

How Purpose Beyond Profit Can Reboot and Reignite Business Schools



Business education requires a hard-reset, assert Profs. Tanusree Jain of Trinity Business School and Julian Friedland of Metropolitan State University of Denver, as they point the way ahead for those in business and academia alike.

Related research:

Reframing the Purpose of Business Education: Crowding-in a Culture of Moral Self-Awareness, Julian Friedland and Tanusree Jain, *Journal of Management Inquiry*, online first 2020. *From Homo-Economicus to Homo-Virtus: A System-Theoretic Model for Raising Moral Self-Awareness*, Julian Friedland and Benjamin M. Cole, *Journal of Business Ethics*, 2019.



ISBN: 978-2-36456-229-5

An alliance with a purpose

THE 3 Ps IN A CoBS POD

 **PERCEIVE**
with a set of key takeaways

 **PROJECT**
with food for thought: on yourself, your organisation and the wider context

 **PERFORM**
by putting it all into practice using action tips





● PERCEIVE with a set of key takeaways

- Corporate executives, B-school students, and thought leaders are all looking at business from a new lens – of CSR, sustainability, and spirituality – ending the rein of the paycheck as the sole measure of success.
- Business schools are perceived as a shortcut to success, measured more in terms of money than by the quality of education, even by influential ranking lists. However, given increasing student interest in achieving a higher purpose as well, universities are being called upon to instil and fulfil social purpose.
- In order to reframe their conception of business purpose beyond mere financial success and shareholder value, and to strategically position stakeholder and social responsibility, business schools can emphasize moral self-awareness (MSA).
- MSA is a motivational system comprising 4 developmental levels, driven by pride and potential shame avoidance – useful in developing civic-minded behaviour in humans.
- The first level of MSA – social reflection – involves people altering their behaviour after they get to know something that shames them or makes them feel guilty. The next level – self-reflection – is about doing the right thing after seeing the positive example of others doing so.

The third and fourth levels of MSA involve future-oriented and proactive levels of self-reflection.

- Purpose and motive should not be mixed up as it can lead to deep problems. As such, the purpose of business is to provide goods or services that increase welfare for at least some section of the society. On the other hand, the motive – or 'why someone engages in business' – could be the hunt for profits or efficiency, among others.
- Business schools can use MSA as a tool to educate students on the nuance between the purpose and motive of business.
- There is a need to impart education that motivates students to be 'good people' as they move forward in their careers. And the knowledge that ethics is a key part of what success is all about.
- Ethical reasoning can be taught through syllabi that take into account extra-curricular activities in different courses.
- Reward – or punishment – should only be representative of contributing – or not – to greater good.
- A paradigm shift in business education is definitely needed to accelerate us towards daylight.



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PROJECT with food for thought

- What do you think are the top priorities of the current generation of business leaders?
- To what extent is your business school pursuing a purpose beyond profit? In other words, what level of MSA does the organisation demonstrate and what strategies/activities does it undertake to qualify for that level? If your answer to the previous question is a level 1 or 2, what strategies/activities do you think the organisation can take on to achieve a level 3 or 4 MSA?
- Does your school stand out in rankings such as Better World MBA and Times Higher Education that do not focus on financial success alone?
- How important is it from your perspective, that business schools integrate a purpose beyond profit into their business model to stay competitive in the future?
- Where, if any, do you think the institution has the greatest need for improvement regarding activities beyond creating profit?
- To what extent is your school taking into account non-financial factors alongside financial parameters for strategic decision-making?
- How do you define success for your business school? Do you measure specific non-financial factors? If yes, what are they?
- Are ethics, CSR, and sustainability covered at your institution? If the topics are included, are they addressed in mandatory or optional courses?
- What steps does your organisation take to inculcate social responsibility among students?

To what extent does the institution equip its students – the leaders of tomorrow – with tools to strike a balance between monetary and sustainability goals?

- What do you think could be done to develop ethics in business education?

Thoughts



PERFORM

by putting it all into practice



CHECKLIST

- 1. A good score and a minimum liquidity Break free from the standard misconception of professional success as profit,** power, and celebrity. Redefine organisational success by factoring in metrics such as the degree of intellectual challenge balanced with the intellectual support business schools provide, alumni life satisfaction post-graduation and alumni career choices in more responsible organisations such as B-Corps.
- 2. Design a syllabus that teaches ethical** reasoning through extracurricular activities in different courses.
- 3. Anchor MSA into new and existing business course** modules as well as in the overall promotion of the school.
- 4. Target students and hire faculty** who are already keen in areas such as social responsibility.
- 5. As curricula is moving increasingly online,** facilitate the adoption of digital platforms that offer tools for students to track their own behaviour (such as those on carbon footprint and screen time productivity) to promote better habits.
- 6. Have compulsory learning in areas such as philosophy,** critical thinking, CSR, and ethics, allowing students to refresh their value education. Include case-study approaches as well.
- 7. Change the tone of promotional events and school literature,** and highlight alumni who have had successful and deeply satisfying careers in the social contribution sense without necessarily achieving great wealth. Invite such alumni to speak, for they will give first-hand knowledge on how they made it. And use these insights in the classroom to guide students from the first and second levels of MSA to the third and fourth.



Getting involved

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