



The Businessman's and Elected Official's Management Challenge (The MBA Mystique/The Unity Goal)

By Clarence Wood and Bruce Hatton Boyer

One of the oldest saws in the American political debate is the lament that "government should be run like a business," and many a businessman has run for office on just that platform. With a newly-empowered Republican majority dedicated to the glories of private enterprise, it is perhaps time to consider the utility of business experience in government.

To ask the question is not, as some might say, to "attack business." American business has brought us a level of prosperity unequaled in history, and it has given us one of our iconic American heroes, the garage tinkerer who builds a better mousetrap – Thomas Edison a century ago, Steve Jobs more recently. President Calvin Coolidge put the matter succinctly back in the 1920's when he said that "the business of America is business."

But something scary has crept into our attitude toward business over the past thirty years. In this new attitude, business has become the Holy Grail. Business methods and businessmen are a virtual religion today, a theology wherein Adam Smith's "invisible hand" makes all things good for all people. That shift began under Ronald Reagan and culminated in the election of our first M.B.A. President, George W. Bush, and continues even after the recent questionable behavior of the business community that caused the recession of 2008.

We call it the M.B.A. Mystique. Only business methods can make things work, the mystique says, and only the people with advanced business degrees have the skills to "turn things around." So pervasive is this belief that it has infected the non-profit world as well – charities, foundations, cultural institutions and, most disastrously in our opinion, education. As the country sets itself for a change in direction, we need to point out that things are hardly that simple.

The hard truth is that the skills used in business are not easily transferable to government without sensitivity to the needs of all the people (poor, middle-class, rich and striving.) Government and business are two different animals. They have different purposes, different structures and different measures of success. And, the truly dirty secret is that running a business is most often far, far easier than running a government.

In business, the measure is profit. Period. From General Electric down to the neighborhood shoe store, an enterprise that does not turn a profit dies, no matter how wondrous its product or how noble its service. Success in government, on the other hand, is measured in things other than dollars. We measure our courts by how fairly they mete out justice, our armies and navies by how safe they keep our country, our sewer and water systems by the cleanliness of the water we drink. Yes, we'd like them to operate efficiently but measuring outcomes in dollars is simply not useful. Ask yourself, what is the "correct cost" of convicting a serial killer? What is the "value" of an airplane that *doesn't* crash? How much is it worth to *not* have Ebola epidemics, bridges that collapse or 911 calls that *don't* get answered?

What's more, businesses and governments operate in entirely different ways. In business, the man (or woman) at the top calls the shots. The CEO can green light new projects, shutter failing divisions and promote whom he chooses. Government, on the other hand, shares power across the different branches. Checks and balances are there deliberately to keep any one part from dominating the other.

Above all, we have automatic accountability in the public sector -- elections as well as Inspectors General, a free press and congressional oversight. Business, on the other hand, operates with few, if any, such checks; indeed, much of today's corporate ethos is constructed to *avoid* accountability. Boards of Directors are supposed to watch over things but since directors are chosen by insiders and cronies, management's decisions more often than not rubberstamped. Conservatives complain about "faceless bureaucrats" in government but ignore the thousands of "faceless bureaucrats:" at a General Motors who deliberately, even wantonly, put profit over peoples' lives when they kept on installing faulty ignition switches for ten full years after a fatal defect was discovered, When Takata discovered the defects in its airbags, the company squashed the findings. . Dozens of people died and we only know the truth today because of -- you guessed it -- public sector intervention. Finally, if businessmen and MBA's are so masterful, why have we had so many businesses that manipulated their accounting and created the worldwide financial disaster from which we have still not recovered? Why did "dreaded" government have to bail out so many corporations to save the world economy?

So beware whenever the conversation turns to talking about bringing "business methods" to government. Appealing as that idea may sound, nothing happens without a deliberative process where all voices are heard. What's more, every agency and every program has a rationale, a legal basis and a constituency that will fight to preserve it. We may disdain the process or dislike the results but that is the system the Founding Fathers envisioned.

They created a government that runs on persuasion and on – that dreaded word -- compromise.

We call this business-is-the-sacred-measure approach the MBA Mistake because it is an all too often blind ideology. How else can we fathom the persistent conservative dogma that tax cuts will increase tax revenues even as that approach has been tried time and again with disastrous results? How else can we explain the conservative mantra that people are on unemployment because they are lazy and not because they may have lost jobs through perhaps no fault of their own? How often does the promulgation of these stereotypes work in the best interest of the businessman?

We need neither MBA's over-committed to this mystique; nor co-opted politicians. We need instead committed and trustworthy government officials, not inflated voices promising instant magical change. We need governments that are run effectively and which can take the necessary corrective action to enhance the lives of both the citizens and their government. If businessmen -- or businesswomen-- can deliver such goods, we will vote for them in a heartbeat but their track record to date is hardly reassuring.

In the end, it is not business that is the enemy today, for business is what creates our national wealth. Our enemy is the *religion* of business and the existence of compromised and corrupt government officials. The start of our new state government this week offers us great opportunity to prove business method and a responsible, caring government can work together to restore the state to greatness.

We wish Governor Rauner, Speaker Madigan and President Cullerton our best as they move together to create this new well-governed and responsible State of Illinois – of the people, for the people and by the people.

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