

**BEYOND CAPITALISM:
DESIGNING BUSINESS POLICY AND SOCIAL JUSTICE**

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ABSTRACT

The purpose of this paper is to suggest a new line of research for the development of total enterprise simulations that considers alternatives to the market economies that lie at the basis of our current models. In addition, it would be helpful to add notions of social justice in these alternatives, notions that have concrete interactions with the algorithms that drive such simulations. Rule based expert systems are suggested as one way to begin this development.

INTRODUCTION

Until recent times in the United States, the connection between business policy and social justice has been a theoretical discussion in economics and political science. Business conditions were just too comfortable. Except for labor and personnel relations, not much happened until the Viet Nam war, air pollution, oil embargoes, and foreign competition invaded the 1960's and 1970's. Like most new ideas, the concept of *corporate social responsibility* made its debut under conditions of duress.

The 1980's, however, seemed easier when government deficits based upon supply side economics masked deeper social justice problems. Some corporate business decisions began to include matters of childcare for one-parent families and working mothers, disability insurance, and the reliability of pension funds. However, few notions regarding corporate social responsibility were explicit other than a business firm was supposed to do more than make a profit for its owners.

Business establishments were to serve other, vaguely defined welfare benefits to the society at large. No mention was made of the fact that this may be next to impossible in a capitalistic,

representative democracy where:

1. There have to be winners and losers, and
2. The losers have to be managed in a fashion that does not threaten the winners.

These two realities were easy to dismiss because the then current alternatives were so dismal. Centrally planned economies and tyranny didn't work. All evil empires, such as the Soviet Union, were failing.

Social Justice

Failings in one domain, however, do not suggest automatically new directions in another. It is not at all clear what the shortcomings of centrally planned economies, along with their usually tyrannical governments, have to suggest for representative democracies with more or less capitalistic economies.

One point, however, is clear. Many of the maladies common to tyrannical governments with centrally planned economies exist in the representative democracy, capitalistic alternatives.

1. People still starve to death in the face of plenty.
2. Air, noise, and water pollution cripple our daily existence.
3. Violent crime is a routine, daily reality.
4. Public education has become a public shame.
5. Political and business leaders do not address these and other equally important issues.

The last problem is the most serious. When leadership fails, other problems magnify in their intensity. Social ills, in large part, result from leadership failures.

Moreover, leaders fail when they dismiss or are ignorant of the concepts of justice (Atkinson, 1983; Barry, 1989; Bonner, 1995; Harvey, 1973;

Developments In Business Simulation & Experiential Learning, Volume 24, 1997

Luce & Raiffa, 1957; Mapel, 1989; Miller, 1976; Rawls, 1971; Rescher, 1966). That is, at a minimum, justice requires that leaders consider the rights as well as the responsibilities of those they lead in addition to the distribution among the led of the benefits they produce. This is a simple yet basic element of management, but most textbook discussions of management are not concerned with the concept of justice.

Instead, they are concerned with worker motivation, where what kinds of decisions should be made, whether or not profit sharing is a good idea, how to stimulate innovation, and how to design organizations for various competitive environments. Very little, usually no attention is paid to the issue of justice among the participants in a business or any other kind of organization.

Yet, justice lies at the heart of motivation, decision making, profit sharing, innovation, and organization design. Justice is what we note when some individual or group has been harmed by a peculiar set of circumstances. Justice is what we demand when employees are dismissed due in no small part to management failures.

Justice is not concerned with some behavioral scientist's conception of how people do behave. It is concerned with how people should behave. Like it or not, the "shoulds and ought tos" of this world determine a large part of "what is" in human behavior (Harre & Secord, 1973).

Social Justice and American Business Schools

Business and political leaders, however, are not the only ones having a problem with the shoulds and ought tos of postindustrial, capitalistic, representative democracies. Academics, clerics, and lawyers share an equal portion of responsibility for the above noted realities of starvation, pollution, crime, education, and silence. Leadership failures are not specific to one or two groups entrusted with the management of society.

However, this discussion focuses on business policy and social justice. Therefore, clerics, lawyers, and politicians will have to wait for another author at another time. Business executives and academics are the grist for this mill.

With regard to business academics, only a few points need to be noted. First, since the end of World War II, American business schools have adopted a standard teaching pattern or curriculum that, for the most part, attracts students who simply want a job. They may or may not be interested in business, but their key goal is a job.

Almost everyone needs a job, of course, but what America needs is a whole new generation of business leaders. We don't need would-be poets and psychologists staffing our business firms simply because they think that life will be better that way. In fact, life is not better that way. Society loses a good poet and gains a mediocre business person.

As is always the case, strong motives have kept this business school syndrome in place. Among them are the financing of universities and the weak egos of senior faculty.

University Financing

Second, just like any other organization, a university needs positive cash flows in order to survive. And, if people think that a degree in business is a better job investment than one in English literature, then the business school becomes the campus cash flow source. Remove the business school, make it an independent technical institute, and the university has some real survival problems.

University administrators may be permitted some but not a great deal of forgiveness for adopting the business school solution for survival. After all, the campus does have to function in the short term. Yet, nothing lasts forever, and it is always better to have more than one long-term survival strategy.

Developments In Business Simulation & Experiential Learning, Volume 24, 1997

More important, the real problem lies with senior faculty. The faculty is the university and if they seek mediocrity, then we will have mediocre job seekers rather than outstanding business leaders. When the faculty seeks mediocrity, university administrators will follow. There is no university without the faculty.

Publish or Perish

Third, almost anyone familiar with universities knows what the problem is with senior faculty. Professors have to do research and write scholarly articles and books, at least at the major institutions of higher learning. Failing to do so puts one's future in great jeopardy. It's known as *publish or perish*.

This requirement that professors be perpetual authors, at first glance, seems reasonable just as, at first glance, it seems reasonable for people to pursue a business degree simply because they want a job. After all, why else would anyone be given a faculty position? Moreover, how can knowledge advance if professors don't do some research on what they are teaching?

The problem is the way things work in practice. *We lose good teachers and gain outstanding imitators.*

If publication is paramount, then the publication process must be managed carefully. That is, the people who decide what is and is not published must be chosen with a great deal of self-interest in mind, and the lines of thought acceptable for publication must be decided with an equal amount of career management care. The usefulness, or applicability, of business research is a secondary issue to political correctness.

To make a long story short, scholarly associations make these publication decisions using the journals that they sponsor and the editors that they choose. The same associations conduct annual meetings where the members go to discover what everyone else is doing in order that they can go back home and do the same thing.

With everyone doing the same thing, the definition of what is politically correct is no longer a problem. We all agree on the proper approach to wisdom, and all any aspiring faculty member has to do is get on the bandwagon. Better yet, lead the bandwagon by becoming an officer or director of the appropriate organization.

The trouble is that with everyone doing the same thing, the best anyone can be is average. There can be few risk taking ventures into the unknown when the status quo is taken as gospel. Said in another way, this systems attracts people whose weak egos need the protection of association defined rules of behavior. Like the students they teach, they simply want a job. *The result, of course, is a headlong thrust into mediocrity.*

What We Teach

What is taught in a business school classroom, however, is far more important than what the Academy of Management or the American Finance Association dictates as allowable research. What happens in the classroom transcends the convenient academic abstractions found in accounting, economics, financial, and management theories. What happens in the classroom has everything to do with where representative democracy and capitalism go from here.

Business is an instrument, perhaps the most important one, of economic and political policies that generate social results. In turn, social results have profound effects on economic and political policies. Business is important; that's why we have business schools. But we are so busy teaching everything but our social, political, and economic consequences that we attract faculty and students who simply want a job.

American Business Schools and American Business

Nevertheless, it is too easy to point the finger at

Developments In Business Simulation & Experiential Learning, Volume 24, 1997

business academics alone. They are so often the scapegoats of executives and journalists who want to cover their own shortcomings. The typical phrase is that *it's academic*, meaning that only a dunce would listen to what an academic has to say.

Reality, however, is a little different. Business academics like faculty in most professional schools do not lead their professions. They simply follow, document, and codify them. They investigate what actual practice is and report it in the appropriate journal articles or books. Professional school faculties in general, and business school faculties in particular, are not noted for their professional practice innovations.

Innovation, for the most part, comes from the give and take warfare of professional practice. It is more or less like the genesis of mathematical theories. These theories result from attempts to solve routine problems such as why a feather and a coin fall at the same rate in a vacuum. Gravity is the answer that we accept now as a given.

But the “givens” of current, accepted business practices no longer serve us very well. The success of foreign competitors in American markets as well as the globalization of most markets is the most obvious symptom. Why don't we have a foreign language requirement in business schools?

Throughout America, desperation pockets exist among areas of prosperity. People who have lost employment and walk the streets will not be productive citizens again. Why isn't human resource management (HRM) a major issue in business schools? The permanently unemployed did what they were required to do by their managers.

The list goes on forever on issues that are important in business schools. Air pollution, crime, education, health care, immigration, substance abuse, and so forth are ultimately management problems. However, they are not

problems that can be addressed within our current paradigms. If they could be, they would not be problems. In other words, we need to search variations of, alternatives to, substitutions for what we teach in our schools of administration. Business schools head the list.

The ABSEL Connection

The key point in this regard is that ABSEL members are uniquely qualified to do the job. Their skills with simulations and experiential exercises, as well as assessment, are just what are needed for variations, alternatives, and substitutes to current alternatives. They need to look at the long received doctrines, e.g., (Boudreaux & Long, 1977; Peterson & Lewis, 1986; Robey & Sales, 1994), and devise even minor if not major revisions.

For example, regarding an earlier reference to the “shoulds and ought tos” of this world, Harre & Secord (1973, p. i) argue that a human being must be regarded in his social behavior as a rule-following agent. What better a beginning can this be for ABSEL members skilled in rule-based expert system development tools (Sawyer, 1993)? Can we not explore the alternatives to received doctrines in business schools and ask how they may be formulated otherwise?

Using an experiential example, consider the notions now being considered for future organization designs. Among these are strategic control, leadership, and organization culture (Pierce & Robinson, 1997, chap. 11). Again, ABSEL members are on the forefront. They demonstrate it at every national meeting, and there are no impediments to their innovations.

The list of new intellectual thrusts could go on forever. The main point of this paper, however, is that these thrusts are statements of ABSEL's reasons for being. There is a vacuum in “intellectual land” and ABSEL members can fill it.

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