

***“Driving forward global Business Education for Sustainable Development”***

**Topic of the Plenary Session 1**

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- **Global Crisis and Business Schools response : the role of the Business Education in the Society**

**CONTACT INFORMATION OF THE SPEAKER**

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## **PRESENTATION TITLE:**

### **Presentation Description:**

## Global Crisis and the Business School Response

***In response to the current financial crisis, business schools have fallen into the trap of first doing very public mea culpas and then rushing to portray themselves as reformed sinners who have seen the light. This strategy is a mistake.***

This presentation will trace the reaction of some prominent and less prominent business schools in the wake of the collapse of Lehman Brothers in September 2008 and the financial crisis that ensued. In the wake of this disaster, criticism by the general media was first vented upon the banking and financial sectors. Then, as the underlying causes were looked for, teachings within schools of management were pinpointed. The response of the business academia has been rather timid. In the face of a barrage of criticism concerning such things as the use of case studies to the over reliance of financial data in the decision making process, certain schools took to making a very publicly critical look at their own impact. This should be applauded. However, some of the very public declarations of ineptitude were surprising to say the least. Granted, they may have been a degree of political expediency here. Given the mass of condemnation it was easier to accept some concerns rather than to deny them outright. For sure, management schools have not been perfect. However, few schools have had the courage to stand up and say what they have done right and the overall result of this has been to deteriorate the general reputation of this sector.

The presenter will take a historical perspective showing that the first modern speculative bubble & subsequent financial crisis can be traced back to the early 18<sup>th</sup> century long before business schools ever existed. If business schools have been guilty of anything, it is not their inability to spot current trends or to look to the (near) future, it is rather their lack of knowledge of the past.

As the dust begins to settle on the financial crisis, other trends seem to be emerging. Business schools seem to be seeking to recast themselves as born again moralists. Recent trends have included a plethora of conferences on exotic religions and their contribution to management practice, signatures of a variety of partnerships involving sustainable development and the

creation of any number of chairs of corporate social responsibility. If this is a genuine attempt to make a positive contribution of morality within business, then it should again be applauded.

However, this must be backed up real action. In their excellent research John Rayment and Jonathan Smith (2010) found that although business schools all declared their interest in sustainable development, they curiously all seemed to have projects that would begin *next* year.

The dangers of this are twofold. One is that as the recovery continues we will develop a car crash mentality to the financial crisis. Drivers generally slow down after seeing a road side accident only to speed up again a few kilometers down the road. And so some of the lessons that could have been learned from the last few years will be forgotten. The second risk is that businesses and the public at large will begin looking for tangible results away from the headline grabbing signature ceremonies and the trendy conferences. And if management schools have nothing concrete to show, they reputation will be tarnished even further. Addressing these risks, will be one of the major challenges for business schools in the coming years.



**Abstract:**

Please provide an abstract **(200 words maximum)** of your presentation.

## Global Crisis and the Business School Response

This presentation will trace the reaction of management schools in the wake of the collapse of Lehman Brothers in September 2008 and the financial crisis that ensued. In response to this crisis, business schools have fallen into the trap of first doing very public *mea culpas* and then rushing to portray themselves as reformed sinners who have seen the light. This strategy is a mistake. Rather than casting themselves as born again moralists business schools should first take a critical look at exactly what their impact has been in the current turmoil. This includes publicly admitting what they got right as well as where they might improve their contribution. Secondly they should be wary of making too many promises (through partnerships, conference and the like) for an all new moral stance to management education lest once again the reality falls short of the promise.