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CORPORATIONS IN A GREAT TRANSITION
VISIONS, MODELS, AND PATHWAYS FOR TRANSFORMATION

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TRANSFORMING MANAGEMENT EDUCATION

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BACKGROUND

Over the past fifteen years, business schools have come under waves of intense scrutiny. With each ethical foible, from Enron to the mortgage-backed security crisis, we ask tough questions about the perpetrators’ education. “How can we screen people for character, and develop it through their education? How can we help potential whistle blowers to be more effective in giving voice to their values?”

Further, every time our understanding deepens about environmental and social justice issues around the globe, we ask, “Who will be the leaders of the future to take these on? What kinds of programs and institutions are up for the task of training them? How can schools cultivate the necessary practical skills, but also equip students to ask bigger questions about the purpose of the corporation?” Even at a practical level, all of us considering management education for ourselves, our friends, and family ask, “Is it really worth the price tag?” These questions become all the more poignant as the MBA becomes the go-to “leadership degree” – not just for the private sector, but for aspiring leaders in social enterprise, non-profit, and even public-sector organizations.

I come to these questions from a particular vantage point that combines roles of student, faculty, and administrator – I completed my PhD at the MIT Sloan School of Management, and was close to MBA students during those years. I teach there now as a Lecturer, and I am the Director of our Sustainability Initiative. I am active in helping the school consider what it means to execute our mission, “To develop principled, innovative leaders who improve the world, and to generate ideas that advance management practice.” I have also spoken with colleagues and counterparts at business schools around the United States, as I have benchmarked our efforts and shared war stories. I have seen how we all struggle in realizing the public purpose of our own schools and universities while meeting the demands of students and employers. The caveat is that I have lived in one business school and my view is correspondingly limited.

Further, I am ensconced in the intersection between sustainability and leadership. How do we create a future in which human and other life can flourish on earth for generations to come, and at the same time build prosperous, enduring enterprises? How do we build the capacity of people, organizations, and communities to create their own future within that broader context? In exploring the question of transforming management education, this is my starting point. My bias is to understand systems “from the inside out.” A political scientist or economist, looking at the institution of management education, might make very different and valid observations.

In fact, a variety of scholars and business leaders have confronted the challenges of contemporary management education and proposed a vision and a way forward. Henry Mintzberg and Rakesh Khurana in particular stand out as having laid important ground, and the “50+20” effort is building a powerful new vision and set of institutions. Their goal is management education for the world.

I am inspired by this emerging conversation. For it to succeed, however, I believe that we – the wide array of stakeholders in management education – might be neglecting some basic work that is actually quite messy and personal. The good news is that in doing it we have the possibility to “be the change” for aspects of societal transformation toward sustainability.
CREATIVE TENSION

When supporting transformation, my colleagues and I have found it particularly useful to uncover what Robert Fritz and Peter Senge have called “creative tension.” Creative tension is a kind of energy that arises when human beings hold two things in their mind at the same time: a vision for a future they want to create; and a clear-eyed view of the current reality. We can envision the creative tension as a rubber band, stretched between these poles. When we hold this creative tension well, we start to discover ways to move the current reality to be closer to the vision – patiently, persistently, courageously, using the energy stored in that rubber band. Martin Luther King’s “Letter from a Birmingham Jail” beautifully articulates this perspective, and his “I have a dream” speech embodies it.

Unfortunately people do not always hold creative tension well. Often we experience the creative tension as emotional tension – fear that the vision is not possible, embarrassment at the state of things, anger at people for holding back the current reality, perhaps frustration or despair at the lack of traction in our efforts. We may also feel an uncomfortable ambivalence – a fear that we might lose something valuable in moving toward the vision we say we want.

To ease this experience of emotional tension, we often back off from our vision (disillusion) or lie to ourselves about the current reality (delusion). Both involve a kind of inauthenticity. Wise, creative leaders do something different – they identify that emotional experience, their reaction to the tension, and they reframe it as part of the current reality – it becomes something they might have to name clearly and transform along the way.

I think it is useful to apply this framework to the task at hand – the transformation of management education. What is the vision? What is the current reality? Who is holding the creative tension between the two, and how do we experience that tension? Where are we being inauthentic about that experience, in ways that we might productively transform?

VISIONS FOR MANAGEMENT EDUCATION

I find it remarkable that efforts at articulating a future for management education have very similar aspirations. I organize these around the framework below, depicting a set of understandings that we intend to contribute to future leaders.

Figure 1 - Capabilities for leadership, adapted from MIT Sloan executive education program on Sustainability as Social Well-Being
Vision and Values

- Management education will inquire into our values as individuals, families, organizations, nations, and a global community, and equip students to express those values within and beyond their work. It will explore alternatives to the dominant ideology of GDP growth as progress and the enterprise captive to the same limitless growth imperative. It will help people cultivate ideals like social justice, intergenerational justice, and a concern for all life, and to navigate the creative tensions that emerge between these ideals and our current reality.
- Management education will help students build a capacity for crafting and communicating vision. They will craft a vision for their personal contribution to the future of society and the planet, and learn how to powerfully fulfill their vision through their work and exercise of leadership.

Issues and Systems

- Management education will help people understand critical issues of economic, social, and environmental unsustainability as inter-generational responsibilities.
- Pedagogy will convey a systems perspective – so proposed solutions can provide a net benefit to society, and minimize harmful unintended consequences, and so people understand both technical and human dimensions of challenges and impact.

Institutions and Roles

- Management education will include a sustained inquiry into the purpose of the corporation, and the purpose of business in society. It will not take for granted any simple answer to this question like “maximize shareholder value,” “serve customers,” “create jobs,” “improve communities,” or “balance stakeholder imperatives,” although it will teach students tools for managing toward these outcomes. Each student will ask questions of purpose about their employers and their entrepreneurial ventures.
- Faculty and students will jointly take a stand for institutions that support a holistic view of corporate purpose that views enterprises as accountable to a broad base of stakeholders throughout their value chain and life cycle.
- Management education will prepare students to craft and fulfill possibilities for collaboration within and across industry, organized labor, government at various scales, civil associations and NGOs, and global institutions.
- Management education will prepare people for a variety of roles across industries and sectors, many of them entrepreneurial and intrapreneurial, in which they can lead the transition to a flourishing society.

Innovative Strategies, Technologies, and Practices

- A close tie between scholarship and practice in management schools assures that students learn the cutting edge of practice for measuring, managing, and innovating toward holistically successful enterprises. This includes the actual managing of people, and ecosystem services, in addition to physical and financial resources.
- Management education prepares students to be innovators in technologies, products, processes, business models, and market infrastructures and institutions, contextualized to reflect the effects of innovation on long-term human and ecological well-being. Business schools will be hotbeds of this innovation, combining student explorations with sustained faculty research and industry collaboration. This will happen through rich interdisciplinary connections in the arts, science, technology, design, policy, and other fields.

Personal Commitments and Leadership

- Management education will help a generation of leaders to connect the truth within to the truth outside – to create a life of purpose and positive impact by helping people know themselves and the world as interconnected systems, and to pursue integrity by exploring and measuring their impact on those systems.
- Students will develop the capacity for transformational leadership, sharing their vision, inspiring others, and building coalitions that transcend traditional boundaries of organizational function, geography, and sector.
**Transformative Pedagogy**

- Pedagogy will marry reflective, experiential learning with informational learning such that it is both informed by analytic methods and management practices that work, and creates access to those methods at the level of being or as students’ own natural self-expression. Students confront the complex ethical, epistemological, and existential challenges of real-world problems.
- We might even invert the pedagogy, putting purpose-driven action projects first, and making informational learning on-demand (via classrooms, coaches, and online tools like MOOCs). This would supplement the action experience as the need arises, and empower students to be lifelong learners.
- Faculty members will have differentiated but mutually respected and collaborative roles as researcher, lecturer, coach, and exemplar.
- Management schools will fund their education through government and philanthropy to a greater extent (with requirements of civil service and cross-sectoral experience). Some funding will come through the success of students’ ventures. Thus, tuition becomes accessible to a global meritocracy, and students feel comfortable at a variety of compensation levels.

**CURRENT REALITY**

Equally important to the vision, however, is that we take a clear-eyed look at the current reality of management education. How do we reconcile a bold vision for management education with the inertia, constraints, and siloes that define contemporary practices?

- Management education is expensive, pre-selecting wealthy and externally motivated students, and creating risk aversion among heavily indebted graduates.
- On-campus recruiting is most intense by firms with a hunger for human capital and ability to pay high salaries. This system channels people into “up-or-out” jobs in consulting, investment banking, and corporate management rotational programs. These jobs are challenging and pay well, but involve little accountability for operational performance or societal impact.
- Pockets of entrepreneurial activity occur, and pockets of social responsibility/sustainability emphasis occur. Student and faculty participants brand themselves and are branded by others (via Sustainability Certificate programs like the one I run) as a specific sub-community distinct from the norm and bolted on to core curricula.
- There is a strong hierarchy of academic disciplines among faculty, with finance and economics superseding others. This pattern gets reflected in the curriculum, where quantitative skills are emphasized over qualitative analysis, and net present value (NPV) is used as “the ultimate metric” in operations and other disciplines. “Homo economicus” is the dominant view of human beings. Inquiry about personal values, the nature and purpose of the corporation, and sustainability are relegated to orientation events, short modules, and electives.
- Faculty at top-tier schools are primarily rewarded for research, not practice, creating inauthenticity in certain aspects of the teaching relationship – the teacher is not the exemplar.
- Management faculty are paid very well relative to other academics, creating a tendency to recruit more externally motivated (rather than internally motivated) individuals, who are often physically segregated in more polished buildings, serving as a subtle barrier to interdisciplinary collaboration.

**EXPOSING THE CREATIVE TENSION**

In this context, who is actively holding the creative tension between these worlds? What is their experience of that tension and their effectiveness as agents of change? What do they fear losing along the way?

- A subset of us as faculty members are concerned with business impacts on labor, the environment, the stability of the financial system, and the spiritual development of human beings beyond consumerism. We want to see more students being social entrepreneurs and innovators of various kinds. BUT we also enjoy our jobs in business schools in part because they pay well, and therefore we have a vested interest in the high tuitions. We fear losing this privilege if business
schools direct their students into riskier careers, lower their tuition, and become more socio- 

economically inclusive.

• **Faculty members** profess interest in the multi-disciplinary collaboration required for 
  transformational outcomes like sustainability. BUT we sustain an intense status hierarchy from 
  senior to tenured to junior to adjunct, and we are cautious about proximity to practice, lest it erode 
  our status. This compounds the hierarchy we sustain among disciplines (usually physics, then 
  biology, economics, psychology, sociology, then management, following the relative 
  predictability of systems and stability of knowledge). Both hierarchies serve as a barrier to 
  collaboration in teaching, research, and engagement. We fear losing the hard-earned respect and 
  esteem of our colleagues by taking these risks.

• **Management students** themselves face the tensions in the job search, and complain about the 
  schools' lack of support for their aspirations for “social impact careers.” BUT, they sometimes fail 
  to acknowledge that they have power to organize and create new experiences for themselves, if 
  they were willing to take risks of compromising income. They fear losing their financial 
  investment in the education or the promised financial reward. At the same time, they fear being 
  judged harshly by sustainability-minded faculty and colleagues if they take a job that can quickly 
  pay off their loans.

• **Career development officers and other advisors** see themselves in human-service roles, and 
  they thrive on helping students reach toward high aspirations. Very often, however, they hear 
  students wanting purpose but going for money, and feel disappointed when this happens. They 
  also bear the brunt of students' frustrations and accusations; they complain about students' 
  complaints and the pressure from recruiting companies. They experience themselves as **caught in the middle.** Some fear losing the clarity that comes with on-campus recruiting processes, and 
  some fear losing the esteem and ranking of the school if graduate salaries were to fall. Some fear 
  becoming cynical if they get their hopes too high about socially-minded students and faculty. 
  They also can fear disappointing students by overpromising the idea that careers of purpose **and** 
  prosperity might be possible.

• **Transformative agents within companies** (e.g., corporate sustainability officers, or leaders of 
  disruptive enterprises) would like to see more students going into the work of transformation, 
  BUT also see limited resources and worry that sustainability might be a short-lived fad. They fear 
  losing their own distinctive roles in their organizations and markets, so they are hesitant to recruit 
  aggressively. One of their most difficult personal challenges is in **giving away leadership** for 
  sustainability to other people, departments, and organizations, however necessary this may be.

• **Each group** often blames the others for the problem, and does not share their inner tensions.

The wisdom of the creative tension framework is to recognize these emotional tensions and reactions as 
simply part of the current reality. Then we have the opportunity to be authentic and clear about our 
inauthenticity – a bit of truth-telling and compassion about our own “immunity to change.”

This is, however, not easy. At the Academy of Management conference in August 2013, there was a 
beautifully organized forum on “Rethinking Management Education.” It gave participants a chance to share 
and deeply listen to one another’s perspective in a concentric fishbowl format. My experience, however, 
was of business school faculty thoughtfully articulating how others needed to change – students, 
companies, administrations, ranking agencies, etc. – to move toward more humanistic management 
education. I attempted to shift the focus inward by sharing my own inner tension: I want a high stable 
income as faculty, and chose business school PhD and teaching as a result. But I also want my students to 
take risks in sustainability amid their high student debt that pays my income. My heart was pounding as I 
“outed” myself. The subsequent speakers skipped right over this comment and never referred back. Then 
during the remaining days of the conference, numerous people approached me, thanking me for this candid 
contribution, saying they wrestle with the same issues, and saying they wish they or others had built on my 
comment. We laughed together at how entangled we all are.

This experience was deeply liberating, and prompted this essay. It also illuminated for me just how hard 
this truth-telling can be. And yet I believe we have to take even greater risks – not just by faculty in front
of their colleagues, but together with students and career advisors and employers. We each have a responsibility in maintaining the status quo, and transformation requires us all.

Perhaps what we need, in parallel with a new set of institutions, is a new kind of authentic conversation for vetting the aforementioned tensions and contradiction. Absent such exposure, progress will be slow and erratic, a situation we can ill afford given 21st century urgencies. I propose a series of dialogues, in a format that encourages this kind of self-confronting inquiry, across the stakeholder groups of management education. One form of dialogue could be conducted program by program, school by school with faculty, students, advisors, and employers in the same room. What is our deepest aspiration for our management education? How do we get in our own way? Another type could be conducted within the professional communities – students through venues like Net Impact, faculty at the Academy of Management and similar associations, career advisors in their professional associations, but tied together with a common thread like the 50+20 effort. Each school and professional community would have to claim its own responsibility, and take a stand for the wider transformative conversation. The final result could be a set of multi-stakeholder and multi-school summits that launch and evaluate prototypes for a transformed management education.

**WHAT IS POSSIBLE?**

I cannot pretend to know the content or outcomes of such dialogue, because I believe it will be profoundly creative. Acknowledging our ties to the current system – and our inauthentic ways of being amidst those ties – will free us, and open up a huge space of possibility. I do, however, see this inquiry leading toward sustainability in three important ways.

The first way is simple, almost definitional, if we use John Ehrenfeld’s definition: sustainability is the possibility of human and other life flourishing on earth for generations to come. In this perspective, our access to flourishing lies in creating flourishing here and now, through caring and authentic relationships with ourselves, others, and the world. Simply by providing real connection between people, the dialogues could unleash one aspect of human flourishing in business schools.

The second possibility is that the dialogues start to incubate a deeper understanding of what it means to pursue sustainability on a personal level. A number of thoughtful scholars have noted that sustainability is a property of a whole system, and we have to move away from our narrow view and interests if we are to achieve it. We have an imperative to shift “From Me to We,” or from “Egosystem to Ecosystem awareness.” My own perspective is that if such a shift is at all possible, it will not be through wishful thinking alone. The first step is likely to be coming clean with our ambivalence: we are all selfish and altruistic at the same time, we are concerned with the part and the whole, my salary and my impact. We can explore our (in)authenticity with play and lightness and, in doing so, we can create a way forward that would not be imaginable today.

The potential extends from the personal to the organizational level. My own dissertation showed how awareness of this part/whole ambivalence was essential to innovation in an organization selling energy efficiency services as a climate change strategy. This was in a public-private partnership, but a whole variety of “hybrid organizations” and responsible companies are finding the same challenge: authentically managing the tensions between part and whole. Think of Patagonia, grappling with the desire to reduce consumption but running retail stores around the world – its Black Friday 2011 ad impelling people “Don’t Buy This Jacket” has not stemmed their sales growth, and has actually built brand loyalty. I do not fault the company for this apparent duplicity; in fact they have been very authentic about the tensions of sustainability-oriented business throughout their history. They see that stumbling toward solutions means confronting ourselves. Put another way, this is a complex world, and we must complexify ourselves to meet it.

The idea here is that we can start in the community of management educators, advisors, and students. We can extend the conversation to companies that recruit on our campuses and that engage with our students.
and faculty. Perhaps, in time, we can serve as exemplars for business and society at large. The transformation may start, however, with a very personal inquiry that we can begin now.

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See [www.50plus20.org](http://www.50plus20.org) and its constituents: the Globally Responsible Leadership Initiative; the World Business School Council for Sustainable Business; and the U.N.-backed Principles of Responsible Management Education.


vi From Ehrenfeld, I change “forever” to “generations to come” because I work at MIT where people know the sun will eventually burn out, and may eventually welcome our robot overlords and post-human mutation.

vii Doppelt, B., *From me to we*, Greenleaf, 2012.

