

Christian Community, Character Building and the Liberal Arts

**Fourth Annual Jo M. Turk Conference
on
Christian Community**

Palm Beach Atlantic University

Liberal Arts: Professor, Parent, Student and Citizen

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An Essay on the Liberal Arts and Business Education

A Necessary Coexistence

The business world has been shaken to the core recently with the scandals surrounding accounting fraud at such super-companies as Enron and WorldCom. Other companies have had equally disturbing news to report and there seems to be no end in sight. How can the modern “Captains of Industry” place themselves and their firms in such jeopardy? What would drive them to such desperate acts? Why would they take such risks with devastating downside consequences?

Greed seems to be the predominate answer—but that’s too simple. Who is greedy? Investigations are directed at corporate officers and board directors who falsify corporate financial statements solely for personal wealth maximization. The polite term for this in the financial world is “window dressing.” Is that the end of the answer or is there more to it than that? Investors must shoulder some, maybe much, of the responsibility for driving the motives for fraud. Investors are the owners of publicly traded firms and are notoriously greedy for profits—they demand double digit returns on their investments in a single digit economy. How can corporations consistently outperform the economy to the satisfaction of their investors? What happens when they don’t? The investors jump ship to whatever corporation promises those unrealistic returns. When this happens, corporate officers and board directors know they can be sent packing. Investors should consider this: if it sounds too good to be true, it probably is; and, there is no such thing as a free lunch.

Maybe it is the investors that need a reality check. Stop pressuring corporate management to perform excessively beyond the capacity of the economy. If the stock

market is indeed overvalued and is in need of adjustments back toward reality—some folks are going to lose. But, it is the investors who drive stock prices up without considering the intrinsic value of their investments. If you buy stock low and it jumps dramatically over a short period of time, what is it that is creating that value increase? Is it real value or is it a phantom trigger? If it is not real value being created by the firm, then you should expect that your stock may not last long.

Another issue is that corporations must make long term capital investments back into modernizing infrastructure. The payback on this strategy can be substantial, but it will take several years to realize the return on these investments. The problem is that investors are not patient—they want their money back with a substantial return as quickly as possible. What firms end up doing is creatively financing capital investments back into the firm's growth, but window dressing the current financial statements to give the illusion of strong current performance. It is the stockholders who do not wish to wait out the normal lag period between a capital investment and its future cash flow. Cash out is the investment made by the firm's owners now.

Business education today is often criticized for putting students into the “real world” who merely apply “cookbook” solutions to workplace problems. A liberal arts curriculum, on the other hand, serves to inform business decisions more broadly than just blindly relying on formulaic solutions. Life is too complicated to be reduced to a zero-sum game calculation. Learning to work with people is essential to a manager's success since people are the most important economic resource—and often the most costly to lose. Learning to make ethical decisions regardless of the pressure to do otherwise is

critical to maintaining the trust of the corporate stakeholders specifically and society in general. *The paradox is that the corporate stockholders create the most pressure for a firm to produce double digit returns in a single digit economy. Investors expect stock values to grow at 20-30 percent annually, yet the economy grows, as measured by GDP, at only about 2 or 3 percent annually. This puts tremendous pressure on corporate management to do something; anything to maintain stockholder confidence, even if what they do is illegal or unethical that ultimately destroys stockholder confidence. That is the paradox. Tell the truth, tell a lie; either way, the stockholders abandon ship; and, either way, corporate officers and board directors are out of a job.*

An article appearing recently in Fortune magazine observed that Microsoft's market capitalization is \$270 billion while its assets are valued at a mere \$14.4 billion. Much of the difference is the economic value of the company's intellectual capital or "smart people." If enough of that intellectual capital were to get fed up and walk out, they would take a major share of their company's value with them. That loss would be devastating to the firm or any other organization in society. Today's students, future leaders, need to understand their own value and the value of the people they lead and the value of the decisions they make. Market value depends largely on trust and that risk and uncertainty is manageable, and that good people are minding the store.

Burt Nanus, writing in his book, Visionary Leadership, says, "The world is much more complex and confusing, continually reshaping and renewing itself, changing before our very eyes in endless kaleidoscopic variations. But, even as it gets tougher to be a leader, it becomes more necessary, for only strong leadership will enable an organization to survive, let alone prosper, in such trying times. Without leadership, an organization (a

nation) is like a lifeboat adrift in turbulent seas with no oars, no compass, no maps—and no hope.”

Where will these leaders come from and how will they be educated to prepare them for the challenges ahead? How can we as a society avoid the scandals such as Enron that have plagued the business sector and shaken the investment market? Decisions creating the scenario for these scandals were made by executives trained in the finest business schools in America. What happened?

The business curriculum is highly specialized—as such it needs help from the liberal arts in training future leaders by offering a more broadly focused educational experience: academic courses in sociology, psychology, philosophy, literature, music, political science, history, religion, ethics and art. All reflect something of the human condition, a world-view that can inform judgment critical to business decisions in such complex ways it is almost too formidable to define precisely. John Dewey writes, “Things interacting in certain ways are experience—experience has depth—it also has breadth and to an indefinitely elastic extent, it stretches. That stretch constitutes inference.”

I believe Dewey would tell us that a broad educational experience incorporating a strong liberal arts curriculum “stretches” our students to make the inferences crucial to future judgments and decisions. Dewey goes on to say, “Pedagogy becomes then the twin effort to integrate the directions of experience with the total needs of the person and to cultivate the ability of an individual to generate new potentialities in his experiencing and to make new relationships so as to foster patterns of growth.” In essence, students, who would be future leaders, can and should be taught to act ethically.

As expected, students need to acquire working skills such as reading, writing, and arithmetic. Doesn't that sound vaguely familiar—the classic 3 R's? In addition, business students need quantitative skills in accounting, finance, economics, statistics, and market research. We can assume that most every business leader today under investigation or under indictment has taken, as a student, all the usual required courses in the business curriculum. So, why did they not make better decisions? Essentially, the business core curriculum does not train students well at all in decision making, although this point would be argued most vehemently by business professors who would defend their curriculum and blame the personalities.

Unfortunately, business professors alone cannot impress the nuances of diverse disciplines of thought into the minds of their students—it is a team effort across all academic departments to expose students to a broader knowledge base than could ever be done in the business school alone. Yet, it is ultimately up to the student in many large and small ways to integrate this tapestry of knowledge into a work ethic that will empower them to achieve greater accomplishments of value than merely making a financial decision based on computer generated streams of data—data that is easily manipulated. There are so many other things they will need to know to fully inform their decisions and guide their actions.

If the totality of the educational experience is broadly founded on the liberal arts and the Judeo-Christian tradition, the student benefits, business benefits, and society benefits.

Liberal Arts and the Parent

As a parent of college-age children, I see the powerful impact that professors have had on them. They arrived at college with their heads full of air, and already in less than four years, I have seen improvement that is no less than amazing. The dinner conversations alone have been worth the effort that the faculty has expended in educating them. Their choice of television has moved from MTV to the History Channel. Their choice of leisure activity has been expanded to include actually reading books rather than just teen magazines. I have seen improvement in their writing, and the power of their thinking and use of logic. They know Woodrow Wilson and FDR. They know about the Great Depression and the Industrial Revolution. They know how to express their ideas orally and in writing—they can now make a presentation; or write a report, an essay, an editorial, a business letter when before they could barely write their Christmas gift list. They know a little more math, and a lot more about what it takes to succeed in school which I believe will help them know more about what it takes to succeed in life. They watch the news and ask probing questions about what they see. The faculty can take pride in working wonders in my family. Although the work is not yet done, there is still a great deal of air in those teenage heads, but it has been a very good start. I'm confident they will enjoy successful lives because of what they have learned not just from textbooks—but in the classroom interactions, in the company of faculty, and among themselves as they engage in student campus activities.



Liberal Arts and the Student

For the student, the broadly focused liberal arts educational experience provides an opportunity to see the world in a more holistic view than one would get just observing through the lens of any one specific specialization. This integration of knowledge is more useful and practical than just accumulating courses segmented by school, department, or college until sufficient numbers of credits are reached to graduate. The educational experience, to be most effective, must build a strong, moral foundation from which the student may view and understand the world--a world in which often strange events must be placed in context and perceived and judged with intelligent introspection. Maybe our students cannot change world events, but maybe it is enough to understand them.

Theodore M. Hesburgh, president emeritus of the University of Notre Dame wrote, “universities since their founding in the Middle Ages have always been unruly places, almost by nature, since the university is the place where young people come of age—an often unruly process—places where the really important problems are freely discussed with all manner of solutions proposed, places where the burning issues of the day are ventilated, even with hurricane winds at times...it is where the young learn the great power of ideas and ideals, where the values of justice and charity, truth and beauty, are both taught and exemplified by the faculty, and where both faculty and students are seized by a deep compassion for human anguishes and are committed to proffer a helping hand, wherever possible, in every aspect of our material, intellectual, spiritual, and cultural development.” That is a set of experiences that cannot be lived by formula alone.

I have had the opportunity to see students arrive at college spirited and eager, but undisciplined, unkempt in dress and manner, ears pierced and clothes no less strange,

unskilled in even the 3 R's to a great extent, acting almost contemptuous of their professors—they'd rather party than study--then something happens to them—their senior year happens—job interviews—a sudden interest in the Dress for Success book I keep in my office. “Professor, could you look at my resume?” Suddenly the surfer dude look is replaced by Brooks Brothers as the newly minted business student ventures out to test their wings. Their success in coping with the world is our success in teaching them how. In a thousand ways, our teaching is felt well beyond our classrooms, but unfortunately, we will never know who or how many we touch indirectly through the good works of our students. We only have them for a short while—so we need to teach them all that we can.

John Masefield, poet laureate of England, had all of this in mind when he wrote that the university is a splendid place.

Liberal Arts and the Citizen

We live in times that require empowerment to make sense of it all. Are our contemporary experiences more complicated than those of any other time before us? It may seem doubtful, and in many ways, certainly not—we are not at war (now anyway) and we are not suffering an economic depression—despite the moodiness of the stock market recently. But, nevertheless, each citizen must weigh worldly events with a mind and spirit firmly grounded. It is this grounding that many seemingly unrelated and unique events in the world can be viewed and judged in perspective as to time and place and not as though they are just happening to us personally today. The liberal arts education serves to set the human condition in global terms. It can provide support for a holistic worldview

that helps us both understand and cope with events that may seem meaningless otherwise. The aware, educated person makes for an awesome citizen—an individual sovereign, a mind not easily corrupted, and a spirit that does not pale in adversity. Grounded in faith and knowledge, ideally, an educated person simply understands. Yet, the educated person must also be a citizen of action, and of empathy, and of forgiveness for human foibles and failures. How is it that we can understand the failures of the present? Maybe it is to have studied and sought closure to the failures of the past. And, in knowing when to act, and how to act, and have the courage to act, requires the informed judgement that only a liberal arts education can provide—a foundation, not formulas.