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The Enlightened Executive: Management and the Humanities

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Executive Summary

The Humanities have been part of the higher education curriculum since the first universities were created. Their fundamental purpose was to nurture the virtues or habits required for social coexistence and civic behavior within a tradition of human values dating back to antiquity.

It could be argued that business education has two objectives: on the one hand, to train competent and employable entrepreneurs and managers who are knowledgeable in the most up-to-date management techniques; on the other hand, personal development as committed and responsible citizens. To achieve these objectives, management programs should include not only technical courses in traditional disciplines such as finance or marketing, but also subjects or sessions imported from the humanities, which develop facets related to personal development and a worldview. Business schools aim to create well-rounded managers, enlightened directors who are cultured with a solid grounding in the arts and history of their own and other cultures, thus better enabling them to lead multicultural teams. Studying history provides key references that enable directors and executives to take better business decisions on the basis of an understanding of the experiences of the past.

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Moreover, professional practice would benefit from ascribing management, as an academic discipline, not only to the social sciences but also to the humanities, broadening the topics and methodologies of research, as well as breaking down the silos between the different areas. The humanities act as the mortar of knowledge, holding fundamental management topics together while exploring integrated visions and tempering excessive specialization.

The Academic Evolution of Management. From the Social Sciences to the Humanities

The advent of management as an academic discipline is a relatively recent phenomenon. The *écoles de commerce* that emerged in France in the late nineteenth century offered vocational education but were not recognized by universities [1]. In the United States, the first business schools appeared at the beginning of the twentieth century, also to provide a technical education and prepare executives in nascent industries such as railroads and steel, [2] as well as professionals tasked with setting up the international trade structures of the U.S. federal administration.

The technical nature of the knowledge developed and taught in business schools experienced a turning point at the end of the 1950s, when a report by the Ford and Carnegie Foundations in the United States recommended that these centers develop more academic research, following the methodology characteristic of other social sciences, such as economics or sociology [3]. Since then, there has been a boom in research output in the field of management, along with the creation of new academic journals in various disciplines, driven by the strength and resources generated by business schools. [4] The result is a self-sustaining academic marketplace.

This impressive deployment of academic research in management, relevant insiders and academics has sparked a debate about whether its nature has been distorted and has lost impact. As Wharton's Paul Schoemaker has observed: "the field has strengthened its academic position by promoting professors with deep scientific roles (...) over time, however, these academics often took business research in directions that are no longer understandable or relevant to business students and managers" [5]. Criticism of irrelevant research produced by business schools is a constant theme in articles written by many]top academics [6].

In their 2005 landmark article for the Harvard Business Review, *How Business Schools Lost Their Way*, Warren Bennis and James O'Toole lay the blame for what they see as business schools' failings on a system in which academics

fear being seen as interested in disseminating their ideas to the general public, which could be seen as demeaning their research. To avoid this risk, they seek to satisfy the interests of their colleagues, looking only at methodology-related topics and avoiding issues of real use in the professional world. In their view, the system creates pressure on academics to publish articles on specific topics of interest mainly to other academics, but not to the world of business [7].

Similarly, Jeffrey Pfeffer and Christina T. Fong of Stanford University [8] have questioned the direction academic research has taken in recent years and its impact on the professional world. They point to three barometers to assess the impact of research conducted by business schools in the real world. The first is an analysis of the origin of BusinessWeek's top ten business books over two decades, during which only four of the 10 most popular books were written by academics.

The second is based on the list of the concepts and analytical frameworks used to illustrate management practices and to enable decision-making prepared by Darrell Rigby, author and head of Boston-based consultancy Bain & Company's Global Innovation and Agile Practices [9]. Rigby selected the 25 most popular management tools, based on a list of books published by Dow Jones Group, together with interviews with academics and company managers. His conclusion was that only eight of these analysis tools originated in business schools, while 17 came from consultants or corporations.

Pfeffer and Fong's final source for demonstrating the gulf between academic research and the real world is based on a study by Barley, Meyer, and Gash [10] of the language and tone used by academics and managers, respectively, when discussing organizational practice. They conclude that while academics are increasingly influenced by the literary constructs of managers, the reverse is not true for managers. These three barometers led Pfeffer and Fong to the conclusion that business research and the actual problems faced by business managers in their daily lives are increasingly diverging.

Business schools are not alone in being criticized for the irrelevance of their research. There is also debate about the disconnect between academic output and professional interests in the fields of, for example, the philosophy of law, [11] or architectural theory [12], both areas of eminently applied character, where the subjects of analysis should be the problems of actual practice. I suspect that lack of relevance is a potential problem for all areas of research, particularly in clinical disciplines.

In his *Theory and Practice*, the Enlightenment philosopher Immanuel Kant argued that there is no substantial difference between what might be called theoretical research and applied research. There is simply good and bad research: good research is consistent with the real world and compatible

with applied problems; bad research is sterile intellectual speculation [13]. His assessment is equally relevant today.

If business schools are to produce more relevant research, they will need to find ways to strengthen the links between academia and business. The London Business School's Costas Markides, talked about "ambidextrous professors" [14], arguing that it may be a mistake to underestimate both the value of academic research and that we need to see things in global terms. This in turn will lead to the demise of a fundamental and highly valuable approach that has endowed the management knowledge base with rigor. According to Markides, it may also be a mistake to encourage organic separation in the structure of schools between academics who are interested in academic research and what he calls professors of practice. Markides' proposals to encourage younger academics to publish not only in academic journals, but also in professional publications, are one way forward. This can stimulate the transfer of academic research to the teaching and outreach environment, as well as encouraging cooperation between companies to identify new ideas and research models.

Drawing on his experience in executive education at IMD, Peter Lorange [15] has also highlighted the need for business schools to adopt a "two-way interactive approach, where propositional knowledge meets prescriptive knowledge." This virtuous cycle can be seen in executive education programs, or MBAs, where participants have considerable experience, giving teachers the opportunity to benefit from feedback from the professionals who attend their classes.

In the same vein, myself and my colleague at IE University Salvador Carmona have argued that the increasing irrelevance of some business school research may be down to reward folly, that is, the system of recognition and compensation that exists in general in the academic world [16]. In this sense, relevance to external stakeholders is expected, but relevance to academic stakeholders is rewarded by evaluating the performance of their researchers, primarily by publication in academic journals. It would be desirable for business school research to combine internal and external validity, which would involve business school faculty members conducting rigorous and relevant research and interacting with practitioners. Persuading faculty members to combine research and teaching activities, as well as interacting with industry to disseminate their research results, would require a comprehensive transformation of recognition and compensation systems, as well as an emphasis on the external impact of research, a Herculean task. In addition, these changes would have implications for leadership, the structure of business schools, and the resources available to faculty members.

Perhaps part of this change could be brought about by broadening the ascription of management research from the social sciences to the humanities. An interesting proposal sponsored by the Carnegie Foundation, which sponsored the aforementioned scientific turn in management sixty years ago, could offer a way forward. The Carnegie Foundation's 2011 report, *Rethinking Undergraduate Management Education: Liberal Learning for the Profession*, [17] recommends that the BBA (Bachelor in Business Administration), which has become one of the most in-demand programs in both America and Europe, adopt an open approach, similar to that of undergraduate programs in the liberal arts. This could also give the humanities a greater presence both in the curriculum of management courses and in the research carried out in business schools. It would also help break down the silos that so much academic research takes place in at university departments, promoting cross-disciplinary research between Humanities and STEM areas and breaking down the fallacious separation between "soft" and "hard" areas in the process.

The professional reality also belies this separation between the sciences and the Humanities: many of today's most successful technology entrepreneurs have bachelor's degrees in the liberal arts, even if they later specialized in technical studies at the master's level. As *The Fuzzie and the Techie* author Scott Hartley explains, the professional profiles of "techie" have traditionally been contrasted with "fuzzies," the terms used at Stanford University to designate STEM students versus humanities students, respectively [18]. However, in my opinion, the ideal graduate profile integrates both facets; that of a professional with a broad worldview, cultivated and enlightened, yet with a solid understanding of technology, programming and data management. Hartley provides a long list of current business leaders who combine these two indissoluble parts of the true entrepreneur. He also provides powerful arguments about how to solve the problems posed by the development of technology and the new inventions of artificial intelligence, insisting that they require a philosophical and humanistic perspective.

This evolution toward the humanities is also reflected in the growing number of business schools that have introduced liberal arts subjects into their curricula. Making the Humanities a core part of all degrees will cement the learning experience and develop open-minded and well-rounded graduates. This spirit inspired the Executive MBA program launched a decade ago by IE Business School and Brown University. We believe that by teaching modern art, for example, we nurture in participants skills such as perception and observation, typical of artists and architects, which may help managers, traditionally oriented toward action, to be more reflective while assessing risk. Courses on foreign cultures may help them better lead cross-cultural teams in

their global companies. Modules on critical thinking may be of use to question unethical decisions imposed by their bosses in the future. Indeed, it is time to bring all the benefits of classical education to business schools [19].

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