

1 Business as a Profession

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1.1 Existing Challenges and Deficiencies

The irresponsible and insensitive behavior of business leaders worldwide shows that business is an underprofessionalized occupation today. In their paper “Is Business Management a Profession?” Harvard Business School scholars Rakesh Khurana, Nitin Nohria, and Daniel Penrice argue that if management were a licensed profession on a par with law or medicine, there might be fewer opportunities for corporate bad guys (Khurana, Nohria & Penrice 2005).

Sociologists studying the professions have employed a wide range of perspectives and criteria for determining what makes an occupation a profession. Four criteria are extremely important in setting forth the essence of professionalism and comparing business management with the “bona fide” professions, in particular law and medicine. Criteria for calling an occupation a bona fide profession are as follows:

- (i) common body of knowledge resting on a well-developed, widely accepted theoretical base;
- (ii) system for certifying that individuals possess such knowledge before being licensed or otherwise allowed to practice;
- (iii) commitment to using specialized knowledge for the public good, and a renunciation of the goal of profit maximization, in return for professional autonomy and monopoly power;
- (iv) code of ethics, with provisions for monitoring individual compliance with the code and a system of sanctions for enforcing it.

In comparing business management with the more traditional professions of law and medicine along these criteria, Khurana and his colleagues find the former wanting. This shortcoming, they believe, has a direct bearing on society's ability to demand and obtain responsible conduct from executives, as well as on management's ability to maintain the public trust required for the optimal functioning of our economic institutions (Khurana, Nohria & Penrice 2005, p. 1).

The criticism offered by outstanding business scholars such as Ghoshal, Mitroff and others shows that something is rotten in business education today.

In his famous paper “Bad Management Theories Are Destroying Good Management Practices,” the late London Business School professor *Sumantra Ghoshal* points out that by propagating ideologically inspired amoral theories, business schools have actively freed their students from any sense of moral responsibility (Ghoshal 2005, p. 76).

Ian I. Mitroff, distinguished professor of business policy at University of Southern California in Los Angeles, claims that business school faculties are at best guilty of having provided an environment where the Enrons and the Andersens of the world could take roots and flourish. At worst they are guilty of being active accomplices and co-conspirators in criminal behavior (Mitroff 2004).

According to Mitroff the real problem is that business schools have promulgated

- (i) a mean-spirited and distorted view of human nature (by assuming that humans are completely and entirely ruthless, motivated solely by greed, and purely opportunistic);
- (ii) a narrow, outdated, and repudiated notion of ethics (materialistic egoism);
- (iii) a narrow and highly limited definition of the role of management (management is about making money and can be captured solely in economic terms);
- (iv) an overly reified conception of the subdisciplines of management (a fragmented and separated division of interrelated issues);
- (v) a sense of learned helplessness and hopelessness among business professionals regarding control of their lives (maintaining an attitude that they have no power to change the system in which they find themselves).

European business scholars are also concerned about the prevailing ethos of today’s business schools. *Eleanor O’Higgins* of the University College Dublin and *Yvon Pesqueux* from CNAM Paris warn us that current management philosophies—what

they call “managerialism”—give rise to the practices that have created scandals and business failures. They believe that management education as presented in the medium of business schools globally has acted as a cheerleader for the management models and practices portrayed above. This is manifested and reinforced by (i) the managerialist perspective; (ii) deference to powerful stakeholders, especially companies/prospective employers of students, and students themselves as “customers” or “consumers”; (iii) simplistic tools and formulas to train students; (iv) academic tenure and promotion systems; and (v) the extremes of populist science and pedantic science (O’Higgins & Pesqueux 2008).

We can agree with *Joel M. Podolny*, former dean of Yale School of Management, who emphasizes that occupations are defined as professions to the degree to which they serve society. And unless management lives up to that service standard, it frankly calls into question what business schools are actually doing. At some level, we then become just trade schools. And we fail to fulfill a university's mission of creating and disseminating knowledge in the interest of society (Podolny & Khurana 2007, p. 9.).

1.2 New Approaches and Good Practices

The aspiration of *CEMS—Global Alliance for Management Education* is to produce future international managers who can meet the demanding criteria of business management as a bona fide profession.

CEMS is a strategic alliance of leading business schools and multinational companies. Founded in 1988 in Europe, the network has grown steadily, largely due to the success and popularity of the CEMS Master’s in International Management program. Today, CEMS is the global league of leaders on the pre-experience Master’s market and it cannot be equaled in terms of reputation of its members: 28 world-class academic institutions collaborate together with 56 corporate partners to offer international, postgraduate students a unique blend of high quality education and professional experience. (www.cems.org)

Box 1.1 CEMS Member Universities

Full Academic Members:

Australia: *University of Sydney*

Austria: *Vienna University of Economics and Business Administration*

Belgium: *Université catholique de Louvain, Louvain School of Management*

Brazil: *Fundacao Gertulio Vargas - EAESP*

Czech Republic: *University of Economics, Prague*

Denmark: *Copenhagen Business School*

Finland: *Helsinki School of Economics*

France: *HEC School of Management – Paris*

Germany: *University of Cologne*

Hungary: *Corvinus University of Budapest, Faculty of Business Administration*

Ireland: *University College Dublin, Michael Smurfit School of Business*

Italy: *Bocconi University Milan*

Mexico: *EGADE, Tec de Monterrey*

Norway: *Norwegian School of Economics & Business Administration, Bergen*

Poland: *Warsaw School of Economics*

Portugal: *Faculdade de Economia da Universidade Nova de Lisboa*

Russia: *St. Petersburg State University, Graduate School of Management*

Singapore: *National University of Singapore Business School*

Spain: *ESADE Business School Barcelona*

Sweden: *Stockholm School of Economics*

Switzerland: *University of St. Gallen*

The Netherlands: *Erasmus University Rotterdam School of Management*

United Kingdom: *London School of Economics and Political Science*

Associate Academic Members

Canada: *Richard Ivey School of Business, University of Western Ontario*

China: *Tsinghua University Beijing*

China: *Chinese University of Hong Kong*

Japan: *Keio University*

Box 1.2 *CEMS Corporate Partners*

A.T. Kearney

Adidas Group

AstraZeneca PLC

BNP Paribas

BP

Canal+

CEMEX

Crédit Agricole SA

Credit Suisse

Deloitte Touche Tohmatsu

Deutsche Bank

EADS

Elcoteq SE

Eni International Resources Ltd

Fidelity International

Fortis

Haniel Group

Henkel

Hydro

Indesit Company SPA

ING Group

JP Morgan

KONE

KPMG

L'Oreal

LVMH

McKinsey & Company

MOL Group

Nestle

Nokia Corporation

Novo Nordisk

Oesterreichische Nationalbank

OMV Aktiengesellschaft

PriceWaterhouseCoopers

Procter & Gamble

Randstad Holding

Ringier AG

Schindler Corporation

Shell

Siemens AG

Skoda Auto AS

Societe Generale

Statkraft AS

Statoilhydro

Stora Enso

Swiss Re

Télé2

The Boston Consulting Group

Thompson Reuters

UBS

Unibail-Rodamco

UniCredit Group

Vestas Wind Systems A/S

Whirlpool

Wolseley plc

Zurich Financial Services

The flagship program of CEMS is the *Master's in International Management (MIM)*, which is a precareer graduate program in general management. It provides a select group of the best international students with the know-how and expertise needed to succeed in the new international business environment. Designed by both academic

and business leaders, the CEMS MIM program bridges university education and business expertise, thus offering keen insights into management best practices. During the CEMS MIM program, students are exposed to interdisciplinary problems in an international context and are encouraged to adopt an analytical and critical attitude in lectures, discussions and project work (Junghagen 2006).

The central dimension of the program is the perception of future practice for graduates. This perception is expected to be developed over time, because of relations with industry through corporate partnerships, contacts with CEMS alumni and other industry contacts. This perception then gives rise to a certain qualification profile of graduates needed to live up to the requirements in future practice. (Intellectual competencies, professional and academic competencies, and practical competencies of the CEMS MIM Program are described in Chapter 2)

CEMS MIM students are, to a certain extent, selected because of their ambition and drive. An important dimension of the graduate is integrity. A CEMS MIM graduate understands the role of business in society and demonstrates a high ethical and moral standard. *Figure 1.1* shows the overall structure of the CEMS MIM Program.

Figure 1.1 *CEMS Master's in International Management Program*

Blocked Seminars are intensive one-week seminars on an innovative management topic. Students from all CEMS institutions gather for the Blocked Seminars, which are led by international teams of teachers from different disciplines. They are academically and culturally intensive and the experience is the ideal starting point into the program. Seminars are managed by interdisciplinary, interuniversity teacher teams and provide the opportunity to debate and discuss innovative management topics from different cultural perspectives. Topics and teaching methods vary, depending on the organizing school and interfaculty team, and CEMS students are expected to acquire in-depth knowledge of their chosen topics in this very short period of time. There is also an important social aspect to the Blocked Seminars, as this may be the first opportunity for incoming CEMS students to meet and interact with their new classmates.

Core Courses meet the educational needs of CEMS MIM students and the talent needs of CEMS corporate partners. At the same time, they reflect the unique character of the CEMS organization. CEMS MIM courses thus build the bridge between university education and company activity. They are interactive in their teaching format, interdisciplinary in their analytical approach and deal with complex business issues within an international dimension.

Elective Courses have to meet an “International Management Profile”; e.g., a company-oriented international topic is addressed, either by inviting corporate lecturers or treating specific cases drawn from real-life business or the like.

The *CEMS Research Project* is an optional program element which can replace one CEMS course and lead to the thesis for home studies. It adds a component of independent student research to the CEMS MIM program.

Skill Seminars are training seminars in practical skills. They are essential to kick-start an effective professional career and fundamental to adjusting easily to an international management environment. Small groups of 10–15 students ensure the interactive dimension of these seminars. Skill Seminars are offered by the CEMS universities, very often in close cooperation with Corporate Partners

Business Projects are designed to offer real-life learning experience for students. International student teams, comparable to miniconsultancy teams, solve real-life business problems and are tutored by both corporate and academic coaches. The CEMS Business Project is expected to represent 50 percent of each student's workload during the spring semester. Student teams present the results in a final report and an oral presentation to an academic and corporate audience. The projects reinforce the CEMS partnership between universities and companies in jointly shaping the students' learning process in international management.

Internships Abroad provide students with real-life professional learning experience by integrating them into organizational culture and processes. The main objective of the internships is to turn academic experience and theoretical knowledge into professional, multicultural experience. Internships can take place at a CEMS Corporate Partner's site, though this is not compulsory. The internship can also be completed outside of Europe.

1.3 The Required Roles and Duties of Managers

Based on the CEMS MIM program, a new profile of the future international manager has been created.

The *Future International Manager* is defined as a *reflexive practitioner* who

- (i) is committed to environmental sustainability,
- (ii) exercises social responsibility,
- (iii) works with sensitivity toward gender and diversity issues,
- (iv) harmonizes information and communications technologies with processes and organizational culture,
- (v) applies holistic perspective in problem solving,
- (vi) cooperates with social and political actors,
- (vii) is engaged in progressive entrepreneurship.

Chapters 2-9 of the book interpret and elaborate these characteristics of the future international manager in depth.

Unless future international managers demonstrate that they serve the *common good* in their daily practice, the legitimacy and moral standing of the business profession remain questionable. We hope that the CEMS graduates—together with the graduates of other committed business schools—can change the business profession for the better.

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