



INTRODUCTION

We do not know yet precisely how to link the liberal arts and management. We do not know yet what impact this linkage will have on either party—and marriages, even bad ones, always change both partners.

—Drucker, “Teaching the Work of Management”

In the wake of the global financial crisis that began in late 2008, corporate governance has come under substantial fire in the media and public square. Government bailouts of corporations, exorbitant CEO salaries in the midst of high unemployment and outsourcing of jobs, allegations of unethical or illegal business practices—it seems clear to the American public that corporate leaders have lost any sense of moral values or ethics that they once may have had.

What has gone wrong with America’s managerial class? A host of books and articles have been published recently that have offered various answers, from Jim Wallis’s *Rediscovering Values: On Wall Street, Main Street, and Your Street* (2010) to Jonathan Tasini’s *The*

Audacity of Greed: Free Markets, Corporate Thieves and the Looting of America (2009).

Have we trained our managers incorrectly? Or, as Wallis argues, have we as a society lost our sense of right and wrong? Is Tasini correct in blaming America's worship of the free market system? There is certainly no shortage of explanations for what ails the economy and the state of organizational leadership.

Peter Drucker devoted his life to providing managers with guidance so that they could be as effective as possible. He had much to say about the role of power in organizations, as well as the selection and training of effective executives. But his most pressing concern was that organizations concern themselves with people; organizations must provide human beings with status, function, and a sense of community and purpose. Viewed in this context, the management of people within organizations involves an understanding of human nature and cultural or communal values and morals—in Drucker's words, with questions of "Good and Evil" (Drucker, 1988, p. 5).

Although most businesses have some sort of ethics code in their mission statements, matters of "good and evil" are perceived as best left to the realm of theology or philosophy—not the boardroom. Yet Drucker insisted on the need for values in organizations. Given the state of the image of business in the public's eyes, perhaps it would help to at least raise a question: what do managers and executives value, and why? If organizations are about human beings, from where do those human beings derive their values?

One way to begin to address this subject is to take seriously Drucker's statement that management is a liberal art. Although he never fully defined this concept, it is clear that he envisioned a linkage between the liberal arts tradition inherited from Greek and Roman civilizations and the pragmatic, day-to-day operations of an organization.

One crucial element that links the liberal arts and management is the fostering and maintenance of cultural values. Historically, liberal arts training emphasized the cultivation of beliefs, behaviors, and opinions thought to be of high moral quality (good or right) in a given civilization. If management is, as Drucker said, a liberal art, then it must similarly involve the development of shared codes of conduct and beliefs within an organization. The practical implications of management as a liberal art for today's organizations are far-reaching, and may indeed provide a new blueprint for redeeming corporate America's reputation.

THE LIBERAL ARTS: AN HISTORIC TRADITION

The term "liberal art" stems from the concept of the "liberal arts," which has a long history. Although the Latin term *artes liberales* was derived from the Greeks, the Romans, notably Cicero, used it beginning around the first century BCE. The definition of a liberal art was a skill or craft practiced by a free citizen with time and means for study, a member of the elite, ruling classes of society. Liberal arts training, then, meant training citizens to be society's leaders. As such, the ideals of an *artes liberales* education were to instill standards of conduct and character, knowledge and mastery of a body of texts, a respect for societal values and standards, and an appreciation for knowledge and truth.

The content of a liberal arts education changed along with the times, as first the Christian Church and then secular universities adapted the curriculum to meet their needs. However, the emphasis on the values of antiquity and transmission of moral values in order to refine the human being remained at the core of the liberal arts ideal.

In the United States, religious liberal arts colleges, and later large research universities modeled after their European predecessors,

again modified their programs, but even the earliest professional business schools assumed that their students would have received some form of liberal arts training in order to foster “character development” or instill moral values.

Therefore, while there certainly has never been one single liberal arts curriculum, what *is* constant is the attempt to inculcate a set of agreed-upon values or cultural beliefs. The values and beliefs change over time, but the overarching goal does not. Ultimately, the *artes liberales* and its various iterations strive to define what is good, right, and just in a given society or culture. As the tradition has shifted its context from pagan to Christian to today's secular society, the ideal of instilling shared values remains, but has become increasingly complex. In a diverse society, what constitutes “right” and “good”? Who or what defines it? Where one locates these values is an important question. To wrestle with this question is to wrestle with the legitimacy and universality of certain values. Ultimately, it involves addressing larger theological or philosophical issues: Drucker's concern with “Good and Evil.”

Such big-picture questions are not confined to the ivory tower; the overwhelming success of Rick Warren's book *The Purpose Driven Life* (2002) indicates there is a global search for answers to some of life's most important questions, such as “why am I here?” and “what is my purpose?” Instilling a liberal arts mentality, then, involves an ever-shifting search for the best way to foster values based on tradition, even though that tradition may morph through time. It is to take seriously the counsel of Socrates to examine one's life, for “the unexamined life is not worth living.”

Today, the *artes liberales* are widely proclaimed as irrelevant to American society and education. The past goals of liberal arts training seem elitist, culturally insensitive, and totally impractical for today's cadre of up-and-coming executives and professionals, not to mention mid-level managers or entrepreneurs. Liberal arts colleges have radically revamped their curriculum, entrance requirements,

and attitude to try to survive, economically as much as culturally. Yet there is much evidence to support the view that the erosion of the liberal arts is in part responsible for our current climate of greed and profit at any cost.

In his book *From Higher Aims to Hired Hands*, Rakesh Khurana argues that the business schools' recent emphasis on maximization of shareholder value as the sole measure of organizational success has demoted professional managers to nothing more than "hired hands." With no responsibilities to anything other than themselves, these hired guns lack any sense of a greater moral, social, or ethical obligation to society or the organizations that employ them.

In the revised edition of *Management*, Peter Drucker, a thinker always ahead of his time, called management a liberal art:

Management is thus what tradition used to call a liberal art: "liberal" because it deals with the fundamentals of knowledge, self knowledge, wisdom, and leadership; "art" because it is practice and application. Managers [should] draw on all the knowledge and insights of the humanities and the social sciences—on psychology and philosophy, on economics and history, on ethics as well as on the physical sciences. But they have to focus this knowledge on effectiveness and results—on healing a sick patient, teaching a student, building a bridge, designing and selling a "user friendly" software program. (Drucker, 2008, p. 25)

Drucker believed that management would be the key to keeping the liberal arts sentiment alive in today's society. He saw an important relationship between the two forms of training. The liberal arts can bring wisdom and self-knowledge to the practice of management, while management can "be the discipline and the practice through and in which the 'humanities' will again acquire recognition, impact, and relevance" (Drucker, 2008, p. 25). And practicing

management as a liberal art might, in fact, return management to its original, intended professional status.

APPLYING MANAGEMENT AS A LIBERAL ART FOR TODAY'S EXECUTIVES

If Peter Drucker was right about management being a liberal art, management must return to the original ideals of liberal arts education that were fundamental to the concept of professionalism in business, and to Drucker's concept of "The Educated Person." The difficulty in implementing management as a liberal art lies in the perceived dichotomy between the "ivory tower" of academia and the "real world" of business. The history of the liberal arts tradition involved training for the "real world" of politics, law, medicine, and religious leadership. Reconciling the classical *artes liberales* with the everyday world has a long tradition in America, from the Puritan colonists' use of Harvard to train community leaders through the founding fathers' desire for republican virtue in those chosen to govern.

One of the keys is to reconnect the liberal arts and management, restoring a union that once existed. *The connection between the goals of the liberal arts and practicing professionals may have been lost, but it can be restored.* In Drucker's view, it was the liberal arts' responsibility to "demonstrate and to embody values, to create vision . . . [and] to lead" (Drucker, 1994, p. 63). Management as a liberal art would require practitioners to do the same.

In Chapters 1 to 3 of this book, we lay out the intellectual framework for Drucker's idea of management as a liberal art, followed by a discussion of how management and the liberal arts were once connected but have become divided. We complete this section with an overview of the potential contributions of management as a liberal art, as well as some caveats regarding what management as a liberal art is not.

In the second part of the text, we illustrate management as a liberal art in practice, concentrating on five primary issues confronting practitioners: the use and abuse of power within organizations (and by organizations in society); the nature of human existence and its implications for management; leadership; “social ecology,” or the process of observing various external and internal factors for potential threats and opportunities; and the role of innovation and technology. In each chapter dealing with these topics, we show how a specific discipline in the liberal arts can enhance the performance of management practitioners through providing a different perspective, a new prism through which to view problems, or an enriched sense of the responsibilities of managers.

Why management as a liberal art now? There are many examples within these pages, but four specific instances of management failure provide substantial evidence of the need for management as a liberal art at this crucial moment in time. These four examples show, basically, how management as a liberal art in action has very real consequences for today’s world.

Lessons of Power: Goldman Sachs as “Too Big to Fail”

Andrew Ross Sorkin’s book *Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System—and Themselves* (2009) describes the global financial crisis that materialized in September 2008 in terms of concentration of power. As Sorkin argues, executives running a handful of America’s financial institutions wielded sufficient power to derail the entire global financial system, and the federal government has done nothing to diffuse or curb that power. Nowhere is the role of concentrated, unchecked power more apparent than in the case of Goldman Sachs’ role in the global financial crisis.

Goldman Sachs is one of the firms that received government aid under the Troubled Asset Relief Program (TARP) of 2008. The firm

paid back the \$10 billion in government loans in April 2009, and reported unexpectedly high profits of over \$3 billion in the second quarter of the same year. Goldman Sachs' far-reaching power in the global financial markets was well known on Wall Street, but the TARP bailouts, along with a series of highly publicized articles by *Rolling Stone* investigative reporter Matthew Taibbi, put the investment bank's activities in the public limelight. In April 2010, U.S. federal prosecutors opened an inquiry into potential fraudulent activities at the firm. Specifically, the Securities and Exchange Commission (SEC) accused Goldman Sachs of selling investors mortgage derivatives that were selected and packaged with the help of a major hedge fund that was simultaneously betting on those securities failing. Goldman settled with the SEC in July 2010 by agreeing to pay a fine of \$550 million without admitting wrongdoing (CNNMoney.com, 2010).

Goldman Sachs' record profits on both sides were in part due to its ability to leverage its extensive power. The firm reaped profits on both sides of the collateralized debt obligation (the mortgage derivative package known as Abacus). The firm capitalized on its retail and institutional relationships to play a role as both advocate and saboteur of an investment, reaping rewards in both positions. What is more worrisome, Goldman Sachs used its remarkable influence to assemble numerous complex deals involving derivative products, many of which have had significant effects on the global financial crisis. The firm's involvement in the Greek debt meltdown of 2010, which we discuss in this book, is only one example of how Goldman Sachs' behavior is a lesson in the need for recognizing the problem of unchecked power in organizations (Carney, February 15, 2010).

Drucker was keenly aware of this problem, and he saw political theory (specifically the concept of federalism) as a way of controlling power within organizations. Political science and theory, in the

domain of the liberal arts, offer a host of opportunities for exploring the nature of power within organizations. The human propensity toward seeking and abusing power is the subject of much literature in the liberal arts, particularly those writings aimed at analyzing governmental institutions. Anyone who remembers reading Niccolò Machiavelli's *The Prince* knows that this 1513 work dealt with the subject of power (although most people probably think only in terms of the negative connotations of Machiavelli's argument: his justification of heavy-handed authoritarianism). An understanding of the liberal arts, specifically political theory, can add much to managers' understanding of contemporary problems related to the question of power. In this book, we focus on the concept of federalism as espoused by the proponents of the U.S. Constitution during the eighteenth century. Drucker identified federalism as an important concept that could be applied to modern industrial organizations; his illustration is an example of how one area of the liberal arts can help today's firms recognize the problem of unchecked power exemplified by Goldman Sachs and the global financial crisis.

Lessons of the Human Dimension: British Petroleum's Misplaced Values

On April 20, 2010, the Deepwater Horizon drilling rig of British Petroleum (BP), located in the Gulf of Mexico, exploded, killing 11 workers and unleashing the worst oil spill in U.S. history. By late May, several British Petroleum efforts to stop the leak from the wellhead had failed. Although the company began to recover the leaking oil in June, it was clear that the environmental devastation was substantial. News stories featured heartbreaking shots of oil-covered birds and ruined wildlife sanctuaries. The related economic and human costs mounted as well; fishermen in Louisiana lost their earnings potential, and southern coastal communities already hard

hit by the recession faced a drastic decline in tourism. After months of effort to stop the leak, BP finally killed the well on September 19, 2010 (BP.com, 2010).

The environmental tragedy would have been difficult for any company to deal with, but BP's response to the event, as well as information that came to light as the disaster unfolded, signaled that the company's values were misplaced. BP estimates of the number of gallons being spilled per day proved to be significantly lower than what was actually leaking out of the wellhead; company officials stated that about 200,000 gallons per day were leaked, whereas independent scientists calculated the spill was closer to 500,000 to 1 million gallons per day. Early on, BP used a chemical dispersant to break up the oil; this dispersant has been shown to be toxic to shellfish, and there are concerns that the chemical caused adverse reactions among workers hired to assist in cleanup efforts (Cruz and Cart, 2010).

Perhaps most upsetting, however, was BP CEO Tony Hayward's reaction to the events. Hayward discounted the environmental impact of the spill as "very, very modest," remarked that the cleanup workers' illness was likely due to food poisoning rather than the chemical dispersant, and developed an advertisement in which he lamented that "I'd like my life back." These are hardly the reactions of a remorseful individual whose company was responsible for the worst environmental disaster in American history, and Hayward was subsequently fired as BP's CEO. What was worse than BP's response in the immediate aftermath of the spill was the fact that the company had reason to suspect there could be problems with the Deepwater Horizon rig. The company told congressional investigators that there were a number of "crucial mistakes" involved in the explosion and subsequent leak, including the decision to continue drilling in spite of the appearance of abnormalities in the well shortly before the debacle occurred (Power, 2010). BP appears to have a track record of ignoring the potential human and overall environmental costs of its activities; according to the Occupational Safety and Health Admin-

istration (OSHA), the firm has a “serious, systemic safety problem” (Morris and Pell, 2010).

The full extent of the BP mess remains to be seen, and there are many lessons to be gleaned from this terrible event. But it is clear that the oil spill illustrates the consequences of a lack of values. The pursuit of profits, in this case the extraction of resources from the earth, overrode any concern for the risks that activity posed for the natural environment. The price paid by human and other beings will be enormous—all because of the misplaced values of one organization.

Of all of the aspects of management as a liberal art, the human component was most important to Peter Drucker. This was in large part because of the strong Judeo-Christian underpinnings to Drucker’s overall concept of management as a way to achieve a *moral* society comprised of institutions. For Drucker, management was a moral force, not merely a tool at the service of the amoral market. As a result, we emphasize the Judeo-Christian origins of Drucker’s management ideas, drawing on the liberal arts disciplines of religious and moral philosophy. Other traditions in these liberal arts disciplines can help managers address questions related to human dignity, understand the broader implications of the operational decisions they make, and consider their obligations to something other than their own personal desires or the worldly demands of their organizations.

Drucker found in Confucian ethics fundamental guidelines for moral behavior that are appropriate for all stakeholders in an organization. These guidelines are

- clear definitions of the fundamental relationships [among all stakeholders];
- universal and general rules of conduct—that is, rules that are binding on any one person or organization, according to its rules, function and relationships;

And finally,
—an effective organization ethic, indeed an organization ethic that deserves to be seriously considered as ethics, will have to define right behavior as the behavior which optimizes each party's benefits and thus makes the relationships harmonious, constructive, and mutually beneficial. (Drucker, 1993, p. 213)

Clearly, Drucker's concept of management as a liberal art invokes the historical emphasis on the search for the "good" and "right" in life; it requires a definition of "right behavior." Incorporating the wisdom of the discipline of philosophy into the practice of management may help to avoid future disasters such as the BP Deepwater Horizon nightmare.

Lessons of Leadership: Toyota's Lack of Accountability

In October 2009, Toyota Motor Corporation issued a safety recall of several of its cars following a wave of reports of "runaway vehicles," or cars that suddenly accelerated without warning. One outside safety consulting firm documented 2,000 cases of unintended acceleration, which resulted in 16 deaths and 243 injuries. The problem was not confined to a single model, but affected the company's popular Camry, Prius, Tacoma, and Tundra models, as well as several vehicles in the Lexus line. News outlets carried harrowing stories of those who had experienced the sudden acceleration problem (Rhee, 2009). Such news coverage tarnished the once-sterling reputation of the auto manufacturer.

Toyota was renowned for producing quality cars, so the recall was unusual in that it involved a company whose name was associated with reliability. Yet it was Toyota management's handling of the recall and sudden acceleration problem that exacerbated the event into a public relations nightmare for the company. The firm's execu-

tives failed to demonstrate effective leadership on a number of levels, from their initial reactions to the reports of acceleration problems to their handling of customer inquiries and needs.

Toyota's first response to the complaints about sudden acceleration in its vehicles was to tell customers to remove floor mats from their cars, claiming that the accelerator pedal could get stuck under drivers' side mats. In October 2009 the company recalled several car models to replace the floor mats, stating that this would solve the problem. But cars without floor mats continued to unexpectedly accelerate, and the government expressed its concern that the company had not addressed the problem. In January 2010 Toyota issued another recall, this time to replace the gas pedals, not just the floor mats. In this recall, the company acknowledged a separate problem related to the acceleration pedal itself: the gas pedal in many Toyota models had a tendency to stick and thus send the car speeding out of control.

In spite of the recalls, there were more cases of runaway Toyotas, leading some to speculate that the problem had to do with the automobiles' software-driven braking system. Toyota finally suspended all sales of the affected car models in January. According to the National Highway Traffic Safety Administration (NHTSA), there were more than 6,200 complaints related to sudden acceleration in Toyota cars from the year 2000 to mid-May 2010; these reports included 89 deaths, well more than previously reported (CBSNews.com, 2010).

In February 2010, the National Highway Traffic Safety Administration launched an investigation into the timing of Toyota's recall efforts to solve the runaway car problem. Based on that investigation, the U.S. Department of Transportation (DOT) found Toyota in violation of federal laws that protect consumers. Specifically, the NHTSA investigation revealed that Toyota was well aware of problems with the accelerator pedal on its cars long before it issued the recall. Furthermore, the company failed to notify the NHTSA of the problem within five days as required by federal law. The department

levied the maximum financial penalties against Toyota for its violations, the largest civil penalty ever assessed by the NHTSA against a car company (U.S. Department of Transportation, 2010).

Toyota's management failed to exhibit leadership effectiveness and integrity on many levels. First of all, their failure to acknowledge the sticking accelerator problem in a timely and public manner (and notify federal authorities as required) gave the impression that they intended to hide a very real safety hazard. Leadership integrity involves not only taking responsibility for problems when they arise but also doing all one can to minimize any negative impacts of an organization's operations. As the government investigation showed, Toyota's executives were well aware of the sticking accelerator problem, yet they chose to delay action, placing the blame on floor mats and consumer behavior instead.

Secondly, customers often had no idea as to what to do to make their cars safe. Given the various explanations for the sudden acceleration problem provided by Toyota, dealers were often frustrated as to how to answer consumer questions. Once it acknowledged the gas pedal problem and issued the wider recall, Toyota had to fix its cars, but in fact it did not have a plan in place to repair the vehicles (Bunkley and Maynard, 2010).

Finally, because the sudden acceleration problem involved death and injury to human beings, the lackadaisical response of Toyota's leadership sent a message of indifference to the American public; whereas Toyota was once revered as a brand of quality, it now seemed just another greedy corporation bent on taking advantage of American consumers. Profits and growth clearly were more important to these leaders than a safe product and good service.

Akio Toyoda, grandson of Toyota's founder, appeared before the U.S. House of Representatives' Energy and Commerce Committee in February 2010. During this meeting, he stated that "quite frankly, I fear the pace at which we have grown may have been too quick," leading to sacrifices in quality (*MSNBC.com*, 2010).

Drucker believed that leadership required integrity and values, a focus on developing people, and emphasis on performance and results (although not just financial measures of performance). One of the best ways to study effective leadership is to analyze the qualities and actions of leaders themselves. The discipline of history can help practitioners to better understand leadership in action. Whether one analyzes the decisions of presidents, leaders of social protest movements, or effective executives of the past, historical research into leaders can provide a wealth of information for today's managers facing difficult decisions under trying circumstances. In Toyota's case, a passing understanding of the history of America's progressive movement, and how its leadership spawned significant government reforms of early twentieth-century industrial organizations, would have provided ample evidence for the need to address the runaway car problem early and transparently. Toyoda's remark indicates that the company's leaders lost focus on the important qualities inherent to effective leadership.

Lessons of Social Ecology/Innovation: Massey Coal's Failure to Adapt

On April 5, 2010, the Upper Big Branch coal mine in Montcoal, West Virginia, operated by Massey Energy Company, exploded. Early reports were that 25 men were killed, and rescue efforts targeted four missing workers. As anxious relatives and townspeople waited to hear news of the missing men, four days later, the rescue effort turned into a recovery operation, as there was no hope of finding the workers alive. The 29 deaths from the methane gas explosion made the Upper Big Branch mine disaster the worst U.S. coal accident in 40 years.

Coal mining is by nature a risk-filled endeavor. Much of the work of managing such an enterprise must involve an awareness of changes in the work environment, new technologies that might reduce risk,

changes in industry trends that relate to worker safety, and other external or internal sources of opportunity, including changes in public perception. Drucker coined the term “social ecology” to describe the systematic evaluation of these factors. Along with failures in several other areas, Massey Energy lacked the insights of social ecology to see the warning signs leading up to the Upper Big Branch explosion.

Following the West Virginia tragedy, news sources reported that in the year before the explosion, Massey’s Upper Branch mine had been cited numerous times for safety violations, including 38 ventilation violations and 37 complaints about flammable materials on the site. The Federal Bureau of Investigation (FBI) launched a criminal investigation of the company, addressing charges of negligence and rumors that Massey representatives had bribed federal mining agency inspection officials. Public outcry was strong when an October 19, 2005, memo penned by Massey CEO Don Blankenship revealed that the executive warned his mining supervisors to ignore any objective other than to “run coal” because “coal pays the bills” (Hamburger and Zajac, 2010).

Massey’s safety record caused it problems before the Upper Branch mine disaster. In December 2008, a group of institutional shareholders filed a suit against Massey’s board of directors, claiming that they had violated their fiduciary responsibility in part because they had overlooked safety problems that resulted in injury and death to workers. Although the suit was dismissed, it made public a great deal of information on the company, including the management philosophy and style of Blankenship. According to a number of sources, under Blankenship’s direction, Massey Energy placed profitability above all else, including safety. In addition, Blankenship was well known for his extravagant personal lifestyle, supported by a lavish compensation package (“Coal Boss Don Blankenship Cast as Cavalier About Worker Safety in Lawsuits,” 2010). With this “bottom-line” mentality permeating the company from the top

down, Massey Energy was so focused on one aspect of its business—profits—that it failed to recognize a number of factors impacting its rather old-fashioned approach to its operations.

The most obvious oversight was Massey's emphasis on "running coal" at the expense of worker safety. The company's refusal to see the extent of the problems at the Upper Branch mine, in spite of the many violations and citations, is clear evidence of its inability to see a trend within its own operations: a dangerous work environment just waiting for a tragedy to occur. Massey's management also discounted mounting evidence of the environmental impacts of coal production and carbon emissions. At a 2008 mining industry meeting, Blankenship referred to reporters covering global climate change as "communists" and "atheists," and on several occasions he has referred to environmentalists as "greeniacs" (Boselovic, 2010). And, of course, Blankenship's extravagant CEO lifestyle and bloated compensation package could only draw the public's ire following the financial crisis of 2008 and the anger over the TARP bailouts; flaunting corporate wealth is not a good idea during a time of high unemployment, particularly when your company has just been involved in an accident that cost the lives of 29 of its workers. In December 2010, Blankenship announced his plans to retire at the end of the year (Maher and Chon, 2010).

Drucker's practice of social ecology requires that managers recognize that change is a constant; managers must always look out for discontinuities that serve as threats to or opportunities for their organization's activities. The social sciences are enormously helpful in identifying and understanding the nature of large-scale external changes that can potentially impact an organization. Economics can aid managers enormously, but not just in terms of understanding the financial aspects of an operation. The 2009 winners of the Nobel Prize in Economics illustrate how an understanding of contemporary (as well as classic) economics can serve today's managers. The 2009 Nobel Prize winners were Elinor Ostrom (Indiana University

and Arizona State University) and Oliver Williamson (University of California, Berkeley). Ostrom and Williamson were recognized for their contributions to our understanding of relationships between firms and their external environments. Ostrom investigated the role of local entities in managing property, showing that there are options other than privatization and governmental control for managing natural resources. Williamson's work involved showing when organizations should leave decisions to market forces versus when managers should exercise control. Much modern economic theory involves the role of human decision making, and thus enables managers to assess their place within a larger socioeconomic and political context.

One wonders what might have happened had Massey's leadership brought an understanding of economics or another related liberal arts discipline to bear on its coal mining operations. Blankenship and others failed to realize that their business was not just "running coal"; it was also about managing the environmental and human costs of their operations, particularly in light of changing attitudes about energy production and use, and corporate responsibility.

Ironically, Massey Energy's tragedy at its West Virginia mine may itself serve as an impetus of change for the industry as a whole. Some have predicted that the disaster will result in new safety regulations, increased environmental restrictions, and more public scrutiny for the entire mining industry (Mulkern and Reis, 2010). If Massey had practiced a little social ecology, looking into its own operations as well as larger trends outside of itself, it might have eased the disruption of change that will likely affect this industry.

CONCLUSION

Drucker left it to others to define the implications of management as a liberal art. Given the historical context of the origins of the

liberal arts, as well as the role of liberal arts and professional education in America, Drucker's idea of management as a liberal art involves rethinking not just how we educate managers but also how we approach management as a profession. By preparing students and managers in management as a liberal art, our society will expand the capacity of men and women to assume executive responsibility in a morally and socially constructive manner.

Peter Drucker was well known as an observer who tried to "see the future that has already happened." In a conversation with Bob Buford on August 10, 1993, he reflected on the condition of American civilization:

I'm going to make myself very unpopular in two weeks in Aspen at the seminar where I am the keynote speaker, by saying we have no economic problems. We have only social problems. But, we have those in spades. This morning when I woke up at three in the morning, you have no idea, I had to pray very hard to get over that despair, and I haven't gotten over it yet. Yes, I know, and yet the very fact that we are conscious of it is probably the only optimistic thing. (Buford, 1993, p. 3)

In *Landmarks of Tomorrow* Drucker argues for human beings' need of spiritual values in order to shape culture. In Chapter 10, "The Human Situation Today," Drucker explores the question of where the human being fits in the postmodern world: "Man has achieved the knowledge to destroy himself both physically and morally" (Drucker, 1959/1996, p. 257). Specifically Drucker refers to advances in knowledge from the behavioral sciences that can "turn man into a biological machine run by manipulation of fears and emotions, a being without beliefs, without values, without principles, without compassion, without pride, without humanity altogether"

(Drucker, 1959/1996, p. 258). Drucker's solution is a return to spiritual values in order to guide the use of the power, created by new knowledge, to serve the highest interests of the human being.

Drucker was strongly influenced by his own liberal arts education, which led him to see these moral and spiritual dimensions of management and society. But is there corroborating empirical and historical evidence for his views? We believe there is. Robert W. Fogel, economic historian and 1993 winner of the Nobel Prize in Economics, believes the most pressing problem in the United States to be the acquisition and egalitarian distribution of *spiritual assets*, not material assets:

Although the consolidation of past gains cannot be ignored, the future of egalitarianism in America turns on the nation's ability to combine continued economic growth with an entirely new set of egalitarian reforms that address the urgent spiritual needs of our age, secular as well as sacred. Spiritual (or immaterial) inequity is now as great a problem as material inequity, perhaps even greater. (Fogel, 2000, p. 1)

In *The Soul of Capitalism: Opening Paths to a Moral Economy*, journalist William Greider argues that American capitalism can be modified to "conform more faithfully to society's broad values," (Greider, 2004, p. 48), essentially tying the engine of economic growth to the goals of the liberal arts.

Sociologist Robert Wuthnow traces America's long history of attempting to reconcile religious values with economic growth, and points out that in today's society, "our problems as a nation are spiritual as well as material" (Wuthnow, 1994, p. 36). Drucker is not alone in his assessment of our need to consider moral and spiritual issues when operating in the world of management and business.

Ironically, a return to the ideals of the liberal arts may in fact make management once again valuable to the "real world." Fueled

by corporate scandal and the behavior of out-of-touch executives who seem to have no moral compass, popular sentiment has turned against management as a profession; as evidenced by the four brief examples in this introduction, as well as the numerous other references in this book, it is clear that there is a call for change. Perhaps the only hope for redemption for management as a true profession is to practice management as a liberal art: to ground it in an understanding of shared cultural values that are inculcated through education and modeled through executive behavior.