The Business School the World Is Waiting For

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Christopher Marquis has done business education a favor. His *New York Times* essay of October 18, "I Teach at a Business School. It's Time to Shut Them Down," has set off a great deal of soul-searching among business faculty and deans. He concludes that business schools can't be repaired and should be abolished. He's right to sound the alarm. He's wrong about the cure.

I've been a business professor for 42 years. Since earning my doctorate at Columbia University, I've taught at Boston University, George Mason University, Bentley University, Babson College and now Tecnológico de Monterrey. My frustration with "business as usual" led me to co-found the Conscious Capitalism movement, so I read his essay with more than passing interest.

Here is where I come out. The world's business schools form one of the largest educational systems ever built. Every year they shape millions of people who go on to run companies, banks, hospitals and startups, and, increasingly, the governments that decide whether our societies flourish or falter. Dismantling that system would mean throwing away one of our strongest levers for change just when we need it.

The harder and more hopeful task is to reimagine business education from first principles. Business schools can be powerful allies in building the world most of us want, one of peace and shared prosperity in which all life can flourish, sustainably, for centuries to come. We can't build that world unless business education is grounded in timeless wisdom and humanistic principles.

Where business education went wrong

There's a systems principle I return to often: every system is perfectly designed to get the results it gets. Business education didn't drift into its current form by accident. For half a century it has rested on a single model of human nature, *Homo economicus*, the rational, isolated maximizer of narrow self-interest. Economists adopted that assumption because it made the math tractable. Nobody ever showed it to be true. On top of it we built the Friedman doctrine, agency theory, the efficient market hypothesis and much of modern strategy. In 2005 the late Sumantra Ghoshal of London Business School warned that bad management theories were destroying good management practices. Theories about people often become self-fulfilling. Teach a generation of managers that employees are shirkers and executives are mercenaries, and you'll get organizations full of both.

That doesn't mean we should throw out what works. Case studies are a good example. The best cases are extraordinary teaching tools. A great case puts students inside a real decision, with incomplete information and real people at stake, and it builds judgment in a way no lecture can. Some of the most memorable moments of my teaching life have come in case discussions. The trouble is what too many cases leave out: the failures, and the voices of people affected far from the executive suite.

I'll add a confession of my own. I began teaching marketing management to graduate students at 26, while I was still finishing my dissertation at Columbia. My fifty students averaged 37 years old, and many of them practiced marketing for a living. I had never spent a day as a marketing manager. My doctoral training hadn't devoted a single minute to teaching. It was entirely about research, most of which never touched practice. We would never let someone who had never examined a patient teach surgery, yet business schools do the equivalent without a second thought.

Thoughtful insiders have been saying for two decades that business schools have lost their way. Warren Bennis and James O'Toole made the case in *Harvard Business Review* in 2005, and Rakesh Khurana documented how the schools drifted from their founding aim of making management a profession in service of society. The question is what to do about it.

Why business schools matter more than ever

Start with the sheer size of the enterprise. AACSB alone accredits more than a thousand business schools serving over five million learners, and accredited schools make up less than 5 percent of the world's total. Nearly one in five American undergraduates majors in business. If universities walked away, that demand wouldn't go anywhere. People would still learn to run organizations, just from consulting academies, private equity apprenticeships, online influencers and AI tutors instead. None of those is more likely than a university to ask hard questions about power, history or ecological limits.

Change from within has already begun, in small but real ways. Marquis himself points to the University of Vermont, whose Sustainable Innovation MBA runs sustainability through the entire curriculum and places students inside mission-driven companies for the summer. Other schools are running their own experiments. At the Conscious Enterprise Center at Tecnológico de Monterrey, we're working to reform business education at our own institution, and we take part in broader efforts with the same aim, including the Global Alliance for Conscious Business Education, the Humanistic Leadership Academy and Reimagining Business Education. What the field still lacks is a shared, ambitious vision everyone can rally around.

Medicine offers a useful precedent. In 1910 the Flexner Report exposed American medical education as a patchwork of commercial schools with little grounding in science. Many weak schools closed, but nobody suggested doing away with medical education. The profession rebuilt

it on scientific evidence and supervised clinical practice, and it became one of the most trusted forms of professional training anywhere.

Medical schools justify themselves by health, and law schools by justice. Critics say business schools can point only to the private pursuit of profit. I see it differently. Business is how human beings cooperate at scale to create value for one another. It feeds us, houses us, heals us and connects us. Colin Mayer of Oxford's Saïd Business School defines the purpose of business as producing "profitable solutions to the problems of people and planet." Profit is essential, and it comes from serving people well. Seen this way, a business school exists for human and planetary flourishing, a public good every bit as important as health or justice.

Needed: A fuller understanding of human beings

If the root problem is a partial theory of human nature, that's where the fix has to start. My colleague David Sloan Wilson (an evolutionary biologist) and I have proposed *Homo florens*, the flourishing human being, as a foundation for business education. The institutions we design bring out the best or the worst in us. People are meaning-seeking, cooperative creatures with a deep capacity to flourish, and organizations built to help them do so tend to outperform those built on the assumption of narrow self-interest.

This picture is drawn from the evidence, and it has six dimensions that business education should take seriously:

- **Biological.** We evolved for cooperation. Multilevel selection explains why groups of cooperators outcompete groups of selfish individuals.
- **Neurological.** We're wired for connection. Trust opens the mind to learning and creativity; fear shuts it down.
- **Psychological.** Autonomy, competence and relatedness are intrinsic human needs, and people wither when organizations deny them.
- **Social.** We're constituted by our relationships, a far cry from the atomistic agents of economics textbooks.
- **Meaning-seeking.** We're oriented toward a purpose larger than ourselves.
- **Ecological.** We're embedded in living systems we depend on completely.

None of this denies that we're self-interested. We are. We're also self-aware and increasingly conscious. Self-interest, fear and opportunism are real, and anyone who has run a business has run into all of them. The mistake of the last fifty years was to take one part of human nature, treat it as the whole and build institutions that reward only that part. Swapping one dominant paradigm for another would repeat the mistake. We see *Homo florens* in an ongoing dialogue with *Homo economicus* rather than simply displacing it.

Evolution gave us both, and the evidence for this is strong. Within any group, selfish individuals tend to beat cooperative ones. Between groups, cooperative groups beat selfish ones. That's why both tendencies live in each of us, and why our surroundings have so much to do with which one shows up. For a manager the question becomes practical: what brings out the cooperator in people, and what brings out the opportunist?

I think about this often in Mexico, where I now teach. Many business leaders here learned caution the hard way, through broken contracts, theft, extortion and institutions that failed to protect them. When they hesitate to adopt a more trusting, human-centered approach, they're responding sensibly to what they've lived through. Something similar happens inside any organization that has been run for years on surveillance, forced ranking and narrow incentives. People adapt to the system they're in, and a system that rewards *Homo economicus* behavior gets plenty of it. Simply telling them to trust more would be naïve, and unfair to their experience.

A better answer is to build trust deliberately. Elinor Ostrom won the Nobel Prize in economics for showing how communities around the world manage shared resources without either a central authority or a free-for-all. Wilson worked with her to generalize the design principles behind those successes so they could apply to any group. They include a clear shared purpose, fair sharing of costs and benefits, decisions that involve the people affected, transparent monitoring of agreed behavior, graduated responses to misconduct, and quick, fair ways to resolve conflict. None of these principles assume people are saints. They make cooperation safe and opportunism costly, so trust can grow step by step and be checked along the way. In low-trust settings, that's how *Homo florens* gets room to emerge: through small promises kept, open books, fair processes and leaders who are willing to extend trust first and keep extending it.

I've seen what happens when students encounter this fuller picture. At Babson, during a class discussion of Triodos Bank, the Dutch values-based bank that lends only to enterprises creating social, cultural or environmental value, two of my students were literally in tears as they said, "We didn't know banking could be this beautiful!" I told them that any business can be beautiful when it operates with love, purpose and values. No one had ever shown them that finance could be an act of care. A reimagined business school should produce moments like that every day.

The real cost of doing the right thing

Marquis doubts the win-win story. He is correct that it doesn't always work out. But the fact is that over the long run, the interests of a company's stakeholders are deeply intertwined. A business can't thrive for long while its employees are miserable, its customers feel exploited, its suppliers are squeezed and its community resents it. That's the core insight of Conscious Capitalism. But "over the long run" hides a lot. In the short run, doing the right thing often costs real money, and sometimes it costs a leader their job.

When CVS stopped selling cigarettes in 2014, it gave up roughly $2 billion a year in sales. When Costco's leaders refused to cut wages and benefits to please Wall Street, one analyst complained that at Costco "it's better to be an employee or a customer than a shareholder." He turned out to be badly wrong: Costco has been an outstanding stock to own over five, ten and twenty years. In 2020 Emmanuel Faber made Danone the first listed company in France to become an *entreprise à mission*. Within a year, activist investors had forced him out. Paying a dignified wage before productivity catches up, keeping people on through a downturn or turning away a lucrative customer whose practices you can't defend all carry a price. Sometimes the payoff comes years later. Sometimes it never fully comes.

Pretending otherwise does students no favors. If we teach them that virtue always pays, the first time it doesn't they'll decide the whole idea was a sales pitch. Values get tested precisely when they cost something. Many apparent trade-offs dissolve with enough creativity and patience, but some don't. Students need practice making the case to a skeptical board, sequencing investments so the enterprise survives long enough to reap the rewards, and deciding in advance which lines they won't cross at any price. Leaders reach win-win through tension, imagination and, at times, sacrifice. That makes the conscious approach more demanding than the conventional approach, and more honest about what it asks of us.

The MBA reimagined

Imagine a business school that assumes neither that we're inherently selfish nor that we're naturally saints. Here is the core of an MBA built on *Homo florens*: fourteen required courses for leaders who refuse to choose between profit and purpose, or between intelligence and wisdom. It keeps all the analytical tools a manager needs. Students still build discounted cash flow models, run regressions and learn to read a balance sheet. What changes is the view of people and of business that frames those tools, and the questions students learn to ask before using them.

Tier 1: Foundations

1. The Science of Human Flourishing.

The program opens where economics textbooks usually begin, with a model of the human being. Here, though, *Homo economicus* and *Homo florens* are put in dialogue, and both are tested against the evidence. Students study multilevel selection and the evolution of cooperation, the neuroscience of trust and threat, self-determination theory and the growing research on well-being from positive psychology and from programs like Harvard's Human Flourishing Program. They learn what makes people creative and resilient, and what makes them fearful and self-protective. They also look at low-trust settings and at how leaders have built cooperation where it didn't come naturally. For the final project, each student takes a common management practice, such as forced ranking or open-book management, and judges it against the evidence on what helps people thrive.

2. The Art of Conscious Living.

Before students learn to lead others, they need to learn to lead themselves. This course is about inner work: self-awareness, emotional mastery, attention and a healthy relationship with money and status. Students practice reflection and contemplation and read deeply in the world's wisdom traditions, from Aristotle and the Stoics to the Bhagavad Gita, the Buddha, Confucius and Indigenous teachings about relationship and reciprocity. Each student leaves with a written statement of personal purpose and values, tested against real decisions. Along the way, the course asks the questions most business schools have avoided for a century: what is a good life, and how will your career serve it?

3. The Conscious Enterprise as a Healing Force.

Businesses can be among the most powerful healing forces in society, or among the most destructive. This course introduces the pillars of Conscious Capitalism (higher purpose, stakeholder integration, conscious leadership and conscious culture) and examines companies that have lived them for decades, along with companies that lost their way. Students study how organizations come to inflict suffering on employees, customers and communities, usually without meaning to, and how they can recover their sense of meaning and care.

Tier 2: Functional mastery through a conscious lens

4. Conscious Strategy.

Traditional strategy teaches students to capture value by gaining bargaining power over suppliers and customers and an edge over rivals. Conscious Strategy teaches them to create greater value by finding solutions that serve many stakeholders at once, with purpose as the anchor of every strategic choice. Students learn ecosystem thinking, long-horizon scenario planning and polarity thinking, which helps leaders manage lasting tensions such as short term versus long term, or competing versus collaborating, without collapsing into either pole. Cases include companies that transformed their industries by refusing to play a zero-sum game, and others whose clever strategies hollowed them out.

5. Conscious Finance.

Finance exists to channel capital toward productive, life-affirming uses, and this course teaches it that way. Students learn about valuation, capital structure and portfolio theory, then examine the assumptions buried inside them: discount rates that make the distant future nearly worthless, incentive schemes rooted in agency theory, and the buybacks and borrowing those schemes encourage. They study patient capital, values-based banking, impact investing, employee ownership and blended finance, and they learn to evaluate investments across the full span of time and stakeholders they affect. This is where students discover, as mine did with Triodos, that banking can be beautiful.

6. Conscious Accounting.

What we count shapes what we value. Accounting is the language of business, and for most of its history it has said almost nothing about people or nature. Students learn financial reporting rigorously, along with integrated reporting, sustainability disclosure standards, true cost accounting and the measurement of human and natural capital. The course treats accountants and auditors as guardians of truth in the economy and expects them to act like it.

7. Conscious Marketing.

Marketing is the discipline I was trained in, and eventually became disillusioned with. I know how often it has been taught as the craft of stoking desire. This course teaches it as the life-affirming work of understanding and meeting real human needs, and it treats manufactured wants and addictions as a failure of the craft. Students learn research, segmentation, branding and pricing, and they wrestle with the ethics of persuasion, the attention economy, marketing to children and the line between influence and manipulation. They study companies that earn their customers' devotion without heavy advertising and promotion, because those customers feel genuinely cared for, and they learn to build brands whose promises the whole organization keeps.

8. Conscious Operations.

Supply chains are where a company's values meet physical reality, often far from headquarters. Students study process design, quality and logistics, and they learn to see the people and ecosystems behind every bill of materials. They examine circular design, the tension between lean efficiency and resilience, and Toyota's original idea of lean as a system built on respect for people.

9. Conscious People Leadership.

This course is about treating the people who make every enterprise work as *sources* rather than *resources*. Students examine what happens to wages, labor's share of income and human dignity when managers treat employees as costs to be minimized. Then they study the alternative, including Zeynep Ton's research on good jobs, which shows that investing in people can raise both productivity and customer satisfaction, and companies like Barry-Wehmiller and Costco that measure success partly by how their people's lives unfold. Topics include psychological safety, fair pay, development, inclusion and leading people through change without breaking trust. The guiding idea is that people should always be considered ends in themselves and never merely means.

10. Conscious Technology.

No course in this program is more urgent. Artificial intelligence will reshape nearly every job our graduates touch, and the choices they make about deploying it will decide whether it extends human capability or mainly replaces and surveils people. Students learn that the direction technology takes is a choice. They study data ethics, algorithmic bias, platform power and the design of products that respect people's attention instead of exploiting it. Each team audits a

real AI deployment for its effects on workers, customers and communities, and then proposes a better design.

Tier 3: Integration

11. Leading the Conscious Enterprise.

The capstone brings everything together through the lens of leadership. Students study conscious leadership, stages of adult development and systems thinking, and they work on integrating qualities organizations often split apart, such as decisiveness and care. They also cultivate spiritual intelligence, an essential element of conscious leadership. Danah Zohar, who coined the term, describes it as the intelligence we use to address questions of meaning and value. It belongs to no particular religion. It's the capacity to lead from a sense of connection and purpose that reaches beyond self-interest, and to help others find meaning in their work. People increasingly want work that speaks to more than their material needs, and leaders who lack this capacity can't give them that. The course also widens the lens of the case method, which at its best is one of the finest teaching tools ever devised. Students sit in more than one chair: the CEO's, but also the worker's, the regulator's, the community member's and, symbolically, that of future generations. Many cases turn on moments when doing the right thing carried a real cost. Each student also spends an extended immersion inside a purpose-driven company, working on a live problem with real stakes.

12. Conscious Governance.

Becoming conscious is a worthy challenge; staying conscious is a greater one. Many companies that started with a genuine higher purpose drifted from it after the founder left, the share price fell or a new owner arrived. Eric Ries calls the force behind this drift "financial gravity," the steady pull of near-term returns, and in *Incorruptible* he argues that whether a company resists it depends largely on how it is governed. A purpose statement is an aspiration; governance is what makes it last. Students study the structures that protect purpose: charters that write it in, boards that review it as a standing duty, executive pay tied to long-term outcomes, investors who share the mission and a formal voice for stakeholders. They compare ownership models, from conventional public companies to benefit corporations, employee ownership and the foundation ownership that has kept Novo Nordisk and Carl Zeiss on course for generations. They look at companies whose values eroded after a merger or a change of control, and they pay special attention to succession, which in the family firms that dominate Mexico and Latin America is the moment when purpose most often survives or dies. For the final project, each team designs the governance of a real company so that its soul can outlive the leaders who now carry it.

13. Conscious Economics: Markets, Policy and Shared Prosperity.

Companies operate inside economies, and economies run on rules people write. This course teaches macroeconomics and public policy, starting from the premise that markets are human inventions. Laws, institutions and incentives shape them, and they can be designed to serve the many or the few. Students learn the standard tools for understanding growth, inflation,

employment and trade. Then they examine the case for middle-out growth, in which fair wages make workers better customers, stronger demand drives investment and hiring, and broad participation fuels innovation. They trace the chain from fairness to trust, from trust to cooperation and from cooperation to prosperity, which treats inclusion as a source of growth instead of a cost imposed on it. They also learn how policy really gets made, including the part business plays through lobbying and industry associations, and what responsible corporate political engagement looks like. They consider policies that would let natural systems regenerate, from pricing pollution to accounting for natural capital, and they ask which institutions will decide whether the gains from AI are widely shared. Each team drafts a policy proposal for a real city, state or country and defends it before practitioners and policymakers. Conscious Capitalism describes the enterprise we need; this course asks what kind of economy lets such enterprises flourish and endure.

14. Business, Society and the Living World.

The program closes by placing business in its full context of history, politics, culture and the biosphere. Students study the history of capitalism and its alternatives, the relationship between corporate power and democracy, and the many ways people organize to work together, including cooperatives, employee-owned firms, benefit corporations, unions and social movements. They study planetary boundaries, seven of nine of which scientists now judge to have been crossed, and what business can do to bring us back within them. Faculty from sociology, philosophy, history, law and ecology teach alongside business professors.

The timeless and the timely

A school worthy of this moment has to hold two kinds of knowledge at once. The timely includes artificial intelligence, the crossing of planetary boundaries, a mental health crisis among young people and widening inequality. I'm reminded of what Abraham Lincoln told Congress in 1862:

> *"The dogmas of the quiet past, are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country."*

We need that same willingness to rethink and adapt our curricula.

The timeless deserves equal if not greater attention, and business schools have almost entirely ignored it. Philosophers and sages have thought about wealth, work, leadership and the good life for thousands of years. When I studied ten of the world's great wisdom traditions, I found them converging on a handful of principles for economic life: work can be a form of devotion, wealth is held in trust, leaders exist to serve, and we should think in generations. These ideas distill the experience of countless lives. A student fluent in AI but deaf to that inheritance will be clever and unmoored. One who carries both will know how to use powerful new tools wisely.

Beyond the curriculum

New courses alone won't be enough. Reimagining business education means rethinking who we are as professors, why we do what we do, how we teach, what we research and how we define success.

Start with research. Business academia practices its own version of profit maximization, which I call publication maximization. Authors, reviewers and editors reward one another in a closed loop. Two Wharton professors, Christian Terwiesch and Karl Ulrich, estimated in 2014 that a single research article from an elite business school costs about $400,000 in faculty time and support.[1] Most of that work is never read by anyone who runs anything. The Responsible Research in Business and Management network has set a better standard: research that produces useful, credible knowledge serving business and society. Our research should serve the flourishing of all life, and promotion committees should reward it when it does.

We should prepare doctoral students to teach as rigorously as we prepare them to publish, and we should value faculty who have practiced what they teach. Business schools ought to welcome experienced executives, entrepreneurs and civic leaders into the classroom as full colleagues, the way medical schools do with practicing physicians.

Finally, success. As long as rankings reward schools mainly for their graduates' starting salaries, schools will steer students toward the highest-paying jobs, and the same few industries will absorb the best of each class year after year. We should measure what we claim to care about: whether our graduates build organizations where people thrive, whether their companies leave communities and ecosystems better off, and whether the graduates themselves lead meaningful lives. Our purpose should be the long-term flourishing of our students, the organizations that employ them, society and all life on the planet. What we teach and measure must serve all of these at once, never one at the expense of the others.

We must rise to the occasion

Our students are ready, even if our institutions aren't yet. A 2019 study by Gallup and Bates College found that more than 80 percent of college graduates consider purpose in their work important, yet fewer than half find it.[2] They arrive wanting to commercialize clean energy, fix health care and build companies their grandchildren will be proud of. Too often we teach that hope out of them.

Business education is never value-neutral. It shapes who our students become and what kind of world they go on to build. That makes our schools dangerous when they're built on bad ideas. It

[1] Christian Terwiesch and Karl T. Ulrich, "Will Video Kill the Classroom Star? The Threat and Opportunity of Massively Open Online Courses for Full-Time MBA Programs," Mack Institute for Innovation Management, The Wharton School, University of Pennsylvania, July 2014.

[2] Gallup and Bates College, *Forging Pathways to Purposeful Work: The Role of Higher Education* (Washington, DC: Gallup, 2019).

also makes them one of the most powerful forces for good we have, if we find the courage to rebuild them on better ones.

So here is my invitation to deans, faculty, accreditors and alumni around the world. Let's keep the house and rebuild its foundation, starting with an honest account of who we are as human beings and what business is ultimately for. The question for every business school is whether we're willing to rise to the occasion. Do we have a choice?

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