

How B- schools can helps Future Managers in Fighting against Corruption

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Abstract

Corruption is “the misuse of entrusted power for private gain” as defined by Transparency International is recognized to be one of the world’s greatest challenges. In today’s environment India is dominated with concerns about corruption and the inability of politicians to tackle it effectively. It has considerable impact in promotion of competition in leading brands which will lead to create monopolies in the market. This will not only hurt the consumers but also damage the legal laws and the reputation of the organizations and the society. This study is an attempt to describe the role of business schools in fighting against the corruption while it’s provide the suggestion to improve the education of B- school students for fighting against corruption.

Keywords: *Business schools, Bribery, Corruption, Corporate social responsibility, Business law, Business Ethics and Values*

1. Introduction

According to the Oxford dictionary, "bribery" is the dishonest persuasion of someone to act in one's favour by paying them or giving other inducement and "corruption" means the will to act dishonestly in return for money or personal gain. The characteristics of corruption could be defined as:

- Abuse of power inherent in a position of authority
- Those who through participating in the abuse of power gain advantages
- Third parties are the ones who suffer
- Transactions take place in secret
- It is not always a question of money; there could be other favours such as job, services or gifts

Many initiatives were taken worldwide to fight against corruption and to increase transparency in their operations. Among all one of them, is the UN Global Compact (GC) was launched in July 2000, as a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. The initiative seeks to align companies' business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. GC is also includes the other participants like civil society, business associations, and academic institutions. The participation of the educational institutes is critical because academia plays an important role in shaping future business leaders and in educating them on the importance of responsible citizenship. Through increased importance of research, educational resources, learning know-how and educational infrastructure, this sector can increase knowledge and understanding of corporate citizenship.

High levels of corruption and poor governance are widely believed to be constraints to economic growth in developing countries. Starting with the admission to the schools at the nursery standard, right up through every stage in education many key aspect of education are infected with corruption. The political pressure for social justice crystallizing in the concept of reservation and priority given on the basis of caste and community has in itself brought a whole new chain of corruption starting with the getting of the false caste certificates and falsification of records. The exam system is also riddled with corruption and leakage of exam

papers is a prevalent phenomenon. There are states like UP, where state governments have ruled on the student's right to copy in an examination. The introduction of self-financing colleges has in turn brought a totally different approach to education where education has based mere consumer and corruption based. In Maharashtra for example, amassing money by using corruption in educational institutions and use this clout to capture political power is well known. Such political leaders there are called sikshansamrats. Their equivalence are probably found in other parts of the country.

Corruption basically determines by the development of markets, drives away investment, increases costs, reduces competitiveness, increases uncertainty and undermines the rule of law. Corruption exists all over the world and can greatly thwart firm, national and regional-level competitiveness, as well as significantly affect investment climates and impact the quality of investments. The students of business schools are the youth which are the future business leaders and business schools are help in generating knowledge and awareness about the corruption and the consequences of corruption on the society, business and the whole country.

According to the global report 2003, London in the "emerging agenda for action between the European Union and India" there is a clear identification of the areas of joint concern. Of particular interest is the emphasis on trade and development which implicitly recognises the need for 'good governance' generally, but more particularly, in promoting individual rights and the rule of law. Good governance here does not necessarily mean the prescriptions of the World Bank or the IMF; it does, however, mean effective, accountable and transparent governance.

According to the editorial published in "The Tribune", newspaper corruption in public life is one of the most daunting issues facing the country. Things have come to such a pass the all politicians evoke public ridicule.

As stressed by the Organization for Security and Cooperation in Europe (OSCE), “No country, however democratic, is free from corruption. This social ill touches government officials, politicians, business leaders and journalists alike. It destroys national economies, undermines social stability and erodes public trust.”

In the same direction the GC and leading academic institutions jointly developed in 2007 the PRME- “Principles of Responsible Management Education”, a set of six principles which lay the foundation for the global platform for responsible management education. The PRME are inspired by internationally accepted values such as the principles of the United Nations Global Compact. The PRME seeks to establish a process of continuous improvement amongst institutions of management education in order to develop a new generation of business leaders capable of managing the complex challenges faced by business and society in the 21st Century.

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

1.1 Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses Labor
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;

- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

1.2 Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

1.3 Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In December 2008, inspired by the importance of bringing the Anti-Corruption GC 10th principle into the academic debate, a group of business schools decided to form a working group on this issue.

2. The Business School

From many years universities have a strong position at the heart of the global economy of knowledge & learning, and business schools have been one of the major success stories in higher education over the last 40 years (Ivory et al. 2006, and Mintzberg 2005). Adenekan (2009) also identified that many top business schools are witnessing a surge in applications, as diminished job prospects force many people to get new skills.

Many commentators (e.g. Pfeffer and Fong, 2002) suggest, however, that business schools are reaching a crossroads in their development. Others go further, with Ivory (2006) for example arguing that their success story is coming to an end and they are under threat from a number of directions. Cornuel (2005) suggests that many are out of touch with business requirements if not business reality. Stanford's Harold Leavitt (as cited by GRLI, 2005) says:

We have built a weird, almost unimaginable design for [business] education that distorts those subjected to it into critters with lopsided brains, icy hearts and shrunken souls.

Hawawini (2005) and Mitroff and Denton (1999) argue that typical business school courses have too strong an emphasis on quantitative management skills and techniques.

Mintzberg's (2005) research into the effectiveness of MBA programmes found them to be too often focused on developing the mental strength and stamina of individuals.

Hawawini (2005) argues that their teaching needs to focus on what he terms 'societal skills', which include the need for new paradigms of business thought and consideration of more global issues.

In 2005, Deans at the EFMD Conference (GRLI, 2005) were in unanimous agreement, that business schools should do more to influence students so that after graduating they make decisions and behave in ways that reflect globally responsible leadership.

Researchers and analysts increasingly are criticising the approach business schools are taking. Bones (as cited in Arkin, 2009) argues '*this is a sector about to sleepwalk into significant change*'. Starkey (2008) calls for business schools to create MBA programmes that go beyond merely a passport for careers in hedge funds, private equity, investment banking, venture capital and consulting. He identifies the need to cultivate an appreciation of history, the role of the state and of collective action to counter the fixation on markets and individualism (i.e.

greed and selfishness).

The purpose of business and management education has thus been part of a long-running debate but as identified above this has seen renewed vigour since the recent financial crisis, for example see Fryer (2009) and the Financial Times (2009).

Although Bradshaw (2009) argues that business schools need to give students more insight into what the new role of business will be in society, he agrees with Holland (2009) that this need has already been recognised by some schools and that their teaching has begun to change (Bradshaw 2009). According to preliminary findings from research by the Association of MBAs (as cited by Arkin, 2009), a growing number of business schools are now putting business ethics and sustainability at the heart of their MBA programmes. In that research 59% of the 99 business schools surveyed said they covered ethics to a large or very large extent.

What these figures do not reveal however is the degree to which such issues as ethics and sustainability at a global level are becoming core threads running through the whole curriculum, the fundamental approach to learning called for by Mintzberg (as cited in Bradshaw, 2009). This would change the pedagogy to enable students to internalise these important new elements of business education.

Birkinshaw (as cited by Arkin 2009) identified that it is easy to tweak individual courses in response to unfolding events but wholesale change at programme level is more difficult and takes longer. If ethics and sustainability are treated as 'add-ons' to existing syllabi, lecturers and students may be tempted to view them as optional current fads.

3. Role of B-Schools in fighting against corruption

Business schools play a vital role in providing knowledge to the local peoples and students with high standard of living and views several issues like corruption and sustainable

development. It is obviously not a obligation for business schools to provide their students with the necessary skills and abilities to become managers. But can this only happen through mechanisms aiming to recreate an artificial reality, to enable students to understand how a company works before they join. The major hidden risk is that students are thus prepared to reproduce consistently familiar situations, and too commonly used organisational configurations. In France, a slogan used by students in May 1968 was “Live what you think, don’t think what you live”. In order to avoid this risk, business schools should ask themselves about their methods of preparing their students to become innovators, leaders, creators, etc., to avoid participating in the identical reproduction of our societies.

Business schools have asserted the benefits of economic and materialistic thinking in their classes for so long that few even question these assertions (Giacalone& Thompson, 2006). A recent survey also shows that there is a perceived deficiency in the degree of integration of ethics and social responsibility into various specific disciplines (Nicholson &DeMoss, 2009).

Business schools helps in coping with the changes in the global business era due to changes in government policies and environmental threats. It helps the students in preparing themselves for the challenges face by them in the real organisational culture. In the context of free economy, business schools have a crucial role to play in optimizing the way institutions, private as well as public, are managed, in the objective of ensuring the best possible level of growth, and thereby – they all hope – a dramatic improvement in students as well as peoples’ lives. In the business schools lots of subjects are taught by the faculties for the awareness about the business activities and the effect of these activities on the society and their personal life. Some of these subjects are:

3.1 Business ethics and values

Cardeiro (2003) defines ethics as a value system by which individuals evaluate and judge the behaviours of themselves and others. Behaviour is evaluated against some previously established set of standards. The traditional sources of ethical standards are religious, philosophical or cultural/societal value systems. Christensen et al. (2007) define ethics as ‘a form of applied ethics that examines ethical rules and principles within a commercial context; the various moral or ethical problems that can arise in a business setting; and any special duties or obligations that apply to persons who are engaged in commerce’. A recent research showed that there is resistance from some administrators, faculty, and students to ethics in the classroom (Alsop, 2006). A fundamental problem is faced in teaching business ethics and social responsibility unrelated to pedagogy or course content. Rather, the problem is with the basic worldview underlying our management education – a worldview that undermines and countermands the basic tenets of ethics and social responsibility (Giacalone& Thompson, 2006).

This subject helping students become more socially responsible and ethically sensitive is a substantive part of our business schools as they prepare a new generation of business practitioners for the future (Giacalone& Thompson, 2006).

Ethical standards of businesspersons have long been a societal concern. Both consumers and politicians have expressed outrage at scandalous episodes of fraud and cheating that surface from time to time (Wynd&Mager, 1989). General public is demanding higher ethics of businesspeople (Kidwell, 2001). Organizations and society at large recognize that ethically and socially responsible behavior plays a crucial role in good business practices. This realization has led employers to expect and demand that business schools facilitate the training of students in ethics and social responsibility.

And business schools helps in providing knowledge and awareness about their rights and responsibilities for the society as a employer or a business leader.

3.2 Corporate social responsibility

One more course that has entered the management education portals in the recent times is “Corporate Social Responsibility”. This course touches upon the attempts by the corporate or business houses to contribute to the society through various welfare and public utility services. The course emphasizes what an organization can do to the society rather than what an individual can do towards the betterment of the society. The managers of future are receiving education in the present. It is a matter of immense importance that students understand and appreciate the connection between acting ethically and business outcomes such as profits, sales growth, etc. Strong exposure to examining and understanding social responsibility issues in business is called for to ensure that future managers understand the importance of ethical code of conduct and its long-term impact on performance of their organizations as well as society at large (Luthar & Karri, 2005). In addition to this role of business schools in tertiary institutions, trade associations, business community and the news media will play a stronger role in fulfilling this mandate in the future (Wilhelm, 2002).

3.3 Consumer protection

Another next subject taught by the B-schools & educational institutions is consumer protection. This subject helps in identifying the importance of consumer education and giving support in many ways. With the urbanization and increased literacy rate the consumer is still exploited and protection is becoming a question? This subject deals with various means of bringing consumer awareness to the students with the help of case studies and the real life examples. It also deals with the students’ opinion in bringing and promoting the protection from the illegal and unfair trade practices. Through this subject students increase their

awareness regarding their rights and the process by which they can redress their complaints regarding unfair practices or activities of business

3.4 Business law

The business law major focuses on the fundamental relationship between law and business and is ideal for those planning careers in a wide range of business areas including professional accounting, business management, international trade and industrial trade. It will help the students with important skills which will help in reducing or avoiding many of legal problems that can arise in the normal course of business transactions. It will make able the students to understand the situations and act on legal services on unethical issues.

4. Conclusion

After the deep study of review of literature it found that business schools have a major role in training of future directors and executives. It is not so much worthy that how much they contribute at a social or societal level, and the extent to which their key concerns are a long way away from the role that they should be fulfilling as intellectual leaders of the business community. There have been some suggestions like business schools should more focus on social teaching regarding meaningful reciprocity between financial successes and implementing global ethical and moral values. There should be instructional focus for providing more holistic view of business leadership. If business schools want to produce ethically centered managers they must taught them that the successful leaders first must actively and passionately advance the social interest of people. In establishing examples for students how this new success is defined, it is highly essential to introduce new social role models in business field. There ethical and financial success makes them exemplary for their future leaders.

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