

Management as a Liberal Art: A Noble Calling



In recent years, business and management (the terms are commonly used interchangeably) have been increasingly viewed as liberal arts subjects rather than professional subjects. But the idea of management as a liberal art (an MLA) is not new. In his 1989 book *The New Realities*, management guru Peter Drucker wrote that “Management deals with people, their values, their growth and development – and this makes it a humanity. So does its concern with, and impact on, social structure and the community.”

Management is “liberal” because it deals with multi-disciplinary knowledge, wisdom, people, cultures, values, ethics, leadership, and social responsibilities. It’s an “art” because its practice and application emphasise achieving results.



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In general, the concept of MLA embraces the following four major elements:

1. The intellectual, trust and moral development of people.
2. The corporation as a social institution under a social contract serving different stakeholder groups with social responsibilities.
3. The incorporation of knowledge and insights from the humanities, the social sciences, and the sciences, to promote multi-disciplinary, cross-cultural perspectives.
4. The pursuit of effectiveness and results (both tangible and intangible).

From maximising shareholders' values to a stakeholder-based approach

Unfortunately, if we review the current state of management, it seems that too many managers (and the corporations they lead) do not care much about people, values, ethics, cultures, leadership, and social responsibility. Just look at how the maximising shareholder value (MSV) doctrine has dampened the free economy, dehumanised management, and upset many non-shareholder stakeholders.

After several hundred years of vibrant development, capitalism and its free-market economic ideals faces some challenges and predicaments. In fact, it is riddled with problems. It has gone into a rapid decline, especially after two global financial crises and a string of ethical breaches by listed company executives. These executives have a single-minded focus on getting their own returns from share options. They focus on the virtual "expectation market" with MSV, overlooking the real product market and customer needs.

Many board directors and CEOs erroneously think their only duty as the agents of shareholders is to achieve corporate success through MSV. But a blind faith in the MSV dogma is believed to be one of the main causes of the two financial crises of the past decade, along with various corporate scandals. Empirical research has shown that a singular focus on MSV leads to myopic management. It brings about an adverse effect on shareholders' long-term gains, grows macroeconomic instability, and causes fluctuations in the financial markets.

The remedy lies in becoming aware of values, and reforming the corporate mindset. With effective intervention by governments, a change of values in the business sector and academia towards MLA, along with a stakeholder-based approach, will make it

possible to create a sustainable future with “green capitalism”. Only by returning to the original concepts of the corporation and the management system can we forge mutually trusting and beneficial relationships among different stakeholder groups.

Teaching management as a liberal art

An undergraduate liberal arts education seeks to develop self-reflective, soulful, caring and satisfied individuals. The aim is to develop students to their full potential, and help them become well-rounded people. The liberal education approach sheds light on how to educate better managers, as it combines breadth and depth, and emphasises wisdom and character. A liberal arts education nurtures the following competencies: personal values, interdisciplinary and cross-cultural perspectives, adaptive learning, critical thinking, creativity, analytical problem-solving, interpersonal communication, teamwork, and human caring.

These important qualities are found in the most effective leaders and senior executives. The competencies that a liberal arts education fosters can inform students about every decision that they make, and guide how they see their purpose in life.

Teaching management as a liberal art provides students with a broad perspective, and gives them new insights into management. They become better managers than if they narrowly focus on the functions of business and economic outcomes. In today’s globalised and fast-changing society, the complex organisational issues need to be assessed in the light of a holistic and deep analysis of social, economic, technological, political, and cultural implications. A management programme which adopts an MLA approach encourages students to look at problems from multiple perspectives, and take a balanced view of managerial decisions. The insights that the humanities, social sciences, and science, provide could contribute to solving many of the problems that managers face today.

Management is essentially a process which involves people and values, and this needs well-rounded individuals with established personal values. Taking management from a liberal arts perspective enables students to adopt a people-centered approach to analyse management issues in the light of human needs,

character, and behaviour. It prepares students for their personal and social responsibilities.

Before we develop a set of indicators to measure the performance of corporations and executives, we must manage our own mindset and expectations. Corporate executives must view their work as a noble calling, and believe it is more than the route to a paycheck. Their work should be meaningful, and they should aspire to something other than fame, fortune, and power. It is important for executives to make sure there is value in the company for the different stakeholders. A liberal arts education will help future executives achieve this goal. Executives will enjoy a much more meaningful and soulful life with a liberal arts approach. Such efforts can also help restore and rebuild the core values of the free-market economy.