THE DIPLOMA DISEASE

Does education suit its purpose?

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Two common misconceptions about education threaten the quality of what we teach our future business leaders.

As a means of addressing the challenges of the 21st century, education in Europe for future business leaders is sorely lacking. This failure is in part due to two widespread misconceptions about the real meaning of education.

First, there is a prevailing view that the more education, the more advanced a society is likely to be. In fact, education per se may be useless. The Chinese elite of the mid/late 19th century were highly “educated”. But this did not prevent China from experiencing the greatest decline of its long history.

The Japanese, in contrast, understood this well and so proceeded to undertake thorough educational reforms. They emphasized commerce, management, technology, military science, but also, especially, Western languages, history, literature, philosophy, painting and music, thereby recognizing the seemingly inexorable rise of the West at the time and, consequently, Japan’s need to learn and adapt to survive. In fact, Japan thrived, emerging from feudal isolation in the 1860s to world power status in three decades. China, in the meantime, continued to sink.

Historians have little doubt that in the narrative of both countries, the education of their respective elites played a vital role. Equally, China’s current resurgence is driven by the abandonment in elite educational establishments of Maoist dogma. “Better red than expert”, the slogan of the Cultural Revolution, is dead and buried.
The second misconception is that education is determined by the number of hours spent in a classroom, or other pedagogical environment. Indeed, the thirst for accumulating paper results is what the English sociologist Ronald Dore termed the “diploma disease”. Obtaining degrees or diplomas is the output emerging from hours of instruction, currently reflected in the plethora of executive “education” courses and the proliferation of MBAs. Education has a much broader and deeper meaning; it is not confined to time or space, it is an attitude, a constant search for learning founded on an insatiable curiosity. An “educated” person is not only someone who knows a great deal, but someone who wishes to learn in any circumstance, who poses questions, who probes, reflects and assimilates, to gain both knowledge and wisdom.

The relevance to education and business in Europe in this era of globalization is highlighted in turn by two key forces. One is that the world is undergoing its most profound change for half a millennium. Twenty-first century global business is no longer a Western-dominated playing field and will become less and less so.

The second is that until recently European business executives did not need to be “educated” (in the broad sense of the term) apart from in basic business skills (marketing, finance, and so on).

The European business executive of the 21st century must be well equipped with four attributes: business acumen, global knowledge, an ethical compass and committed citizenship. All this requires sound education – not just knowledge, but also wisdom. The first, business acumen, is the main focus of business schools, and rightly so: a long-term profitable business requires professional management.
As to global knowledge, in many business programs in which I teach, I often begin by setting what I call a “globalization literacy test”, consisting of some 50 or so questions, many of which the globally curious and alert (that is, educated) person should be able to answer. The results are invariably disappointing. This is in part a reflection of the current “system” of education, in which proper “instruction” on China, India and the Middle East is not given. But educated people do not rely exclusively, or indeed even primarily, on the instruction they receive, but seek to satisfy their insatiable intellectual curiosity by their own means of self-improvement.

To have an ethical compass and a proper sense of citizenship requires the business executive to have a real intellectual confrontation with complexity in order to develop the level of wisdom needed to make judgments in the face of difficult dilemmas; this can be gained from philosophy, literature, history, physics and chemistry, linguistics, and other “profound” disciplines, but it is not something that only a traditional business syllabus can provide. Thus, though the history of business may be inspiring in terms of innovation, technology, risk and production, on the political side the story is much less illuminating. If one takes the history of France during the German occupation, for example, there are few business leaders who feature among the portraits of the resistance. Indeed the behavior of many companies vis-à-vis the Nazi or other repressive regimes could not really be described as exemplary. Even in more recent peaceful times, corporate leaders in the US, as another example, were somewhat laggards in the movement for civil rights.

So much for the past; in respect to the present and especially the future, in the global internet era of “transparency”, it will become increasingly clear that politics, ethics and business cannot be separated.
It does not take too much of an oracle to recognize that heavy storm clouds are gathering on the global business horizon. European business, in terms of its own future and of the contribution it stands to make, faces some daunting challenges. European business leaders will need to be far more “educated” in terms of their knowledge and their philosophy of life. Having acquired this education, they will be far “richer” in the broadest sense of the term, and so should society at large.

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During the recently held Evian Group XII Plenary Meeting, business leaders, academics and officials called on all sectors and governments to adapt long-term ethical strategies to ensure globalization is sustainable.
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