

“The Organic Diversity of Business Education”

**Business Schools and Their Contribution to Society**

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Edited by

**Mette Morsing and Alfons Sauquet Rovira**

A Review by

William C. Frederick, September 2012

Talk about diversity! Here’s a bunch of it. A valuable lesson for the denizens of business schools everywhere. Listen up!

This volume was initiated and sponsored by the Community of European Management Schools (CEMS), which describes itself as “a strategic global alliance of leading business schools and universities from 26 countries and 4 continents, working with over 70 multinational companies and NGOs.” Obviously, CEMS has grown well beyond its founding European roots.

The authors are exemplars of administrative and academic diversity: deans, associate deans, deputy deans, rectors, vice-rectors, university presidents, vice presidents, professors, consultants, directors, board members, research associates, executive directors, and doctoral fellows.

Collectively, the authors reflect business-school experience in a flock of countries: Austria; UK; US; Switzerland; Ireland; France; Poland; Germany; Spain; Brazil; Singapore; Mexico; South Africa; Denmark; Brunei; Netherlands; Russia; Italy; Canada; New Zealand; Turkey; Shanghai. It is this cultural diversity that plays a central role in what follows, so fasten your seat belt.

The initial intent was to answer the many criticisms directed at business schools for their possible role as indirect contributors to the roiling swarm of corporate scandals and the 2008 financial breakdown and economic recession. The deans and rectors “wanted to emphasize that management education is inherently a normative endeavor.” They learned pretty quickly, especially the European members, that “the crisis . . . has different characteristics, challenges and solutions at local and regional level.” and that “There is no one recipe for how to achieve business school legitimacy.” So, score one for normative diversity.

For anyone who has read some of my occasional book reviews (posted on my website), I have long argued that the Europeans and their post-colonial cousins in other countries have more relevant ideas about management education than anyone else, including representatives of US business schools. One can indeed find occasional flashes of prideful positioning among the Europeans, including one or two examples in this book, but on the whole, the Europeans “get it” better than the Americans because their business school teaching and research are more closely attuned to the evolving character and needs of their corporate customers and communities.

All right, so far, so good—but now it’s time for the Europeans to learn the same lesson for themselves, namely, to heed the voices of others who beg to differ with what business education means in Europe (and the US), especially in those nations where

levels of economic development differ markedly, not to speak of the contrasting patterns and histories of cultures and their values.

Listen for yourself, to their own voices:

- From Latin America (via Brazil): US business schools “. . . began to advertise a self-congratulatory and braggartly discourse in promotional ads. . . . in contrast with [their] texts being published . . . which carried stories of cowardly, aggressive, or even criminal conduct by executives who had sat in the classrooms of renowned business schools.” “Contexts in the [Latin American] region may differ from those of the Anglo-Saxon world [and] one must be careful not to adopt nice, alien solutions for inexistent problems.” The Brazilian economy differs from free-market economies and is “still far from the values and attitudes fostered on Wall Street or in the Silicon Valley.” And if you didn’t get the point so far, “Foreign managerial expertise may help, but only up to a point. Many ideas and theoretical models, no matter how shiny they look in northern countries, may be lost in translation in the tropics.”
- The pan-Asian voice (via Singapore): The Asian business school operates in “emerging economies” in “a post-colonial complex” under “pressure to conduct ‘practical [not theoretical] research.’” Asian academics should focus “on issues that are proximate to them and distant from those of American and European schools” and “Asian business schools should avoid “becoming blind followers or imitators of ‘advanced schools.’” “[T]he best approach [is] to nurture [Asian business schools] that are attuned to the needs of local and regional communities, while aspiring to global academic standards.”
- And this from the Asia Pacific region (via New Zealand): The gist of this message is ‘We found CSR long before you Americans and Europeans did.’ “The influence of Taoism in Confucian thinking integrates the concept of yin and yang – balance and harmony. The freedom of individual behavior is constrained by social norms that dictate that that behavior will be humane.” “[M]any of the fundamental principles of CSR have been culturally embedded and in practice in some Asian countries a great deal longer than in their Western counterparts.” “If business schools can drive CSR and also remain relevant within their cultural contexts, they will play an important role in seeing CSR grow as a positive influence throughout the Asia Pacific region.” That says it about as plainly as possible. Hear that, Europe and America?

One former European business school dean, Lluís Puges, freely acknowledges the need for an open-minded, contextualist view of business school education: “Our criterion of social responsibility does not always square with the way other cultures see the issue [and] trying to impose our own cultural preferences and ways of thinking on others is counterproductive.” “Posing questions and suggesting solutions is a very different kettle of fish when seen through African, Asian or Muslim eyes.” He favors “History, Literature, Philosophy, Music and Art [to] enrich the spirit and foster creativity [because they] give great insights into other cultures”.

The book is sprinkled with similar contextual examples—Russian business-management schools struggling to adapt to free-market pressures following decades of central-government direction—Turkey’s efforts to develop business education as one

way to achieve membership in the European Union—as well as seasoned views from various European business schools.

If the search of CEMS members is for the source of business schools’ “normativity”—their value base—where should one look? Three ways of answering that question deserve special attention.

A very thoughtful discussion by Manuel Escudero, General Director of Madrid’s Duesto Business School, proposes major reliance on PRME, the UN-adopted Principles of Responsible Management Education, now embraced by over 300 business schools and approved by all of the major management education associations around the world. He envisions the emergence of “a new set of ‘embodied’ values” focused on corporate accountability and transparency, protection of human rights, climate change policies, and issues of global poverty.

Another insightful, delightfully ironic, urbane critique by Robert Strand, an MBA graduate and a PhD Fellow at the Copenhagen Business School Centre for CSR, urges business schools to “tear down their walls” that cause students and faculty to be “disconnected from society’s greatest challenges.” Smithian and Friedmanite economic doctrines conceal the real issues. He favors such activist organizations as Net Impact “with over 15,000 members in over 150 business schools”, and he claims it is “the world’s largest organization of business school students who are actively committed to exploring open-ended questions related to what contributions business and business schools must make to society.” I might add that his advocacy of Net Impact is an Internet repeat of 1970s-80s pre-Internet student organizations such as the Business and Society Initiative Council (BASIC) and the National Affiliation of Concerned Business Students (NACBS) that strove for the same laudable goals and purposes, although with limited success.

Undoubtedly, the book’s most insightful, penetrating, even quasi-radical proposal comes from a trio of experts at Barcelona’s ESADE business school: Carlos Losada (the former Director), Janette Martell (of the school’s Social Responsibility Task Force), and Josep M. Lozano (professor of social science). Their unique view of the value/normativity dimension will, or should, give all business educators pause to reflect on what they teach and how they interact with their students: *The business school itself is (perhaps unwittingly) the source of the values inculcated into their students.* They say that “schools promoting corporate responsibility have to include it as part of their own core operations . . . and ask themselves whether they are also socially responsible institutions.” In other words, before condemning corporations for being irresponsible, take a look at your own practices. You may be part of the problem. A business school’s (unspoken) values may be revealed in the following ways:

- “Appealing to economic success over the short term or promising a substantial and quick improvement of individual income upon completing the MBA”. A Me-First attitude right at the center of most business school programs.
- A business school “giving priority to rankings and prestige” sends a not-so-subtle message to students about what is considered of central importance: get your MBA here and race to the top.
- High GMAT scores favored as admission criteria by business schools do not necessarily create “a good executive” and are no substitute for learning “leadership skills, conflict resolution, [and] overcoming ambiguity”.

- If a business school's approach is simply to "mimic the market", that does not produce the same result as practicing a "partnership-type relationship". Does that sound like anything you've heard before and have probably taught your students—"stakeholder management"?
- A school's grading system "reveals that the criteria and culture we favor among students are basically competitive and excluding. [and] undervalue cooperation, teamwork and shared success as important values." Moreover, "The feedback students receive on their work" is "a key moment in which the real value given to learning is 'declared' [by the professor]." Multiple-choice, essay, case analysis? Automatic curve? Computer grading or student-assistant grader?
- Research policy is another value-revealing area. Does faculty research "adapt to the market" or "transform social reality"? Is research favored over teaching?
- Are a business school's outreach and alumni programs concerning business and society issues mere "elitist debates" or are they about the "inhumane reality of the current economic situation"?
- A school's "budgetary policy . . . reveals its level of responsibility." Does it sponsor "luxurious and select facilities" and "investing in brand and reputation" or does it give "priority to educational content and research"? The *Wall Street Journal* may have the answer by recently reporting the rapid rise of the College Marketing Chief (CMO) whose job is to market a university's or a school's "brand" by "tapping marketing pros from Fortune 500 firms." Does this mean "focusing on sales at the expense of intellectual capital"? Mimicking the market?

The ESADE group's concluding, if sobering, message is this: ***"we do not transmit values or educate by what we say but by what we do and who we are.*** Disseminating social responsibility principles is not only a question of curriculum for business schools; it is especially a matter of identity for socially responsible business schools." A school's CSR profile then "will determine whether our business schools serve to improve managerial practices or if they simply reproduce a given managerial culture, thus blocking any necessary improvements with the consequent high social cost this has for us all."

Business educators everywhere, ponder your own school's normativity profile. You may find that you are a big part of the CSR problem.