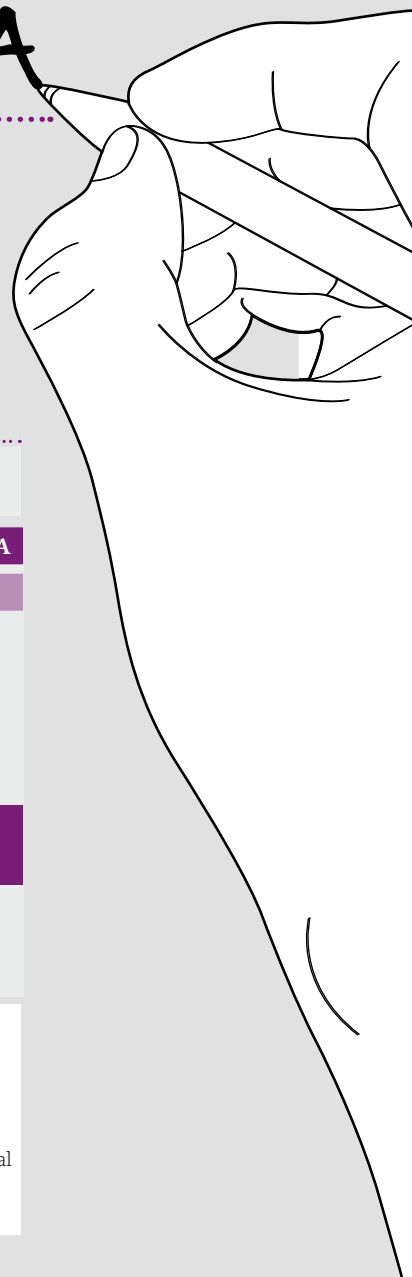


Jopie Coetzee outlines his ideas for what an MBA could look like in the future

# THE SOCIAL CONTRACT WITH BUSINESS:

## Implications for the MBA

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**Figure 1:**

The contrast between a modern and a Social Contract MBA

Modern MBA		Glass ceiling	Social Contract MBA
Old world	Transition		WOIG
Western canon Capitalism 'Business is the whole'			East, West & South canon Eco-Economic conservationism 'Business is an organ of society'
Amoral > Schools of management educational paradigms >			Social Contract
Functions of business Input – output Character building	Incremental adjustments		Conscientização
<b>External drivers of change</b> Ford: Foundation Reports – 1950s Porter & McKibben Report – 1988 Enron Berlin Wall Global warming & ecological degradation Food & Economic crises if 2008/09 Increased social activism – ‘no Planet B to go to’ – 2010 Political economic crisis: Jasmine revolution – 2011			<b>Internal drivers of change</b> A practical conscience-based critical awareness towards delivering a specific kind of future, namely: humanity’s global sustainability mandate to its business leaders

In 1987 Peter Drucker said that business scholars and business leaders will take 50 years to figure out the meaning of business as an organ of society.

Taking up Drucker's challenge was an eight-year safari of research, reflection and writing, drawing on the thoughts and speeches of today's finest leaders and thinkers around the world. From them emerged their answers to a series of Socratic questions:

What kind of future does humanity want? What kind of society will be able to deliver and sustain such a kind of future? What kind of business is suitable for such a society? What kind of business leader is needed for such a business? What kind of education does such a business leader need?

There emerged a research-based understanding of the purpose, nature and dynamics of business as an organ of society, crystallised into what I have called the new Social Contract with Business as a business case with eight business leadership responsibilities:

- directed towards itself – to be an organ of society
- towards its direct stakeholders – to be sustainable
- towards the earth – its alignment with the earth's finite nature
- towards the global commons – to be a co-custodian
- towards society – to be a co-architect of a healthy society
- towards democracy – to protect its own operating space
- towards government – alignment with government priorities
- towards transnational crime – to eliminate its role and influence

*“The Social Contract with Business breaks through this glass ceiling, opening a new world of “conscientisation” – an educational paradigm that stands in stark contrast to today’s modern MBA*

The rest of this essay focuses on the answer to the last question: What kind of education does such a business leader need?

The current MBA applies one of the following educational paradigms:

- Functions of business: where the curriculum mimics the various functions of business
- Input-output: where the curriculum is populated by many ad hoc and unrelated subjects
- Character development: where the curriculum focuses mainly on leadership competences

The challenge for business educators today is to soften the 1950s context of the above models with subjects such as ethics and social responsibility. These incremental changes are positive but sadly remain below the glass ceiling – the MBA curriculum designer's inability to answer (or fear of answering) the calls for change made by eminent scholars over the past 25 years.

The Social Contract with Business breaks through this glass ceiling, opening a new world of “conscientisation” – an educational paradigm that stands in stark contrast to today's modern MBA as depicted in Figure 1.

Let us look at this model in a little more detail:

### Vision:

What kind of MBA graduates do we wish to produce?

Business leaders who can apply the Social Contract with Business.

### Rationale:

To sculpt leaders who can lead the turnaround from a world of destructive globalisation to a world of inclusive globalisation – on the global stage, and in any country and any sector of human endeavour.

### End-Purpose:

What if the vision is achieved?

To heed humanity's global sustainability mandate to its leaders; namely to deliver:

- a world of inclusive globalisation (WOIG) where systemic poverty has been permanently removed and where humanity's broad security is assured.

This requires:

- a society that finds its greatness in the courage of protecting both its humanity and its economy as a whole; and
- world-class businesses, financially robust across economic cycles, with global stewardship as the dominant business logic; and
- business leaders with the ability to envision a WOIG, and then to lead towards it in an entrepreneurial and path-breaking manner exerting leadership qualities anchored in wisdom, love, and courage.

### Rationale:

This mandate is the *raison d'être* of business as an organ of society.

### Mission:

How do you intend to deliver on your vision?

Educational paradigm: "conscientisation".

### Rationale:

This educational paradigm aims at sculpting MBA graduates to deliver a specific kind of future, that is, humanity's global sustainability mandate. The educational challenge is to develop an applied consciousness of conscience.

### Entry requirements:

Any bachelors degree; and

Prior learning of at least a first-year university qualification in:

- Economics
- Reasoning through words, such as philosophy or literature
- Reasoning through numbers, such as mathematics or accounting.

### Rationale:

(a) To attract gifted men and women to lead the top echelons of any enterprise in any country and in any sector of human endeavour; (b) this kind of prior learning prepares the mind for broad-based intellectual agility and higher cognitive abilities – ie a return to classic learning.

### Knowledge clusters:

Learning materials need to incorporate the following three knowledge areas:

**Table 1:**

The Social Contract MBA's leadership-in-practice capabilities

Knowledge Clusters		
Craft wealth	Build wealth	Manage wealth
<b>Strategy</b>	<b>Leadership</b>	<b>Management</b>
<b>Finance</b>	social contract with business	processes
<b>Marketing</b>	entrepreneurial services	functions
<b>Business development</b>	<i>kairos</i> events	skills required
international business	<b>Building the enterprise</b>	<b>Functional management</b>
entrepreneurship	internal organisational design	human resources
social entrepreneurship	external design of global footprint	operations
<b>Holistic innovation management</b>	<b>Strategy implementation</b>	information
technology	project management	technology
business processes	turnaround strategy	cost control
culture and mindset	change management	quality assurance
	<b>Holistic risk management</b>	environment
	corporate governance	health and safety
	enterprise-wide risk management	
	business law – local, international	

### Global mindset, oriented towards a WOIG, through:

- mastering the context of history and the present, ie an economic history of the world, globalisation, global political economy and current global status
- mastering consciousness of the world, ie universal ethics and values, sociology, ecology, culture and key global trends
- mastering consciousness of the self, ie a moral judgement of self in the presence of the call for stewardship
- mastering consciousness of the conscience, ie the ethos and intent of the Social Contract with Business as a means to deliver humanity's global sustainability mandate.

The outcome should be an ability to exercise the vocabulary of wisdom, love and courage in leadership for a WOIG.

### Holistic decision-making, oriented towards the turnaround to a WOIG, through:

- mastering the tools of decision-making; namely, creativity, critical reasoning, systems thinking, understanding risk, uncertainty and opportunity, intergenerational business models, management decision making, business analysis, due diligence, complex business problem solving, research techniques
- mastering the tools of buy-in of decisions: namely, communication, negotiation, influencing, crossing cultural and mindset divides, dealing with power, ambition and ego

The outcome should be an ability to exercise entrepreneurial judgement.

### Leadership-in-practice capabilities: (see Tables 1)

#### Rationale:

(a) All knowledge for the Social Contract MBA's subjects is already available in the canon of business and related sciences but not yet taken-up in new education material; and (b) management educators need to re-discover that management is a core competence for managers.

#### Overall structure

The Social Contract MBA can be structured either as an educational event over a specific period (such as two years), or as an educational process over a leadership development timeline, of, for example, five years. In this case, formal education is provided for three months per year, with mentored, on-the-job training for nine months per year (See Table 2).

#### Conclusion:

I am mindful of Gary Hamel, who said that the gap between what can be imagined and what can be achieved has never been smaller today. And, Nancy Adler, who asked: "Now that we can do anything, what will we do?".

I conclude by asking myself where will the first light break through from beyond the glass ceiling – from the kind of world we all secretly hope for? **gf**

**Table 2:**

The Social Contract MBA's curriculum

Year or Module	Educational focus	Kairos capabilities		Leadership-in-practice capabilities		
		Global mindset	Holistic decision-making	Build wealth	Craft wealth	Manage wealth
Note: The stars indicate the relative weight for each knowledge cluster						
1	Managing self	*	**	*	***	***
2	Managing people	*	**	*	***	***
3	Managing managers	*	**	**	***	**
4	Enterprise manager	*	**	***	***	*
5	Managing enterprises	*	**	***	***	*

“” *The educational challenge is to develop an applied consciousness of conscience*

#### ABOUT THE AUTHOR

Jopie Coetzee holds a doctorate in business leadership. His research and writings on the social contract with business are profiled in his blog:

<http://coetzeejopie.authorsxpress.com>

His latest book is *The Social Contract with Business – beyond the quest for global sustainability*. Xlibris Publishers, London.