

RETHINKING THE ROLE OF BUSINESS SCHOOL IN CREATING CORPORATE MANAGERS

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Abstract

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Distinguished from the traditional forms of business, namely proprietorship and partnership, a corporation emerged as a new type of business organization in the middle of the nineteenth century in American society, which accepted it only on the understanding that the corporate managers should be professionally well trained and socially beneficial (Khurana, 2010). In order to prepare these new professionals, the business schools came into being in America and elsewhere (Khurana, 2010). However, corporate scandals and financial crises of the late 20th and early 21st centuries posed a valid question about the originally expected role of corporate managers and, in turn, their educators, the business schools. This paper is an attempt to review the post-scandal notion of a corporation and the role of the managers propounded by Canals (2009) and others like Wilson (2004), Mesure (2008), and Koch (2010). It is a qualitative research that finds inadequacies with the existing scholarships and so re-conceptualizes corporation from a holistic perspective. Within that framework, it proposes that the business schools adopt a number of measures to prepare the corporate managers who would efficiently serve the interests of the shareholders and, at the same time, of other stakeholders equally including the society as a whole.

Keywords: Education, Teaching, Business Administration, Business Ethics, Management, Corporate Social Responsibility

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1. INTRODUCTION

Society is a community of humans, which needs various products and services to meet their daily needs. The corporation is there to supply these needs in exchange of money, which is, in other words, called profit. To make the products and provide services and to put them in the market for sale, the corporation is in need of knowledgeable and skilled management. Business school is the

source of that management. In other words, the managerial people get their knowledge and skills by studying at the business school. Thus, the relationship between the corporation, the management and the business school is very much intimate.

However, a series of incidents like a capital market crash, corporate scandals, financial crises has marred the image of business schools. Hence, scholars question their legitimacy in society and also

challenge the teaching and research that is taking place there (Canals, 2009). There are scholars who accuse that the business schools are losing government support and imposing higher fees on students to defray their expenses. Some are questioning their accreditation as well (Holland, 2009; Whitaker, New, & Ireland, 2016; Starkey & Tiratsoo, 2007). The business programs are alleged to be not relevant to the real world. As such, the managers are not sufficiently made ready for global challenges (Atwater, Kannan, & Stephens, 2008). The business schools need to produce graduates who can serve various areas of business instead of a few specific career subjects, such as hedge funds, private equity, investment banking, venture capital and consulting (Starkey, as cited in Davies and Howard, 2009).

In fact, business schools are important for any society because they produce business managers who are the actual drivers for corporations. That is why the above critiques should be taken seriously. Today's corporate scandals and financial crises are due to the socially and morally unequipped professional managers for whom the business schools are liable in turn. This thesis necessitates a review of the role of business schools. The present paper is meant for this end.

The rest of this paper embarks on the discourse in five sections. Section 2 reviews the existing literature related to the chosen area of research to trace the latest development of knowledge. Section 3 presents the methodology that has been adopted to conduct this research. Section 4 reveals the findings. Section 5 discusses measures to improve the state of knowledge on the topic in hand. Section 6 concludes the incumbent study.

2. LITERATURE REVIEW

2.1. Theoretical framework of business school as a social institution

Khurana (2010) gives an excellent sketch of the historical and theoretical background of corporate business in America, the rise of management as a profession and business schools as the educators of that profession. He informs us that in the middle of the nineteenth century corporations emerged as a new form of a business organization engaged in huge productivity compared to the traditional proprietorship or partnership businesses. One of the characteristics of this organization was that it was led by professional managers who took their position in between the owners and workers administering all affairs from production to distribution. In this way, they emerged as "visible hands" (Chandler, 1977) of the market compared to the traditional "invisible hands" under hitherto simple production system as described by Adam Smith in his *The Wealth of Nations* (1776). It was an untraditional profession, which American society could not easily accept. Therefore, the managers had to legitimize themselves by proving their value "as the natural leader of the emerging corporate order" (Khurana, 2010, p. 54). This required them to prove to society what they were doing. In other words, society expected them to be professionally well trained and socially beneficial (Khurana, 2010). It was expected that once these two elements would be there, they would likely to be recognized as a new

profession - institutional entrepreneurs - who worked for others (Khurana, 2010).

In order to obtain professional training and social recognition, the exponents of this new profession believed that education was the means to prepare them (Khurana, 2010). Accordingly, the first business school, Wharton, was established in 1881 at the University of Pennsylvania which was followed by Dartmouth and Harvard Universities. These were the earlier business schools in the American universities whose aim was to "provide a setting for the education of a new kind of manager who, instilled with the sense of social obligation derived from an elite background, would run corporations in a way consistent with the broader interests of the country" (Khurana, 2010, p. 58).

Thus, the philosophy of American business schools was to produce socially responsible managers. In other words, they should make business leaders for the social good. This is further underlined by an empirical study conducted in 1926 by Clinton Biddle of Harvard Business School. The study asked the question of whether business schools belonged to universities. The answer received was that if the business schools created merely technicians who made money alone, then they should not have any place in the university. On the other hand, if they created future business leaders, that would justify their existence (Nishizawa, n.d.). This answer is in line with the original mission of the founders of American universities: "instilling future elites with the characters, values, knowledge, and skills that would enable them to contribute to the common good" (Nishizawa, n.d.). In the same way, Carnegie Report presents this mission as a "social trusteeship, producing a class of responsible gentlemen, and a few gentlewomen, who would rule with a sense of the overall social good from within whatever professional sphere they were trained" (Estad, Harney, & Thomas, 2014, p. 459).

Following American business schools, which rose to 132 by 1930, other countries like Germany, the UK and Japan introduced business education within the university settings based on the same theoretical goal. For example, in Japan in the post-World War I era, the founders of business schools emphasized educating the corporate managers not "merely as businessmen", rather as "public men of the country" "working for the best interests of society" since success or failure of corporations depended upon them, which would affect people's lives (Nishizawa, n.d.).

Thus, as understood from the above, business schools were established in America and elsewhere to fulfill the demands of the society that their products, i.e., corporate managers should render social benefits side by side of maximization of profits for the shareholders.

2.2. Questioning business school's role in the post corporate scandals and crises era

As mentioned already, a number of corporate scandals took place in the late twentieth and early twenty first centuries, albeit their root may be traced as back as in the 17th century ("Tulipmania" in 1637", 2003). They evidenced the failure of corporate managers in carrying out their professional role including social responsibility

despite the fact that society reposed its faith in them. This, in turn, questioned the teaching and research activities conducted at the business schools (Canals, 2009). It is alleged that the business programs are not appropriate for the real world as a result of which their graduates are not fit to take challenges at national and international levels (Atwater et al., 2008). Business schools lack critical thinking being “stuck in something of a groove” (Starkey & Tempest, 2009, p. 576). They create “critters with lopsided brains, icy hearts and shrunken souls” (Stanford’s Harold Leavitt, as cited in Globally Responsible Leadership Initiative, 2005, p. 14). Their knowledge and skills in diversified areas of business are not above critique either (Starkey, as cited in Davies and Howard, 2009). Business schools are accused of teaching only quantitative management skills and techniques (Hawawini, 2005). A critique is further made that they are generating a huge amount of revenue. They are earning both local and foreign currencies. The UK, for example, earned \$640 million from foreign countries a year (Crainer & Dearlove, 1999). In this way, “business education is big business and for many, including business schools and their professors, a lucrative business at that” (Pfeffer & Fong, 2002, p. 78). Even the MBA program alone has become an “industry” (Gaddis, as cited in Pfeffer and Fong, 2002). Besides, there are scholars who accuse that business schools are losing government support and imposing higher fees on students to defray their expenses. Some are questioning the business school accreditation (Holland, 2009; Whitaker et al., 2016; Starkey & Tiratsoo, 2007).

2.3. Teaching about the corporation and corporate managers’ role at the business school

Since corporate managers are the leaders of the corporation, the business school should impart them first an appropriate understanding of “corporation” in line with the expectation of the society that has experienced the ills of the corporate fiascos. In turn, this will delineate the professional responsibilities of the managers, which the business school should teach them at the same time following certain methods and perspectives. “Promoting such notions and ideas will help business schools remake their role in society” (Canals, 2009, p. 9).

To help the business school reframe the notion of “corporation”, Canals (2009) defines it as “an organization, made up of people who work together for the purpose of producing goods and services for customers, creating economic and social value in the process as well as opportunities for professional and personal development” (p. 9). In other words, a corporation is an assembly of diverse people engaged at various levels of activities directed towards the production and delivery of goods and services. This is called the “process” whose ultimate “result” or “outcome” is profits (Canals, 2009). Profits are not the sole goal (but a goal), which are an obvious outcome of good professionalism of the people employed in the firm. Those people’s main target may not be the maximization of profits, rather doing good to society. Thus, Canals (2009) emphasizes the teaching and learning about this complex process of

profit-making and the improvement of this process and the people involved in it.

In his definition, Canals (2009) does not deny profit maximization as a phenomenon. Rather he underlines the social aspect of profit-making. In other words, he advocates that the corporation should work for societal interests and make a profit in that process. However, this may be an ideal view of the process of profit maximization by the corporation. This may not be the reflection of what happens in practice. In fact, it is the corporate leadership that matters. The leadership engages the people in the system of production and delivery of goods and services. What is in their mind when the leaders employ people? To maximize profits or to do good to all stakeholders - employees, customers, suppliers, creditors, regulators and the society as a whole? It is definitely a profit. They work for profit and make others work towards that goal. And there is probably nothing wrong with that because the corporation is a profit-making organization; it is not a non-profit organization. Through profit-making, the corporation contributes to the wealth creation of the nation as well. Therefore, corporations should be described as “what they do” (Mesure, 2008).

Besides, profit-seeking or making is not unethical. It is the purpose for which the owners of the firm establish it and engage executives to materialize it. Profit has to be earned both for the survival of the corporation and for carrying out its obligations to the stakeholders. For example, if the corporation does not earn profits, how can it fulfill its obligations owed to the employees, creditors, suppliers and other similar stakeholders? Wilson (2004) highlights this truth through practical corporate disclosures in that “the claim to be truly responsive to stakeholders and not only shareholders is quite superficial and will be suppressed at the first hint of a threat to profitability” (p. 23). As such, advocating that the corporation should not aim for profit, rather social good is a denial of truth. If the profit is not there, “it (the corporation) will have to stop operating when equity is spent” (Koch, 2010). Thus, “profit-seeking is not only an expression of self-interest or greed. It is a condition for continued operation (of business)” (Koch, 2010).

However, as said above, Canals (2009) does not reject the need for profits. He emphasizes serving well all the stakeholders and the society as a whole (“process”), which will earn the corporation profits (“result”) in the end. This proposed perspective has implications upon the business leaders including primarily the CEO, board members and members of the top management team who should make sure that “the company they serve performs its basic function in society” (Canals, 2009, p. 13).

The business leaders should be process-driven, in which case result (profit) will follow. If they are exclusively result-driven without any concern for process, “crisis will follow” (Canals, 2009, p. 13). As part of the process, the goods and services should be well designed, prepared and delivered efficiently so that customers are attracted, this will create economic value. At the same time, the employees should be given facilities and encouragement to learn. As a whole, society’s needs must be fulfilled (Canals, 2009). This will promote the company’s name and earn profits at the same time. In this way, the corporate managers should

serve the interests of customers, employees, shareholders and society (Canals, 2009).

The service perspective just mentioned is important both for the managers and the company. This needs, however, patience and tenacious efforts over many years. The board of directors should look for long-term profit instead of short-term. So, if, for the time being, the company does not make a profit, they should not fire leaders like the CEO or reduce their tenure. Rather they should allow them time so that they can keep their consistent efforts up and gain the ultimate result target (Canals, 2009).

The notion that leaders are servants deserves special importance. Business leaders should, as underlined above, take care of everyone affiliated with the company. They should put every other person's interest at least at the same level. They should not hanker after material gains alone. Like a surgeon who does not work only for his/her fees, rather he/she takes care of the patients' health first, a business leader should serve others at the foremost (Canals, 2009).

As proposed above, business schools should rethink both the notion of a corporation and the role of the corporate managers. It is true that they are not directly responsible for the traditional financial view of the corporation and the opportunistic perspective of the corporate managers. They are, however, to blame for being too sluggish to propose a more urgent and more inclusive alternative view both of the corporation and their managers (Canals, 2009).

3. METHODOLOGY

This is a qualitative research based on printed and electronic materials. In order to reflect upon the possible role of business schools in an era following the huge corporate and financial failures, this research considers it relevant to trace their historical background and theoretical underpinnings. The purpose of this approach is to determine whether the schools have shifted from the original rationale and purpose of their establishment as a new discipline within the university settings of the US and elsewhere. After this, the incumbent research endeavors to discover what the business schools do in reality. To this end, it reviews various scholarly works that came up with the findings that business schools are not functioning properly and satisfactorily in line with their original purpose.

At the backdrop of the above findings, this work further reviews literature on business schools' reforms because it is the business schools where "the foundations of the management profession could be systematically learned and developed and research could be conducted into management problems and challenges" (Canals, 2009, p. 2). Since they produce corporate managers, the literature underscores the need for change in their understanding of a corporation. A further review is conducted of literature that calls for change in the perspective and methods of the business schools' teaching and delineate the role of business leaders who can successfully serve the newly defined corporation.

Then, follows a critical analysis of the research done hitherto suggesting for reframing the business schools' notion of a corporation and the role of their

leaders. It takes a combined approach from a socio-economic perspective to define corporation for the business schools to adopt for teaching their graduates. In addition, it incorporates a new element of socio-legal acceptability in the notion of a corporation. For the acceptability purpose, it briefly underscores the importance for the corporation (represented by its managers) to abide by the legal requirements and social norms in producing goods, providing services and treating the stakeholders.

After defining the corporation anew for teaching purposes, this research proceeds to examine the business schools' possible approaches to teaching of the graduates who will be leading the corporations in the future. First of all, it compares two different approaches to teaching business leaders' role in society - one advocating for priority to shareholders over stakeholders while the other propounding for equal treatment between them. Second, it holds that the companies should give equal importance to the interests of shareholders and stakeholders. This will eventually enhance the reputation of the corporation and earn it a sustainable outcome (profit). Next, it briefly compares the available teaching methods and develops a new approach of holistic teaching with a view to creating capable graduates who understand not only business as a science, but also as sociology. Last, recognizing the importance of leadership studies emphasized by earlier research, this paper has formulated an outline of the curriculum from a liberal arts perspective.

4. RESULTS

4.1. Innovated concept of corporation for teaching purpose

As noticed in Section 2, the founding spirit of business schools was to make corporate professionals who would work for the benefit of society. Later, when huge corporate and financial crises take place, it creates doubt about the schools' role. Scholars put forward suggestions for them (business schools) to impart the prospective corporate professionals a reformed notion of a corporation and the role of corporate leaders. In his new definition, Canals (2009) emphasizes that the corporation serve the stakeholders' interests and make profits in that process. Thus, he prioritizes stakeholders' interests over shareholders'. We may call this societal approach to profit-making. On the other hand, Wilson (2004), Measure (2008) and Koch (2010) stress the fact that the corporation should be understood primarily in terms of its objective of profit-making, which it actually does in the real world. In other words, they give preference to shareholders' interests over stakeholders'. This may be termed as the economic approach to profit-making.

To us, both of the above approaches are equally important. We agree that the corporation must earn a profit, but not in an unrestrained manner. The profit-making must be legally and socially restrained. In other words, we would like to argue that the profit must be legitimate, in other words, legally and socially acceptable. By "legally acceptable profit" we mean that the corporation must not

engage itself in any business or in any act which is not allowed by law and thereby it will operate a business within the limits of the law. For example, it must not do woman or child trafficking. And by “socially acceptable profit” we believe that in making a profit, the corporation must meet the norms, standards and expectations of the society in which it operates. In this way, our approach is friendly with the business schools’ original objective, namely earning profit with equal importance to the interests of stakeholders and society as a whole. This is a holistic approach to defining corporations. This does not undermine or negate the economic reality of corporate existence, which is the generation of profit. Rather this perspective admits the truth of the economic reality. And at the same time, it does not grant corporations an unfettered license to make a profit. It conditions this with legal and social acceptability. It puts both economic and societal approaches to profit-making on an equal footing. One cannot be sacrificed at the cost of others. In this way, our perspective is unique, which defines a corporation as follows:

The corporation is an economic and social institution established to make legitimate profits for shareholders by producing and distributing goods, and rendering services to customers and also, on equal importance, to render benefits to all other stakeholders and the society as a whole.

According to this definition, the corporation is an economic organization as it is established to make profits by way of producing and distributing goods and rendering services to the customers who are the members of the society in which it operates. And it is a social institution because it serves the interests of stakeholders and society as a whole in the following manner.

First, customers’ interest comes in view because profit will come over time if the customers are happy. If profit is targeted alone, that will bring a short-term gain. In the long run, this will not sustain. Martin (2011) vividly shows this by comparing American capitalism with the National Football League, which managed for a long term by “maximizing customer delight”. On the other hand, American capitalism, notably the public corporations, targeted a short-term shareholder delight at the cost of the customers’ detriment (Orsagh, 2012). Therefore, the corporation should supply the customers with good products, which are beneficial for society as a whole.

Second, the corporation must take care of the interests of its employees. They are “the most important asset or pillar” as the success of the company depends on their mental, physical and intellectual contributions (Canals, 2009). First of all, employees’ dignity as humans should be recognized. When an employee realizes that he/she is being valued, he/she will be enthusiastic to work for the corporation. At the same time, they should be given necessary education, incentives for work and a fearless or frank and friendly work environment where they will be happy to put their energies and capabilities together for the betterment of the company, for the better production or services for the customers. At the same time, they should be ensured for their job security as well. For example, the unwritten or partially written employment contract may create in the employees’ minds lack of confidence in the company, which, in turn, is likely

to demotivate them to work for the company. That is why it is important to have the terms and conditions of the contract in writing and also to make sure that employees understand them (Muir, 1986). Again, there should not be any discriminatory treatment of employees based on gender or race. The corporation must take steps to remove such discrimination and make the disadvantaged employees confident of their equality with others through offering training meant for their empowerment (such as empowerment of the black), for their right and dignity against harassment, etc. (Echiejile, 1994). Furthermore, their economic needs must be met (Canals, 2009). The economic needs may include “housing, insurance, healthcare, schools, pensions and mortgages” the fulfillment of which may make the employees happy. And in return, happy employees will contribute to the development of the company. They “do not just reflect the brand, they create it” and their “motivation and loyalty is a driver of business success” (Lord John Browne, as cited in Leavy, 2016, p. 33).

Third, side by side of the promotion and protection of internal people, namely the employees, the society in which the corporation is established should also be taken care of equally. In this sense, it is a socio-economic institution, not an economic or business institution alone. Now, how can the corporation take care of society? The society has various challenges, such as education, research, unemployment, public infrastructure, environment and ecology, etc. The corporation must take an active part in addressing these problems instead of merely doing philanthropy (Canals, 2009). It has to endear society by resolving the problems and challenges. And it is not without return for the corporation in the long run. For example, if a company engages the local unemployed youth to work, that can benefit society. In turn, society can help the company. This is what exactly happened with British Petroleum (BP). When they went down to West Papua, Indonesia, to explore oil mines. They were under threat and trouble by separatists. The military was not enough for their protection. To solve the problem, they choose not to involve in the military-separatists conflict. Rather, they made a security team consisting of almost all from the local area and imparted them proper training. The police and military served as the second or third ring of protection on a when-needed basis. The security team did a “superb job” by protecting the oilfield project. They (the security team) took the project as something benefitting their community, which “(t)hey were proud to safeguard” (Lord John Browne, as cited in Leavy, 2016, p. 34).

Another example of serving society may be the environment. There is no denying that industry and business are responsible for carbon emissions and climate change. Companies should acknowledge their responsibility and should work toward the betterment of the environment. BP, for instance, worked with the regulators on the same negotiation table while policies were being formulated. They also engaged in cleaning up programs efficiently reducing damage to the environment. This proved them to be acceptable to the customers. At the same time, it uplifted the morale of the employees. As a result, “(a)n entirely new type of person, motivated to face the existential threat of climate

change, was attracted to the oil industry” (Lord John Browne, as cited in Leavy, 2016, p. 35).

4.2. Teaching the role of corporate managers

It has been correctly alleged that business schools’ teaching is not up to the real world’s need. They (if not all) teach qualitative management skills and lack leadership education. They are earning local and foreign currencies but losing government supports. Canals (2009) puts forward suggestions for business leaders to be process-driven. In other words, they should serve the customers, help the employees with facilities and fulfill the needs of society. From all these, it transpires that there is a need for improvement of business schools’ teaching methods and perspectives.

The next section of this paper discusses first the roles of corporate managers as the leaders of the socio-economic organization of corporation defined above. Then, it proposes and dwells upon a package of holistic teaching at the business school so that the managers can have a strong base of knowledge and necessary skills to solve problems of the day-to-day corporate life. Last, there follows a proposition addressed to the business school to design and offer a course on business and social leadership for the managers so that they can have the capability to successfully lead the corporation in the globalizing and ever-competitive world.

5. DISCUSSION

5.1. Teaching business leaders’ role within the redefined notion of corporation

As we have redefined the corporation, its leaders’ role needs to be reviewed. Our definition has placed the shareholders’ interests and the other stakeholders’ interests on par. It has delineated the corporate responsibility for the stakeholders beyond corporate social responsibility (CSR). In other words, the corporate purpose is not to merely “do good”, rather to “do well”, which warrants the corporation to balance the interests of all stakeholders (Wilson, 2004). Shareholders’ interests, namely profit-making, cannot be served at the expense of other stakeholders’ interests. This proposal is opposed to the traditional view according to which profit maximization is the main purpose of a corporation and the other stakeholders’ interests are subsidiary to it and considered as CSR. When the managers or directors are entrusted with carrying out the corporate responsibility within this framework, they are duty-bound to make sure that the company is maximizing profit. CSR is a secondary matter for them. The United Kingdom is a good example of this point. For the first time in 2006, the UK entrenched CSR obligation in the Companies Act. Section 172 requires a director to “act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole”. In accomplishing this task, the director is also required to have regard, among other matters, to the following:

- the likely consequences of any decision in the long term;
- the interests of the company’s employees;

- the need to foster the company’s business relationships with suppliers, customers and others;
- the impact of the company’s operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- the need to act fairly as between members of the company.

However, this provision has not placed the shareholders and stakeholders on an equal standing. Rather a hierarchy has been established. Promoting shareholders’ interests as a whole is dominant over other stakeholders’ interests. Stakeholders’ interests will be considered only to the extent it promotes the shareholders’ interests (Keay, 2010).

For the above reason, this paper has proposed a definition of a corporation balancing the interests of both the shareholders and stakeholders. It is the corporate senior managers who do this job in practice. Our new definition will change their duty. They will serve the stakeholders and thereby will serve the shareholders. Serving the stakeholders is the “process” and serving the shareholders is the “result” (Canals, 2009). Now, how the “process” is to be served? It will be served by attracting people through the company’s mission and activities. The goods and services it sells must be well designed, manufactured and delivered creating economic value, employees must be made able and knowledgeable to serve the customers, and above all the company must be engaged in meeting society’s needs (Canals, 2009). If this process is served, the result, i.e., the shareholders’ value will be gained. Earning the results without serving the process may yield profit but for the short term. Conversely, if the process is served, results will be gained, if not immediately, but surely eventually and for a long-term basis (Canals, 2009). In this context, Unilever would be a good example. When Paul Polman was appointed the chief executive, Unilever’s business fell. But Polman was not worried about this short-time fall. He could make a short-time economic gain by selling an increasing amount of products. He did not do that. He focused on selling products that were useful for the customers, beneficial for suppliers and were environment friendly. His commitment to the social purpose produced a “tangible” result by generating huge shareholder returns, creating higher revenues, uplifting the livelihood of suppliers, improving one billion people’s health and well-being and contributing healthy environment (Lord John Browne, as cited in Leavy, 2016, p. 37).

5.2. Teaching methods: Holistic approach

The business school has to meet social expectations – expectations for serving society. And to serve society, the first tool is its teaching and research. It has to create, by teaching, people who are imaginative and creative business leaders with deep insight into society who can find solutions to social problems like education, health, pension reform and welfare (Canals, 2009). This requires a change in the teaching method. The traditional method of lecturing and theoretical discussion may not create such capable leaders. This may create new graduates with certificates in business studies. They may learn some technical things like accounting or marketing

techniques, which are important for the operation of the business. But this does not produce social thinkers who understand business and society relations, can analyze factors liable for social problems and can address them effectively. For this reason, Canals (2009) suggests the introduction of leadership studies and case studies in the business school curricula. However, we propose to take a different approach to teaching. In our view, the lecture method may have limitations, but it is not all bad. At the same time, case studies and leadership studies or interdisciplinary studies are also relevant. Given today's complex role of the business manager and the complicated nature of successful education (Škudienė, 2012), we believe that there should be a combined method of teaching, which will include lecture, problem-based learning (PBL), and case study. We shall reflect upon the development of the leadership curriculum under a separate head.

5.2.1. Lecture method

The lecture method gives students the conceptual or theoretical knowledge, which is the entry point to the knowledge framework for any phenomenon. For example, students of financial market analysis must know the basics of this area of knowledge. To efficiently analyze the financial market, the students must learn the finance theory that "offers certain predictions about how an efficiently organized financial system operates" (Blake, 1990, p. xi). Students must have to learn these predictions to understand the practice of financial market analysis. The theory will teach them, for example, how securities like bonds and shares should be analyzed, then how the securities should be structured in portfolios and how these portfolios should be managed. Then, they will be able to compare the practice of securities analysis and portfolio structuring and management with the theory they have learnt. In this process, they can evaluate how well the theory is being practiced in the day-to-day market scenario.

5.2.2. Problem-based learning (PBL)

This is a self-directed learning method. In this process, students not only gain knowledge; they also learn problem-solving skills, which is essential for a future career when they will have to handle practical life issues. In this process of learning, students handle open-ended (also called "ill-structured") problems through the facilitation of the teacher. In other words, the teacher does not disseminate knowledge in the same way as lecturing. He/she guides the students who actually take an active part in solving problems constructed by him/her (teacher). The students may have some preliminary ideas about the concepts involved in the problems or they may not know at all. Rather they will learn the concepts by themselves and devise or choose the method of learning those concepts by themselves. Thus, "PBL shows innovation comprised of four elements: an ill-structured problem, substantive content, student apprenticeship, and self-directed learning" (Gallagher, 1997, p. 332).

In this method of learning, the teacher asks the students to make groups and to learn in groups. This group work has certain merits. First, the group

work contributes to the development of a community of learning where the students feel comfortable to create and share ideas with each other. Second, it develops their communication and management skills. Last, it creates a sense of cooperation with each other and accountability to the group for work (Cohen, as cited in Stanford University, 2001). Thus, it helps students obtain their achievements (Stanford University, 2001). Of course, the facilitator has an important role to play. And that is to make sure that students are working in a group spirit. Some students are not good at group work. The facilitator should pay attention to this issue and inspire group work (Bridges and Hallinger, as cited in Stanford University, 2001). Another important factor for group work is that that study problem must be "well-designed" and "open-ended" requiring "input and skills of all group members" (Stanford University, 2001). The problems are called open-ended/ill-structured because they have the following hallmarks:

- Students need more knowledge than their preliminary knowledge (learned through the lecture/preliminary discussion), which drive them to search for knowledge.
- There are a number of ways to the solution to the problems.
- The students perspective may change with gaining newer information.
- Students are not told that they have made the right decision and this stimulates further learning.
- Being open-ended, the problems call for collaboration.
- The contents are authentic to the discipline the students are learning (Allen, Duch, and Groh, as cited in Stanford University 2001; Gallagher, as cited in Stanford University 2001).

Thus, "(s)tudents learn best by constructing solutions to open-ended, complex, and problematic activities with classmates, rather than listening passively to lectures" (Stanford University, 2001, p. 3).

5.2.3. Case study method

While PBL is an open-ended method, a case study "describes a real situation experienced by an organization at a particular moment" (Sanchis, 2007, p. 2). In such a study, the students put themselves in the place of the management and explain how the management has tackled the situation (Sanchis, 2007). In this way, they can come closer to business practice (Gawel, 2012) and equip themselves with skills to handle situations in real world business practice. They can learn how the conceptual framework taught in the lecture method is employed by the management in the given case study. This method of teaching can assess students' decision-making skills when they are asked to apply their knowledge to a fact situation (Stanford University, 1994).

To sum up, the combined method of teaching, discussed above, "has the potential to greatly enhance learning, improve student retention, encourage student thought and reflection, and better develop entrepreneurial skills and competencies associated with the entrepreneurial mindset" (Morris, 2017, p. 1).

5.3. Development of curriculum for business and social leadership courses

The managers' prime role is the leadership or decision making (Martinsons, 2006), which requires, among other things, two important factors, namely cognitive perception of the matter they need to make a decision about and their judgment on it in a given circumstance (Rowe and Boulgerides, as cited in Martinsons, 2006). Managers' only-business knowledge and skill cannot efficiently help them make a decision. They are required to have liberal education or, in other words, knowledge of liberal arts and sciences, which include philosophy, science, math, history, English, modern languages, etc. ("Liberal arts", n.d.). Thus, a bilingual professional may have stronger creative thinking skills than a monolingual one (Sehic, 2017). Again, a course on English for Business Communication teaches how English language can be a matter of challenge for business professionals and how to get that skill (Hsu, 2016). English language course may also teach how. Thus, the knowledge of combined areas of arts and sciences will enable the managers to understand their professional role in a greater social realm. This has been the finding of the Business, Entrepreneurship and Liberal Learning (BELL) project, an initiative of The Carnegie Foundation for the Advancement of Teaching (Colby, Ehrlich, Sullivan, Dolle, & Shulman, 2011). Researchers involved in this project visited various business schools and examined their curricula for the undergraduate program. They came up with a finding that business education that creates only technicians cannot address real business world problems unless it combines this with liberal arts and sciences (Colby et al., 2011). "Seeing and understanding more than one perspective is required for the achievement of several outcomes, including problem solving, intercultural effectiveness, and the integration of learning" (King, Brown, Lindsay, & Vanhecke, 2007, p. 4). This is far more important in the currently globalizing world where in different cultures managers make a decision in different ways (Martinsons, 2006). As such, it may be useful to have a course at business school on the comparative decision-making process in various cultures so that the business graduates can have "actual access to being a leader and the effective exercise of leadership as their natural self-expression" (Erhard, Jensen, Zaffron, & Echeverria, 2020). This approach of teaching is also important for business leaders to learn new skills needed by the change of time like digital marketing skills in this digital age to understand and improve the effectiveness of marketing (O'Connor, 2015). Integration between the Academe and practitioners is urgent to meet the change leadership in the future (Jick & Stutevant, 2017).

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6. CONCLUSION

Corporations, as a form of business organization, are historically based on the expectation of society that they would render benefits to all stakeholders instead of only making a profit for the shareholders. Being their leaders, corporate managers are the real drivers for the attainment of this goal. And they are academically prepared by the business schools. As such, there is a triangular relationship between these three - corporations, corporate managers and business schools. This being the case, for the failure of corporations to serve the original purpose of their establishment, their managers would be held liable and also their makers in turn - the business schools. That is exactly what happened following the corporate debacles of the later 20th and early 21st centuries. As such, this paper has considered it timely to review the business schools' role in the making of corporate leaders. And to do so, it has reconceptualized the corporation as a socio-economic organization. As an economic organization, it will earn profit for shareholders. At the same time, as a social organization, it will serve the interests of all the stakeholders including society in general. Both economic and social ends will be evenly served. Thus, this paper proposes a fresh definition of "corporation" for the business schools to teach the students and thereby to reform their perception about the corporation. As a result, they will come out as graduates with a mind-frame to serve others and to make a profit in that process. In other words, they will be both profit-driven and service-driven. By making a profit, they will meet the expectations of the investors/shareholders for monetary return from their investment. And by serving the stakeholders like the customers, employees and society, they will attract them to be affiliated with the corporation and thereby to contribute to its promotion. In this connection, it is suggested that the government mandate the attainment of social goals both for the corporations in their businesses and for the business schools for their teaching and research.

Along with the perceptual reformation, the business graduates need professional knowledge, skills and capabilities, especially in the time of globalization. To this end, this work has proposed methods of holistic teaching including lecturing, problem-based learning and case study. Side by side, it has proposed for the development of business and social leadership courses based on liberal arts and sciences, which are essential for business leaders to successfully lead corporations in the competitive world.

It may be noted that being a qualitative research, its findings and recommendations have not been tested by any empirical data. This is its limitation, which may be cured by further investigation.

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