



Harvard and HBS: The Next 100 Years

- Speaker: **Drew Gilpin Faust**, President, Lincoln Professor of History, Harvard University

Overview

Over the past 100 years, Harvard Business School has strived to educate business leaders who make a difference in the world. Such leaders are needed more than ever before.

As Harvard Business School contemplates how to educate future business leaders, it should aspire to go beyond just teaching students to make a living or be the best at their professions; HBS must create leaders who have the vision, knowledge, skills, and leadership capabilities to “build cathedrals.” This entails educating leaders who make a difference not just *in* the world, but *for* the world.

Context

President Faust reflected on Harvard Business School’s past 100 years and shared a visionary perspective for the types of leaders that the School should aspire to produce.

Key Takeaways

- **At this time of crisis, we must consider the lessons of the past as we confront the future.**

Throughout the past 100 years, Harvard Business School has been dedicated to developing business leaders who are motivated not simply by profit, but also by the desire to contribute. This theme rang true at the School’s 25th anniversary, which took place in 1933, in the middle of the Great Depression, and it rings true today at the 100th anniversary.

At a ceremony in 1933, Harvard Business School Dean Wallace Donham delivered a speech titled “The Failure of Business Leadership and the Responsibility of Universities.” He spoke about the inability of business and political leadership at that time to rise to the challenge of the situation the nation faced. Donham believed that the most pressing concern of the day was equipping American business leadership with the skills and breadth of vision to pursue business objectives that would contribute to social stability and progress.

In creating a professional business school, pursued within a university environment, the guiding purpose of Harvard Business School was and continues to be providing business leaders with specialized knowledge to manage organizations, and offering the breadth of vision to make business a force for social good.

“In short, the vision for Harvard Business School was to educate manager-statesmen who would be motivated not just by profit, but by the improvement of society.”

— Drew Gilpin Faust

In light of the current financial crisis, the vision on which Harvard Business School was founded takes on a new urgency.

“Never have we more needed leaders who make a difference.”

— Drew Gilpin Faust

- **The types of business leaders that HBS desires to create are those with a broad vision who recognize the interconnectedness of the world.**

In describing the types of leaders that the School should aspire to create, and the sort of difference these leaders can make, President Faust shared the following parable:

Three stonecutters are asked to describe their work:

- **Stonecutter #1: Focuses on material rewards.** The first stonecutter says that he is making a living. The substance, purpose, and context of his work don’t matter; he is focused purely on the material rewards of his work.
- **Stonecutter #2: Aspires to be the best.** The second stonecutter says that he is doing the best job of stonecutting in the county. Like so many Harvard students, this stonecutter has higher aspirations than just the material rewards from his work. This stonecutter is driven, creative, competitive, and analytical. This stonecutter is an unshakeable individualist, believes in the power of the human mind, is cosmopolitan, and focuses on quality. Individuals with this mindset have helped bring about substantial prosperity. Yet, the vision of this stonecutter is incomplete; this stonecutter is consumed with personal ambition but misses the interconnectedness of humankind.
- **Stonecutter #3: Builds cathedrals.** This stonecutter has a broader vision and is motivated by a greater purpose. This person views his work as almost spiritual in nature; he is performing a task that serves to connect people.

The current financial crisis arose from the second type of stonecutter: Ambitious individuals who acted in their self-interest, lacked vision, and failed to understand the interconnectedness of the world.

“The crisis we confront is a broad and systemic crisis that has arisen from a failure of wider vision.”

— Drew Gilpin Faust

The goal of universities in general, and of Harvard Business School in particular, should be to strive to create leaders like the third stonecutter. Business leaders must understand that the individual is not enough. True leadership is a matter of values, vision, and having a commitment to a purpose beyond oneself.



- **In educating future business leaders, HBS should keep in mind the types of leadership traits that are most important.**

Increasingly, every part of Harvard is focused on producing future leaders. And seemingly all of the schools at Harvard—the law school, the medical school, the school of public health, and more—are interested in working with HBS based on its legacy and expertise in the area of leadership.

As HBS goes about the business of educating and preparing future leaders, some important ideas about leadership that must be kept in mind include:

- *Leadership is a means, but not an end in itself.*
- *Leaders exist to serve followers.* Leadership is not an exercise in self-satisfaction. Leaders must be committed to a group and a cause that are larger than themselves.
- *The success of a leader is measured by the direction in which the leader takes those who follow.*

Ultimately, the goal of Harvard Business School in the century to come must not just be to educate leaders who make a difference *in* the world, but to shape leaders who make a difference *for* the world.