



Rapid #: -22622556

CROSS REF ID: **14151282010005671**

LENDER: **MNU (University of Minnesota) :: Main Library**

BORROWER: **LT1 (University of Technology Sydney) :: Blake Library**

TYPE: Book Chapter

BOOK TITLE: Practicing Responsibility in Business Schools

USER BOOK TITLE: Practicing Responsibility in Business Schools

CHAPTER TITLE: Foreword II: It's time to radically re-think the business school

BOOK AUTHOR: Rhodes, Carl

EDITION:

VOLUME:

PUBLISHER:

YEAR: 2023

PAGES: xviii - xxi

ISBN: 9781035313167

LCCN:

OCLC #:

Processed by RapidX: 5/24/2024 11:29:05 AM

This material may be protected by copyright law (Title 17 U.S. Code)

For any issues with this document, please contact your library.

Title: Practicing responsibility in business schools

ArticleTitle: Foreword II: it's time to radically re-think the business school

ArticleAuthor: Carl Rhodes

Description: xviii - xxi

Pages: xviii - xxi

ISBN - 9781035313167;

Publisher: Northampton : Edward Elgar Publishing; 2023

NOTICE CONCERNING COPYRIGHT RESTRICTIONS:

The copyright law of the United States [[Title 17, United StatesCode](#)] governs the making of photocopies or other reproductions of copyrighted materials.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specific conditions is that the photocopy is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

This institution reserves the right to refuse to accept a copying order if, in its judgment, fulfillment of that order would involve violation of copyright law.

Foreword II: it's time to radically re-think the business school

Carl Rhodes

In recent years questions of ethics and responsibility have become increasingly central to business organizations. We saw it written large back in 2019 when the Business Roundtable in the United States redefined what it saw as the purpose of the corporation. While they once professed that this purpose was to maximize shareholder value, the new vision was to deliver value to all shareholders, whether they be customers, employees, suppliers, communities, or shareholders. 252 CEOs of the world's biggest corporations signed the revised statement, all committing to the role of their organizations in "the future success of our companies, our communities and our country" (Business Roundtable, 2019).

In the age of what is variously called "stakeholder capitalism" (Schwab and Vanna, 2021) or "conscious capitalism" (Mackey and Sisodia, 2014), business is re-branded as a "force for good" in the world. Gone are the days, we are cajoled into believing, that greedy masters of industry would pillage the world in pursuit of riches for the owners of capital. With a new self-proclaimed morality, CEOs like Jamie Dimon of JP Morgan Chase are asserting that "capitalism must be modified to do a better job of creating a healthier society, one that is more inclusive and creates more opportunity for more people" (in Kirby, 2020). This doesn't stop him from taking home a mammoth pay packet of US\$34.5 million per annum (Levitt, 2022).

The new corporate enthusiasm for public purpose, social justice, societal impact and stakeholder wellbeing, heralds a time for business schools to also rethink their role and responsibility to a broader range of constituents. This is not simply a matter of jumping on the stakeholder capitalism bandwagon that has increasingly enthralled the business world, but rather engaging both critically and productively with the present debates and historical changes of which we are a part. The new call to public responsibility for corporations is not accepted by all. Some critics have decried the new breed of socially responsible CEOs and corporations as being opportunist "woke capitalists". The main reproach from the conservative side of politics has been that corporations have no business meddling in social issues and should instead 'stick to their knit-

ting' of running effective profit-making enterprises. Advocates for the purity of the free market see all of this as 'communism in disguise' (Chumley, 2021). Meanwhile, progressive criticisms revolve around the dangers of corporations encroaching on the role of the state such that private interests come to dominate matters of public interest, with democracy being undermined along the way (Rhodes, 2021).

Whether one believes that business' new advocacy for social causes and public responsibility is a cause to celebrate a new "caring capitalism" (Barman, 2016), to bemoan "the defining scam of our century" (Ramaswamy, 2021), or to fear that corporations are sabotaging democracy for their own interests (Rhodes, 2021), it is definitely something that has become a defining feature of today's corporate landscape. How business school education identifies and fulfils a broader sense of social and public responsibility is a matter that has also not gone unnoticed. Initiatives such as the United Nations Principles of Management Education have effectively sought business schools to educate their students for responsible leadership. If we are to take calls for such changes in business education seriously, we need to ensure that we are not simply dressing in the latest corporate fashion. We also need to acknowledge that we have been part of the problem, having in many cases served as cheerleaders for shareholder primacy for decades.

Business schools are places that produce and educate the next generation of the 'professional managerial class'. This is a social class, as Catherine Liu (2021) critically interrogates, that has been socialized and educated into identifying with the values of the prevailing corporate-neoliberal order economically while supporting liberal and progressive political positions. These are the people who joke about themselves as being 'fiscally conservative and socially liberal'; an oxymoron that hides an underlining value system that says: "I care about people but not enough to see them cared for on a systemic level" (Thimesch, 2000). Business education is at risk of succumbing to the same contradiction if our response to demands for business responsibility yield nothing more than corporate 'virtue hoarding' that engages in feel-good political positions that do little to shift the systematic failures of the economy in meeting the needs of all citizens.

The present situation calls for much more than a few new programs and projects. What is needed is a radical re-thinking of the business school as being a fundamentally democratic institution. As Martin Kitchener and Rick Delbridge (2020) have recently argued, business schools have a unique opportunity to redirect their work toward an explicit commitment to delivering on the 'public good' out of a "moral commitment to human betterment". Reconceived in this way means that business schools would embrace a whole new mission of educating citizens to be the leaders and professionals who can not only perform the functions of business but also have a broader social and

political understanding of the role of business and management in creating a better and more equal society on a global level.

The still prevailing neoliberal economic and political system, of which business schools are a part, has failed us. At worst, as Harvard Business School graduate Sam Long (2019) has elaborated, business schools have fuelled a system “dominated by financiers and their squires, presiding over a disordered economy gutted of both its productive energy and the ability to generate mass prosperity”. It is time to change and imagine a new type of business school. That is why this book is so important. The book’s stated aim is to reconsider the future of business education as it relates to the social and economic inequalities that beset the world and that have been brought on by the machinations of capitalism. At today’s historic juncture, this is an imperative matter that deserves the kind of scrutiny, scholarship and imagination that the authors provide. A new form of business education can contribute to humanity’s ability to address the world’s significant social, environmental, and economic challenges. It is with much welcome hope that this book dares to consider the nature of that education as we move towards a responsible business education.

Carl Rhodes, Dean, UTS Business School, University of Technology Sydney,
Australia

REFERENCES

- Barman, E. (2016). *Caring Capitalism: The Meaning and Measure of Social Value*, Cambridge: Cambridge University Press.
- Business Roundtable (2019). *Statement on the Purpose of a Corporation*, Washington: Business Roundtable.
- Chumley, C.K. (2021). Stakeholder capitalism is communism in disguise, *The Washington Post*, 28 September. Online: <https://www.washingtontimes.com/news/2021/sep/28/stakeholder-capitalism-communism-disguise/>.
- Kirby, J. (2020). Welcome to the era of woke capitalism, *Macleans*, 19 February. Online: <https://www.macleans.ca/economy/welcome-to-the-era-of-woke-capitalism/>.
- Kitchener, M. and Delbridge, R. (2020). Lessons From Creating a Business School for Public Good: Obliquity, Waysetting, and Wayfinding in Substantively Rational Change, *Academy of Management Learning and Education*, 19(3): 307–322.
- Liu, C. (2021). *Virtue Hoarders: The Case against the Professional Managerial Class*, Minneapolis: Minnesota University Press.
- Mackey, J. and Sisodia, R. (2014). *Conscious Capitalism, With a New Preface by the Authors: Liberating the Heroic Spirit of Business*, Boston: Harvard Business Review Press.
- Levitt, H. (2022). JPMorgan Raises Jamie Dimon’s Pay 10% to \$34.5 Million for 2021, *Bloomberg*, 21 January 2022: JPMorgan (JPM) Raises CEO Jamie Dimon’s Pay 10% to \$34.5 Million for 2021 - Bloomberg.
- Long, S. (2019). The Financialization of the American Elite, *American Affairs Journal*, III(3).

Ramaswamy, V. (2021). *Woke Inc.*, New York: Center Street.

Rhodes, C. (2021). *Woke Capitalism: How Corporate Morality is Sabotaging Democracy*, Bristol: Bristol University Press.

Thimesch, P. (2020). The Oxymoron of Fiscally Conservative, Socially Liberal Ideology, *The Berkeley Beacon*, 14 October: <https://berkeleybeacon.com/the-oxymoron-of-fiscally-conservative-socially-liberal-ideology/>.

