

# **Debating Capitalism: An Example of Informed, Yet Willfully Thoughtless, Argument**

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**Abstract:** This paper is about the dissemination of knowledge across the curriculum and the role business education can play in elevating student awareness and understanding of interdisciplinary thoughts. Most importantly, it explores the importance of thoughtful appreciation of divergent educational paradigms and how such an appreciation can be the bridge toward cohesive, contemporary, and meaningful learning. The paper builds on an experience of team teaching an interdisciplinary honors course, “Ways of Knowing”. Throughout the paper, we illustrate the ideological conflicts that emerged in this experience, and the realization of their sources and reasons. The paper also provides the contrast that could begin to explain how these tensions could be relaxed, as well as outlines the need to transcend disciplinary barriers through informed understanding and appreciation.

## **Introduction**

This paper is a timely discussion on the criticisms of capitalism in the context of management education. Today many business educators find themselves on the defensive. The debate surrounding the failures of economic structures and the call to move away from the pure tenants of capitalism, have led many of us to engage in vigorous debates on the value of management education with colleagues across disciplines. This paper shares the experience of such a debate in a context of an interdisciplinary course, taught by four faculty members in four disciplines. While the details of this particular team teaching experience are unique, the themes are not (Morris and Maranville, 1999). As faculty representing business education, the challenge was in the search for moral high ground in defense of an arena that is commonly perceived as a ‘swamp’ by many of its critics and proponents (Schon, 1995).

The interdisciplinary course, through which the ensuing debate was framed, commenced with the creation of a common syllabus. Several items solidified into a course plan. Each of the four faculty participants would independently choose the reading material, and pedagogical style for his/her specific area. Further, a philosopher would first cover the liberal arts, then a physicist would cover the natural sciences, then a political scientist would cover the social sciences, and finally the management professor would cover business and management. Accordingly, as we prepared for the course it seemed to be an interesting interdisciplinary synthesis that was straightforward, and un-political.

But, as the philosopher presented Marcuse’s (1964) “One-Dimensional Man” (a scathing indictment of the uncritical and conformist acceptance of existing structures, norms, and behaviors,) the management professor (and one of the authors) felt completely unprepared to the reaction of the class, and the reaction of his colleagues. He found himself unexpectedly defending the virtue of capitalism and management by arguing, with an increasingly strained voice, for reason and moderation. Unfortunately, given the young

idealistic audience, the fallout from a deluge of recent corporate scandals and economic failures, the obvious problems in capitalism, the liberal orientation of his colleagues, and the tactical problem that it was pedagogically not the management professor's turn, it was an extraordinarily weak defense. The critics were emboldened, and the supporters (if present) were ominously silent.

Initially the pedagogical plan of the management faculty was as follows: on day one discuss Harvard Business School's classic case "The Rose Company," and Winner's (1975) chapter on "Complexity and the Limits of Human Understanding;" on day two discuss Thomas and Tyman's (1982) "Necessary Properties of Relevant Research," Shrivastava's (1987) "Rigor and Practical Usefulness of Research in Strategic Management;" and Venkatraman and Grant's (1985) "Construct Measurement in Organizational Strategy Research;" on day three discuss The Academy of Management's Presidential addresses of Bedeian (1989), Hambrick (1993), Mowday (1996), Huff (1999), and Van de Ven (2002); and on day four discuss Johnson and Duberley's (2002) book "Understanding Management Research: An Introduction to Epistemology."

After the philosopher's first day presentation, the management faculty realized that he needed a change in plan. From that point, he listened carefully and noted the major issues and criticisms. He proceeded to prepare careful ideological and educational counterarguments, on the basis of which he developed the remainder of his course module. In the remaining sections of this paper, we present the criticisms (from students and faculty colleagues,) as well as the counter arguments in this debate that followed throughout the semester. We believe that similar discussions need and will take place as an integral part of management education. The aim is not necessarily to defend the tenants of capitalism, but rather to explain and clarify the issues, in order to engage in an informed and constructive dialogue.

"John Maynard Keynes would later characterize capitalism as the belief that *the nastiest of men for the nastiest of motives will work for the good of us all*. "Dugi (1992)

### **The Critics' Critique of Capitalism and its Custodians**

In this section we will present highlights from the critics' 'critique' of capitalism and management. While these points are motivated by concerns expressed during the honors course, more generally they are indicative of the types of concerns that have been widely discussed outside, and inside, the field of management. For example, consider the following extraordinarily abbreviated list: Bedeian (1989), Behrman, et. al. (1984), Bell (1976), Buckley, et. al., (1998), Caeldries (1993), Cheit (1985), Duncan (1974), Gorden, et. al. (1959), Grey, et. al. (1996), Hambrick (1994), Hayes, et. al. (1980), Kotter (1982), Levins (1999), Livingston (1971), McCracken (1979), McMillian (1985), Mintzberg (1976), Mintzberg, et. al. (2002), Morris, et. al., (1999), Nodoushani, et. al. (1996), Oviatt, et. al., (1989), Pastin (1986), Rehder (1982), Reynolds (1998), Roberts (1996), Schon (1995), Schumpeter (1942), Shrivastava (1987), Teece, et. al. (1984), Thomas, et. al. (1982), Thurow (1996) and Wrapp (1984). This literature and beyond contains, in one form or another, questions of the virtues of management practice and education.

When viewing the ideas expressed in this section, it is helpful to keep several things in mind. First, in the course of public debate often the critics verbally express a conclusion without presenting the supporting rationale. For example, management promotes greed, envy, selfishness, lust and materialism . . . or management fosters alienation between workers and the production process. . . . or management colludes to ensure that they receive a disproportionate share of economic profits. Second, the issues and the supporting rationale presented here is intended to be faithful to the spirit of the sort of issues raised by the critics. Third, the rationale presented here has the benefit of access to the literature on the topic, and access to a managerial perspective as to why that problem may exist. Accordingly, this section represents both what we think the critics said and what we think they should have said in defense

of their main points.

1. ***The custodians of capitalism promote, and then exploit: greed, envy, selfishness, lust and materialism.*** For example, Thurow (1996) has made an interesting argument that growth of capitalism required an ideological change in our view of greed. Specifically, during the middle ages the “seven deadly sins” (i.e., gluttony, greed, sloth, envy, wrath, pride, and lust) were all viewed as antithetical to the quality of life. In the words of Thurow,

“Capitalism needed a world where avarice was a virtue and . . . the individual needed to believe that he or she had not just the right, but the duty, to make as much money as possible. The idea that maximizing personal consumption as central to individual welfare is less than two hundred years old. Without this belief the incentive structure of capitalism has no meaning and economic growth has no purpose.”

Similarly, capitalism and management: (a) promote the illusion that the pursuit of happiness can be supplanted by the pursuit of property, (b) undermine spiritual, intellectual, emotional and physical affluence by over promoting the value of economic affluence, and (c) nurture the fabrication that as human beings we are in essence (first and foremost) economic entities (Mintzberg, et al. 2002).

2. ***The custodians of capitalism claim that a rising tide of prosperity lifts all boats.*** As noted by Mintzberg, et al. (2002) the benefits and burdens of economic growth are not shared equally. Abernathy and Clark (1985) argued that within capitalism the processes of creation and innovation also have a darker, destructive side for the people whose investment or livelihood is destroyed by a competitor’s innovation. Similarly, it is often argued that capitalism and management: (a) pretend that the playing field is level, when they know for a certainty that it is not (e.g., the axiom ‘he who has the most gold rules’), (b) pretend to promote a meritocracy, while in practice promoting a system of hereditary privilege, and (c) focus on the creation of value (and profits) within capitalism, while largely ignoring the collateral damage created by capitalism (Greider, 1997).
3. ***The custodians of capitalism promote inequity, and therefore injustice.*** Karl Marx has had a significant and continuing influence on the critics of capitalism. To illustrate the link between his ideas and the way that capitalism promotes injustice consider the following.

“Karl Marx(1818-1883) is undoubtedly the harshest and most influential critic of the inequities that private property institutions and free market institutions are accused of creating. Writing at the height of the Industrial Revolution, Marx was an eyewitness of the wrenching and exploitative effects that industrialization had upon the laboring peasant classes of England and Europe.

. . . Marx claimed, however, that these instances of worker exploitation were merely symptoms of the underlying extremes of inequality that capitalism necessarily produces. According to Marx, capitalist systems offer only two sources of income: sale of one’s own labor and ownership of the means of production.

. . . Since, workers cannot produce anything without access to the means of production, they are forced to sell their labor to the owner in return for a wage. The owner, however, does not pay workers the full value of their labor, only what they need to subsist. The difference (‘surplus’) between the value of their labor and the subsistence wages they receive is retained by the owner and is the source of the owner’s profits. Thus the owner is able to exploit workers by appropriating from them the surplus they produce, using as leverage his ownership of the means of production. As a result, those who own the means of production gradually become wealthier, and the workers become relatively poorer. *Capitalism promotes injustice.*” Velasquez (1992) (Emphasis added)

4. ***The custodians of capitalism foster alienation between workers and the production process (i.e., person//process alienation).*** Division of labor is a standard organizing concept. It is explicitly based on individual scale and experience curve advantages and implicitly based on inadequate complexity management strategies and a presumed lack of mutual commitment between owners and workers (e.g., it makes individual worker performance easier for the owners and managers to measure and control). Division of labor has the effect of mandating the creation of production jobs with mind-numbing short cycle times, narrow scope, exhausting production quotas, and dangerous work environments with very limited human contact. While a very effective mechanism for increasing the economic and military affluence (i.e., power) of society, a production process based on the division of labor often has the alienating effect of substantially decreasing the intellectual, emotional, physical, and spiritual affluence of production workers.
5. ***The custodians of capitalism foster alienation between workers and the product (i.e., person//product alienation).*** In capitalistic societies workers labor for others to produce - in an alienating process at relatively low wages - a decreasingly small segment of a much larger object over which they have a very limited and decreasing sense of control, ownership, creative contribution or identification. Thus, their specific work is an increasingly small, replaceable cog - controlled by others - which gets absorbed in the organizational machinery. Accordingly, the work is undertaken not because of the intrinsic value of the activity, but because for virtually all workers it is inherently the only viable option for acquiring the money to purchase the 'necessities of life' and the products and services the worker has been 'taught to need' by the capitalistic system's consumption-oriented ideology, reinforced by advertising. Therefore, the organization's product is often an alienating symbol of economic handcuffs that bind the workers' destiny to the means of their exploitation, replaceability, domination, and manipulation.
6. ***The custodians of capitalism foster alienation between workers and other workers, managers and owners. (i.e., person//person alienation).*** Pure capitalism inherently creates different classes (e.g., workers, managers, owners) with different competing agendas. In addition, within each class, the members inherently compete with each other for jobs, promotions, markets, profits, etc. For example, in recent years management has nurtured the global commodification of products, processes, and products, which in turn forces workers in developed countries to compete directly with workers in developing and undeveloped countries which in turn fosters workers' alienation. Similarly, capitalism and management over emphasize the importance of competition and under emphasize cooperation. For example, managers foster the fabrication (i.e., myth) that the effective organization is lean and mean, thereby increasing the level of competition.

While competition clearly has many positive effects (e.g., it is the foundation for innovation and resulting growth in societal material affluence during the last two hundred years), intense, unregulated competition has the effect of isolating and alienating each person from other persons in their class and other classes. While the capitalistic economic theory proclaims that competition results in a win-win-win situation for workers, managers and owners, the actual practice of capitalism often bears a closer resemblance to a zero sum game; where one person's gain is directly linked to another person's loss, and success in the game is based on relative levels of material possessions (i.e., net worth). Thus, pure capitalism inherently promotes alienation and envy.

7. ***The custodians of capitalism foster alienation between workers and their true selves. (i.e., person//self alienation).*** By creating in workers a false consciousness of their economic and political situation and their true needs and desires. Capitalism alienates individual workers from their true self. In other words, capitalism brainwashes workers to devote their lives to the alienating production and the debasing consumption of material products for which they have limited utility. Thus, in effect, it encourages workers to focus on their (easy to exploit) economic lives and ignore their (difficult to exploit) intellectual, physical, emotional, and spiritual lives. For example, it encourages the purchase

and consumption of tangible products such as a television, but it does not encourage the enjoyment of intangible free goods such as a beautiful sunset. Similarly, it encourages the view that a person's 'net worth' can be measured by counting their material possessions and ignoring their intellectual, physical, emotional, and spiritual affluence. To the extent that workers buy into this view, they are alienated from their true essence.

8. ***The custodians of capitalism foster false consciousness.*** While workers may believe that they are free to make the choices in their lives, in practice (for the vast majority) their choices are narrowly constrained and manipulated by the capitalistic system. For example, they can choose to live in one city or another; however, the economic systems are very similar. Similarly, they can choose to work for one firm or another; however, the positions, pay, working conditions, etc. are very similar. In addition, they may feel that because of their vast numbers and a democratic political system they can collectively choose their destiny. However, the capitalistic system, in anticipation of future inflation, often mandates monetary policies that create high levels of worker unemployment in order to reduce their economic power to demand higher wages. Long periods where there are high levels of worker unemployment and concurrent record levels of corporate profits, stock prices, and executive compensation, have to call into question the workers' capacity to freely choose their destiny. Thus, the contradiction between understanding and practice illustrates the workers' false consciousness.
9. ***The custodians of capitalism resist and undermine legitimate moral-cultural and political-legal attempts to restrain the excesses of capitalism.*** For example, some have argued (e.g., Pope John Paul II, 1991) that the ascendancy of capitalism was driven by its free market (private ownership) economic system, its moral-cultural system's tolerance of spiritual diversity, and its democratic, human rights based democratic political-legal system. And conversely, the collapse of the communist system was driven by the inherent weaknesses in its coercive, totalitarian political system, its atheistic moral-cultural system, and economic inefficiency of its socialistic, public ownership economic system. In addition,

the Pope has argued that: "capitalism works because it most accurately understands the productive potential of enlightened self interest in fallen human nature, but it must be balanced with an understanding that people are not just material beings." Land (1991)

Unfortunately, the custodians of capitalism have taken thoughtful comments like the Pope's, and their own economic self-interest, and promulgated the fabrication that an unregulated, laissez-faire economic system is inherently the best possible system for the creation and distribution of goods and services. Overlooked, are legitimate concerns with the effects of *unbridled capitalism* on all life. As a result, management has rationalized its use of economic muscle (i.e., money) to resist attempts by the moral-cultural system, and the political-legal system, to regulate capitalism. Today that problem is gradually becoming worse as the economic system, through the use of advertising, work incentives, political contributions, etc., gradually increases its dominance of the moral-cultural system and the political-legal system.

10. ***The custodians of capitalism desecrate the environment by implementing non-sustainable corporate strategies.*** In effect, this is an argument that the short term financial orientation of capitalism, and its focus on current stock price and profits, creates enormous incentives to blur the distinction between public and private property thereby creating incentives to exploit and pollute the environment by employing non-sustainable corporate strategies. For example, as mentioned earlier Levin (1999) has challenged the current ecology of capitalism by linking the failures of past civilizations to analogous economic practices which were ultimately seen as thoughtless and environmentally non-sustainable.

11. ***The custodians of capitalism collude with each other to ensure that they receive a disproportionate share of the economic value created by appropriating the (surplus) value created by workers.*** As mentioned earlier, as a general rule, workers cannot produce anything without access to a means of production which is controlled by stockholders through management. Thus, capitalism forces workers to sell their labor in return for a wage. As a result of management's commodification strategy, the production processes have been designed to ensure that the economic power of workers is very low. Since workers are easily replaceable (e.g., the scope of their jobs is very limited), and since the general economy has been manipulated to ensure that there is a surplus of available workers (e.g., a significant level of unemployment), management is able to pay the workers substantially less than the actual value that the workers create. Thus, management appropriates (i.e., organizationally steals) the surplus value created by workers.

Viewed from a different direction, the owners of the means of production (i.e., stockholders) have 'bribed' management with pay and incentives disproportionate to management's actual contribution. The purpose of the 'bribe' was to ensure that management manipulates organizational activities in a way that disproportionately increases the value of the owners' equity (e.g., the business profits and stock price). Accordingly, the stockholders and management have colluded with each other to ensure that they each receive a disproportionate share of the value created in the organization. A primary source of that value is the direct labor of the workers.

12. ***The custodians of capitalism defend their privileged positions, by making the claim that customers come first.*** Often it is said, as a justification for unregulated laissez-faire capitalism, that it is the best economic system because of its ability to serve the consumer by encouraging the creation of better products at lower prices. Thus, in theory consumers come before producers on the economic food chain. The fallacy in the logic is that these represent roles, not individuals. Since virtually all workers are both consumers and producers, workers do not have a strong preference for one role over the other. For example, which would make a worker more financially secure in the long term: a higher paying stable job or lower inflation in product prices? Accordingly, the fabrications that customers come first, and its corollary that unregulated laissez-faire capitalism serves the customer best, serve an entirely different purpose. Specifically, those advertised fabrications divert workers' attention away from their exploitation as producers, generate public support for unregulated laissez-faire capitalism, and thereby, protect the privileged economic positions of stockholders and management.
13. ***Capitalism and the practice of management are inherently corrupting.*** Many years ago, McMillion (1985) wrote an article titled "Automate, Emigrate or Evaporate." In that article he suggested that increasingly managers were faced with the uncomfortable choices to: *Automate* which would eliminate many jobs, *Emigrate* which would shift most jobs to foreign affiliates, or *Evaporate* which would mean the loss of all jobs, including their own.

Given the advantage of a few more years of thought it seems that several more choices could be added to his list: *Alienate* captures the continuing economic necessity for dirty, demanding and alienating production jobs; *Annihilate* captures the painful 'downsizing' and 'rightsizing' in recent years; *Inflate* captures the awkward self promotion and over statement of achievements that is increasingly a career necessity; *Fabricate* captures the financial distortion and duplicity that may be induced as the critical value-added activities shift from the material flow where they can be tracked and taxed by government agencies, to the information flow where they are not easily tracked or taxed; and, *Manipulate* captures the leadership dilemmas associated with exploiting base motives of others by treating them as manipulable objects, rather than as independent, worthy human beings.

Obviously, these are difficult and distressing choices and they are not necessarily mutually exclusive. But, if managers equivocate because of community connections, or directly express an unwillingness to make these problematic choices, then it is likely that they will be replaced by less

thoughtful managers with lower levels of moral sensitivities.

In summary, from the critics' perspective, there are a wide variety of interconnected problems associated with the structure of capitalism and the behavior of the custodians of capitalism. Accordingly, the critics are, from their perspective, performing a critical and virtuous role, in restraining capitalism's most egregious excesses. While many of these criticisms can and have been used to describe all that is wrong with the world, it is important to pay attention to the other side of the arguments. The next section presents the managerial perspective of some of these issues and shows how it is quite different.

### **A Managerial Critique of the Critics and Their Critique**

A quote from Roosevelt provides a good start as the battered business professor attempts to present the managerial perspective, in response.

'It is not the critic who counts, not the one who points out how the strong man stumbled or how the doer of deeds might have done better. The credit belongs to the man who is actually in the arena, whose face is marred with sweat and dust and blood; who strives valiantly; who errs and comes up short repeatedly; who, if he wins, knows the triumph of high achievement; and who, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory or defeat.' Theodore Roosevelt (Paris Sorbonne, 1910)

From a managerial perspective, the problem is not that the critics are voicing a criticism of the established economic order. Indeed, not only is it the critics' right, navigating the seas of change depends on our ability to critique the conditions and constraints of our lives . . . Nor is the problem that the critics are wrong about the vices of capitalism. Indeed, a majority of managers agree with the critics' list of vices, and importantly, are actively working to moderate those vices. . . . Nor is the problem that the critics are being gratuitously mean spirited. Indeed, the critics' motivation seems mostly driven by virtues rather than vices. . . . Nor is the problem that we have such intense disagreements about capitalism and management. Indeed, people of integrity can and do differ profoundly on important things. . . . Instead, the problem with the critics, and their standard 'critique,' is the embedded superficiality and biases.

1. ***The critics' standard 'critique' is one-dimensional. More specifically, their 'critique' tends to a critical listing of perceived vices (i.e., deficiencies) without a corresponding and counterbalancing consideration of the potential virtues (i.e., benefits).*** Why? While some of the benefits are beyond the scope of their direct experience, nevertheless, given the cleverness of their critique, it is asserted that the critics do have the intellectual capacity to effectively make both sides of the general argument. Therefore, the imbalance is not primarily perceived to be a result of a lack of intellectual capacity or lack of experience. Instead, the imbalance is because:

- (a) the critics believe that their audience has been immersed and indoctrinated in capitalism,
- (b) the critics believe that their audience inherently understands both how capitalism functions and what are its benefits,
- (c) the critics believe that their audience has a naive bias in favor of capitalism,
- (d) the critics believe that their audience does not inherently understand the faults of capitalism,
- (e) the critics believe that they make a positive contribution by focusing their 'critique' on the vices of capitalism, and
- (f) the critics believe that they have no moral obligation to present a balanced 'critique.'

While these beliefs are generally unexamined, and to a significant degree inaccurate, they

seem to be implicitly part of the critics' rationalization of their unbalanced 'critique' of capitalism and management.

2. ***The critics have subtly implied that there are better economic alternatives. However, as part of their critique, they have neither presented nor critiqued their own preferred alternatives.*** The essence of this argument is that a critique of the vices (and virtues) of capitalism would be better understood if there was a concurrent and analogous critique of the alternative economic systems. If the critics truly think they have some better systems (economically and morally), then they have a moral obligation to evenhandedly compare those alternatives with a balanced critique of capitalism (Schonsheck, 1987).
3. ***The critics have not pilot tested their preferred alternatives and the subordinate assumptions which are the foundation for those alternatives.*** While, there is truth to the argument that a full test of an alternate economic system is very difficult, within the context of a different economic system, too often critics overlook the opportunity to pilot test critical portions of their alternative economic theories. For example, in the background, a central theme of this debate is the (individualistic versus communal) motivation of human beings. Why not pilot test the alternatives? One method would be to arrange different organizational structures and incentive systems within capitalism. Another method, might involve looking for existing examples of parts of their theory. To be sure, a full test may not be possible, and the results may be partly skewed by the context, however a pilot test is feasible. In addition, while the critics might be surprised, if they were able to demonstrate that their alternatives were better, many of the key characteristics could, and more importantly would, be incorporated within capitalism.
4. ***The critics have not concurrently presented and critiqued the alternative, pre-existing forms of capitalism.*** In other words, often the critics of capitalism offer their criticism as if there was only one monolithic form of capitalism. Frankly that is simply not the case. Throughout the world the various countries and cultures have created a wide variety of capitalistic systems to create the goods and services that we need to sustain our lives. The point here is that the critics should be clearer about what form of capitalism they are critiquing, and they should be clearer about the benefits and deficiencies of the alternative forms of capitalism.
5. ***Given the critics' assumption that their audience does not inherently understand the faults of capitalism, it is paradoxical that their critique's list of vices is both simplistic and common knowledge.*** In other words, is anyone truly surprised (or educated) when the critics point out (again . . . and again . . . and again) the same general sorts of vices. Without much effort it is easy for the critics to find specific examples of corporate malfeasance imbedded in the activities of hundreds of millions of managers and workers. Given human nature, no one should be surprised that people, even people in positions of authority, do illegal and unethical things. Unfortunately, there are no easy fixes since all systems, that create goods and services for public distribution, are inherently vulnerable to abuses, especially by those in authority. Frankly, since the commonly understood vices of capitalism (which are the primary focus of the critics' 'critique') are casually linked to the benefits of capitalism (which are not generally included in the critics' 'critique'), it is simplistic for the critics to focus only on vices which are already common knowledge.
6. ***Given the critics' assumption that their audience understands how capitalism functions and what its benefits are, it is paradoxical that their critique is so incomplete and inaccurate.*** For example, behind the critics' assumption that 'big is bad' is a distinct preference for fragmented industries with numerous small, equally matched competitors. Indeed, some call that 'perfect competition.' Unfortunately, that position overlooks the experience curve, scope, and scale advantages that routinely accrue to customers and society in industries that are somewhat more consolidated. Further, that position also overlooks the fact that larger companies, because they are more visible and have

more to lose, are often more ethical than smaller companies that have less at stake and are less visible.

In addition, the critics are quick to point out the destruction created by the competitive forces within capitalism. However, they rarely notice the benefits created by those very same forces. For example, within capitalism it is true that if an organization cannot compete, economic energy flows away from that organization with potentially painful consequences to the participants. What is often overlooked by the critics is where that economic energy went and what happened. It is important to note that within capitalism economic energy tends to flow to organizations that can compete by providing better products at a lower cost. Suppose for a moment that was not the case. Suppose that it was the cultural practice that organizations that wasted resources, and could not compete, were consistently subsidized by society. Would that make society better and more humane? Bluntly, the inability of societies to create economic arrangements for technological innovation, and for the effective and efficient production of goods and services, creates its own special form of repression (and poverty).

Also, the critics often point to large disparities in wealth and pay and presume that those disparities are a direct result of power, privilege, and corruption. Sometimes they are! Nevertheless, without considering how value is actually created in organizations, and without considering the particulars of specific situations, and without considering the checks and balances inherent in market forces for managerial talent, it seems significantly premature and naive to automatically presume: (a) that those disparities are a result of power, privilege and corruption, and (b) that society would be 'better' if the disparities were smaller.

Finally, the critics often in retrospect point to the 'obvious' mistakes of managers and presume that the managers are stupid, inept or unethical. In other words, the managers should have been smarter and anticipated the disadvantages that would flow from their actions. Unfortunately, imbedded in the critics' thinking is the presumption that managers have an equivalent time to think. Generally that is not the case. In other words, it is often unavoidable that the management thinking must take place in the turbulent white water of real time events which are in sharp (and unexamined) contrast to the virtually infinite time available to the critics. Frankly, it is highly doubtful that the critics could have done better in coping with the white water.

7. ***Implicitly, within the particulars of their 'critique,' the critic's engage in what loosely might be called 'profiling.'*** More specifically, critics often point to separate examples of managerial malfeasance, and then thoughtlessly infer (without further evidence or deliberation) that the corruption is widespread, and then thoughtlessly draw (without further evidence or deliberation) the conclusion that the corruption is inherently systemic. For a few moments consider what might be a reasonable response by counsel for the defense. Given the periodic and spectacular evidence, no one could convincingly argue that the economic system is immune to corruption. However, the critics' primary conclusion is not that corruption occasionally happens (which is true), the more general conclusions are that the corruption is widespread and systemic.
8. ***The critics presume that capitalism is antithetical to autonomy, individual freedom and the pursuit of life, liberty and happiness.*** This position on the part of the critics is often a derivative of the insightful perspectives of the ways in which capitalism can problematically foster alienation and false consciousness. As a derivative of that perspective, the critics often presume a high level of control within capitalism whereby management consciously manipulates individuals to be unconscious cogs in wheels of economic activity. As a result, many of the critics implicitly believe that some sort 'communitarian' perspective is more supportive of individual freedom than capitalism.

Unfortunately the problem with that logic is that in 'communitarian' societies the needs of society are placed before the needs of specific individuals. In other words, specific individuals are

generally induced to conform their activities to support the society before they support themselves and their families. In addition, that logic ignores the structural characteristics of capitalism which gives management tools to influence, but not to control. Further, that logic overlooks the infinite variety of ways within capitalism for individuals to consciously channel their human capital in ways that foster autonomy, individual freedom and the pursuit of life, liberty and happiness.

9. ***The critics have ignored the collateral damage created by their unbalanced 'critique,' thereby making capitalism 'worse.'*** The critics of capitalism believe that their criticism is an important force in moderating the most egregious excesses of capitalism. In effect, their belief is that their (external, unbalanced) critique restrains capitalism, thereby making it 'better.' But, is that belief valid? There is a plausible argument, which has not been examined by the critics, that their withering criticism creates significant collateral damage.

For example, that collateral damage can take four interrelated forms. One form is that the intelligent students, with extraordinary high moral values, avoid business and management careers because of the unbalanced indoctrination they have received from the critics about the vices of capitalism. The second form is that similar students go into management, but became alienated, disconnected, and dysfunctional because they cannot live fully live up to the exaggerated ideals that they were taught by the critics. The third form, is that similar students go into management, but leave because they cannot satisfactorily answer the unbalanced, withering criticism of the critics. The fourth form, is that less-sensitive managers tune the critics out because (a) they have heard the criticism repeatedly, and (b) they know that they cannot satisfy their critics. Accordingly, unrestrained, unbalanced, withering criticism can make capitalism worse rather than better.

10. ***The critics' unbalanced critique is implicitly used as a justification for a wide range of activities that undermine the education of managers and management students.*** For example, within liberal arts colleges and universities, it is common to use management departments as 'cash cows' to funnel money to support education in other areas that are perceived by the majority of the critics to be more critical. Commonly, the result is that management majors have much larger classes, less access to their professors, etc., than majors in the critics' departments. Which prompts the question, if management is so problematic, why should management students subsidize the education of other students in other areas? In other words, if management departments retained the resources perhaps, the education of future managers could be improved.

Similarly, there is often political pressure on college administrators to moderate the relative economic market for professors. Commonly, that result is that despite higher salaries, management salaries are, relative to the market, actually lower. In turn, that means (given external market forces) that on average: (a) management professors are likely to be relatively less talented than their colleagues in other departments, and/or (b) management professors are effectively donating a portion of their full market salary to the critics. Yes, that is right. While ironic, within academia, often management professors implicitly subsidize the salaries of their critics.

In addition, management education is indirectly undermined by the critics' implicitly requiring, as part of the uniform promotion, tenure and incentive processes, that management professors produce rigorous scholarship that looks similar to their scholarship. As a result, despite the fact that management is structurally different its research must be similar. Accordingly, management education could be improved if more professors did field work as consultants and case writers. However, that does not routinely happen because of jealousy over the pay consultants receive, ignorance, and perceptions of intellectual and moral superiority on the part of critics (which in turn is justified by the critics' 'critique.')

Finally, many liberal critics have no qualms about consciously undermining management

departments, and the education management students. Why? In part, because they believe that business and management have no legitimate place within academia, which in turn is based on the erroneous beliefs that (a) the implicit values are inconsistent with academia's enlightened values of truth and justice, and (b) it is about training not education.

11. ***For some critics, their critique may intentionally not be a robust critique.*** It is ironic that some critics' occasionally suggest, as a derivative of their unbalanced critique, that the 'dark side' of human nature is illustrated, and exploited, by the epidemic vices of management and the systemic corruption of the capitalistic system. Given the above, it seems clear that the critics are only partly correct . . . And, it seems clear that their choice of words is particularly problematic, inflammatory . . . And it seems clear that they have ignored their own potential culpability. More specifically, if intentional, it is extremely problematic for critics to present propaganda and indoctrination in the form of an unbalanced 'critique.'
12. ***As a defense against the academically loaded charge of indoctrination, when pressed many critics hide their 'critique' behind the 'critiques' of others.*** In other words, rather than take a personal risk and present their own arguments, critics sometimes pick a variety of sources and facts which mirror and mask their positions. Then, if challenged, they can hide behind the shield associated with their academic freedom to choose their source material as if their choice of material was value-neutral. As a result, their own personal positions are never directly critiqued. In other words, the key is not just which notes are being played, but what is the meaning in the music. Pedagogically it is problematic if those critics selectively choose sources to mirror and mask a political position and/or if the critics offer opinions disguised as 'facts.'
13. ***The critics rarely turn the motivational spotlight on themselves as they aim their stinging critique at capitalism and the motivation of managers.*** It is axiomatic that constructive engagement in complex and important ethical issues requires substantial personal reflection prior to engagement. In other words, because 'believing is seeing' everyone must make a serious effort to let go of their personal baggage before engagement. Since many critics adopt a strident tone as they proffer their unbalanced critique, it seems that they may be unconsciously driven by toxic feelings of cynicism, alienation, jealousy, rejection, isolation, victimization, failure, and incompetence. Accordingly, their participation in this important debate would be more constructive if they would examine more thoughtfully their own motivation (and let go of their personal baggage), before passing judgment on the motivation of others.
14. ***The critics seem to presume that it is good to be cynical.*** That may or may not be true in the critics' world, however in the world in which students will live their lives optimism, trust, cooperation, and respect for authority, are also required as goods and services are created for human distribution. While it is often charged that capitalism fosters brutal, individualistic competition, the real miracle is that capitalism fosters cooperation and trust on a massive scale. Without that cooperation and trust the wheels of economic activity would grind to a stop. Nevertheless, that does not mean that participants within capitalism need to passively follow orders without thinking for themselves. Frankly, the most exemplary participants are able to independently think and act as they respectfully challenge the received wisdom from those around them. In summary, it is also good to be cynical about the value of being cynical.

In summary, without thinking seriously about specific critics and their critiques, this managerial response began by arguing that their critique was fatally flawed since it only focused on the perceived vices of capitalism and management. Then this analogously one-dimensional response focused only on the deficiencies in the critics= arguments, and their behavior.

### **Concluding Remarks**

The above sections summarize an informed, yet willfully thoughtless, argument over capitalism. Educators should be prepared to expand the discussion beyond the limitations of the arguments for each side. The critics believe that their audience has a naive bias in favor of capitalism. Thus, the motivation behind the critics' critique is an attack on what they believe is the unthinking and conformance acceptance of the structure, norms and behaviors within capitalism and management. They are in large part correct. Nevertheless, given the above, it is also true that within the ranks of the critics there have been analogous forms of unthinking and conformist acceptance of their own norms, behaviors, and dogma.

While both critiques expressed a relevant perspective, their 'Achilles Heel' was their overly narrow focus. In other words, by focusing only on deficiencies, both critiques failed to thoughtfully consider 'all relevant' perspectives. This starting dialogue clearly identifies the need for a broader, more encompassing, and iterative debate.

Accordingly, we suggest that everyone lower the exaggerated rhetoric and thoughtfully begin to debate the options. In large part, our contribution to human life, and the meaning of our lives, will be determined by the character of that debate, the clarity of our thinking, our willingness to evenhandedly consider all relevant perspectives, and our commitment to knowledge. For our part, we will expand this discussion in a forthcoming article that has the title: "Gandhian Truthfastness: A Path That Transcends Willful Thoughtlessness."

'The eyes of my eyes are opened.' E. E. Cummings

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