

# Creative destruction at business schools

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The attractiveness of US management methods is largely due to the uncontested strength of American companies during much of the twentieth century. American business methods also projected the American business schools internationally, infecting the business schools in rest of the world. This is how the teaching of US management permeated management practices in other contexts, under the doubtful premise that what worked well in the US should do well elsewhere.

As it turned out, the US people management model that matched specialized skills and job descriptions created a national market for labor in America. This increased the mobility of people, which undermined community ties, including those that gave rise to trade unions. Weakened unions allowed the export of workplaces to countries with lower costs at the expense of the labour share of income in the US, whose distribution became more concentrated. Currently there is no increase in wages though the US is close to full employment (Quart, 2018).

The compression suffered by the American middle class led to frustration to the point of increases in deaths from despair (Case & Deaton 2016) with the social dysfunction also expressed in mass killings, including at schools (CNN, 2017), besides other uncontested signs of growing dissatisfaction with the fraying of the American social fabric (Putnam, 2001), (Murray, 2012), (Putnam, 2016).

The new context of frustration, not be dissociated from the management for production, gave way to an important nativist movement (Friedman, 2017). Nativism promotes not only xenophobia, but also a withdrawal of the United States from its global role, to the point that it has distanced itself from its traditional allies in the Americas, Europe and in Asia. Perhaps the main long-term consequence of the new nativist American stance is the increasing erosion of its soft power: the US is losing its ability to inspire (Byman, 2018).

I imagine that the loss of the American attractiveness will soon permeate business schools in peripheral countries. This backdrop will lead to reconsider the pertinence of continuing to manage people in countries where the American business methods never attained similar performance. The resumption of intellectual independence in the business schools of the peripheral countries will allow the emergence of a new management of people better attuned to their cultures.

I believe we will develop a less impersonal management of people with a better acceptance of paternalistic leadership. I also believe that the selection of people will focus more on staff selection through affinities rather than so strongly on competencies, promoting a faster integration of work teams while giving greater emphasis to the development of skills through on the job training.

Teams that are more independent will allow a stronger role for coaching by charismatic leaders of a paternalistic bend. Organizations will be characterized by the greater role of more effective

self-managed work teams, perhaps even with greater autonomy in the management of their resources. Eventually this will facilitate outsourcing and I would not be surprised if new business organizations in the periphery will look more like ecosystems: federations of independent companies, each with a greater degree of internal cohesion because their employees will enjoy a greater sense of purpose, belonging and identification.

To shape these ideas business schools in the peripheral countries should seek inspiration not so much on business schools in the core countries but on successful local organizations. There is a wide range of them delivering exceptional quality at low costs without ever having seen up close a professional with an MBA degree. I have in mind organizations as diverse as the samba schools in Brazil and the Dabbawalas of Mumbai (Behrens, Singh & Bhandarker, 2016), among others, like the Palanpuri [diamond traders](#). All these organizations deliver globally recognized products by organizing themselves in alignment with their local cultures; hence, their high productivity and happiness at work. It is about time business schools in the periphery learn from their own people, as American business schools did.