Moral Accountability in the MBA:
A Kantian response to a public problem

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I dedicate this work to my parents Belinda and Maurice Jarvis and to my family – my wife Andy, daughter Sally, son Tim, my brothers Paul, Mike and Richard and to my uncle, Max Jarvis.

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I thank the above circle of family, friends, students and faculty for enabling me the time and opportunity to better understand — and respond to — what I see as a major public problem in management education. Because of the response effort it has taken far longer and made more demands on others than I ever imagined. Thankfully the felicitous result is a deep need to do further work on this problem — an ambition to be pursued without imposing anything like the demands from those named. After all, I do seek re-entry into that circle. Thank you.

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Abstract

We live in an age of public accountability. For university-based business schools, housed within institutions with responsibilities for fostering public wellbeing, public accountability represents major challenges. The specific challenge of this dissertation is interpreting that accountability in *moral*, as opposed to legal or bureaucratic terms. Much of the academic attention to public accountability has focused on the legal aspects of compliance and regulation. The systemic nature of the educative-formative problem of moral accountability argued herein is especially evident inside postgraduate management education. I argue that nascent ideas of moral accountability foreground a systemic and inescapable challenge to the legitimacy of the now ubiquitous Masters of Business Administration (MBA) within university-based management education.

Illustrating the formative-educative problem via a case study at an Australian university and drawing on a critical review of the management studies literature I argue that current approaches to meeting those public responsibilities are at risk of being marginal at best. This is a view increasingly recognised by those within the management studies field already committed to redressing amoral management theory and practice. Efforts to professionalise management by bringing management studies inside universities have long been abandoned in favour of following *market logic* — a predominantly financially driven logic that is formatively *amoral* — thus exposing universities’ moral legitimacy to rising public skepticism, if not acute and justifiable concern.

Beyond the professionalisation efforts and the compliance mentality of corporate governance and *against* the commonplace smorgasbord approach to business ethics (foreclosing engagement with larger and relevant political, ethical and philosophical dimensions) I argue for cultivating a specific capability for management graduates - one area that will yield considerable philosophical scope and pedagogical options while meeting the university’s public responsibility. I make a case for *cultivating reflective judgment* on matters of moral accountability (and specifically at the individual level) as a defining capability in management studies — a capability that is worthy of public trust in universities.

To that end I argue for a *Kantian approach* to cultivating reflective moral

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accountability. The scope of this approach is global, the mode is action-guiding principles under public scrutiny, where reverence for individual human dignity is at its base: a civic or enlightened accountability, oriented to earning and warranting public trust by individuals and through institutions. Kantian hope in a cosmopolitan ethical commonwealth sustains practical-idealist commitment to cultivating this capability.

This Kantian approach is shaped by Kant's grossly under-recognised moral anthropology: a composite of a modest metaphysical framework of justice intersecting with his almost completely ignored philosophy of experience/anthropology. The pedagogical approach developed here is based on Kant's moral anthropology and notion of maturity. It is oriented to deeply experiential organic learning as university-based preparation for reflective moral judgment in pressured, complex situations of uncertainty. The aim here is fostering ideas on approaching what is problematic not to develop a comprehensive theory of moral accountability in the MBA. Taken together this Kantian response sees pædeia as central to the public role of university education, and as such represents a radical challenge to seemingly unassailable assumptions of authority in management theory and practice.

I follow a phronesis approach in this research, a perspective on knowledge that views the social sciences as categorically different from the natural sciences, calling less for universal laws and more for knowledge drawing on wisdom and moral judgment derived through extensive experience. Flyvbjerg's phronetic approach to the social sciences guides the case study, influences the selection of perspectives in both the literature review and the Kantian considerations. I approach this educative-formative problem out of liberal-humanist, social-contract traditions.
A preface of hope in ‘friendship’

As the raw human impacts of the 2008 Global Economic Crisis (GEC)¹ publicly unfold I hope my efforts here go someway to foreground the educative universal merit of Kant’s ‘moral dignity’ of the individual in management education. This merit is expressed here as a call for publicly stated support for, and belief in, management education that positions what we share as a natural species as central. Put bluntly, this call sees the complex challenges of Kant’s exact and demanding notion of maturity trumping entrenched educational concerns that see and champion technical skills and or diverse perspectives as central if not sole concerns. Championing techniques, strategies and diverse perspectives (the latter also referred to as ‘standpoints’²) too easily misses or simply assumes the roots of our unity as given. From what follows it seems to me that the emphasis on technical (management) skills has too little - if any - debate about ends (purposes), while diverse perspectives risks being a relativistic end it itself.³ Concerns about means and ends (their neglect and abuses) are central in what follows. While technical skills and appreciating multiple standpoints are valuable in shaping our judgments, focusing predominantly on these two functional learning outcomes has I believe come at great cost to understanding and responding to (increasingly public) civic concerns about management practice, and therefore management education. More specifically I interpret these concerns as matters of practical wisdom — that is, moral concerns that connect and question means and ends — where outcomes of judgments are impacts on people and communities. It seems to me that what has long ‘faded from sight’⁴ in management education is that a defining justification (purpose) for university-based education is to both cultivate practical wisdom and provide experiences for fostering maturity, to progressively learn and know our possibilities and our limitations in

¹ Increasingly referred at the final stage of writing (March, 2009) as The Great Recession of 2009. I will however retain the reference to the GEC so as to ensure the ‘global’ perspective of the economic (and thus social) impacts. The terms ‘social’, ‘economic’ and ‘impacts’ are addressed in Chapter 1.

² Appreciating multiple standpoints is also one of Kant’s requirements of maturity (see below). However, while vital and often difficult, it is but one and, crucial for what follows, needs to be linked to something larger. I argue in Chapter 4 that this link is at best missed.

³ In advocating an institutional oriented approach to thinking and acting (with commitment to public wellbeing as the defining, self-transcending characteristic) Hugh Heclo describes as ‘self-destructive nonsense’ the contrasting critique as an end it itself — a postmodern view Heclo claims is endemic in school and higher forms of education in the US (Heclo, 2008, pp. 91-97).

⁴ Perhaps ‘been forgotten’ or, as Khurana (2007) argues, been simply ‘abandoned’? I take up these and related questions in Chapters 1, 4 and 8.

⁵ My preference is Kant’s view of maturity as “(i) Having the courage and resolve to think for yourself, (ii) to think from the standpoint of others, and (iii) to act consistently on both counts” (Kant, An Answer to the question: What is Enlightenment? 1991, pp. 54-5)
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our judgments, what we share as a species and must work to challenge, renew, accept and change.

And yet what is at stake is more than a simplistic zero-sum contest between management techniques and strategies with differences in viewpoints on one side and ideas about human unity on the other. Some aspects of what we have in common ought to be beyond debate: avoiding ‘undeserved harm’ to the inherent dignity of the individual and our commonly shared nature. It seems (to me and others?) that recognition of ‘ought’ here means that something important is missing. This ‘ought’ calls for more than an inclusive conservative attitude or adding another perspective. It calls for affirming robust educative commitments, linking notions of ‘undeserved harm’ with deep understanding of our individual and collective ‘wellbeing’ – that is, toward practical wisdom. Both practical wisdom and maturity need extensive formative experiences in making and understanding the impacts and consequences of our judgments – therein defining a direction that I believe is increasingly and publicly problematic for university-based education about management.

I earnestly hope that stories of the stresses and strains of individuals, families and communities affected by the unfolding 2008 GEC will resonate with educators and the broader public for many years. I hope those stories of undeserved human stress pose a poignant and insistent question for educators and broader public alike: just what have we learned about ourselves (from this and previous experiences) that will be important for educating future generations? There will be endless responses about the need for better systems of governance and the like. But important as systems might be it would not in my view come close to much larger questions. The stories

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6 *Cultivating the mind as well as the heart* (i.e. beyond functional skills and plural standpoints) is a view of a contemporary university’s purpose that is shared by others. According to Shih Choon Fong, President, National University of Singapore (NUS):

> I would like to suggest that the university for the 21st century has both a functional mission and a civilising mission. The functional mission is to develop human capital, encompassing both intellectual and socio-cultural aspects. The civilising mission relates to character development of the global citizen and the ongoing quest for shared values in a fragmented world. Within its (increasingly metaphorical) walls we cultivate the mind and the heart. (In Slattery, L., *The Australian Financial Review*, July 2, 2007).

This view is similar in direction to the under-explored and under-recognised kind of thinking advocated by Heelo (2008): ‘thinking (and acting) institutionally’ - in this instance thinking from, and acting for, the public purposes of higher education.

7 Discussed in chapters 1 and 4.

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from the 2008 GEC will I hope insist on asking what we have learned about ourselves. Answers here might pries open larger questions. But learn we must.

Inescapable questions such as the above will be answered through public assessments of management practice, seen through the formative experiences offered — and thus gained — in university-based management education. In light of such questions I believe - and hope - that it would be reasonable to expect that beyond systems, ideas of cultivating maturity and practical wisdom would be at the centre of an appropriate educative response. In what follows I argue that an education for (inter alia) practical wisdom would stand in sharp contrast to what has been offered to date. The humanities would be at the base of deeply experiential embodied learning to cultivate and prize practical wisdom - for both living and in complex pressured decision-making practice. Here learning to make judgments in these situations would be linked to the equally vital learning experiences of being (ideally willingly) accountable for those judgments (especially, but not only, by those affected)\(^8\). By contrast, that would mean that learning which privileged ‘bounded rationality’ (Gigerenzer & Selten, 2002) would surface concerns about minimising commitment and accountability. Instead, instrumental, functional skills would be learned for a much larger public context: a unique form of civic accountability for the social and moral impacts of those decisions — on individuals — as minimally equal to economic and ecological impacts. This would be learning for moral accountability and commitment informed by impacts and consequences. This is a larger public context that willingly accepts such accountability as essential to community (Block, 2008). Much like the role of trust (Putnam, 2000; O’Neill, 2003). A quite different curriculum is needed.\(^9\)

Cultivating practical wisdom (moral judgment) - as one distinctive and defining educational goal in management education - would move graduates toward being

\(^8\) Otteson, 2906, p. 11.
\(^9\) I do not in this dissertation fully develop ideas about what that curriculum would look like but a brief sketch of a management pedagogy drawing on the humanities (and Kant in particular) is part of Chapter 7 (section 7). When more fully developed it would be highly focused on the cultivation of capabilities for a civic form of accountability. Minimally, political and moral philosophy and rhetoric (for public fora) would form part of such an orientation. However, just what that cultivation would look like would shape much-needed academic and practitioner dialogue, a topic that I hope to contribute to in the future. There is for example a great deal to learn from promising new Kantian studies in education more broadly where Munzel views Kant’s pedagogy as Menschheitfreundschaft, a critical education as ‘friendship of humanity’ (Munzel, forthcoming). There have of course been notorious perversions throughout history of what some (usually an exclusive ‘us’) believe is ‘good for humanity’; all too often meaning the exclusion/removal of others (usually a collective ‘them’ as the cause(s) of the problems for ‘us’) (Todorov, 2003). The notion of an inclusive view of humanity motivates the reconceptualisation of management education in this dissertation.

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suitably prepared to both appreciate and meet higher standards of public-moral accountability of decisions impacting on individuals and communities, locally and globally. Committing to the preparation of graduates for such public scrutiny would in my view move universities much closer to meeting their own fiduciary responsibilities. Some aspects of that preparation are sketched through two examples (in Chapter 7). Nevertheless I hope that this dissertation begins to do some justice to what may reasonably and increasingly be publicly demanded from higher education in management — reflecting part of what broader communities need from higher education. More specifically, what follows reflects a little of how the humanities might uniquely serve as a true ‘friend of humanity’ (Munzel, 1999; forthcoming): in cultivating practical wisdom — as preparation to meeting a long abandoned form of civic accountability. This is friendship as critical hope in recognising what I believe is the now starkly urgent relevance of something like Kant’s practical-idealism. This is a wholly different Kant that both marks that relevance and underlines the urgency of what is now increasingly evident, and tragically, formatively missing in much that is contemporary university-based management education. Our first responsibility is to learn from what has happened and is happening still. This will help make sense of my claim on Kant. I begin with the problem at hand: an introduction to mounting concerns about moral accountability in the MBA.