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# A Transcendent Business Education for the 21<sup>st</sup> Century

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As a society we have witnessed a slew of reprehensible corporate activities over the past few years. The unethical behavior that surfaced with the scandals at Enron, WorldCom, and Adelphia added new entries into a Hall of Shame that society had assiduously ignored. As these unethical activities were revealed, society's tireless denial transmogrified into a search for blame, often focusing on the responsibility of management educators. As a business ethics professor, I struggled with my own responsibility. Over and again I was asked, "What are you teaching these students?" The implication was not subtle: Business faculty were not teaching students ethics and were to blame for the wrongdoing that ravaged society's trust.

Certainly, there is enough blame to generously blanket many groups. Substantive culpability goes to parents who failed to teach their children the basic decencies of being human. In an era where television educates, parents failed to add to *Sesame Street's* basic facts—the three Rs overtook everything. With ample time spent on soccer practice and Cotillion lessons, children learned the right athletic moves and dance steps for college scholarships and social acceptance. Unfortunately, there was little time left to teach them empathy or how to think morally.

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We could blame educators and administrators at the elementary, middle, and high school levels as well, where the rocky road to Enron and WorldCom begins. They bemoan the rash of classroom cheating but have chosen not to curb it. Schools relinquish their responsibility by minimizing the prob-

lem: "You have to expect this from kids," I was told, "They're too young. They'll learn eventually." Truthfully, administrative reticence is unrelated to the perpetrators' age or lack of maturity. It is the fear of costly legal action that quells the deterrence of dishonesty—in a litigious society, students who are too young to know better have parents old enough to call a lawyer.

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The unwillingness to curb cheating also is a function of what *will not* happen if students aren't punished: No money is lost! Ethical infractions that cannot be monetized just offend our sensibilities. Cheating is not a problem—until little cheaters grow up, become dishonest executives, and lose our money. Only when pecuniary perils arise is curbing dishonesty a worthy goal.

Of course, business professors deserve some blame. We promulgate a worldview that facilitates questionable decisions. We create brilliant tacticians who know how to play the end game of wealth creation, where financial success is defined without transcendent responsibilities. We teach a path without a heart where tacticians can cheat themselves and others of good lives. We are proud, excellent drill sergeants teaching tactical reductionism: The worthiness of a tactic depends on whether it results in profits for oneself or for one's company. But in search of a personal or corporate gain, proponents of this instruction aid and abet physical, psychological, and spiritual toxins for our students, the organizations they work for, and society at large.

Still, society is deluded to think that these problems would vanish if faculty used the right pedagogy. On issues of outright dishonesty, fraudulence, and abrogation of fiduciary duties, what magic words, lecture, or experiential exercise could work? Do we need to explicitly teach adults

simple deceptions—lying and breaking the law are wrong, making up data is inappropriate, and betraying those who have placed their trust in you is repugnant? Students should have learned these lessons long before they reached our classrooms.

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But blame who we might, it is clear that assigning blame will not help; each constituency must look at the part it plays in the moral quagmire and respond with integrity and courage.

**A BUSINESS EDUCATION THAT GOES BEYOND BLAME**

Business schools have tried to “fix the problem” with a healthy dose of blame deflection, an ethics course, guest speakers, and hope for improvement. These palliatives for the poor press demonstrate our inability to diagnose the scope of the problem. Much as a doctor cannot stop a plague by administering antibiotics to a few sick patients, the social moral malady we are facing cannot be fixed with ethics courses and speakers.

Instead, to address our responsibility, we must attend to the problem: Our fundamental business curriculum has no higher order ideals. What ideals should our students aspire to achieve? Aspiring doctors and psychologists are socialized to strive for newer and better techniques to improve our physical and mental health. Aspiring engineers strive for better techniques and newer approaches to improve society. They are socialized into professional lives that will leave behind something worthy of their time on the planet. Their professional goals are not solely financial, but transcendent, and help them aim for something more than a financial bottom line.

What are the transcendent, aspirational goals of business education? There are none. Whether society is improved as it gets richer or whether the individual is enriched at all has long been assessed in quantitative or financial terms, and not in transcendent ways. We teach students a simple pay-off matrix: Increase the company’s wealth and improve the chances of increasing your own affluence and status. In our lesson plans, there is no selflessness, no objective for the nonfinancial, collective improvement of our world, and no generative aspiration to leave behind a better world for those who follow. We are, at best, silent about

transcendent aspirations and, at worst, active participants in the shallow goal of increasing material wealth without a sense of long-term social benefit.

It is not that we are teaching faulty ethics per se, but that we are not socializing students to assess their working assumptions of what goals are worthy of professional aspiration. For example, students can aspire to increase wealth by developing new cancer drugs or by developing new products to make life easier. Conversely, they can increase wealth by producing cigarettes that kill people or by creating totally useless products such as Pet Rocks. The latter do not transcend the immediate wealth created, and in the case of cigarettes, actually create profit via harm. Our educational model teaches that all products projected to be profitable (and legal) are worth creating—but the best, even products as inane as Pet Rocks, are those that generate the highest return on investment.

Teaching students to assume that only economic goals matter helps them to ignore feelings and to discount the pain a decision might cause. It helps them to disregard the indispensable question of what kind of world they wish to live in and hope to leave behind. If we helped them instead to develop aspirational, transcendent goals alongside the economic ones, we might deter the destructive decision making that creates less-desirable products and services and instigates ethically questionable approaches. Some might find it judgmental to argue for a standard that distinguishes appropriate from inappropriate products and services, but they forget that we already use a standard that reinforces (if not imposes) a materialistic criterion.

**DISTORTED REALITY: RECONSIDERING THE MATERIALISTIC FOUNDATION OF OUR EDUCATION**

Teaching students to use the single-minded materialistic value system distorts the reality of daily life, where we routinely assimilate nonmaterialistic goals. Love, forgiveness, gratitude, and hope, for example, are all without financial basis, yet they are the basis of a good life (Snyder & Lopez, 2002). We love without cost considerations, forgive despite losses, are grateful for health even in the midst of poverty, and work to understand life’s meaning, even when it leads us to live under conditions of financial austerity (see, e.g., Elliott, 1995). Every day, we temper materialism with transcendence.

But we neither teach students to weave transcendence into wealth creation, nor the temperance that comes with it. In our classrooms, students fail

to learn that business decisions cannot be judged apart from what we forego to achieve financial success. We do not help them gauge the social cost we incur when intelligent people route their talents from socially beneficial endeavors to frivolous ones, such as developing and marketing Pet Rocks. How can we be surprised that their decisions are made on the salient materialistic "winner takes all" template we foster?

We fail to teach transcendence because its outcomes cannot be shown statistically. Wealth creation has a definitive, substantive payoff as evidenced in the bottom line. But this compelling argument for wealth creation is predicated on a myopic, ideological ruse that defines financial success as good. Whether implicitly or explicitly, our education promises that successfully achieving materialistic goals provides a smooth highway to wonderful outcomes. But if students were given the chance to preview the road and the concomitant outcomes, they would find an unpleasant truth. If given a glimpse of what our venerated, singularly materialistic values create, they would conclude that what we are teaching is dangerous, immoral, and factually wrong.

### The Educational Ruse of a Materialistic Education

Because a flawed education teaches students how to add financial value, but not to augment their ethical values, we exacerbate their socially indoctrinated materialistic aspirations. They hear what they have always heard: The pursuit of money and power is undeniably good. In *Wall Street*, Michael Douglas pontificated eloquently on the Gekkoistic dictum that greed is good—but we have forgotten that he was acting. When the soundstage darkens and reality is reckoned with, his character's materialistic dictum is wrong for three reasons.

First, the worldview that deems wealth creation as the managerial *raison d'être* provides an erroneous understanding of business in this century. An astute reading of demography (Ray, 1997; Ray & Anderson, 2001), political science (e.g., Inglehart, 1997), and new paradigm thought (Giacalone & Eylon, 2000; Ray & Rinzler, 1993) surfaces a pattern of values change we are ignoring. Increasingly, the *global* citizenry is, at the very least, integrating nonmaterialistic values into all aspects of life. More likely, an emerging values set is flourishing in which the citizenry is more interested in self-expression, belongingness, sense of community, social equity, and quality of life than in material and economic rewards, prosperity, economic security, and control (Inglehart, 1997). The global citi-

zenry is not becoming antimaterialist, but is holding nonmaterialistic values in higher regard. In 1970, those holding predominantly materialist values outnumbered those holding emerging values 4 to 1; by 1990, the ratio was 4 to 3 (Abramson & Inglehart, 1995: 19; Inglehart, 1997: 35) and projections are for nearly equal numbers in this decade. Preparing students for a world where stakeholders adhere primarily to materialistic goals is not only factually incorrect, but also inspires them to lead organizations toward a perilous disconnection from stakeholders' actual value priorities and needs.

Second, while we associate the pursuit of wealth with positive outcomes, materialistic values are associated with generalized misery, dysfunction, and discontent. The venerated materialistic values we proffer are associated with lower personal well-being including decreased happiness, lower life satisfaction and self-actualization (Ahuvia & Wong, 1995; Mick, 1996), and problems with mental and physical health (Cohen & Cohen, 1996; Kasser & Ryan, 1993, 1996, 2001; Williams, Cox, Hedberg, & Deci, 2000). These values are associated with poorer relationships (Richins & Dawson, 1992), less connectedness to others (Khanna & Kasser, 2001), less generosity (McHoskey, 1999; Richins & Dawson, 1992) and empathy (Sheldon & Kasser, 1995), as well as greater conflict (Sheldon & Flanagan, 2001), more antisocial behavior (Kasser & Ryan, 1993) and interpersonal manipulation (Khanna & Kasser, 2001). We are teaching values synonymous with sadness, where students can afford a nice home where unhappy people will live.

Finally, in teaching the wrong values, we also fail to proffer the right virtues. Research shows that those individuals balanced by hope, gratitude, and forgiveness have better lives (see Snyder & Lopez, 2002). These virtues, which are now being addressed in organizational research (see Cameron, Dutton, & Quinn, 2003), need not replace wealth creation, but can be aligned with it (Giacalone & Jurkiewicz, 2003). Indeed, even as some may mock the compatibility of virtue and profit, companies are demonstrating that wealth creation is amplified by such virtues, not diminished by them. The groundbreaking work of J. Robert Ouimet, president and CEO of Ouimet-Cordon Bleu Inc. (Canada) illustrates that productivity and profit are consistent with virtuous behavior.

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## A TRANSCENDENT 21ST CENTURY BUSINESS EDUCATION

After many years teaching business ethics, I have concluded that the content of a 21st century business education must help students think beyond profitability and self-interest. It will not be an easy task. When I asked my students to list morally repellent managerial behavior, I was shocked by their inability to develop a substantive list. "Well," one student said seriously, "I suppose you can't kill your subordinates." Aside from that, the class could not agree on other morally repellent managerial behaviors. On other occasions, when I asked who might dump carcinogens illegally for personal profit, I was more shocked. "If I don't do it," the consensus revealed, "someone else will. It pays the bills." When I asked if they wanted to live in a world where people hurt others for money, they cynically reminded me: "We already do."

Students need a balanced education that offers simple, basic humanistic knowledge to offset tactical reductionism. Such education could free students from a nine-to-nine life encumbered by materialistic dreams resulting in nightmarish lives. Business schools teach financial success, power, and status, but a real education teaches students to leave a legacy transcending the bottom line. It is an education that helps the next generation pave a better road for those who follow them.

It is easier to teach financial success, especially to those encumbered by a "win-at-all-costs" psyche. Without transcendent goals, where nothing matters but the bottom line, the road to success is built on nonrestraint and achieved by climbing on the bodies of friends and enemies, crushing the innocent, or robbing those imprisoned by the ligatures of ignorance and weakness. "Don't get caught" becomes the scaffold on which students learn to work; "make certain it's legal" is its parallel narcissistic, wobbly stricture. While it is easier to teach students to treat others as a means to an end, we abrogate our moral responsibility to the future in doing so. Transcendent education provides a better way.

### The Basis of a Transcendent Education

The basis of a transcendent education is aspirational, acknowledging higher order goals as real possibilities, and balancing self-interest with responsibility to others. It focuses on intangibles as closely as the bottom line, and does not determine the probability of success with a GMAT score. It is an education which assumes that what is important cannot be restricted to testable facts; where

transcendent learning is ascertained by the decisions students make.

Such an education is founded on at least five goals.

1. *Empathy.* Transcendent education evokes empathic understanding; it teaches students to feel their decisions as potential victims might, not as a shallow path to self-consternation, but to induce wisdom. Understanding the feelings of those who are powerless, poor, humiliated, afraid, and discouraged helps them understand how it feels to be laid-off, not just how to make the lay-off decision. It is when they sit in these foul feelings that empathy becomes possible; only with empathy will they not debase humanity and create pain through immoral commerce.

2. *Generativity.* Empathy must be enhanced with positive aspirations that engender a focus on nonfinancial contributions to our world; on learning how to give as well as take. Among the wealthy, money is willed to noble causes often enacted materialistically. But most of our students will not make millions, although they can help millions. Students must learn that what is really important is not willed to chosen heirs. Instead, in the course of their work, they bequeath sorrows or joys to those they encounter and those who follow them.

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A transcendent education helps them ask important generative questions (McAdams & de St. Aubin, 1992): "What kind of world do they want to leave?" "What outcomes are truly worth leaving behind?" The legacy of our educational efforts is to leave a generation of leaders who understand that the integrity of commercial pursuits rests on the welfare of the whole. It is to leave behind worthy stewards of the future who temper wealth creation with hope, compassion, altruism, and gratitude for those who follow them. They recognize that they cannot single-handedly make the world perfect, but that they play a pivotal part in making the lives of others better.

3. *Mutuality.* A transcendent education helps students to understand that success is best achieved not in personal gain, but in embracing a common victory. They learn a transcendent history: Greed has created personal and national wars where winners did not understand that the cost of unilateral victory is that losers always plot to ex-

change places. Admittedly, brutality provides a stay of vengefulness; at the cost of integrity, winners hoard the storehouse and often maintain control.

We must teach them that the price of this brutality is paid in the silent corners of our souls. Today, we talk about stomach knots and claim we are stressed. Perhaps, the knot is in the *right place*, the result not of anxiety and overwork but of ill-gotten gains. As students learn the wisdom of mutuality, they recognize their stomach knot as the pain, starvation, humiliation, and anger of those they've vanquished put in its rightful place. They learn the real meaning of "the winner takes it all." Pain is also a spoil of some victories, for hidden in victory lies the fear that we too might lose; we look over our shoulders, fearful and unable to rest.

4. *Civil Aspiration.* A transcendent education assures students that the road to the Hall of Shame is not due to a lack of ethical "traffic lights." The traffic lights business leaders ignored so often have been flashing for millennia. "Stop: Stealing is wrong." "Stop: Lying is wrong." "Stop: Products that kill people are wrong." An adult does not need to be taught that some actions are vile; they need to meditate on their arrogant disregard behind prison walls.

Paradoxically, a transcendent education increases students' ethical sensitivities by helping them avoid the mind-set that focuses exclusively on the ethical traffic lights. We must help them to stop believing in the limits and immutability of these lights; to stop acquiescing robotically to their moral boundaries out of fear, good will, or the advantages found in the letter of the law. Students need to learn the truth: These ethical traffic lights are entrusted with controlling the lowest ethical expectations and sometimes are erected to support the most embedded social lies. How else could the tobacco industry, for example, have survived as long as it has?

We must teach students to look past the ethical traffic lights, not as civil disobedience, but as a commitment to civil aspiration. Civil aspiration helps them to want more for their world, to courageously navigate the moral potholes and finally recognize that in a world of finite resources, while you cannot have an ever-expanding economy (Fox, 1994), you can expand the moral consciousness of a society. Without these civil aspirations, we help them pave a road of low expectations for themselves and others.

5. *Intolerance of Ineffective Humanity.* A transcendent education affirms the importance of students' essential human competence; it teaches that decisions both impact others and define the deci-

sion maker. Students certainly understand the standards of professional competence; they know that poor work skills, lack of ability, and inadequate knowledge define the ineffective employee. It is our task to help them learn the transcendent parallel: that insensitive decision making, selfishness, a disinterest in those who follow them, and the singular pursuit of wealth define an ineffective human being.

## CONCLUSION

It is easy to bemoan the state of ethics in organizations, and soothing to search for scapegoats. But the job of educators is to mentor the future and capitalize on the goodness that is already sitting in the desks. Over and again, I have found young minds with aspirations I had not fashioned, understanding things I did not even consider. The need for this century is a business curriculum where such integrity can grow safely in our classrooms; where transcendent aspirations are not considered outliers but exemplars we should emulate.

It won't be easy to do, and the pedagogy by which this is done is left to those wiser than I am. However, I am convinced that the road to a transcendent education begins inside each of us—for the learning is not just about pedagogy and course content, but about the integrity of the teacher. Because students can spot fraudulent virtuousness, we must confront the core of our convictions before we can change what we profess. Before we can filter the toxins from our teaching (Frost, 2003) we must remove them from our thinking, model transcendence in our actions, and as Gandhi observed, "be the change we want to see in the world."

We must live and teach the standards of a different worldview. The scandals that have befallen us indicate it is time to disaffirm decision-making assumptions that suggest our students should *play* their lives like the old *Supermarket Sweep* game. It is time to stop teaching students that the only legitimate strategy rests in senselessly hoarding goods while trying to beat the clock. It is time to tell students the simple truth. Life's clock always wins. It is our moral duty to teach them that what really matters is not what you have when it is check-out time, but what you did as you walked down the aisles. A transcendent education can do that.

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