

[PDF] From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession

# From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession

*Rakesh Khurana*

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**Rakesh Khurana : From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession** before purchasing it in order to gage whether or not it would be worth my time, and all praised From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession:

1 of 1 people found the following review helpful. A Gem of a Book! By Shona What an invaluable book! As a part-time MBA student who has been in my program for a year now, I wanted a book to read to help build my "MBA mindset". Well I did not really get what I bargained for with this particular book. What started off as a nice summer read caused me to seriously look into the methods that are in place at my own business school as well as what exactly it is that an MBA stands for in the marketplace. Professor Khurana approaches the subject more as a academic than an common industry critic. This book reads very much like an academic journal. A lot of the text is consumed by a historical analysis of the beginnings and development of the MBA degree; which I found fascinating, but others may grow a bit weary of reading so much detail about MBA reformers in the 1960s. Overall I was surprised by his candor regarding the AACSB and the "elite" MBA programs (especially since he is employed by Harvard). He highlighted these two entities as part of the problem; settling for modified standards that have helped move the MBA away from its original designation of a professional degree; and leaving the door wide open for the degree to have no formal defined standards and/or purpose. Surprisingly though, I did not find this book to be an outright onslaught on the MBA degree and its growing irrelevancy. True, I may be biased, but if anything, I found this book to be an assessment. Khurana does not share any specific initiatives about what needs to be done about the current state of graduate education programs, but just rather concludes that a transformation is needed. I saw this book as a simple evaluation tool; a gift to me as a consumer of an MBA degree basically. A consumer that is far more knowledgeable about the product (the MBA) than I was before reading this book. Kudos, and thank you!

3 of 4 people found the following review helpful. Book with an important thesis, but terribly written. By KT This book has something valuable to say. However, Khurana gets the organisation wrong.

1. The epilogue should be put first.
2. He layers on the details, but he should really state his thesis at the beginning of each chapter, since he is making a moral argument after all, and not a mere sociological study.

Here is the main contention of his book.

1. Every practice of a career has inadequacies, when practiced unfettered in an environment of free market capitalism. (e.g. quack doctors in American 19th century.)
2. A profession exists to mitigate those inadequacies - for example enforcing a minimal standard of service. [Gemeinschaft]
3. Business school was founded upon to provide scientific training [Gesellschaft] based on F. W. Taylor's idea of Scientific Management. Joseph Wharton funded the first such business school. [Management had expanded in American capitalism in the mea]
4. After Wharton and Tuck, the idealism to clean up American capitalism and politics [and disappointment in traditional professions like law become 'auxiliary professions'] led to an ill-defined conceptualisation of businessmen as civic leaders. (No convincing articulation was given)
5. In the 80 years after, this ill-defined shroud of an ideal was thrown off, to become completely skills based. This was particularly aggravated with the rise of investor capitalism. Investor capitalism contended that share price was the ultimate value of a corporation. Raised in this starkly neoclassicist economic view, moral allegiances shifted from one's own internal compass to that of share price. A number becomes the final moral.
6. We are at the same point we were 80 years ago, maybe even more aggravated, due to the interim impact of investor capitalism.

5 of 6 people found the following review helpful. must-read for all b-school students By raghu I came to this book with a prejudice - I thought business school professors mostly published inane statistical analyses of executive compensation and such other frivolous nonsense. This book definitely contradicts that stereotype and is a fine example of high-quality scholarship on an interesting and important subject. Khurana's main thesis is that the management profession in general, and the education it receives in business schools in particular, has lost its way in the last 30 years or so. Here, Khurana uses the word 'profession' in its precise sociological sense, not in the loose, colloquial sense in which every specialist is a professional. The sociological literature on 'professions' is too massive to summarize easily in this review; the book does offer a good introduction and many good bibliographical references. For our purposes, a 'profession' differs from a mere 'occupation' in possessing a service ideal i.e. professions claim to serve some kind of a higher purpose in society than just earning a living. Thus, for e.g. a doctor is a professional, but a carpenter is not. Historically, in the West, only 3 groups have enjoyed universal prestige and recognition as professions: medicine, law and clergy. (In case you are wondering, no, the world's oldest profession is not one..) Khurana develops in great detail the idea that the original founders of business schools, first at Wharton in Pennsylvania and later at Harvard, Yale etc, envisioned management as a profession; its purpose would be to efficiently organize production in the large industrial corporation that was emerging as the dominant organizational form, and do so to the benefit of all of a corporations constituencies ('stakeholders') i.e. employees, customers, owners, the state and the community at large. But starting the 70's, this ideal has degenerated into a monomaniacal obsession with profit maximization with the result that business school graduates are now mere hired hands without any higher purpose even in theory. The recent attempts at creating a Hippocratic Oath for MBAs is a direct and interesting reaction to Khurana's book: [...]

Khurana's analysis is considerably more sophisticated than the doctrinaire narrative that passes for scholarship on this subject. Khurana mentions Alfred Chandler's "The Visible hand" as an exemplar of this genre. Nevertheless, I do not really agree with his thesis overall. For one thing his nostalgia for a golden age of idealistic management pioneers seems like a distorted reading of history. And, for all his merits, Khurana apparently is still too much of a prisoner to his institutional affiliations to ask two rather basic questions:

1. Are managers so powerful because our world is dominated by large corporations which require talented men to control and run them? Or is our world dominated by large corporations

because managers are so powerful? This may look like a chicken-and-egg dilemma, but it is not. The historical evidence to answer this question is out there for someone to dig it out. Alas, that someone is not Khurana, at least not in this book.<sup>2</sup> The central conceit of the management profession is that its skills are more-or-less portable. A good manager can lead a automobile manufacturer one year and then move on to a software company the next and still be productive and successful. Khurana completely fails to challenge or critically examine this claim. Overall, this is still a book very well worth reading especially for anyone interested in getting an MBA.

Is management a profession? Should it be? Can it be? This major work of social and intellectual history reveals how such questions have driven business education and shaped American management and society for more than a century. The book is also a call for reform. Rakesh Khurana shows that university-based business schools were founded to train a professional class of managers in the mold of doctors and lawyers but have effectively retreated from that goal, leaving a gaping moral hole at the center of business education and perhaps in management itself. Khurana begins in the late nineteenth century, when members of an emerging managerial elite, seeking social status to match the wealth and power they had accrued, began working with major universities to establish graduate business education programs paralleling those for medicine and law. Constituting business as a profession, however, required codifying the knowledge relevant for practitioners and developing enforceable standards of conduct. Khurana, drawing on a rich set of archival material from business schools, foundations, and academic associations, traces how business educators confronted these challenges with varying strategies during the Progressive era and the Depression, the postwar boom years, and recent decades of freewheeling capitalism. Today, Khurana argues, business schools have largely capitulated in the battle for professionalism and have become merely purveyors of a product, the MBA, with students treated as consumers. Professional and moral ideals that once animated and inspired business schools have been conquered by a perspective that managers are merely agents of shareholders, beholden only to the cause of share profits. According to Khurana, we should not thus be surprised at the rise of corporate malfeasance. The time has come, he concludes, to rejuvenate intellectually and morally the training of our future business leaders.

[W]hether or not one agrees with the author's argument as to what went wrong and how it might have gone right, this is a highly important work that should be read by anyone with either an interest in the history of American business schools and American management, or a concern for their future roles in our society. From the Back Cover "I have been waiting for years for someone to write the definitive institutional history of U.S. management education, and this is it. From the standpoint of most analytic definitions of 'professional,' the term 'professional manager' is enigmatic, even oxymoronic. Rakesh Khurana's thorough, insightful, provocative, and courageous history of business education explains how this term came to make practical and cultural sense to a generation of Americans, and how its logic has been undermined in the past thirty years. From Higher Aims to Hired Hands is an exemplary work of institutional analysis, combining first-rate historiography with outstanding social-science scholarship. It will be essential reading for business historians, students of management and organizations, and faculty, administrators, and thoughtful students at America's business schools."--Paul DiMaggio, Princeton University "From Higher Aims to Hired Hands is a tour de force. With profound depth and sweeping scope, Rakesh Khurana analyses the rise and potential fall of a uniquely American institution--one that has influenced management education throughout the world. His book contributes significantly to explaining how managerial capitalism could go awry and how to restore the moral underpinnings that would make management the profession of leadership. In addition to offering fascinating history lessons based on exhaustive research, Khurana adds new twists to institutional theory and points to future directions for educational practice."--Rosabeth Moss Kanter, Harvard Business School, author of *The Change Masters*, *Confidence*, and *America the Principled: 6 Opportunities for Becoming a Can-Do Nation Once Again* "This panoramic portrait of the origins and ramifications of American business education is quite remarkable, rich in detail, powerful in the marshaling of evidence, and provocative in its claims. Khurana writes with confidence, authority, and erudition."--Walter Powell, Stanford University "This is a wonderful and important book for anyone interested in business education. There is a tendency for those of us involved in business education to think that we understand the dynamics of our industry and that there is little new that we can learn. How wrong such a judgment would be. In providing a sociological understanding of the origins of business education and the professionalization of management, this book prompts deep reflection about the state of management today and offers real insight into the challenges of elevating the standards of this particular profession."--Joel Podolny, dean of Yale School of Management About the Author Rakesh Khurana is associate professor in organizational behavior at Harvard Business School. He is the author of *Searching for a Corporate Savior: The Irrational Quest for Charismatic CEOs* (Princeton).