disciplines, so there are very strong pressures to demonstrate relevance to the understanding and practice of management.” Adapting to this abiding focus on economics and performance has been crucial for securing relevance, survival, and legitimacy of organization and management scholarship.

To illustrate the importance of establishing academic legitimacy, we tracked the disciplines that JAM and AMJ authors relied upon when they conducted empirical studies between 1958 and 2001. We looked at the reference list in each article to see if the authors cited work from what are now generally considered to be the three parent disciplines for organization and management research. We looked to see if there was at least one citation in the published work to an article from the *Journal of Personality and Social Psychology* or *Psychological Bulletin*. If we found one, we said that the research drew upon the field of psychology. Similarly, if we saw a reference to work in either the *American Journal of Sociology* or the *American Sociological Review*, we noted that the research was sociological. If the research cited a paper from the *American Economic Review*, *The RAND (Bell) Journal of Economics* or the *Journal of Political Economy*, we said that the work was economic. The strong presence of finance and accounting departments in business schools led us to note if the authors drew upon work from two core finance journals (Journal of Finance and the Journal of Financial Economics) and two core accounting journals (Journal of Accounting and the Journal of Accounting & Economics). Figure 4 summarizes the results of this exercise.

Since the 1970s, research on management and organizations has shown an increasing trend to augment the reliance upon the disciplines of psychology and sociology with a focus
Economics was slower to take hold as a disciplinary base for organizational scholarship but it has risen precipitously since the late 1970s. Contrast these results with the results pictured in Figure 1. Concern with social welfare began to fall off in this same time period, while the concern with organization-level performance increased. Even as firm (economic) performance was becoming ensconced within organizational scholarship, the other component of the field’s mission was receding. This trend may reflect the pressures of establishing practical relevance to an economically minded managerial audience, as much as it does the growing influence of the field of economics in university life (Radnitsky & Bernholtz, 1987).

An impressionistic portrait of the business community’s central concerns can be discerned from a content analysis of Wall Street Journal articles. We tabulated the number of times certain words appeared in Wall Street Journal articles over a 114-year time period. A historical analysis of business language provides a clue about prevailing values. Using the ProQuest database we searched every article published in the Wall Street Journal between 1889 and 2002 for the references to the words that might define aggressive business competition (e.g., “win,” “advantage,” and “beat”) and then the words that might suggest a more generous view of business (e.g., “virtue,” “caring” and “compassion”). As Figure 5 reveals, caring, compassion, and virtue have not been a part of the business community’s vocabulary to date. By contrast, the focus on winning and beating has always been greater, and has increased over the past one hundred years. As a result, the gap has widened, especially over the last 20 years. Therefore, scholarship that seeks to establish its credibility
with the business community needs to speak to a competitive ethos. Not surprisingly, economic reasoning has become the organizational scholars’ major orienting framework and firm performance has emerged as the key outcome variable in their scholarship.

The normative influence exerted by a quest for legitimacy can also be highlighted with a contrasting example. The religious values that orient Catholic universities might prompt their faculty to focus on a more expansive set of business–society relationships than their peers at universities celebrated by the business community in the Business Week rankings. Therefore, we surveyed our management colleagues at five Catholic universities that supplied management scholars to the AMJ board between 1970 and 2000: Boston College, Seattle University, Marquette University, Georgetown University, and the University of Notre Dame. We asked 169 colleagues at these schools the same questions that we asked our colleagues in the Top Ten Business Week business schools. As before, some messages came back to us because the e-mail addresses were no longer valid (11). In all, 91 colleagues responded, giving us a response rate of 56%. Fifty-two (57.1%) of the respondents are members of the AOM. Twenty-five percent of them reported being members of the BPS divisions, and 23.1% reported being members of the SIM division. While this 25% BPS membership rate does not differ significantly from the AOM average of 29%, faculty at Catholic universities are more likely to be members of the SIM division (the 23.1% vs. 7% difference is significant at the .001 level). Importantly, both the lower BPS membership rate (25% vs. 48.7%) and the higher SIM membership rate (23.1% vs. 7.2%) differ significantly from the percentages of schools ranked in the Top Ten by Business Week ($p < .001$ in both cases). Figure 4 summarizes these results. A connection to the Catholic Church, therefore, may provide a legitimating counterweight to the dominant values that business appears to reward. At Catholic institutions, the social objectives of industry may reside as close to the center of scholarly concern as do economic objectives (Figure 6).
Bringing Social Welfare Back In

Some may view this state of affairs with alarm and rue organizational scholars’ embrace of economics and firm performance. That would be a mistake. Organizations are economic and social entities (Freeman, 1994). Figure 5 indicates that our field has matured. Management researchers can now attack questions and problems with a sophistication that comes from drawing upon and integrating multiple social scientific disciplines. Attending to economic performance reflects one of the field’s founding aspirations, as well as practitioners’ abiding concerns and an essential quality of business organizations. Serious consideration of how organizations and managerial behavior contribute to economic performance has been an important development, not least because economic prosperity is a part of social welfare.

Nevertheless, there is reason to attend directly to the neglected portion of the AOM’s founding mandate, social welfare. Forces akin to the ones that have contributed to a continued drift away from social welfare research may now revive attention to it. Managing the effects of business organizations upon society is looming large as a critical uncertainty for managers, much as the legitimacy of business rests increasingly upon its ability to satisfy societal standards of proper conduct (Paine, 2002). Attending to social welfare may soon match economic performance as a condition for securing resources and legitimacy. The flagrant violation of societal standards in the corporate scandals of recent years (Gordon, 2002), and the rising call for business to attend to such social ills as AIDS (Rosen et al., 2003), make the achievement of industry’s social objectives particularly salient. What is more, as corporations operate in an increasingly global context, they are partly freed from the constraint of a single state regulating their conduct (Baumann, 2000; Beck, 2000). For that very reason, they are also increasingly called
upon to assume responsibilities that have traditionally been vested in nation states. These responsibilities include the promotion of environmental, labor, and human rights standards. The United Nations Secretary-General Kofi Annan’s Global Compact initiative (www.unglobalcompact.org) and Amnesty International’s promotion of Human Rights Principles for Companies through proxy resolutions (www.amnestyusa.org/business/) are recent examples of this phenomenon.

Our historical account suggests that business schools and the scholars who reside within them will likely respond to this changed business environment. A new ranking system that rates business schools for their contribution to environmental and social impact management (Aspen ISIB/WRI, 2001) and a new Stanford University journal that promulgates research on social innovation (the Stanford Social Innovation Review) accompany the growing number of centers on social enterprise and ethics that populate business schools. These may reflect a management fashion (Abrahamson, 1997), perhaps recycling a trend that seems to have rolled through management scholarship in the 1970s. However, these developments also reconnect the mainstream of our field to its normative foundations.

While ensuring legitimacy, securing resources, and addressing our constituents’ pressing concerns may be fundamental stimuli for research, they do not shape specific research questions. Indeed, as instrumental drivers they may—paradoxically—impede research that can illuminate both the social effects of business and the most constructive means of managing those effects. Our concern parallels Hackman’s (1985) assessment of how organizational researchers inadvertently impede their own efforts to enhance organizational effectiveness:

By studying only programs that are readily acceptable to management, we close off the opportunity to learn what might happen if some of management’s unquestioned “givens” were altered. Worse, we may unintentionally and implicitly support the notion that relatively modest, nonthreatening programs are the best that behavioral scientists have to offer. The result can be a continued collusion between ourselves and managers, an unstated agreement that the search for ways to improve work performance will not seriously address the possibility that the way work is designed, organized, and managed in this society underutilizes and misuses human resources. (p. 144)

Simply adding social welfare to our research agenda—in response to mounting external demands—will not address the deep challenge that faces researchers and practitioners alike. That challenge, as articulated in the AOM’s founding statement forty-five years ago, lies in constructing a management philosophy that integrates social and economic objectives. The aspiration for management research is to illuminate and address how potentially competing objectives can be fulfilled for the public interest. Such research requires creative approaches.

It is worthwhile to pause here to briefly consider the foundation for our argument, the question of balance, before we move to consider a continuing research agenda. At this point, we have exposed the lack of balance in our scholarly attention to social and economic interests. In particular, we documented the declining attention that social welfare is receiving in our field. While we look at this trend as problematic, we know that others may celebrate it. Jensen (2002: 239), for example, recently argued that “200 years’ worth of work in economics and finance indicate that social welfare is maximized when all firms in an economy maximize total firm value.” Those who embrace the neo-classical theory of the firm may reject the AOM’s founding ambitions out of hand and welcome the demise of management
research that focuses explicitly on human welfare. These issues, however, are worthy of rigorous debate and empirical investigation, not presumptive answers. With an awareness of the historical trends in organizational research, this is perhaps a good time to rekindle the debate about the purposes of the firm and about the place of the corporation in society. Yet, even without advocating a particular normative stance toward business–society relationships—a philosophy for or against management—management scholars can still mount a concerted effort to investigate social welfare in organizational research (a philosophy of management). Although we will only be suggestive, we will end by sketching the outlines of such an effort.

**New Directions for Organizational Research**

How might the path of future research be reconstructed if its orienting premise were that organizations simultaneously serve as instruments for both social and economic life? If we recover the original aspiration of the AOM, the attention granted to economic performance must be integrated with comparable attention to social outcomes. Simply assuming the resulting welfare outcomes of economic performance is theoretically and practically dissatisfying. We suggest three ports of entry for introducing heightened research focus on social welfare: outcome variables and dimensions of effectiveness; relationships of interest; and theoretical mechanisms. To be more specific, an alternative path forward might be shaped by deliberate attention to outcome variables that reflect the public good, so as to capture social as well as economic objectives; relationships between organizations and societal institutions (whether the state, civil society, or transnational regimes); and the mechanisms through which organizational conduct affects the public good.

Consider how this might manifest itself in the four major branches of the organization and management world. BPS might complement its current focus on how competitive strategy enhances financial performance by exploring how corporate strategies contribute to or detract from well-ordered societies (Rawls, 1993). How do different strategic choices, and the constellation of strategies in any one industry, contribute to or detract from stable societal institutions, the balance among competing private interests, and the effective functioning of civil society and states? The outcome variable, in this example, shifts from firm performance to societal functioning. Note, too, that the relationship is a bottom-up one, moving from firms to the public good; moreover, the focus is on understanding the mechanisms of influence. In a similar vein, OB might openly embrace individual learning and growth (Hackman, 1986). It is an end worthy in itself, independent of its value for firm performance. It would be interesting to examine how individual growth in organizations may further the public interest. Again, this is not to say that firm performance is to be disregarded. The point is that there is more to the idea of effectiveness than economic performance.

Tying together these first two examples, research within HRM might examine how various human resource practices equip individuals to exercise active, democratic citizenship (Sennett, 2000) or facilitate the sort of development necessary for individuals to function better in an increasingly complex world. OMT might identify the empirical conditions under which business corporations take on the responsibility typically reserved for the state and how organizations exercise these responsibilities. Normatively, it may consider when companies should have license to take on such a responsibility and how they perform when
doing so. What are the consequences of corporate statecraft? The relationship between the organization, the state, and those who are significantly affected by the transferred responsibility becomes the focal point of research. In this way, the scholars who focus on other stakeholders as the unit of social analysis, critically assessing the actual impact of firms on various dimensions of the stakeholders’ welfare, can work with those who focus on the firm as the dominant unit of social analysis.

These ambitions are far more difficult to execute than they are to articulate. Ironically, the progress made in organization and management studies to date—providing insight into economic performance, honing methods and theories consistent with economics, sociology and psychology—may obstruct efforts to bring society back into organizational scholarship. Initial methods may be more questionable, measures less precise and stable, insights more removed from managers’ day-to-day concerns, and theory both less sophisticated and less connected to base disciplines. Tolerance and encouragement will be needed in equal measure to realize a reconstructed research agenda.

Make no mistake: we are not calling for bad research. The point is rather that research into the societal effects of organizations must be fostered rather than foreclosed. This research must be given room and license to develop, lest we inadvertently constrain the purview of the field to those areas of research—such as experimental studies of decision making, network analyses of board interlocks, and human resource effects on firm performance—that now meet the kind of standards that they could never have met in their youth (Higgins, 1992). The research record might look quite different if scholars in the Business Week Top Ten universities chose to align themselves as much with SIM interests as they do BPS interests. The supply of work that examines the connections between business and society might increase. It is possible that the supply already exists, and that by focusing on the empirical work that meets the standards held by the AOM’s journals, we have misrepresented the amount of research that has been conducted on social issues and management. Perhaps AOM publication criteria and preferences filter out and even discourage the publication of such work. This possibility would nonetheless indicate an opportunity missed, a separation of concerns and research interests (Freeman, 1994) that impoverishes management scholarship and practice alike.

Conclusion

At least in the United States, public values alternate between generational periods that celebrate private interest and then public purpose (Schlesinger, 1999, p. 31). Morrissey (1989) suggests that even a focus on corporate social responsibility seems to wax and wane over time. Perhaps we are emerging from a waning period. Maybe the rising tide of concern for our social life and the increasing conversation about public values will naturally take organizational research with it. Following this tide may leave scholars and practitioners ultimately dissatisfied, however. Indeed, the chase to evaluate one productivity improvement program after another left scholarship and practice wanting in the 1980s (Hackman, 1985). Worse yet, it may lead us to miss the fundamental reality captured in our field’s founding aspiration. Although the political and cultural climate may determine which set of objectives garner more attention at any point in time, the foundational challenge
confronting organizations and managers endures: we must find a way to satisfy the economic and social objectives that provide the raison d’etre for corporations. This is the task that awaits us.

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