1. CORPORATE OBLIGATIONS & THE PUBLIC GOOD

The times in which Canadians, Americans, and others in many of the economically-developed Western democracies live are characterized in significant measure by divergence. There is a dichotomy between the socially-defined, ethical obligations of responsible individuals to collectively articulate the public good and the legally-defined (see Dodge v. Ford, 1916) obligation of corporations to pursue economic self-interest without regard for ethics or the public good. This internal conflict, viewed more generally and from a global perspective, is an expression of the inherent and inevitable clash between historical cultural values that define unique nation-states everywhere on the planet and the rationality-driven, economic growth imperatives of capitalism.

2. CAPITALISM & THE EVOLUTION OF DEMOCRATIC PROCESSES

This traditional argument, though comforting, is an entirely inaccurate characterization of North American reality. William Greider’s (1992) examination of democracy and democratic processes in the United States arrives at the following broad conclusions: (1) the actions of government in the election process do not support an assumption that our elected representatives perceive their role as “maximization of the public good” by producing legislation that effectively defends fragile social, cultural, and environmental infrastructures from the widely-recognized and often irresponsible excesses of unfettered capitalism; (2) government policies do not reflect a reasonable balance between the legitimate economic and political claims of capitalist enterprise and the equally legitimate claims of a democratically-defined public good; and (3) the appropriate role for our economic systems is not understood to be subordination to and responsibility for providing the incomes and wealth necessary to support the wider economic claims of society.

2.1 The Election Process

The issue, of course, is not the existence of these conflicts but how they are ultimately resolved. The traditional argument has always been that democratically-elected governments possess the political legitimacy and the legal responsibility to produce laws and develop policies that both defend and maximize the public good as defined at the ballot box by Saul’s (1995) “collective of responsible individuals”. The best interests of the community, thus defined, articulated, and protected, serve as an effective countervail against the inherent, socially-dysfunctional consequences that result when the narrowly-defined, self-interested rationality of capitalism becomes the dominant force shaping societal values and driving societal choices.

Rethinking the Role of Academia in Developing Ethical Corporate Leaders

William R. Frisbee

Abstract

This paper briefly outlines one of the central philosophical and ethical conflicts existing within North America’s corporatist society: the role of academia in developing ethical corporate leaders. It looks at why that conflict has been resolved as it has, and how resolution has produced an educational system increasingly devoted more to the training of employable entry-level workers than producing a liberally-educated, knowledgeable, and thinking citizenry. At the post-secondary level, schools of business and management have been especially impacted by the systematic turn away from the traditional role of institutions of “higher learning”. This paper is a call for the establishment of a substantial and focused liberal education component in the curricula of undergraduate business programs, a component designed specifically to produce graduates with the capacity to develop into thoughtful and thinking leaders as well as efficient and profit-generating managers.
democratic processes. As it frequently plays out, elections are too often no more than opportunities for a minority of eligible voters to vent frustration. Images and mythology notwithstanding, true economic, political, and social power resides not with the collective of responsible individuals but with the community of large corporations - Galbraith’s [1985, 9] planning system - and with other variously defined interest groups. It is a political reality in which government policy is the product of negotiation within and among self-interested entities, corporate and non-corporate, that possess the economic means and political connections necessary to effectively access the corridors of legislative and executive power. It is the inevitable consequence of capitalism’s evolution within the context of a democratic society, a process described by Galbraith (1985, 195) in which, “… the accommodation of the market behaviour of the individual as well as of social attitudes, in general, to the needs of producers and the goals of the [planning system] is an inherent feature of the system … [where] the producing firm reaches forward to control its markets and on beyond to manage the market behaviour and the social attitudes of those whom it, ostensibly, serves.”

2.2 Democracy & Ideology It is also the inevitable consequence of a capitalist society where, outward appearances to the contrary, “…mankind is not free to choose … [things economic and social move by their own momentum and the ensuing situations compel individuals and groups to behave in certain ways whatever they may wish to do – not indeed by destroying their freedom of choice but by shaping the choosing mentalities and by narrowing the list of possibilities from which to choose.” (Schumpeter, 1950, 129-30)

The overriding result of these inherent consequences of capitalist evolution, argues Saul (1995), is that we have become a society composed of unthinking individuals, addicted to ideologies, and “… tightly held … in the embrace of a dominant ideology: corporatism.”

The extraordinary ability of the corporate planning system to control and manipulate social attitudes and define cultural values, combined with its unparalleled access to the backrooms of political power, has produced a society where the capacity to bestow political legitimacy and define the public agenda has passed from the collective of responsible individuals to the corporate boardroom and its analog in other powerful and financially well-endowed interest groups.

We have turned our backs on Galbraith’s admonition that what counts is not the quantity of our possessions but the quality of our lives and, instead, become a society where the quantity of our possessions effectively defines the quality of our lives.

2.3 Corporate Interests & Social Attitudes Concurrent with this hijacking of the public agenda, Greider (2003), resurrecting an argument made by Schumpeter (1950), asserts that the process of managing market behavior and shaping social attitudes in ways that serve corporate interests have produced a society where personal “success” is now defined almost exclusively by the very rewards that capitalism is capable of bestowing and upon which capitalism depends for its viability – personal income, material possessions, an unwavering commitment to self-interest, and the never-ending pursuit of “more”. We have turned our backs on Galbraith’s (1985, 7) admonition that what counts is not the quantity of our possessions but the quality of our lives and, instead, become a society where the quantity of our possessions effectively defines the quality of our lives.
3. EDUCATION IN A CORPORATIST SOCIETY

Many will argue that much of the credit for Western standards of living and economic success flow from our concurrent commitment to capitalism and our societal investments in public, universal education. There is clearly merit in these arguments. At the same time, the strength of the case is diminished dramatically by a single caveat — our educational systems have allowed themselves to be caught up in a “rush to relevance” in an increasingly merit-based capitalist society. The result has been the transformation of a liberal, humanist educational system into an unbalanced, publicly-subsidized, multi-level training facility devoted, in the main, to the production of entry-level corporate employees. Lost in the process has been the over-riding objective of producing a diverse community of educated, thinking citizens capable of sustaining true democracy and civil society. Too many leaders within the education system have allowed themselves to become managers rather than leaders, acting as if schools, colleges, and universities can and should function as if they were efficiency-driven, profit-seeking businesses rather than havens for intellectual inquiry and the scholarly pursuit of knowledge. Post-secondary education has too often become another bottom-line-oriented business where students are viewed as “customers for educational services” — customers who have been convinced to pursue self-interest and who have been persuaded that the proper role of education, at all levels, is job training.

3.1 Corporatism & Schools of Business/Management

It is not surprising that schools of business and management are especially vulnerable to the incursions of this revisionist higher education paradigm...a place where management rationality, job-training, and revenue generation are the first order of importance. In this sense, they are frequently expected to put into action the very business/management discreet concepts they teach (Mintzberg, 2004) with little concession to the overarching leadership concepts they know so well!

The bachelor of commerce academic programs provided within these institutional sub-divisions soon become enormously attractive to seventeen year-old high schools students whose post-secondary educational choices are easily swayed by visions of managerial status and material wealth. Thus, undergraduate business curricula are commonly designed not with liberal or humanist educational objectives in mind but as packages of “training courses” that can be marketed to high school students (and their parents) as vehicles by which to fulfill managerial and financial fantasies. They are, not incidentally, major revenue generators for the institutions upon whose campuses they reside. It is in such environments that those who advocate for a liberally-educated managerial class frequently find their efforts thwarted by the financial realities of too frequently under-funded academic institutions and faculty caught in the firm grasp of corporatism.

3.2 Corporate Leader Education

Efforts to educate corporate leaders with strong personal and professional commitments to the ethical standard embodied in *isuma* have thus become as much a battle over philosophy and the social responsibilities of publicly-funded institutions of higher education as they are debates over curriculum content and pedagogies. There is no question that declining public funding of higher education is playing a role here, but it goes well beyond funding models. It is a battle...
that has been made dramatically more difficult by the fact that our unconscious commitment to corporatism and its inherent values has produced an instant-gratification society where expenditures for education, health care, and many critical social support programs are viewed as short run costs to be managed rather than long-term investments in ourselves; the viability of democratic, civil society; and global humanity. Contrary to the myths we love to embrace, those of us living in allegedly sophisticated, well-educated Western societies are proving on a daily basis that we are neither sophisticated, nor well-educated, nor especially adept at looking beyond immediate self-gratification and materialism. We have accepted what the corporatist ideologues tell us and, thus indoctrinated, make choices confirming the prescient wisdom of John Maynard Keynes’ (1930, 367) prediction that mankind would prove itself unable to live “wisely, agreeably, and well” in societies characterized by the overflowing material abundance capitalism would ultimately produce.

4. EDUCATED, RESPONSIBLE, & ETHICAL LEADERS

It is not all bleak; we can produce educated, ethical, responsible leaders. Galbraith (1985), Saul (1995), and Jacobs (2004) are among those who have argued that the road to a more ethical, socially-responsible, and enlightened future not only passes through the education system but also requires a dramatic shift in the perspective and objectives of those in positions of leadership and responsibility within that system. Galbraith, a University of Guelph graduate, was particularly adamant in his conviction that the educational estate collectively possessed, and still possesses, the power necessary to engineer a systemic re-commitment to the traditions of liberal, humanist education. Sadly, existence of this power has been accompanied by either a difference of educational philosophy or an absence of leadership and courage among the leaders of post-secondary educational institutions. It is also true that too many academic leaders are weak/inexperienced administrators, too easily influenced by what I’ve described as corporatist philosophy over what Newman (Ker, ed., 1976) classically described as the Aristotelian and humanist idea of the university.

William Greider (2003), perhaps acknowledging this vacuum in academic leadership, argues that we have now gone too far down the road of corporatism and too far along the path of false democracy to rely on the educational estate for any realistic corrective action. In desperate brevity, Greider asserts that hope for a more ethical and moral version of capitalism requires internal changes to the structures and management arrangements within corporations. Greider argues as well for the greater exercise of “people power” – the power conferred, for example, by the billions upon billions of dollars held in employee pension plans. Awareness of that power, accompanied by a willingness to demand that plan managers invest only in corporations with demonstrated and genuine commitments to long-term human and environmental agendas rather than short-term corporate profits,
has the potential to dramatically alter the evolutionary path of modern capitalism. The issue, as always, is whether recognition of that power, assuming that it occurs, will also be accompanied by the leadership, vision, and commitment necessary to demand and effect significant change.

4.1 Management Curriculum

Ultimately, it matters very little whether one agrees with Galbraith or Greider or with other perspectives on the issue. Any effort to engage in the re-establishment of an ethics-based, socially-responsible, environmentally-sustainable society must be established upon a broad, liberal foundation of knowledge, commitment, and courage. Sadly, there is little reason to expect that we will soon see a return to publicly-funded education systems that provide the academic component of this foundation. Secondary and undergraduate curricula fail to demand adequate and balanced knowledge of a nation's history, culture and social values as well as political and economic systems. An understanding of and appreciation for literature, art, music, and other expressions of the human spirit are too frequently short changed. Even basic science and its application frequently lacks the “marketing appeal” and opportunities for political aggrandizement associated with advocacy for the latest technology and training programs that prepare students for their first job and first significant paycheque.

Contrary to the myths we love to embrace, those of us living in allegedly sophisticated, well-educated Western societies are proving on a daily basis that we are neither sophisticated, nor well-educated, nor especially adept at looking beyond immediate self-gratification and materialism.

4.1.1. New Paradigm

If change is to occur, it will take a joint initiative of both the community of educators responsible for producing the nation's managerial elite, and the businesses which benefit most from that initiative. However, since it is within the corporate sector that true power currently resides in North America, it is within the corporate sector that changes in the exercise of that power must initially occur. Central to that effort is (1) a clear understanding within faculties of business of the difference between management (a pre-occupation with doing things right) and leadership (a pre-occupation with doing the right thing) and (2) an equally clear commitment to the development of undergraduate curricula that provide students with an opportunity to develop both their capacity to manage, and their ability to lead.

It is not sufficient to assume, as some will argue, that the educational objectives here advocated for universities in general and bachelor of commerce students in particular are accomplished by simply tossing students over the wall into colleges of arts & humanities, social sciences, or the natural & biological sciences on half a dozen occasions throughout their academic careers. Simply providing space for “liberal elective courses” within a curriculum is grossly inadequate. What is required is a curriculum specifically designed to provide undergraduate management students with genuine opportunities to explore history, science, and the arts; opportunities to wrestle with the moral dilemmas for which no answers exist; and opportunities to think about the great questions of our time rather than simply memorizing answers to questions that were solved long ago. This new paradigm of bachelor of commerce education needs to be placed in a leadership context that is relevant to careers in business and management, while reflecting broad traditions of a liberal education. At a minimum, there must be one course that introduces the “leadership” section of the curriculum in the first year of study and a second course that provides a capstone at the end.

4.1.2 Change of Philosophy

It should not be lost on the faithful reader that all these comments imply a dramatic change in the philosophy of higher education. Jaroslav Pelikan, while taking a 150 year retrospective look at the
idea of the university, clearly reflects this sentiment when he writes “...there is a storm breaking upon the university again, and this time from north, south, east, and west. A critical reexamination of the idea of the university...has become an urgent necessity” (Pelikan, 1992, 11). The comment is still very relevant!

It should not be lost on the faithful reader that what is called for in these pages is dramatic change...a change in the content and pedagogy of undergraduate business curricula, and a likely reduction in the number of business courses offered within a typical undergraduate program. Such changes obviously place a greater responsibility on graduate schools of business to teach both management and leadership concepts. Informal discussions with associates at some of the most highly-regarded business schools in North America suggest that teaching business to liberally-educated, thinking students would not be viewed by them as either a bad thing or an onerous task. Solutions also require not just academics with management responsibility at the top of these schools, but leaders with both academic and management experience, a career path not usually associated with academic leaders.

5. COURAGE & ACADEMIC LEADERSHIP
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Schools of business, historically, have been remarkably successful at producing managers - narrowly-trained specialists who know how to do things right...the same schools have been equally unsuccessful at producing...people with the courage and a commitment to doing what is right rather than what is expedient. The world in which we live is overflowing with the former and desperately short of the latter. We are slowly coming to recognize that the balance of economic and political power in the world has shifted in ways that have been divisive on many dimensions and have seriously undermined the planet’s capacity to sustain life, human and otherwise. We live with daily demonstrations of man’s inhumanity to man and the enormous destructive power of mindless, unconscious allegiance to simplistic ideology. While these events are not new in the human saga, their scope and frequency are. We live with the knowledge that we have squandered our riches on hollow possessions rather than enriching the quality of life for all of humanity. We have, indeed, demonstrated our inability to live wisely, agreeably, and well in a world of material abundance.

More than a century and half ago, John Henry Newman famously discussed the rationale for ‘professional’ vs. ‘liberal’ education. While not thinking about business education at the time, his discourses were quite relevant to the topic at hand. He wrote: many make “claims of Utility in our plans for Education...Let us take Useful as Locke takes it, to mean not what is simply good, but what tends to good, or is the instrument of good...a liberal education is truly and fully a useful, though it be not a professional, education. ‘Good’ indeed means one thing, and ‘useful’ means another...though the useful is not always good, the good is always useful.” (Newman, 1852, 143) The North American educational system has become a massive bureaucracy frequently confusing useful with good. Solutions require not just academic pedigree but leadership borne
out of management experience, a career path not usually associated with academic leaders. We must look elsewhere for solutions. The locations suggested here are our schools of business and management, not as they are presently constructed, but as they can be. The question is simply: “Do those of us who teach business and management, despite all the obstacles and rationality-based counter-arguments, possess the courage to transform ourselves?” This is a call for a universal community of academic and business/management school leaders committed first and foremost to the production of broadly-educated, thinking citizens who possess not only the capacity for professional success but also the knowledge, strength, and ethical fortitude necessary to become society’s true leaders.

6. REFERENCES


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