

A Radical Agenda for Business in Society Education

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I
We are the hollow men
We are the stuffed men
Leaning together
Headpiece filled with straw. Alas!
Our dried voices, when
We whisper together
Are quiet and meaningless
As wind in dry grass
Or rats' feet over broken glass
In our dry cellar

Shape without form, shade without colour,
Paralysed force, gesture without motion;

Those who have crossed
With direct eyes, to death's other Kingdom
Remember us -- if at all -- not as lost
Violent souls, but only
As the hollow men
The stuffed men.

T.S. Eliot, The Hollow Men

If the corporate scandals of the early 2000s accomplished nothing else, they focused attention on the integrity and ethics of companies and their leaders, or, more accurately, on the apparent lack thereof. They also raise fundamental questions about the roles and responsibilities of businesses in societies where they operate, and the relative primacy of issues related to society and to economy. How *a propos* these lines of T.S. Eliot's "The Hollow Men" seem in these troubled times! What transformation will it take in management education, or even within the business in society curriculum, to develop managers and leaders who can act with integrity, authenticity, and enough understanding of the fundamentals of business in society to avoid becoming, as so many involved in the scandals seem to have been, hollow men and women, incapable of knowing what they stand for, incapable of taking a stand on grounds other than economic gain, becoming simply (as a former student put it) 'instruments of the corporation?'

One of the numerous issues raised in the swirl of controversies surrounding the corporate scandals has been the role of management education in fostering an institutional context so apparently lacking in integrity. All the turmoil raised by the events and developments of the past couple of years suggests that it may be a fruitful time to ask some fundamental questions about what is actually being taught in management education programs, why, and whether what is now being taught sufficiently addresses core questions, e.g., about management, about leadership, and about core purposes of the firm. What do future managers really need to know to create both personal and institutional integrity, not to

mention social integrity and health? Is it even possible for management educators to provide an adequate foundation for this knowing?

The black clouds of scandal create a context that raises questions about the fundamentals of management education that have otherwise gone undiscussed and have been in many ways undiscussable (Bird & Waters, 1989). Now it seems, the conversation about the fundamentals of managing and management education becomes possible and even essential (e.g., Brief, 2000; Hinings & Greenwood, 2002; Bartunek, 2002; Clegg, 2002). The collapse of Enron, Arthur Andersen (a firm as some will remember that actually *taught* ethics to management professors in the late 1980s), and other corporate giants that had been lauded as good corporate citizens may well signify a major turning point in the conversation about corporate ethics and integrity, not to mention the role of management education in preparing business leaders. Certainly, in these post-Enron days, where institutional failure, frauds, malfeasance, accounting ‘errors,’ and abuse of power has become rampant, it is harder than ever to ignore the impact of the supposedly value-neutral economic theory that currently dominates management thinking. Many of the abuses that have come to light in the past couple of years are in no small part the result of systemic pressures and performance expectations of Wall Street that cause “good people to do bad things” (Estes, 1996).

Preparing future leaders and managers who can lead with personal integrity and authenticity and who can create systemic—organizational—contexts in which integrity, responsibility, accountability, and transparency with respect to stakeholders are valued has arguably never been more important than it is today. Even if we thought that individual ethics are largely formed through family and early childhood experiences, we might still agree that management education does teach something. For one thing, it conveys a perspective on business and what is important to being successful in business. If that is the case, then how the role of business *in* society is framed and taught, what the roles and responsibilities of managers really are, and how people in general should be thought of and treated become critical questions, not just in business in society courses, but also throughout the management curriculum. Yet until quite recently, with the exception of professors of business in society/ethics, there has been notable silence on the part of most management disciplines on the question of integrity (Hinings & Greenwood, 2003; Swanson & Frederick, 2002). This paper will argue for the importance of a focus by management educators on integrity at the individual, company, and system/societal levels of analysis—and an attendant transformation in the business in society curriculum.

The Need for Integrity and Trust

Scholars of business in society, ethics, stakeholder theory, and corporate responsibility have argued for years that the neoclassical economic paradigm that dominates management education generates managers who have limited capacity to think broadly about the impacts of their decisions on stakeholders, societies, and the natural environment (e.g., Swanson & Frederick, 2002; Freeman & Gilbert, 1988; Preston & Post, 1975). Focused predominantly on (short-term) wealth maximization, the dominant

logic in management education may well foster a lack of integrity (in the sense of holistic perspective) in part because it considers only *some* constituencies or aspects of the total system, focuses narrowly on profit maximization and growth, and fails to educate about individual, organizational, and social consequences of managerial and company actions. Arguably, a narrow economic orientation combines with a functionalist approach to management that fragments and atomizes knowledge, fostering an inability (or unwillingness?) to comprehend system consequences of decisions and actions. Despite that there have been widespread discussions of the stakeholder view and the emergence of an alternative form of capitalism called stakeholder capitalism since Freeman published his seminal book on the subject (1984), the dominant business logic and the logic of management education remains narrow. Indeed, it could be argued that competitive pressures on managers (and ranking pressures on business schools) have fostered even more attention to profit maximization than historically.

Not only has the lack of attention to fundamental integrity (individual, company, and system) resulted in the seeming proliferation of “bad apples” in corporate America, but the whole “barrel” also seems increasingly tainted, lacking in adherence to any kind of code that might breed trust, rather than deception, fraud, and malfeasance. Integrity at the individual level presumably provides for the kind of soundness and honesty that results in authenticity of behavior, being true to one’s own beliefs and standards (personal codes) as well as to the numerous corporate mission statements and codes of conduct that now mention not just one but a whole range of stakeholders (Kolk, van Tulder & Welters, 1999), not to mention the proliferating array of international standards and codes. While there may indeed be, and very likely are, “bad apples” in today’s corporate barrels, most people who have fallen victim to the logic of shareholder-only performance that creates the context for wrongdoing are probably decent people led astray by lack of self-examination and moral compass, and by silence about other alternatives within their organizations and within the management education that has educated them (c.f., Estes, 1996). In part, the failure is a failure to ask the right questions.

Lurking under the recent wave of corporate scandals, frauds, earnings restatements, and collapses, and under the rhetoric about reform (little of which seems to actually be happening) is a reality too little discussed. Markets, market systems, and capitalism are built on trust and integrity. Trust by investors that corporate executives and the companies they lead will follow their fiduciary obligations and ‘maximize’ (whatever that means) shareholder wealth. Trust by customers that products services provide reasonable value for their cost. Trust by employees that employment offered today will be there tomorrow, that investment of human capital will pay off. Trust by suppliers and distributors that the contract signed today will not be abrogated tomorrow. Trust by communities that adequate taxes will be paid and that companies will not pull out of local facilities without due notice. Trust is central to the effective functioning of markets, of exchanges of all sorts, and of the relationships that constitute society’s social capital and effectiveness (Hosmer, 1995; Fukuyama, 1996; Putnam, 2000).

Trust evolves when individuals and institutions act with integrity and is destroyed when they don’t. The word integrity has several meanings relevant to a discussion of

management education (Waddock, 2002). Integrity means honesty or forthrightness. Equally importantly, integrity is also defined as wholeness, completeness, soundness. In this meaning, integrity has important systems implications—without integrity—wholeness and soundness—any system, including the “free” market, is incomplete, partial, and unsound. Absence of integrity, whether individual, organizational, or systemic, breeds lack of trust and low social capital (Putnam, 2000). Lack of integrity signifies corruption, and as Transparency International points out, corruption creates unfair advantages and generates the inability to perform normal business functions fairly and efficiently (<http://www.transparency.org/>). It is this pervasive sense that the system is corrupt at its core that has been aroused by the recent deluge of corporate scandals and generated widespread calls for greater integrity at the individual and systemic levels.

A third and possibly least recognized definition of integrity is “firm adherence to a code.” In the case of the business system, the written and unwritten code allows the system to work efficiently when people and organizations trust each other in transactions. The corporate leaders whose companies succumbed to short-term pressures for financial performance seem to have done so in the interest of meeting investor expectations. But in meeting only investors’ expectations (indeed, even attempting to meet those expectations fraudulently) and in failing to take into account that other stakeholders also have expectations and investments in businesses that deserve fair consideration and may have values of importance to them other than pure economic gain (Waddock, 2002), these leaders and managers created companies that lost their adherence to socially expected norms and standards of business practice and, in a sense, fractured the system. Indeed, even the investors supposedly being served by these corrupt practices suffered from the failures of integrity.

Mindfulness and Management Education

Elsewhere I have argued that mindfulness and integrity are the foundations of corporate citizenship (Waddock, 2001). Here I would extend that thinking to management education: if we want to have managers capable of acting with integrity, they need to be mindful—self-aware, conscious of consequences, and able to think broadly about the import and impact of their actions and decisions. Mindfulness in its Buddhist sense is the capacity to be in the present moment; to be mindful is to be aware of what one is doing (e.g., Cabot-Zinn, 1995) and how one’s actions impact others (Torbert, 1991; Fisher, Rooke & Torbert, 2001). The rationale behind arguing for mindfulness is that managers and leaders, by virtue of their power and position in enterprises, have a position that is *inherently* imbued with ethical responsibilities, is *inherently* value-laden, because their decisions have impacts on other people, organizations, communities of various kinds, and the natural environment. Business activities affect people and the societies in which they live. From this view, ethics is integral to management and leadership, not something that needs to be considered only when dilemmas arise. It is the integral nature of ethics and responsibility to management that management educators have generally failed to recognize.

Management education today is truly at a crossroads, especially with respect to the fundamental foundation of integrity at the institutional and individual level that it conveys. Many of the critiques of management education of the past have yet to truly be addressed, despite numerous attempts at reform. The last major study of management education, the Porter/McKibben Report (1988), pointed out numerous significant problems, many of which have proved quite intractable, including the need to be team players *and* individual contributors, better written and oral communication skills, enhanced personal awareness and interpersonal skills, ability to work with diverse peoples. Further Porter/McKibben highlighted the need for managers to develop skills in dealing with multiple stakeholders who bring conflicting and even controversial demands to the enterprise, and to deal with constantly intensifying public and governmental scrutiny. Recent critiques have taken a look at the fundamentals of management education and the scholarly research that ostensibly supports it and found problems with professionalism in management (Trank & Rynes, 2003), serious disconnects in understanding the consequences of organizations (Hinings & Greenwood, 2002; see also, Bartunek, 2002 and Clegg, 2002), and lack of attention to the interests of people lower in organizational hierarchies and the power implications of management (Brief, 2000), among other serious shortcomings.

Business in society content (including ethics, corporate responsibility, business/public policy considerations, and stakeholder relationships, among others) is hardly considered mainstream in management education today. Other content that might relate to individual and institutional integrity, mindfulness of consequences, taking into account multiple stakeholders' perspectives when making decisions, collaborative capability, and creativity (to name a few areas). Study of these topics as core management education (not a sideline) might enhance business leaders capacity to make good long-term decisions that resulted in community, societal, and individual well being as well as business success are widely considered the 'soft stuff' of management. Study of such 'soft' subjects or personal skill development is typically given short shrift in favor of more readily developed and applied analytical tools and techniques, conceptual models, and measures of profitability. Indeed, a potentially explosive research study (for the business in society field, anyway) dramatically illustrates the seemingly systematic failure of the Academy of Management's journals to publish research that serves the broader public interest, which one of the Academy's two original goals (Walsh, Weber & Margolis, in press).

Things are, apparently, not a whole lot better on the faculty end of things, which may partially explain the failures of management education noted above. In 1996, the management school accrediting body's (the AACSB) 1996 Task Force on Faculty Leadership (AACSB, 1996) generated a report highly critical of management faculty and their teaching. This report highlighted key gaps that deans perceived in management faculty. Among the findings relevant to the teaching of integrity, responsibility, and ethics, the Task Force found that management faculty teaching at all levels lacked sufficient real-world contact and understood neither the global nor technological environment sufficiently. To make matters worse, faculty members were found to be

inhibited from leading necessary institutional change efforts, in part because of narrow disciplinary foci and in part because they did not understand the need for change. Narrow, disciplinary orientations, pressures to publish in respected peer reviewed journals, and a limited reward structure for collaboration across disciplines or integrative work are reasons for and outcomes of these faculty-related problems.

Business in the US tends to be seen solely as an economic entity, with little understanding of the integral relationship that exists between healthy communities and societies, sustainable natural environment, and successful businesses over the long term. Leading scholars in the Academy of Management were invited in 2002 to comment on the Academy's role in responding to the ethical scandals of the early 2000s. Diagnosing the root causes as the 'overemphasis American corporations have been forced to give in recent years to maximizing shareholder value without regard for the effects of their actions on other stakeholders,' Kochan (2002, p. 139), creates a context in which the fundamental of management (business in society) curricula can be questioned more openly.

Wrong Level of Analysis...

In general, management education seems to be too business-centric, too focused on making business enterprises more able to defeat other contenders, and too little focused on achieving effective (and efficient) managed enterprises operating in all sectors of integrated and healthy societies that can co-exist with nature. From societies' perspectives, management education may be operating at the wrong level of analysis, emphasizing the company/organizational level of analysis without regard to the impacts of organizations at other levels (e.g., individual, community, society, nature itself). This narrow perspective fails to consider the consequences of managerial and firm activities (Kochan, 2002). If what is taught narrows rather than broadens future leaders' perspectives, if what we teach focuses on only one stakeholder instead of the many actually affected by business activities, if what we teach emphasizes the short- rather than long-term consequences of actions, as it seems to do (ISIB, 2003), then societies and the natural environment on which they depend, ultimately, are in trouble. Indeed, even the call for a required 'ethics' course in management programs (Swanson & Frederick, 2002) seems narrowly framed in many respects. Despite the best intentions, if such a requirement were instituted, it would be likely to be interpreted and implemented at the individual level of decision making and personal responsibility in far too many cases, or delivered as part of a fragmented approach that furthers what Freeman (1988) has called the separation thesis that management and ethical practice can be separated. Such an approach hardly evokes an understanding of the broader context in which businesses operate, or their long-term impacts on people and nature.

Business in society educators could well view their subject matter not as peripheral or marginal to business activity, where we have frequently found ourselves—and where, in some ways we have enjoyed the status of outsiders, but rather as the core of management education. The task now, of course, as Swanson & Frederick's (2002) call to action

illustrates, is to convince other management disciplines and the accrediting body of the integral nature of responsibility, integrity, and its associated elements of transparency and accountability, to management action. Interestingly, when the Academy of Management leaders responded to urgent calls for a conversation at the annual meeting about the crisis created by corporate scandals, none of the figures chosen to present was a major player in the Social Issues in Management division (e.g., Bartunek, 2002; Kochan, 2002; Child, 2002; Gioia, 2002), although one presenter represented the Critical Management Studies group (Adler, 2002), where questions deeply critical of the corporate status quo increasingly are being asked. Despite that SIM scholars have studied the very questions of responsibility, accountability, and integrity raised by the scandals, SIM members present were not presenters but were in the audience. At a symbolic level, the fact that SIM scholarship was unrepresented at this important session graphically demonstrates the very marginality that might—if used well—be considered an advantage for its perspective on asking the hard questions (e.g., Freeman, 1989), but represents instead, well, ... marginality.

Narrow functionalist education focused on acquiring ever increasing numbers of analytical tools all focused almost exclusively on higher profitability and greater competitive advantage, however useful those tools might be in the short run, do not foster the types of skills that *societies* really need in business leaders. Business, after all, is part of—not as the common terminology of business and society would suggest—operating alongside of society. Business, after all, is in society, and it is in society that humans live, with economies only part of what creates the social fabric that makes societies healthy. The world is complex, in conflict, and diverse, exhibits both resource scarcity and distribution problems. People increasingly search for community and meaning. This world arguably needs managers and leaders who are broadly conscious of impacts and consequences, who are socially, ‘other-’ and self-aware, and who are mindful of the impacts of their decisions on others and nature. It need managers who operate with integrity, understand the implications of their decisions, and take responsibility for them.

And the Problem Is...Management Education Works

MBA and other management students are realists. They know that responsibility, ethics or integrity, attention to the broader issues doesn't really count much for getting jobs, despite claims to the contrary (ISIB, 2003). A recent study by the Business and Society Program of the Aspen Institute (formerly ISIB) shows that MBA student attitudes shift away from a customer and product quality priority on first entering their programs toward a shareholder value orientation (ISIB, 2003). Scarier still from the perspective of societies and nation is that surveyed MBAs do not think they can impact the culture and values of companies, stating that they are more likely to quit than try to effect change in an organization, while they do believe that they will face ethical conflicts at work (ISIB, 2003). Lack of efficacy, initiative, and self-awareness that allows one to know what one stands for seems a recipe for creating those very hollow men (and women) Eliot wrote of in the poem fragment that opened this paper. Yet without more attention to important and fundamental questions about the meaning of, reasons for, and useful purposes of

economic gain, we are in danger of developing legions of managers and ‘leaders’ incapable of reflective thought about why they are doing what they do.

A key problem is that management education works (Gioia, 2002; ISIB, 2003). It conveys a point of view, a framework, and a system of thinking about business decisions that actually does affect students (ISIB, 2003). The question that remains is, are we teaching ‘the right stuff?’ The answer seems to be simple. No. In most business courses, what is taught is an ideology of shareholder capitalism, grounded in a moral framework that claims to be no moral framework at all, to be amoral. All the while, we teach, we preach even, that the shareholder’s interests come first, that it’s a dog-eat-dog world out there, and as a result, cutthroat competition is the way to beat out the other dogs (companies) in a war for competitive advantage that, like reality TV shows, weeds out the weakest links unerringly, systematically, and without remorse. Death to those companies that can’t compete no-holds barred, and to hell with the consequences, ecological, community, individual, or societal.

Despite efforts at reform aimed at providing more integration, management education today consists largely of a series of unconnected, discipline- or functionally-based courses strung together with a series of electives and, typically, a ‘capstone’ course that deals with strategic management. Strategy is supposed to pull all the separately presented disciplines into a coherent whole, but generally completely ignores the societal (not to mention individual and community) consequences of competition, business and economic development, and globalization. Indeed, the mission-driven AACSB accreditation process for management implies that there *is* no true core to management education (Trank & Rynes, 2003). The problem now is that despite a lot of rhetoric about reform (corporate and in management education), nothing much is really changing.

Contrary to the ‘bad apples’ theory of corporate misdoings, a more systemic approach suggests, in the words of Hamlet, that something is rotten at the core—and that something rotten is what needs to change. ‘Rotten’ may be a strong word to apply to the narrow thinking that characterizes the ways in which the fundamental purposes of the firm are traditionally conceived—to maximize shareholder wealth, to foster efficiency (or what Bill Frederick [1995] has characterized as economizing and power aggrandizing behaviors), and conquer all competitive comers. Given the declining state of the natural environment and commitment to materialism (De Graaf, 2001), with lack of integrity in institutions across the board (compare, for example, the abuses of power and institutional corruption rampant among corporations, with scandals in financial and accounting institutions, the Catholic Church, governments, and public agencies), and the growing digital and economic divide between rich and poor (just to name a few major issues), and it is clear that at the societal level, there are serious problems that need well-educated leaders and managers to cope.

What Does Business in Society Really Need to Teach?

Systemic change of the sort that may be needed in management education is hard, some might say impossible. Entrenched interests, disciplinary expertise, and (as the AACSB pointed out) lack of vision mitigate against change. The depth of change that is, in my opinion, needed at least with respect to the business in society courses—and their linkages to other important *management* courses (e.g., strategy and organizational behavior) may require what Senge (1990) calls *metanoia*, a shift of mind.

Fundamentally, if the ideas above have implications, we need to start to educate managers and leaders who have and convey integrity in all of its senses. Leaders and managers who understand that the organizations they manage are one with the societies in which they operate and intimately connected to the sustainability of life-supporting conditions in the natural environment. Leaders and managers who know what they personally stand for, what the enterprises they manage stand for, and who can think through the impacts of their decisions on others and the natural environment. Leaders and managers who understand the central role of integrity and trust in creating successful and effective individuals, communities, companies, markets, and societies.

Yes, the analytical skills, tools, techniques, and functional expertise that currently dominate management education are important elements of the manager's and leader's tool kits. But they are *concomitants* to integrity, as it has been defined above, and to the capacity to understand that business operates *in* not alongside society, that it needs to be disciplined to heal and enhance society and nature, not destroy them.

To start us thinking about the foundation of what future managers and leaders need to know, I propose that there is a growing need for us as management educators, particularly business in society educators, to learn how to foster skills and understanding of:

- Individual and institutional integrity, a capacity to speak and be authentic to one's own values as well as respect those of the broader society within which one lives.
- Systems thinking/systems dynamics.(including power dynamics).
- Perspective taking (the capacity to understand the viewpoints of diverse others, a necessary underpinning of any kind of stakeholder relationship).
- Initiation, risk-taking, creativity.
- Individual and institutional responsibility, accountability, transparency and reflection on the implications of actions, decisions, attitudes, and behaviors.
- Self-efficacy, voice, and confidence (personal power, insight, and knowledge).
- Synthetic and integrative thinking.
- Reflection on implications and consequences of actions and, when needed, initiative to take corrective action, change course, or think/act in new ways.
- Ecological awareness (knowing).

What major elements would be embedded in such a radical business in society curriculum? Here are some topical areas that might be considered for inclusion:

Balance, Integrity, and Effectiveness: It's *Not* (Just) the Stupid Economy. Markets are inherently stupid, not taking into account values other than economic gain,

externalizing costs where feasible, ignoring things to which costs and prices cannot easily be assigned, and focusing almost exclusively on growth and profit. The stupidity comes from the incapacity of markets and the companies that are their offspring to incorporate other human or naturalistic values that emphasize something other than economizing or power aggrandizing (Frederick, 1995). So it's not just the economy, stupid—or the stupid economy, about which we need to care, it's also about society(ies). Social and human values beyond economic gain include (for example) love, connection, community and neighborliness, social and human capital, connection to others and to nature, resource, community, and human sustainability, the capacity to find meaning, and related values that tap the spiritual, emotional, and positive elements of what is distinctly human. Markets do not inherently meet needs that go beyond the production of goods and services and, indeed, may foist upon people goods and services that are not even needed (e.g., De Graaf, et al., 1998; Schor, 1999).

Robert Reich, former US Labor Secretary (and now Brandeis professor) once asked, “Do you want to live in an economy or a society?” Presumably, most people would choose to live in society (if, unlike some of my students, they could tell the difference). By forgetting that societies (and communities) have different interests and value different things, by acting as if economy and society are the same thing, we abrogate important responsibilities to the broader societies in which businesses operate. Business in society students need to understand the nature, meaning, and import of society as well as markets, and recognize that it is important to balance the incentives for profits and growth inherent to ‘free’ markets (which are never entirely free) with other values important to society. Economies and businesses are meant to serve societies, not the other way around, though current consumption patterns and trends of globalization sometimes make us forget this reality (e.g., De Graaf et al., 2002; Schor, 1999). Currently this sense of perspective and balance is greatly lacking in management education. Further, individual and organizational citizenship demands balance, integrity, and resourcefulness, including initiative-taking, personal efficacy, and self-awareness.

Integration: Body, Mind, Heart, Soul, Spirit. Integrity is about wholes, about integration of parts into wholes, humans into communities, communities into nations, nations into the world, as well as about the wholeness of each part (c.f., Wilber, 1996). Management education currently tends to be about parts that don't necessarily add up to wholes. Courses in functional disciplines are strung together as if their functionality could be isolated from their impacts on the organization (and society) (Ackoff, 2003) only to be pulled together through a ‘capstone’ strategy or policy course at the end. But the sum of the parts may not equal the whole, never mind adding up to more than the whole if that integration never takes place. Thus, we need to teach more about the wholes as well as the parts, about the proper (and important) place of business *in* society, and the importance of other parts in adding up to a coherent, effective, and efficient society.

Leaders and managers in a world fraught with problems, resource scarcity, conflict, and differing perspectives from many diverse stakeholders, need to come to their tasks with insight, creativity, awareness of consequences. They need mindfulness about

implications of actions and decisions, about the impact of new products, technologies, and market growth on the people they are meant to serve. They will need numerous other skills that are incredibly difficult to teach in traditional discipline-based programs. Even a required ethics course, while likely a good start, is not likely to provide sufficient basis for this integration. Future managers need to be able to understand the import of their actions and decisions on the company, the communities from which investors, customers, and employees are drawn, the communities where products and services are delivered, and on the natural environment in ways they currently do not. Integration of important non-economic values arguably starts with the individual and works its way up to effective companies, communities, and whole societies. Presumably, this integration works better where the full heart, mind, body, and spirit of individuals, communities, and societies are fully engaged than where only fragments of the person, community, or society are 'present.'

Holistic Understanding: We Are All One Planet. As the song says, "We are all one planet, all one people of earth." We all live on a single planet with limited resources; leaders and managers of business in society need to recognize this reality. Things are connected to each other; one system affects others, as physicists and, increasingly, biologists inform us. What this connectivity means is that what happens in the economic realm affects societies, affects natural resources, and affects the way people live their lives day to day.

Connectivity in the technological sense is likely to increase awareness of the links that exist among and between systems. Global markets, electronic communications, and the instant connectedness of information technology will continue to unite us in ways we can hardly now conceive. The global village will continue to shrink, making us ever more aware of the impact of businesses on nature, societies, communities, and individuals. Such connectedness, whether technological, through resources, through markets, or across cultures make us undeniably aware of our interdependence, of resource constraints and ecological limitations in the conditions that support humanity, of the need for collaboration as well as competition, of the need for building sustainable solutions to our many problems. Future managers and leaders need to understand this one world from a systemic perspective; they arguably need to understand that decisions that they make today affect a whole range of stakeholders tomorrow because of that interdependence. Arguably, this need for understanding interconnectedness among people, nature, and the system as a whole suggests that managers and leaders need to understand the scientific (particularly ecological, physical, and biological) bases of human existence far more deeply than they currently do (c.f., Frederick, 1995, 1998 a, b, forthcoming).

Diversity in the Global Village. Despite that we live, manage, and lead on one planet, the 'global village' is incredibly diverse. People and their communities differ in sometimes-dramatic ways. Many people resist—and are likely to continue to resist—efforts to so globalize the world that homogenization occurs. Values, cultures, consumption patterns, ecological footprints, resource availability, and patterns/styles of living differ dramatically from place to place. Conflicts arise in the face of values differences, the relative priorities and emphases of economic, material, spiritual, political

and cultural traditions. Operating businesses in society in this context of diversity suggests the need to acquire considerable understanding of the ways and values of the world different from one's own. Thus, despite the purportedly unified face of globalization, future managers need to find new ways to honor and respect the very real pluralism of interests, ideologies, cultures, ethnicity, and identities that exist in the world. Honoring individual and cultural integrity involves diversity as well as sameness, a capacity to work with the both/and logic of paradox, a capacity to integrate and synthesize among multiple interests and constituencies, as well as analyze and problem solve.

Change, dynamism, power, and complexity are part of the diversity in the world. The technological revolution, the emergence of small businesses and entrepreneurial companies as the dynamic force in market-based enterprises; local commerce overwhelmed and replaced by global commerce and the power of transnational corporations, the sudden emergence of e-commerce, the population and ecological crises, the tensions posed by what political scientist Benjamin Barber (1995) calls jihad versus McWorld (which is evident in the terrorism and jingoism of today's global political environment), the HIV/AIDS, ecological, poverty, and population crises with all of their implications. All of these shifts and many more create a global drama of Shakespearean proportions. Future leaders and managers need to be ready for the complexity and dynamism inherent in this journey of constant change, evolution, and potential conflict. Dealing with it will require skills of conflict resolution, collaboration, and common visioning, not to mention reflection and openness to responsibility, accountability, and transparency.

Implications

Transformation may be needed in management education to meet these challenges. They imply a very different basis of knowledge and capacity. From analysis alone to analysis combined with awareness of implications. From corporate-centric to society-centric or even nature-centric. From passive knowledge transfer to active engagement in learning. From theory and analytic rigor alone to theory and analytic rigor linked to practice in a both/and relationship. From disciplinary specialization alone to specialization in the context of a broad and integrated perspective on business's and the economy's roles in societies. From a values-neutral posture to one that recognizes the inherent values-based nature of management itself. From a narrow focus on shareholder wealth to a focus that encompasses many stakeholders and the natural environment. From a world out of balance to a world in balance. From a world dominated by economy to a world in which society takes precedence.

System (societal) and individual integrity, acknowledging and valuing diversity, systems thinking, reflective practice, and dealing with complexity seem to demand leaders and managers who operate not from conventional levels of moral reasoning but from post-conventional levels, where they are capable of making decisions based on principles and relationships (Kohlberg, 1972; Gilligan, 1982). Post-conventional reasoning, moral and

cognitive, allows for the questioning of the system, the capacity to make decisions based on principles, whether related justice and rights as in Kohlberg's (1972) work or relationships as in Gilligan's (1982). In addition, reasoning from a post-conventional position means being able to perspective-take with respect to others in ways that conventional reasoning does not. By definition, stakeholder relationships require viewing situations and decisions from a variety of stakeholders' interests and from which they can see the interactions of multiple systems (companies) to create the interorganizational or inter-institutional context that comprises today's societies.

None of this is easy, nor would it be easy to agree that the ideas above are the fundamentals. They are intended only as conversation starters and a means of provoking questions about what we teach in our business in society courses, for whom, and, most importantly, toward what ends? These thoughts are simply a beginning, lest we end our world with hollow men and women in a world ravaged by inequity, corruption, materialism, and wasted resources, for as T.S. Elliot says in 'The Hollow Men:

III

This is the dead land
This is cactus land
Here the stone images
Are raised, here they receive
The supplication of a dead man's hand
Under the twinkle of a fading star.

...

V

...

Between the idea
And the reality
Between the motion
And the act
Falls the Shadow

...

This is the way the world ends
This is the way the world ends
This is the way the world ends
Not with a bang but a whimper.

T.S. Eliot, The Hollow Men

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