Do We Lose the Vision of a Long Term Strategic Profit Making? Analysis of the Interaction of Business, Public Policy and Business School Responsibilities: The Case of the 2008 – 2009 Financial Crisis

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This paper examines the issue of the 2008 – 2009 financial crisis and the role of business school education within this crisis. In order to develop a rough understanding of the current business school curriculum, the web sites of the top ten World business school (as identified by Financial Times survey of the top 100 MBA programs worldwide) were examine in term of their inclusion of public policy or explicit treatments of current financial crisis. As can be seen, none of the schools pay considerable attention to a possible link between public policy and private corporate management, and few have even elective courses that allow for exploration of this issue

INTRODUCTION

The September 2008 failure of the venerable Lehman Brothers investment house was the largest bankruptcy in US history to that time, with $613 billion in debt being declared by the firm in the filing as compared to $639 billion in total assets (Mamudi). This bankruptcy has come to be emblematic of the failure of the markets during the 2008-2009 financial crisis. It was steeped in concerns about bank failure, the global banking structure, and the underlying soundness of the neoliberal economic and business philosophy. On the larger scale, the company's bankruptcy filing served as a wakeup call for politicians and governments. The failure of Lehman Brothers resonated through the markets, causing shares in the Reserve Federal Money Fund to fall below $1 a share, causing a drop of 300 points in the US stock markets, and more importantly spurring action across the US government structure (St. Louis Fed). Rapidly following the September 15 bankruptcy filing of the Lehman Brothers bank, the SEC (Securities and Exchange Commission) placed a ban no short-selling stocks of financial sector stocks in order to prevent a further recurrence (St. Louis Fed). The Fed also began to take action, at first increasing existing swap lines, then extending additional funds, and engaging in other actions intending to stem the flow of potential failures from banks that were deemed too big to fail (St. Louis Fed). Although banks began to finally report profits in the April 2009 quarter, these profits were primarily due to one-time charges, changes in financial reporting or other non-repeatable events rather than increases in operating income or reduction in losses (Sorkin) After over a year of concerted effort, including several bailouts, rule changes, and other adjustments in US and world markets, the global financial industry has begun to regain a shaky equilibrium. However, the damage that has been done to global financial markets, as well as the lives and livelihoods of millions of people around the world, remains, as does one pressing question. What have business schools done to prevent a recurrence in those they are training to take control of the next generation of banks, financial markets, and businesses? Are the lessons learned during this crisis being applied to the training of new business professionals? What is the eventual role of business school training in preventing a further recurrence of this disaster? This essay examines the interaction of business training and public policy training and examines how the issues raised by the global financial crisis, including risk management, corporate governance, and public policy, can be integrated into the business school curriculum.

THE BUSINESS SCHOOL CURRICULUM

The current business school curriculum is not the subject of extensive study in the literature. Although there has been some attention paid to the issue of business school curricula, most of the literature available is focused on the role of ethics and corporate governance rather than explicitly on the curricula. Although this information is important (and will be discussed below), it does not directly answer the question of what business schools are currently teaching. In order to develop a rough understanding of the current business curriculum, the Web sites of the top ten UK business schools (as identified by the Financial Times survey of the top 100 MBA programs worldwide) were examined in terms of their inclusion of public policy or explicit treatments of the current financial crisis. (At the time of study, these universities and programmes included London Business School, University of Cambridge Judge Business School, University of Oxford Said Business School, Lancaster University Management School, Manchester Business School, Cranfield School of Management, Warwick Business School, Imperial College Business School, University of Strathclyde Business School, and City University Cass Business School (Financial Times)). Of these programs, all had corporate social responsibility and corporate governance courses built into the curriculum. However, only a very few of the programs had available any type of public administration or public policy courses. The Manchester Business School did include a specialist Master's in Public Administration (MPA) (Manchester Business School). The Warwick Business School also offered an MPA program (separate from its MBA program) which provided public administration information (Warwick Business School). Finally, Cass Business School offers a series of specialist masters programs (MSc programs) which are focused on non-profit and NGO management (Cass Business School). As can be seen, none of the schools pay considerable attention to a possible link between public policy and private corporate management, and few have even elective courses that allow for exploration of this issue. Although the available course materials do not make clear how much influence the current financial crisis has had on the curriculum, there are no modules listed on any of the sites that specifically address this possibility. Thus, although this information may be integrated into existing modules, there is no indication that this is the case.

THE CURRICULUM AND ITS PROBLEMS

Compared of other levels of education, the curriculum of the graduate business program does not receive much attention (except in terms of its inclusion or exclusion of controversial topics such as business ethics). The business school is often seen not as a place to form knowledge, but simply to disseminate it to students; Knights remarks, "some conventional wisdom would see the business school as having the potential to become a leading site of knowledge production and dissemination, education or professional training just so long as it is responsive to the changing contours and processes of an increasingly demanding public within a 'knowledge-based economy. For this to occur, however, they will have to reinvent themselves (Knights 89)." That is, the business school does not currently stand as a significant force in the production or dissemination of knowledge. Instead, business schools tend to follow a set curriculum that focuses on specific structures and formats that constitute a preformed understanding of the realm of business knowledge (Knights 91). This information primarily includes introductory economics and statistical information, followed by pragmatic business information focused on marketing, accounting, and strategy setting, according to Knights. Although most business programs do include a business ethics module or course in response to previous ethical issues within business (in particular the major corporate scandals of the late 1990s and early 2000s), there is a relatively light treatment of other business systems or other areas of knowledge, and little active knowledge production (Knights 92).

One of the major deficiencies found in the business school curriculum by the current research is in economic literacy (a basic prerequisite for understanding the causes and effects of the current financial crisis) (Koshal, Gupta and Goyal 43). Koshal, Gupta and Goyal's economic literacy assessment of Indian MBA students in the United States found that these students (drawn from two top-ten schools and three other schools), had an average score of 64.1% (24 out of 37 questions correctly answered) (46). However, this was balanced by a distribution which included 52% undergraduate economics majors, and the lowest score was 13.5% (Koshal, Gupta and Goyal 46). This was actually lower than a general population study conducted by the National Council on Economic Education, which examined 3,512 US adults for general economic knowledge (Koshal, Gupta and Goyal 46). The economic literacy scores within the study indicated some variation; for example, students in top business schools scored higher than those in other schools, males scored slightly higher than females, and those from engineering and business and commerce backgrounds scored higher than other backgrounds (Koshal, Gupta and Goyal 47). Contrary to expectation, students who majored in economics had a slightly lower average score (62%) than those who did not major in economics in undergraduate education (65.8%) (Koshal, Gupta and Goyal 47). Although this study was conducted on Indian students, it is not likely that the undergraduate curriculum within their native universities was poor enough to occasion a significant drop in economic knowledge. However, this study indicates something of high importance to the business school curriculum – that it *cannot* be assumed that the postgraduates admitted to these programs will have an appropriate level of economic knowledge to understand the causes and effects of the current crisis or be able to integrate this knowledge into existing theoretical or practical information. This is clearly a significant problem that must be addressed within the curriculum if the mistakes that were made during the 2007-2008 financial crisis are to be avoided.

Another area of business that should be examined is that of corporate governance and corporate ethics. In most cases, it has not been proved that the business leaders acting during most of the worst excesses of the 2007-2008 financial crisis were acting out of deliberate malice; however, it has been observed by many researchers and analysts that a lack of consideration of business ethics and corporate governance issues has played a role not only in the current crisis, but in scandals dating back at least to the US S&L scandals of the 1980s, and certainly including the scandals such as WorldCom, Tyco, and Enron in the late 1990s and early 2000s (Kennedy and Horn 77). Unfortunately, the integration of increased business ethics and corporate governance information in the business school curriculum was not reflected in the outcomes of the 2007-2008 financial crisis; although, to be fair, this increased focus (enacted only in the mid-2000s) was not integrated early enough to increase the amount of ethical knowledge in use at the top levels of the organization. However, the lack of this type of reflective curriculum can be seen in the collapse of the Northern Rock bank following its announcement of support from the Bank of England and subsequent support, one of the earliest signs of crisis in the United Kingdom (Shin 101). The Northern Rock bank experienced the first bank run in the United Kingdom since 1866, exposing a drastic shortfall not only in banking insurance coverage for depositors, but also drastic shortfalls in the basic premises of management that had been used within the bank (Shin 101). This premise was the idea of the short-term return, in pursuit of which the bank managers had become heavily invested in short-term nonretail funding and an excessive reliance on the short-term lending pool that US subprime mortgage securitizations were involved in; increasing difficulty within this market led to a sudden loss of short-term funding from the bank, and the bank, which had run a short reserve, was caught short when retail depositors began to withdraw their funds (Shin 102). In this case, it is the focus on short-term funding and profits, rather than the precise way in which the funding was pursued, that should be the focus of improved ethical examination in this area. Many researchers, including Knights, Kennedy and Horn, and Rubin and Dierdoff, have remarked that business ethics education within the business school environment does not question the basic underlying model of business; questioning this basis could lead to improved outcomes in terms of longer-term stakeholder views.

Unfortunately, other areas of the business school curriculum may also not provide the background required to students in order to allow them to integrate this information. Rubin and Dierdorff note, "recent critics contend that the MBA is wholly out of touch with the "real world" and the needs of practicing manners. More specifically, these criticisms appear to converge rather clearly on a single pressing issue confronting contemporary graduate management education: relevancy (Rubin and Dierdorff 209)." Rubin and Dierdorff examined the module content of MBA programs offered at 373 United States schools accredited by the AACSB. These courses were then classified according to six identified competency categories which were derived from research regarding the current areas of required knowledge for management in the active business environment (Rubin and Dierdorff 214). The findings of this study indicated that coverage of the identified competency areas varied widely; managing logistics and technology received a percent-coverage benchmark of only 10.61 as compared to the highest scoring management-decision making processes, which received a percent coverage benchmark of 19.66% (Rubin and Dierdorff 214). The findings also found that of universities, there was a wide range of coverage of courses within specific areas; for example, 64.88% of universities within the study had only a single course offered in the managing human capital competency category; managing decision making processes (52.28) and managing strategy and innovation (55.50%) fared almost as badly (Rubin and Dierdorff 215). This indicates that there are significant gaps between the market expectations of MBA graduates and the actual content to which they are being exposed. (At least, this is the case in the United States; there is no similar research available in the context of the United Kingdom, although business school policy and curriculum is very similar between these two countries). This study is echoed by research by Clinebell and Clinebell, who note that the constant conflict between academic rigor and the sort of real-world training that is considered being appropriate in management training can often cause significant gaps in training. Although an approach of using executive professors, or real-world executives who teach part-time in the academy, is presented as one way in which this difficulty can be rectified, it is not clear that the use of executive professors actually does much good in this setting (Clinebell and Clinebell 103).Thus, even excepting the problem of public policy and financial understanding, business schools are already not teaching the material required to make effective managers of their students, and it is not clear how this information can be effectively introduced in the current setting – this, plus the emphasis on putative real-world training, means that students have neither the academic nor the practical knowledge needed to overcome the challenges of modern business.

A different view can be gathered of the business school curriculum from Bohanon's discussion of curricular themes. Bohanon's themes, which emerged during the period of 1900 to 1930 (the start of formal business education in the United Kingdom and the United States) and many of these themes continue to be the focus of the modern business curriculum. One element of this development has not held consistent however; whole Bohanon (240) notes that early development included an emphasis on economics and the social sciences, focus on economics has shrunk while in many cases social sciences (including organization development and other areas of applied social sciences) has grown. However, the debate regarding corporate social responsibility, which emerged early within the discussion of the appropriate curriculum for business schools and one which is highly relevant in this case, has remained a constant feature of business school curriculum debates (Bohanon 243). However, Bohanon does not indicate a strong basis in the early development of business schools for promotion of long-term understanding of capital development, markets, and financial crises (although to be fair, during the period which Bohanon was discussing the understanding of these events was relatively limited in and of itself). However, it should also be considered that business school curricula and the knowledge contained within them do not stay consistent, but rather change over time as new theoretical and practical frameworks are identified (Dosi, Faillo and Marengo 1179). For example, the development of core capabilities was not immediately integrated into the business curriculum, but only began to appear after the capability-based view of the firm (which focuses on specifically human resources while developing a resource-based view) was accepted within the business literature (Dosi, Faillo and Marengo 1179). Thus, the lag between occurrence (whether this is a real-world occurrence or emergence of a theoretical framework) is one way in which the curriculum is controlled in order to provide time for the analysis and understanding of the material before packaging and presentation to students. This is a point that should be considered carefully in this case; as the financial crisis, although it has abated, is still ongoing, it is difficult to determine whether this is an appropriate inclusion for the curriculum of a given business school in-depth at this time.

IS ACCREDITATION THE ANSWER?

As noted above, the business school curriculum is not guaranteed to include either important theoretical knowledge, such as an understanding of economic principles, or important practical knowledge such as human capital management – it does not even address the issue of public policy, and both graduate and post-graduate treatment of non-profit management is weak. This could be addressed using a more consistent curriculum development and standardization process. Unlike other areas of professional practice such as medicine or law, there is no formalized central accreditation body for business schools to enforce quality and curriculum. This lack of central oversight, which means that business schools are generally covered by the accreditation of the university of which they form a part, means that there is no way to centrally examine quality of the education being provided. Is accreditation a means to move forward in ensuring business school quality? The American accreditation board AACSB (Association to Advance Collegiate Schools of Business) may provide a template for integration of accreditation into the UK system of business schools – however, its actual standards fall far short of the requirements for prevention of further damage to the global finance system. The AACSB accreditation standards include strategic management standards (intended for the management standards of the school itself, rather than for the curriculum); continuous improvement of the school offerings; and curriculum management (AACSB). The AACSB standards do have specific knowledge and skill areas which must be addressed within the curriculum of an accredited business control. This includes the following general skills - "Communication abilities; ethical understanding and reasoning abilities; analytic skills; use of information technology; dynamics of the global economy; multicultural and diversity understanding; reflective thinking skills (AACSB 71)" – as well as management specific skills including "ethical and legal responsibilities in organizations and society; financial theories, analysis, reporting, and markets; creation of value through integrated production and distribution of goods, services, and individuals… domestic and global economic environments of institutions (AACSB 72)." Thus, the AACSB standards do provide the appropriate level of control of curriculum that could improve business school response to the type of situation presented by the 2007-2008 currency crisis, by emphasizing inclusion of ethical understanding, general economic knowledge, and domain-specific economic knowledge.

However, as the AACSB accreditation program is voluntary, it cannot be used as a full model of effective management of the curriculum to include awareness of issues involved in the current situation (AACSB). Although this could be overcome by simply modifying a British accreditation program to be mandatory (or to privilege accredited schools over unaccredited schools), there is a more serious problem with the AACSB accreditation model. Specifically, there is no evidence available within the literature that it actually improves the understanding of the economic situation or reduces tendency toward risky behaviours. In fact, the universities included in much of the research were specifically AACSB accredited universities (Koshal, Gupta and Goyal; Hodge and Greve). Thus, the use of accreditation cannot be looked to as a fix for the gap in knowledge, although it may be a useful tool to standardize curriculum and improve the application of business school knowledge to the real world.

INTERACTION WITH PUBLIC POLICY

One major criticism of the current business school curriculum is that it does not involve significant public policy components generally; although there are sometimes program tracks focusing in nonprofits or public policy management within a business school where students may be offered course material pertaining to this area, it is not a general characteristic of the curriculum. There is also little evidence of the discussion or understanding of the public sector or public policy in undergraduate education, according to a case study from the Netherlands (Meijs, Ten Hoorn and Brudney 80S). Thus, it cannot be presumed that students will have an appropriate education in public policy based on their undergraduate education. It stands to reason that there are, and should be, differences between business and public policy education. For example, research has indicated that even though there are many similarities between the leadership styles, tasks and roles of the non-profit and for-profit leader, there are also many differences (Thach and Thompson 356). In an examination of 23 leadership competencies in Thach and Thompson's study, the top three competencies (honesty and integrity, being collaborative, and developing other) were consistent between public or non-profit and private corporate leaders (Thach and Thompson 363). However, from that point the rankings diverged; however, in both cases accounting and finance were ranked near the bottom (with for-profit leaders ranking this competency at 20 and non-profit leaders ranking it at 19). This indicates that basic finance is not an issue that plays a significant role in the training and development of business skills for leaders, either corporate or non-profit – thus, even integration of public policy knowledge may not increase the ability of the corporate leader that emerges from an MBA program in regard to large-scale economic issues. There are also conflicts between the current business school curriculum and focus and recommendations for public policy. For example, many business schools focus on entrepreneurship as a means of economic development (Clinebell and Clinebell 102), and this is seen as a core competency of business schools. However, economic and public policy research suggests that this is actually an inappropriate focus (for both business schools and public policy makers) due to a simple fact: most individuals do not have the creativeness, innovative ideas, or drive required to make a successful high growth business (Shane 141). Shane's analysis convincingly argues that the current public policy stance regarding entrepreneurial activity is misguided, due to the high failure rate and low employment rate, as well as low growth rate, of most entrepreneurial businesses; instead, he states, finding ways to start or increase the efficiency of a few high-growth businesses will be a more effective way to develop the business capabilities of a given person or group of people. Thus, business schools and public policy have a common ground in this regard, and this should be considered when examining the appropriate approach to entrepreneurship. This is just one example of congruent interests and areas of study between business and public policy.

There is evidence within the literature for supplementing management education with supporting or complementary disciplines such as public policy. For example, Learmonth and Reedy examined the contribution of widening the business school curriculum in order to encompass more than the current standard of neoliberal economics and organization. They remarked, "We believe that, within most business schools at the moment, the normative western values of competitive individualism are typically encouraged, in some cases even before students set foot within them. For example, in promoting themselves to potential students, business schools typically construct the value of management qualifications solely in terms of their ability to confer competitive advantage in the pursuit of individual wealth, status and power (Learmonth and Reedy 242)." This leads to a focus within business schools solely on profit and shareholder advantage (the Anglo-American business model); while the authors do acknowledge that corporate social responsibility and business ethics are discussed within this structure, it is rare that business schools actually address the underlying ethics of the profit motive (Learmonth and Reedy 242). Learmonth and Reedy see the introduction of alternative organisations – that is, alternatives to the neoliberal form of organization which focuses on radical individualism, such as the cooperative movement or other alternatives – as one way in which the business school curriculum could be widened in order to promote healthier development of organizational models (Learmonth and Reedy 244). The authors also suggested that business schools do not need to overwhelmingly emphasize the maximization of profit as the sole purpose of business; instead, focuses such as public or social entrepreneurship (in which there is another goal than profit maximization) or even self-sufficiency or individual autonomy, can take a role in the planning and execution of business plans (Learmonth and Reedy 244). These types of alternative organizations, such as the Mondragon Corporacion Cooperativa, worker's co-operative network established in the 1950s and now consisting of 228 different cooperatives in the Basque region of

Spain, can provide alternative views and ideas of what the motivations and methods of business should be (Learmonth and Reedy 248). However, under a specific understanding of the alternative organization, the public sphere could be considered to be a type of alternative organisation that could be covered under these recommendations. This is due to the different purpose of the political and public sphere (such as increasing material well being, ensuring human rights, or other purposes, which differ from organisation to organisation), as well as the differing social, commitment and hierarchal structures within these organisations. The authors suggest that, rather than addressing alternative organizations outside the existing curriculum, there should be integrated into existing materials, in order to ensure that these can be considered to be part of the main curriculum (Learmonth and Reedy 252). The authors also suggest that the use of alternative organisations as a learning tool could lead to a better understanding of the social issues and impacts of their business decisions, which would be ideal for the introduction of the issues involved in the 2007-2008 financial crisis.

The extension of the business school curriculum to the public policy realm also raises the question of whether this would lead to improved public-private partnerships. The public private partnership is a partnership between governmental bodies and private sector organizations, and are commonly used to engage in activities where private sector organizations may be seen to be more efficient in a given area due to specific delivery efficiencies, increased skill, or other improved areas of efficiency (Hodge and Greve 546). (There can of course be other reasons for public-private partnership, such as a commitment to business development or a desire to drive employment within an area). The current research indicates that there are some conflicting results regarding the effectiveness of the public private partnership (Hodge and Greve 546). Hodge and Greve focused on public-private long-term infrastructure projects, one of the most commonly used areas for public-private partnerships worldwide, in order to identify the overall successfulness or unsuccessfulness of this type of partnership. They found that there is no clear agreement within the literature regarding the success of these type of partnerships; while much success could be found in this area, there were also a high degree of failures reflected within the literature, due to specific issues such s budgeting, planning, and organisational conflicts between the public and private actors (Hodge and Greve 552-553). Ultimately, they concluded that there was simply not enough research on public-private partnerships to provide a robust estimate of the potential for effective application of private enterprise models to public works projects. Thus, integrating public policy and administration knowledge into the business school curriculum could help to enhance the overall effectiveness of business as well as integrating a long-term view of profit handling and appropriate business methods.

RECOMMENDATIONS

This analysis has yielded a wealth of information regarding the potential benefits of specific improvements to the business school curriculum that could help prevent a repeat of the 2007-2008 financial crisis. It has also introduced a few alternatives that may not prove to be effective within this context. Overall, there is significant evidence that integrating public policy and administration knowledge into the business school curriculum, along with enhanced economics, understanding of alternative organisational forms, and more in-depth business ethics and corporate governance knowledge, could provide an improved business curriculum that would help the students avoid the ethical and management issues of the past and help to mitigate the possibility of a repeat of the 2007-2008 currency crisis. However, there is no particular evidence that an accreditation program (or at least, a voluntary accreditation program in the model of the AACSB) would be beneficial in increasing performance. Specific recommendations for the business school curriculum are addressed below.

CURRICULUM ENHANCEMENTS

The major area of recommendations for this discussion is in academic improvements to the curriculum offered within business schools. First, there were a few areas of basic lack of knowledge displayed by some students which must be addressed; specifically, the issue of basic economic knowledge. It is essential that business students and graduates should have a firm grasp on the concepts of economics in order to allow them to effectively manage businesses and not engage in inappropriate economic behaviour. Thus, the improvement of basic and advanced economics curricula is suggested.

Second, there is the issue of the focus on neoliberal economic and organisational forms which has overtaken many business schools, if not most. This will be addressed in two ways. First, the consideration of alternative organisational forms (at least including economic co-operatives and public and non-profit organisations) should be taken seriously, and these alternative organisational forms should be addressed in a way that emphasizes the goal of reducing short-term profit seeking behaviour. This should be accompanied by a reduction in pre-enrolment and post-enrolment emphasis on personal gain and individualism and increased emphasis on other goals of business such as achieving a specific social good.

A third recommendation is that an integration with a public policy curriculum should also be pursued in order to allow students to understand and integrate understanding of the political and non-governmental actions involved in the market. This would reduce the emphasis on individualist neoliberal economics, and would also increase the potential for effective public-private partnerships. However, this integration of public policy knowledge would most importantly provide students with an increased understanding of the global nature of business and its connections with the public sphere.

Finally, material explicitly concerning the missteps that led to the 2007-2008 financial crisis should be integrated into the curriculum as this information becomes available. This is expected to be a matter of ongoing research and debate over a long period of time, and as such specific theories do not need to be addressed until they have been fully examined. However, the consideration of these theories can provide students with an increased understanding of why it is important to cultivate alternative motivations and longer-term time horizons for their own leadership exercises, as well as providing practical lessons on issues like risk management, corporate governance and ethics, and other important areas of knowledge. However, it should not be expected that this will be effective immediately in terms of prevention of future economic unrest – as with the scandals of the early 2000s, it will take time for this information to be fully integrated into the active business world.

ACCREDITATION

This report did not yield significant evidence that accreditation as modelled by the AACSB has proved to be effective in making the changes required in the UK business curriculum. In fact, research demonstrated that students at AACSB-accredited universities were no more informed in terms of basic issues for prevention of further economic distress. The program was also voluntary, limiting its effectiveness. Although an accreditation program may be desirable for general improvement of business school curricula and outcomes, it is not considered to be effective in this case. Thus, this is not recommended.

TIME PERIOD

As might be imagined, the 1-year business school program is already an exceptionally busy year that many students may have trouble integrating. The researcher feels that by adding an additional requirement for enhanced understanding of economics and ethics and corporate governance, as well as the integration of a public policy component to the business school structure, it will prove to be overwhelming for many more students. The researcher proposes that an addition of a second year to the business programme would be beneficial for students, who would have more time to study and absorb information before returning to the workplace to practice these skills. This would allow the business school curriculum more time to develop an understanding of business that could be used to improve outcomes and increase the responsible governance of large corporations by the business leaders that emerge. The 2-year curriculum is commonly used within US business schools, with core modules occurring within the first year and elective modules occurring in the second. This structure could be very beneficial to British students as well. Thus, the final recommendation of this report is that in order to accommodate the changes made in the curriculum structure and emphasis that the MBA program timeline should be extended from one to two years.

CONCLUSION

This paper has conclusively shown that the current business school curriculum is not sufficient for creating a full understanding of the climate of global business and the ways in which it can fail. Instead, the future business leaders currently enrolled in graduate business programs are probably still learning many of the same failed strategies that their predecessors were taught. Most business schools also continue to not emphasize a connection between business and public policy, allowing for a continued lack of understanding of how the civil and governmental spheres interact and influence each other. It is essential that these problems should be rectified immediately in order to prevent, as far as possible, a recurrence of the current conditions of global financial crisis. The recommendations provided by this report will allow for business schools to modify their curriculum in order to provide the business world with more qualified future leaders who understand the importance of placing sustainable growth over immediate growth. The introduction of a second year to the business school curriculum is sure to prove controversial for both schools and students enrolled in these schools. The intensely pragmatic education stressed within the business school environment, and the focus on cost and time efficiency, is likely to moderate against adoption of this suggestion by both schools and students. However, it is well worth considering that effective development of human capital is one of the first steps in effective development of the modern business – thus, it is worth the time to train business leaders appropriately in order to ensure that they can continue to guide business through such difficult periods without making the same missteps that their predecessors faced. Even though GDP is beginning to return to normal, house sales are picking up and in general the economic situation of both the United Kingdom and the world is a cheerier picture overall, this is not to indicate that there should be a reduction in concern regarding the potential for a repeat of this incident. Instead, business schools should assume that a potential market failure of this magnitude *will* happen again, and begin to train their graduates to work with public policy and longer term economic information in order to help prevent this recurrence.

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