

HOW CAN WE EMPOWER A NEW GENERATION OF BUSINESS LEADERS THROUGH ETHICAL MANAGEMENT EDUCATION?

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For more than 100 years business leaders traditionally have been trained technically and ethically in business schools. Therefore, the impact of these institutions has been significant in the building of the cultural and ethical norms of the business community. The financial crises and corporate scandals of the last decade, particularly the 2008 crisis, have prompted major criticisms and internal revisions of the responsibility of business schools and the quality of their instruction. The objective of this article is to challenge the main assumptions behind the current ethical education business leaders acquire in business schools and to offer an alternative paradigm. The article has 2 parts. The first part makes a review of the current role of business schools in the education of business leaders and the main principles behind the ethical content that is offered with particular attention to the ethical theory of utilitarianism. In the second part, the author challenges utilitarianism, presenting humanistic management as an alternative. In order to do so, the author describes the principles of humanistic management and key guidelines for its introduction in management educational programs.

THE PROBLEM

What Is the Role of Business Education?

A business school has to be a place where students can learn skills and knowledge that will enable them to figure out ways to solve the full range of difficulties related to running businesses in society.

These difficulties are very complex from the onset as they always include a product-related angle as well as a people-related

angle. This is the reason why from the very beginning business schools were launched in order to educate business leaders with a solid intellectual foundation. Khurana and Penrice argue that the first American business school, Wharton, was set up as a university-based business school with the objective that “management could be conceived as a science and transformed into a profession on the model of the ‘high’ professions of medicine, law, and divinity” (Khurana & Penrice, 2011, p. 4).

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A business schools' primary role is to educate current and future business leaders in order that they can deal with the complexities of business life. If any educational process is to be adequate, it must be aimed at the person as whole: reason and will, values, and behavior.

Business managers need to realize first that we cannot study and control people's behavior and values in the same way that we study and control "scientific objects" in natural sciences. This distinction has not always been clear in business schools, bringing the academic training focused on quantitative subjects and a pragmatic view of a business. According to Goshal (2005), the so-called "scientific approach" to understand and guide human behavior is very attractive as it creates a perception of rigor and it notoriously simplifies the dynamics of human activity. Under this approach, everything seems to have its logical answer. Managers' work is then noticeably easy as far as management is understood as "a mere technical function and its execution as giving an order to and controlling worker performance" (Melé, 2013, p. 54).

There are anthropological and ethical assumptions behind this lack of consideration of the human side of the business. In a seminal work on management education, Goshal would pose as a fundamental dilemma "what, *specifically*, have been these worst excesses of recent management practices, and *how*, exactly, do these bad practices have their roots in the reigning ideas of business schools?" (Goshal, 2005, p. 75, emphasis in original) This article will try to uncover these "reigning ideas" and will offer alternatives.

The relevance of this discussion is underlined by the substantial influence business schools have on the world and how the world operates. The operation of a business school is profound in numbers and is nothing to belittle. The average full-time MBA tuition rates, the most popular business school program, are skyrocketing, averaging at \$34,608 a year for in-state tuition and \$42,891 for private tuition. The average disciplines within the MBA degree are accounting, finance, management,

and general business. Business education is growing globally at a steady rate as the demand is becoming colossal. This growth is reflected, for example, in the size of the budget of business schools. According to the annual report of AACSB International (2016) the average operational budget of a business school is \$29,008,904. When working with such finances and in such a paramount sector of education, exceptional instruction is imperative. Across all continents, almost half of all operating funds goes to instruction and professors. Hence, professors in business schools become serious influencers and can have substantial effects on not only students, but the future of business as we know it. "The MBA has emerged as the only global degree in the sense that its model of education is relatively homogeneous worldwide (Mintzberg, 2004). Business schools have proliferated and continue to grow at a rate faster than any other part of the university" (Starkey, Hatchuel, & Tempest, 2004, p. 1,521).

In a nutshell, a business school's role is to educate in dealing with complex business problems taking seriously into consideration the people angle of these problems. However, this angle has not been always relevant or at least predominant in business schools. There are anthropological and ethical assumptions behind this lack of consideration of the human side of the business. Furthermore, despite its critics, the institution of the business school still enjoys a sizeable impact and presence in the world of business and education. Therefore, if we want to impact the ethical character of business leaders we need to do it through business schools and we need to review what business schools are doing and how they construct their ethical content.

What Is the Current Role of Ethics in Business Education?

"Business is an ethical activity" (Gandz & Hayes, 1988, p. 658). This statement is not to be belittled, as business activity could not exist without proper respect of laws and contracts.

Business requires people to refrain from corrupt business practices, pay bills when they are due, and be generally honest in their dealings. Losing confidence from the public in business dealings could be detrimental. “To retain and build public confidence—and, therefore, retain its freedom to operate—business and business managers must conform to societal expectations about how businesses and managers should conduct and comport themselves” (Gandz & Hayes, 1988, p. 658).

There is a very close reciprocal influence between corporations and business schools when defining what business is and therefore which behaviors and principles have to guide activities within its frame. Goshal would remind that “even those who never attended a business school have learned to think in these ways because these theories have been in the air ... shaping the intellectual and normative order within which all day-to-day decisions were made” (Goshal, 2005, p.75).

The recent economic and financial crises, and particularly the crisis in 2008, have been clearly exposing some regrettable aspects of the acceptable ethical standards. Due to the mentioned interrelation between corporation and business schools, these crises have triggered questions and concerns about how we are educating business leaders. “The business school champions the interest of shareholder value at the expense of social capital” (Starkey et al., 2004, p. 1523).

These concerns have been underlined given the visible impact of the business sector on the total wealth and distribution of wealth of the societies where it operates. Some businesses are even so large, that their operations can be considered of strategic relevance for a whole society. Thus, their leaders should be ready to be accountable not just for the company’s specific business but also for the general health of the society they serve. The quality of the training of business leaders can either support or decisively hinder the level of equality, justice, and poverty of a society. Critics, in this sense, have identified the following shortcomings in providing proper ethical standards in business education.

First, educational programs are mainly centered on the functional and mechanical knowledge that does not include the consideration of business as an institution involved in a different *ethos*, and therefore as part of a broader context that requires attention. Second, critical thinking does not always have an important position. Students are not challenged enough to acquire the skills of facing and understanding business problems as having a multifaced reality that needs a comprehensive approach. “While a business school involved in training and development of managers and executives may contribute only marginally to the shaping of personal values, they can legitimately and effectively teach the essential tools of moral reasoning—*deliberation and justification*” (Gandz & Hayes, 1988, p. 659, emphasis in original). Third, there is no significant attention to acquiring a more critical view of the ideological background of their practices. In the end, as Goshal says “practical men, who believe themselves to be quite exempt from any intellectual influence are usually the slaves of some defunct economist” (Goshal, 2005, p. 75). Fourth, there has been complacency inside the business education sector on its prevailing anthropological assumptions. The authors of one of the latest movements promoting a new vision of business education, the *50+20 initiative*, properly state that “the management school of the future understands that transforming business, the economy and society begins with its own internal transformation” (The 50 + 20 agenda, 2016). If business schools don’t challenge themselves on their own views, then they cannot expect their students to do so either.

Summarizing, business schools play a role in the formation of the ethical standards of the business community and its impact on the overall development of the society. Therefore, the ethical content of business education is not indifferent though it has been so far undermined with important shortcomings that need to be addressed.

The Impact of Utilitarianism in the Current Delivery of Ethical Content

What is the reason of the above mentioned shortcomings? A simple observer might think that it's just lack of interest on the side of the business school's students and corporate clients. However, as Goshal (2005) said, there are "reigning ideas" or assumptions behind the practices of business schools. One of the most influential is utilitarianism. Several studies came to the conclusion that there has been a significant move in the direction of utilitarian or compliance-focused attitudes in business ethics (Price & van der Walt, 2013).

"Utilitarianism is a philosophical line of thought whose aim was defined by Bentham (1815) as maximizing the utility or happiness of the greatest possible number of people" (Renouard, 2011, p. 86). Even without any philosophical consideration, utilitarianism as the main ethical standard in business is challenging from the onset because "maximizing global or relative utility doesn't take into account the distribution of wealth and creates an increase of inequalities in the society" (Renouard, 2011, p. 86)

Utilitarianism is "the idea that the notions of good and bad are merely statements of individual preference based only on the pleasure or pain that a choice might cause, and that the common good, if it exists at all, is merely the summation of individual goods" (Medaille, 2007, p. 13). Business becomes "simply a nexus of discrete human actions described as transactions or exchanges with costs and benefits associated with them" (Johnson, Naughton, & Bojan, 2013, p. 70).

Utilitarianism makes ethical standards simple though narrow. "As far as utilitarianism is concerned, insisting on maximizing economic value may lead to three difficulties: first, increasing the inequalities between people and between groups; and second, putting too much emphasis on material wealth and economic value creation, and thus neglecting other aspects of well-being" (Renouard, 2011, p. 85). A utilitarian vision of ethics, which in itself it is a narrow vision of ethics, just

enforces a very limiting paradigm of the firm: its purpose is only to maximize the shareholder value. It can lead to disengagement of corporations from their social role and a disregard toward the social implications of their operations.

One of the most visible consequences of the predominance of utilitarianism is the popularity of "cost-benefit" analysis for decisionmaking. The cost-benefit analysis in utilitarianism claims the right of putting a price tag on everything, even things that cannot be measured in monetary terms, making it a very limited approach. "The cost-benefit analysis requires the decisionmaker to weigh variables, often using probabilistic estimates. For example, is prosperity for five hundred workers worth the probable marriage break-ups and even suicides that plant closures have been shown to cause or at least been associated with?" (Gandz & Hayes, 1988, p.661).

Utilitarianism has been so far seriously challenged by great thinkers. John Paul II would indicate that a "utilitarian anthropology and the ethics derived from it set out from the conviction that man tends essentially toward his own interest or that of the group" (2005, p. 35) This would not fit with the Aristotelian-Thomistic tradition that according to claims that "the first and fundamental dimension of good" is *bonum honestum* or just good (John Paul II, 2005, p. 35). Immanuel Kant also offered a challenge to utilitarian ethics with his categorical imperative: "act only according to a maxim by which you can at the same time will that it shall become a universal law" (cited in John Paul II, 2005, p. 36). More recently, even the great guru of management, Peter Drucker, has seriously criticized the validity of the shareholder value maximization principle, arguably the most widespread practical consequence of unethical business: "the root of the confusion is the mistaken belief that the motive of a person—the so-called profit motive of the businessman—is an explanation of his behavior or his guide to right action. Whether there is such a thing as the profit

motive at all is highly doubtful” (Drucker, 2007, p. 31).

A utilitarian approach considers efficiency the single most important management principle, leaving all other business factors—including the human factor—as just means to the desired outcomes. An absolutizing of this principle of efficiency could dehumanize the activity of any business.

It is not possible to enhance a complete and convincing ethical proposal if we don’t challenge utilitarianism. The reason is that as the Pontifical Council for Justice and Peace indicates: a system based on utilitarianism is a threat to the attainment of the common good (2012). Utilitarianism brings companies and managers to, primarily, a dynamics of competition where specific companies’ or managers’ interests collide and individual goods dominate the common good. Using the utilitarian perspective, the interests of shareholders cease to appear as being in conflict with other individual interests such as those of employees or citizens. Hence, utilitarianism has faced intellectual challenges to its assumptions and skepticism toward its ethical consequences. I will lay a different approach: a new humanistic view of business, which can create a different and more convincing approach to business ethics.

THE SOLUTION

Which Approach to Ethics Is Important for Empowering Leaders Through Business Education?

In this section, I will lay out the main expectations we should set up for ethical education in business schools. Business schools need both: to increase the relevance of ethical content in their programs and to ground this content on an ethical theory other than utilitarianism.

Any ethical content in business schools should aim toward what Wallace Donham, second dean of Harvard Business School, called the “development, strengthening and

multiplication of socially minded businessmen ... men who will handle their current business problems in socially constructive ways.” (Khurana, 2010).

Overall, ethical education is not just the teaching of normative right or wrong; it is about raising the level of awareness of the global purpose of a venture and a career in business. The three principles that should be taken into account are: stress the need for a shift of mindset, emphasize statesmanship, and encourage reflection on the main purpose of business and a career in business.

Stress the need for a shift in mindset: If we want managers to ethically behave, it is not enough with legal education. Unlike what many think, business purpose is only loosely regulated by law. In fact, as Johnson et al. (2013) observe, those factors that are not sanctioned by law are the ones that impact the most in the purpose of any company. Which aims a company pursues and by what means it pursues, is something that has to be and can be decided by each company and its managers. Because businesses have more freedom than public institutions, their actions clearly hold a self-defined moral content that goes beyond mere economic and legal regulation. Further, such moral content affects the common good and not merely the financial interest of shareholders, who nevertheless seem to claim the exclusive right to set the purpose of the organization. In other words, as Benedict XVI would point out “one of the greatest risks for businesses is that they are almost exclusively answerable to their investors, thereby limiting their social value” (2005, p. 40). It is not one more piece of information to take into account but rather a critical point of view. The education of business leaders must, therefore, provide ethically grounded decisionmaking frameworks that can properly guide business activity (Dyllick, 2015). The subject of ethics or social responsibility as a separate curriculum is not ideal and can have the effect of ethics and business being dissociated from one another. Ethics and business should be integrated in one, as they should be practiced as

one outside of the classroom (Gandz & Hayes, 1988, p. 657).

Emphasize statesmanship: Season, de Soltera, and de Callatay from Louvain School of Management go as far as suggesting that business leaders should take a statesmanship role “in the sense of adopting a role of concerned citizens and helping to construct (in the societies where they operate) new governance” (Season et al., 2011, p. 186). Hence, we are not talking only about ethical behavior inside their corporations but also an active involvement in supporting the spreading of a culture of good governance in society. One sector where corporate leaders have been particularly demanded has been higher education. We see now how many universities incorporated companies’ management structures as, for example, a board of trustees.

Encourage reflection on the main purpose of business and career in business. As Morsing and Rovira point out, “many business schools have developed courses on ethics and corporate social responsibility” (2011, p. 1), however, these elements are not integrated into the mainstream of the curricula. Rather business schools stick to a “slavish commitment to narrow business values” (Starkey et al., 2004, p. 1522). These lack of integration does not help the business leaders to understand the role of ethics in their careers and in the purpose of their organizations.

A first step in the promotion of a meaningful ethical mindset is to help the managers to understand the main purpose of any company and of their role as managers. A company is not more than a minor institution inside the whole community. As such, and side by side with other institutions as families, universities, et cetera, its main function is to promote the common good.

A good example in this regard is the work of professors Stevenson and Nash from Harvard Business School with the Kaleidoscope Strategy framework (Stevenson & Nash, 2004). This framework helps readers and students to understand the big picture of their careers and companies and how they can calibrate their

decisions. Essentially ethical education is not more than setting business and career in their right place.

The Relevance of a New Humanistic Vision of Business in Order to Teach Ethics

Business schools must be responsible and conscious of the human side of business, paying attention to ethics, diversity, and personal well being. The human dimension of business must be in the courses, research, and outreach of business schools. It must promote models and language that will plant the humanistic perspective in the graduate’s framework of business (AACSB International, 2016, p. 13).

A humanistic perspective does not focus on the consequences, but rather on the rightness or wrongness of the actions themselves. Utilitarianism, in contrast, is unconcerned with values or norms and judges actions based on cost-benefit analysis. “Humanism is an Aristotelian approach to business ethics, which essentially boiled down to putting people ahead of profits” (Ferrero & Sison, 2014, p. 383)

One of the most predominant proponents of humanism was the French thinker Jacques Maritain. His understanding of humanistic management is “a concept of management that tends essentially to render human beings more truly human, and to manifest their original greatness by having them participate in all that which can enrich them in nature and in history; it demands that human beings develop their virtualities” (Acevedo, 2012, p. 213). Maritain describes Bentham and Mill’s utilitarianism “as a social-minded and upright hedonism, which conceived of the end of human life in statistical terms.” Maritain states that the idea of the greatest good for the greatest number of people is naive. He criticizes utilitarianism for “the complete destruction” of the “idea of moral good properly so called, of the bonum honestum (good as right), which they [Bentham & Mill] replaced with the idea of the

moral good as equivalent to the advantageous” (Acevedo, 2012, p. 211)

A renewed humanism appears as the most effective alternative and antidote to utilitarianism. As the Vatican Council II would say, humanism positions “the human person, and not profit, as the source, the center, and the purpose of all economic and social life” (Paul VI, 1965, p. 63). This argument is based on a nonmaterialistic vision of human work and, therefore, of human motivation. For humanism, human work “has a twofold significance: objective and subjective” (Catholic Church, 2005, p. 270). It does not consist in just productive action. It has effects on the doer’s nature; it makes us better or worse as persons. This consideration confers on human work and business a moral meaning. As John Paul II writes, “independently of their objective content, these actions—those done at work—must all serve to realize his humanity, to fulfill the calling to be a person that is his by reason of his very humanity” (John Paul II, 1981, p. 6).

John Paul II says that even in the age of ever more mechanized “work,” the proper subject of work continues to be the man” (John Paul II, 1981, p. 5). As the person in his whole is involved when working, the level of humanity of a certain activity will not depend only on its objective results. In order for a work or activity to be considered truly human, we should evaluate its impact on the personality of its doer. “People do not work for money alone ... but above all, for the opportunity that works provides for self-realization” (Sison & Fontrodona, 2012, p. 22). Therefore the level of humanity of a business will depend on the impact of its operations on the personality of its managers and employees. Teaching MBA for several years has exposed me to managers with long careers in different sectors and how the *modus operandi* of their careers has impacted their way of thinking.

Further, a humanistic vision of business will recognize in any company a place where human and social development takes place through work in common. At the end of the day, a company is a community. “Through a

legal fiction, a corporation is in fact a person at law, but in reality it is more than this abstract concept; it has a human dimension and morality brought to it by its owners, management, and employees” (Gandz & Hayes, 1988, p. 658). Relationships between the different stakeholders and the society as a whole are a constitutive part of the business and should not depend only on legal and contractual norms. Instead, an utilitarian ethics would undercut the potential of personal relationships in the workplace. Mele explains “social contract theory only muddles this picture because it suggests ... that the primary relationships involved are predominantly contractual.” Seeing everything in terms of contractual obligations leads to failing to understand that “corporations are communities” (Mele, 2013, p. 56). “The business school, like any educational enterprise, is engaged in issues of socio-cultural design. Implicitly or explicitly it reflects in its practices an answer to the questions: how have we become what we are and what possibilities of cultural development are open to us (Owen, 1994)?” (Starkey et al., 2004, p. 1525).

As we see so far, within the philosophical paradigm of humanism, managerial activity is framed in a much broader context in which profit—though being significant—is not the single parameter for measuring corporate or career success.

An important milestone during the last years for the advancement of the understanding of humanism has been the letter *Caritas in Veritate*, one of the latest highlights of the Catholic Social teaching. The Catholic social teaching comprises all of the magisterial teachings of the Catholic Church on social issues, viewed in the light of the Gospel. These teachings have tried over more than a hundred years to address the ethical and spiritual challenges created by “progress” in secular society. The growth of capitalism has been one such challenge, in that it has created greater overall societal wealth but has not ensured the rights of workers, a living wage, or the participation of

all citizens in the economic prosperity that capitalism may produce.

Despite the fact that the Church has often called for a more “humanistic” capitalism, a fresh and somehow unexpected push came from Pope Benedict XVI. Benedict XVI, in his encyclical *Caritas in Veritate* (*Charity in Truth*), insists on the necessity of understanding the importance of the person in today’s society. Authentic development needs to be based on the idea that the only way to serve mankind is to put human persons, in their full integrity, as the motor and highest end of human activities. This ordering of values stands in contrast to any economic system, such as nonhumanistic capitalism, that reduces people to useful means to an end and requires neither the means nor the end to be intrinsically moral. As Benedict points out, “The economy needs ethics in order to function correctly—not any ethics whatsoever, but an ethics which is people-centered” (Benedict XVI, 2005, p. 45).

In this work, he insists on the idea that the moral way of acting has to be necessarily linked with the common good. In the economic field, many humanitarian disasters are not provoked by lack of material resources but by the corruption of human will. For example, the fact that only a small proportion of world’s population consumes most of its resources is a clear example of how a capitalistic system can be crippling. That is why Benedict XVI says that mere technological and economic development is not sufficient unless it serves the goal of human development for all.

Summarizing, an ethical content in business education that enhances socially minded business people demands an ethical perspective, which recognizes the human being as the center of all economic activities. This “humanism” will broaden the purpose of companies and business careers. It will also give renewed relevance to the personal relationships that are built in companies and the sense of common good as an ultimate purpose of any business activity.

Methodological Grounds for Promoting a New Humanistic Vision

Educators know that the methodology is as important as the purpose of designing effective educational programs. I will devote this section to the fundamental concepts that, in my understanding, business education leaders should take into account as pillars for the delivery of ethical content grounded on a new humanistic vision.

Business as a Vocation

One of the fundamental challenges managers face in their business careers is the disintegration of private and professional lives. This is particularly evident in the conflict that an intensive career sometimes poses for private life’s goals. The term “company,” “business school,” and “university” have undercurrents of “calling” and “vocation.” The business person has a “calling” to use his resources to benefit human dignity and the common good (Acevedo, 2012, p. 216). If he does not recognize it, then the above-mentioned conflict will be always latent.

The already mentioned book of Stevenson and Nash (2004) actually tackles this issue directly trying to support its readers to seek integration and harmony between private and career goals. Seeing business as a way of life, as a vocation might intellectually support this integration. Medaille explains a vocation to business as “a calling to live life in a certain way, a way that contributes not only to one’s own well-being but to the well-being of all other members of society” (Medaille, 2007, xiii).

From this perspective, business leaders will start to see business more as an integrative factor and they will perceive that the purpose of their business life goes beyond their own self-interest or even the interest of the shareholders they serve. Their purpose is to serve the whole society through business and not despite of.

Business as a Community of Persons

A humanistic view of business underlines the relevance of personal relationships in business. A corporation in itself is the result of human cooperation. The quality of this cooperation strongly influences the company's prosperity. It is not possible to succeed as a company in the long term when its human relationships are not healthy. A good organization needs stability, confidence, and interaction (Calleja & Melle, 2016). "Business leaders are called to engage with the contemporary economic and financial world in light of the principles of human dignity.... This reflection offers business leaders, members of their institutions, and various stakeholders a set of practical principles that can guide them in their service of the common good" (Pontifical Council for Justice and Peace, 2012, p. 1).

During recent decades, with the growth of the service sector and the progressive relevance of intellectual capital, subjects connected with people management started to have more room in business school curricula. Nowadays, there is a general consensus that companies need a community-based culture. They require it not only to flourish economically but also and even more importantly, to respect and meet the needs of workers as members of a human community. As John Paul II emphasizes in his encyclical *Centesimus Annus*: "The purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society" (John Paul II, 1991, p. 35).

Revalidation of the Concept of Common Good

After a 20th century where the concept of common good has been misused by communism and, in a way, has been unrecognized by the stress of capitalism in profit maximization,

we need to recover and revalidate the concept of common good. Though management theories seemed to have found a middle way with the stakeholder theory of the social responsibility of business, "it lacks a stable philosophical, sociological, and economic base that would be adequate to a range of schools of thought" (Argandoña, 1998, p. 1903).

Business is just a way to serve the common good, understanding common good as "the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily" (Paul VI, 1965, p. 26). The common good can be defined as "the overall conditions of life in society that allow the different groups and their members to achieve their own perfection more fully and more easily" (Argandoña, 1998, p. 1905).

We are not speaking about a *sum of all individual goods*, we are rather talking about *an increase in the good we share*. "The common good does not consist in the simple sum of the particular goods of each subject ... it is and remains common, because it is indivisible and because only together is it possible to attain it, increase it and safeguard its effectiveness" (Catholic Church, 2005, p. 164). It has its own entity and it is not opposed to our own good.

In order to understand better what do we mean with "common good" it is useful to consider its division into material and formal parts. The material part is the social conditions and circumstances that allow the further achievement of common goods. The formal part is the nonmaterial part capable of being shared without diminishing (Sison & Fontrodona, 2012). The private property any company holds is the material part of the common good. The duty to exercise the social function of the property is the formal part.

Business leaders should be educated with the sense that they have the property rights over their assets but, at the same time, these rights come along with the responsibility to make them available for the good of everyone.

*Redefinition of the Notion
of Authentic Development and the
Role of Business in Achieving It*

Development is a broad concept that needs to be clearly defined. According to Paul VI: “The development We speak of here cannot be restricted to economic growth alone. To be authentic, it must be well rounded; it must foster the development of each man and of the whole man” (Paul VI, 1967, p. 14). In this section, we will reflect on the role of business in the framework of this concept of authentic development.

Taking into account an Aristotelian perspective, the purpose and activity of any political community, as it is included in a broader *ethos*, has to be defined attending to the exigencies of the common good of the whole society (Calleja & Mele, 2016). For Aristotle, the perfect community is only the polis as “it alone is self-sufficing, able to supply the needs of an entire life for its flourishing” (Sison & Fontrodona, 2012, p. 221).

Businesses can be considered one of the intermediate institutions of the *polis* “because of the locus they occupy between families and the polity and their particular function” (Sison & Fontrodona, 2012, p. 222). Business is just an intermediate social institution. The family is the basic social institution. Hence, at this intermediate level of association, we cannot find everything that is needed for flourishing human life. It is necessary to go beyond the boundaries of businesses to create communities through which a greater development is possible. So, companies are necessary institutions for development but they are not sufficient.

Besides, because of their importance, companies cannot be destroyed or substituted by higher level social entities as the subsidiarity principle states. “Intermediate social entities can properly perform the functions that fall to them without being required to hand them over unjustly to other social entities of a higher level, by which they would end up being

absorbed and substituted” (Catholic Church, 2005, p. 186).

Association for working is the fundamental mean through which service to society is offered. Moreover, the particular common good of business is of great value and importance for everyone’s development. “The common good of the firm is the work in common that allows human beings not only to produce goods and services but more importantly, to develop technical or artistic skills and intellectual and moral virtues” (Catholic Church, 2005, p. 230). Because of their specific common good, the contribution of business to the society’s common good is of a great relevance. “Flourishing would not be possible with the structures of families and the polis alone.” (Catholic Church, 2005, p. 225). Business is the place where through “work in common” a person can develop his faculties and serve others at the same time.

Doing business is what a business should do. By doing business a company can serve the authentic development of a society. The communion that takes place at the business is possible thank to the existence of a community. The improvement of this community entails better conditions for business development. Moreover, the main reason why, in a community, intermediate institutions such as businesses are allowed is that they help and promote the improvement of this community. As far as we are social animals, we mainly increase our well-being through the cooperative experience of living in a community.

When talking about authentic development it is really important to understand also how we measure it. Companies evaluate their performance through different measurement systems. If we want businesses to create a positive impact on the development of the society where they operate, we need that certain *social development indicators* are inserted in their measurements system. If we can make business contribution measurable, then we can clarify our expectations on the real value-added of business.

Hence, for authentic development to happen it is not enough to have good intentions. “The key to development is a mind capable of thinking in technological terms and grasping the fully human meaning of human activities, within the context of the holistic meaning of the individual's being” (Benedict XVI, 2005, p. 70). In other words, moral and human development should be following the same trajectory as technological development. Just as “upright men and women whose consciences are finely attuned to the requirement of common good” (Benedict XVI, 2005, p. 71) so can they be the authentic agents of human development.

The increase in wealth and the improvement of business management won't automatically bring an impact on reducing the levels of injustice, poverty, and inequality. When the logic of business and production is completely disconnected from its doer (man) ends, he can end up being a slave to his own activities. Then, development is only possible if man remains, in theory, and practice, as the center and ultimate end of all business activity.

EXAMPLES OF A NEW HUMANISTIC VISION IN BUSINESS EDUCATION

The discussion on the relevance of ethics and humanism in business education has progressed not only at a theoretical level but also with the undertaking of initiatives making future managers' education more holistic, closer to real business experience and more aware of social needs. An important trigger of these initiative has been the global financial crisis of 2008. Here I outline few significant examples with a global and individual school scope.

These are few of the many initiatives in the world of business education that are delivering ethical content with a renewed humanistic anthropology. Domènec Melé (2013) enumerates some of the achievements of these initiatives. I will note only some of them (Melé,

2013). First, decent work has become a key issue in the direction of the understanding of the Sustainable Development Agenda of United Nations: job stability, productivity, technological innovation and encouragement of entrepreneurship. Second, businesses are seen more commonly as a community of persons and not just as institutions whose only goal is to maximize shareholders' value. Thirdly, an increased importance is given to ethics in business curricula and business practice. This means a better understanding of the moral character of business and work.

Please, note that these initiatives imply investments of resources by the business schools. Therefore, their existence proves that business education's leaders are starting to recognize the relevance of this sort of content.

Initiatives With a Global Scope

One of the best-known global business education initiatives is PRME (Principles for Responsible Management Education). It is promoted by the United Nations and the main idea is to support the implementation of the Sustainable Development Goals—reducing injustice, poverty, and inequality—through business education. The traditional view of business and business schools is that they exist to create wealth which is important for the economy and social development, however businesses and business schools should contribute to other dimensions of growth that are just as crucial (AACSB International, 2016).

PRME gathers now hundreds of business schools from all over the globe that shares publicly on a biannual basis their progress in terms of what PRME calls responsible management education. This progress could be connected with new content, better governance or other initiatives that promote sustainability within the business culture. Besides, business schools get access to information and networking opportunities with other schools that share the same aspirations. Certainly, the most important effect is the encouragement schools get to move forward their ethics agenda as “manage-

ment development institutions should be regarded as professional development institutions and change agents” (CEEMAN, 2018, p. 23).

Initiatives With an Individual Scope

1. IESE Business School, for example, has started to measure the level of family-friendliness in companies through its index IFREI. This index is run on an international basis getting respondents from a network of schools representing more than 20 countries. This index evaluates companies in the managerial and infrastructure support they offer to employees in order to achieve a healthy family life. At the end of the survey, respondents get an assessment categorizing their workplaces in terms of their level of family-life balance protection.
2. A good example of moving the ethical agenda with strength and relevance is the University of St. Gallen. Its objective is to help the students to understand the larger role of business in society. In order to do that all their programs include 25% of the content of “contextual studies”: Theories of state and economy, European history, corporate social responsibility, et cetera. The courses are structured around three competencies: leadership abilities, critical thinking, and cultural awareness (Bieger, 2011, p. 111).
3. Another such example is the SUNY Buffalo’s new curricula. This University has recently incorporated a completely new curriculum where students are offered specific pathways to cover liberal arts components. These pathways secure an interdisciplinary and rich range of content on arts, civilization, and history, social sciences, et cetera.
4. Some leadership programs in business schools, such as the leadership development program at the author’s school, try to instill a more humanistic anthropology in the mindset of business leaders. The

leadership development program is a 2-year long module that is run across the executive MBA program. During the delivery of the leadership development program, managers are exposed to theories and exercises with the objective of seeing better the larger picture of their careers and businesses. Students are particularly encouraged to deeply reflect on their career roots, their personal values and their ethical responsibilities to business challenges.

CONCLUSIONS

In a world shaped in big extent by business, it is important to reflect on how business leaders are educated. Historically, business schools have taken a primary role in the education and further development of those who are leading businesses or will do it in the future. Therefore, it is important to consider how this education is delivered and the ethical content that is disseminated in the business school programs.

We can empower a new generation of business leaders through ethical management education only if “ethical management education” is understood and taught broadly and deeply, taking into account the perennial realities of the common good, business as an intermediate institution, and man as the center of all economic activity.

A renewed introduction of the common good perspective can enhance a new sense to the consideration of business, profit, and work. This new sense can give more credibility to the business sector, more legitimacy to its key players such as business schools and more empowerment to current and future leaders.

The ethical content business schools deliver has been so far impacted by a utilitarian ethics. This ethical line of thought has highlighted in business certain ethical principles, being the most relevant the so-called “maximization of profit and shareholder value” as the main purpose of companies. This emphasis on the maximization of profit created a background

ideology where other business objectives became second class indicators for business leaders. Examples of these are the well-being of employees and their families, environmental protection, equal pay, et cetera. What was considered to be a means for fostering a common good can easily become the exclusive goal to pursue, not taking into consideration its relation with the well-being of society.

In this article, I have proposed that in order to educate better our future business leaders, we will need to review “utilitarianism” and its consequences. I propose to challenge it with a renewed humanism, which foresees man and not profit at the very center of any economic activity. A humanistic perspective would propose that profit only receive its value in relation to the purpose it serves. In this sense, the Social Doctrine of the Catholic Church offers valid insights for supporting business education institutions in their research and teaching task.

However, in order that this proposal doesn't stay simply at an intellectual and aspirational level, I propose in this paper certain key ideas that should start to be reinserted, restated or highlighted in the curricula of the business schools' programs. These are common good, authentic development, business as a community of persons, and most fundamentally business as a vocation.

In the end, the core of the current problem of ethics in business is lack of alignment or integration between the values of a business and what is valuable to the society. The main goals companies seek do not always match the need of the society where they operate. The same happens at an individual level. The main goals business leaders seek in their careers do not always match their personal needs. A humanistic view of business will support and enhance the integration and alignment between societies and companies, and between the personal and career goals of business leaders.

We need an ethical management education, which seeks unity and integration. If this happens, we will empower a new generation of leaders that will place man and society as the

center and reason for any business and economic activity.

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