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Volume 09 | Issue 03 | 2015

global focus

The EFMD Business Magazine

REDEFINING THE ORGANISATION

Do companies behave like Robin Hood or like a Robber Baron? Dan Pontefract argues that while they have the choice to be either many have forgotten what they once stood for

INSIDE THIS ISSUE

Measure of Man
Reinventing the role of HR professionals

Best behaviour
Why behaving well is the route to career success

Chinese puzzle
China ponders the future of business education

No class?
Do business leaders need to study business?

Out of Africa
How African schools could have global impact

Trust fund
Leaders should never run out of trust

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Volume 09 Issue 03 | 2015

In focus

What are business organisations actually for? A good question. And one that author Dan Pontefract addresses in this issue's cover story, "Redefining the organisation", on page 8.

He is pretty clear what they are *not* supposed to be – what he calls "Robber Barons, forever striving to increase the magnitude of profit… and nothing more".

Equally unacceptable — particularly in the public sector or government — is using their position to uphold and gain positions of power through bureaucratic and partisan leadership practices.

Instead, as he develops the theme, we should support those who see the organisation as a "supporting agent in improving society's multiple stakeholders, whether it is customers, employees, communities, owners or the environment".

In many ways Pontefract's ideas reflect and build on those of Professor Charles Handy, one of the UK's leading thinkers on management development. His article on page 14 (actually an edited transcript of his address to the EFMD Annual Conference in Brussels in June 2015) is devoted to how organisations, primarily business schools but also corporations, can continue to develop and renew themselves.

Many of the other diverse articles in this issue deal with similar issues of change and development in some way.

Piet Naudé analyses how business schools in Africa might develop in new and different ways (page 20). Bob Aubrey argues that human development specialists need to consider their own future development in the light of new challenges (page 28). And a study by Tanya Bondarouk and Ivar Dorst asks if business education really is a good preparation for a business career (page 42).

Finally, Matthew Farmer introduces a new twist on developing managers for global leadership roles – Corporate International Service Learning (CISL), which involves managers and executives travelling internationally to use their business skills in the service of third-party organisations, usually addressing a social need in some form or another, and who learn as an outcome.

CISL, Farmer says, grew out of two kinds of experiences offered by companies – those driven by CSR/Corporate Citizenship as a structured form of corporate volunteering and those offered by learning and development functions as a way of stretching and challenging leaders.

"The impact of CISL programmes is multi-dimensional," Farmer writes. "They have an impact on the projects, people and organisations operating in the developing/emerging world as well as an impact on the participants in the programmes and the organisations that employ them."

We hope you enjoy reading this edition of *Global Focus*.

gf

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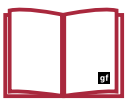

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We are always pleased to hear your thoughts on *Global Focus*, and ideas on what you would like to see in future issues.

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Volume 09 Issue 03 | 2015

Contents

Global Focus
The EFMD Business Magazine

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1
In focus

4
GMASS®: the data-driven recruitment solution

6
EFMD closer to your local interests

8
Redefining the organisation
'Robber Baron' or 'Robin Hood'? Dan Pontefract argues that some organisations have forgotten what they once stood for.

14
The past is not the future
Business schools – and the businesses they serve – need to discover a "second curve" if they are to survive and prosper says Charles Handy

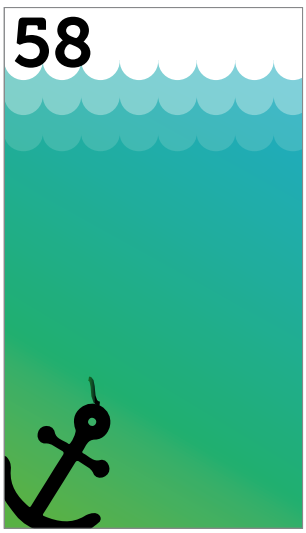
20
What does it mean to be an "African" business school?
Piet Naudé explores how business schools in Africa might develop in new and different ways

24
Crowdsourced
Kenneth W Freeman and Howard Thomas outline some of the crowd sourced ideas about the future of business schools and that emerged from the first Business Education Jam

28
Why tomorrow's HR professionals must reinvent their role
It is time for human development specialists to re-examine their function and take a global and historical perspective. By Bob Aubrey

34
Bringing business schools into the STEM era
Johan Roos argues that today's business students must be given a grounding in science disciplines.

38
Getting 'behaviourally fit'
In a world full of smart business professionals, says Lee Newman, the quality of behaviour is what distinguishes the most successful



20

Piet Naudé explores how business schools in Africa might develop in new and different ways

42
Is business education a good preparation for a business career?
Tanya Bondarouk and Ivar Dorst detail their study of how business leaders see the role of business education

46
SKEMA: the story of a merger
Alice Guilhon describes how two leading French business schools realised their ambitions by merging with each other

50
Business and management education for the future: an emergent model for China
The need for renewed approaches to business and management research and teaching has been intensively discussed. Dajian Zhu and Anders Aspling analyse the implications of this for management education in China

54
Building leaders through international development
Matthew Farmer explains how experiencing a skills-based volunteer period overseas can help build tomorrow's global leaders

58
Building trust is the toughest leadership challenge
Confucius said that rulers need three resources: weapons, food and trust. The ruler who cannot have all three should give up weapons first, then food but should hold on to trust at all costs. David Watkins explains

62
Virtual internships: what's in it for business schools?
Mariet Vriens describes current research into virtual internships and their advantages and pitfalls

66
Time to say '*Je suis diversity*'
Global migration has introduced us to new communities and new religious practises. Edwina Pio asks how we can best reconcile them

70
From rational strategies to emotionally rich business journeys: The Gas Natural Fenosa case
Andrew Rutsch sheds light on the Spanish energy firm's evolution to international sector leader

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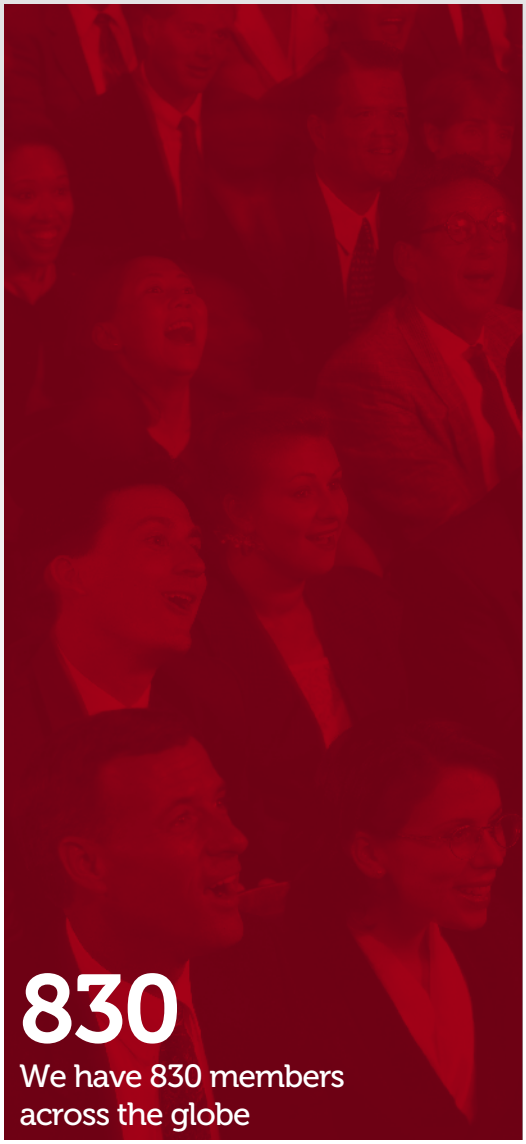

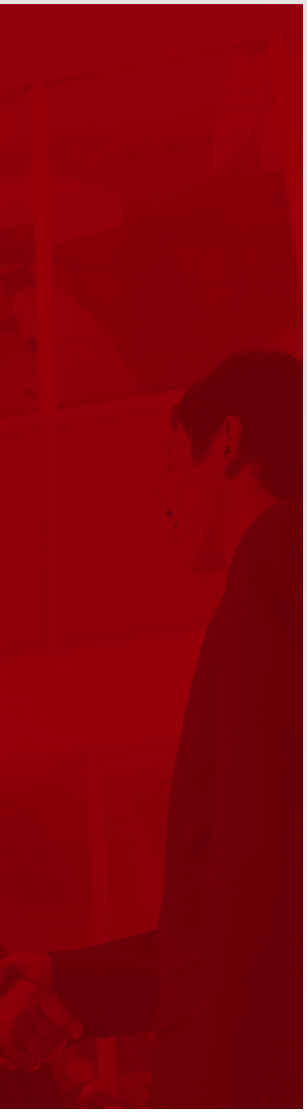

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REDEFINING THE ORGANISATION

'Robber Baron' or 'Robin Hood'? **Dan Pontefract** argues that some, if not many, organisations have forgotten what they once stood for. It is time, he says, to review, refocus, recreate and thus redefine their true purpose

The purpose of an organisation (and business itself) has long been discussed. Some leaders — firmly ensconced on the far right — believe the purpose of an organisation and its sole identity is to forever increase the magnitude of profit ... and nothing more. Decades ago we might have referred to these folks as "robber barons".

Others — particularly in public sector or government outfits — use their role and thus the organisation to uphold and gain positions of power through bureaucratic and partisan leadership practices.

Thankfully, there are those who see the organisation as a supporting agent in improving society's multiple stakeholders, whether it is customers, employees, communities, owners or the environment.

Let us first investigate the greedy ones.

Take, for example, private equity investor Carl Icahn, who repeatedly issues public letters urging Apple CEO Tim Cook to buy back more of the company's publicly traded shares in order to drive up the stock price and thus its market capitalisation.

We might argue that IBM has become caught up in this thinking, too. By reducing the amount of its stock outstanding (through multiple share buyback instances) IBM was able to continue reporting higher annual earnings per share, a key Wall Street benchmark. Countering a significant decline in its revenue in recent years, this strategy upheld IBM's forecasts and guidance to "the street"'.

Interestingly, IBM has repurchased such quantities of its own stock that there are now less than one billion shares in circulation, the lowest number since 1999.

This is the definition of "maximising shareholder value". It puts profit (and arguably greed) ahead of society's collective needs.

This myopic, short-term thinking is something far too many private and publicly traded organisations endorse as a core operating practice. In the case of Apple, William Lazonick has pointed out in *Harvard Business Review* (October 16, 2014) that its shareholders have perhaps already received plenty of returned profit and cash. After all, what could the world do with $90 billion?

Thankfully, there are those who see the organisation as a supporting agent in improving society's multiple stakeholders, whether it is customers, employees, communities, owners or the environment

'99

Interestingly, IBM has repurchased such quantities of its own stock that there are now less than one billion shares in circulation, the lowest number since 1999

On the public sector side, do you remember the US federal government shutdown in early October 2013? Roughly 800,000 federal employees became furloughed for an indefinite period and another 1.3 million employees continued to show up for work but did not know if they were going to be paid or not.

Due, perhaps, to a blind fixation on power, partisan eccentricity and bull-headed bureaucracy from some of the country's highest elected leaders, hundreds of thousands of employees were left wondering if they would have enough money for groceries that week. And we wonder why, according to a Gallup poll, employee engagement in America's federal government agencies and departments is so low that 72% of workers are either actively disengaged or not engaged in their role.

There are those on the extreme left who seem to argue profit is evil and thus the mere mention of making money is (or has been) destroying society. Balderdash, I say.

Frankly, this line of partisan thinking is just as nonsensical and counterproductive as eliminating job titles or hierarchies in the organisation. Believing a private organisation should not make a profit exacerbates the societal rifts that are already in desperate need of being mended.

If there is no profit, how can there be anywhere to innovate or dream up new ideas for our collective future? How can there be meaningful places to perform the work without the security of continued investment?

It should become the quest of every senior leader to begin operating his or her organisation with a demonstrably improved sense of purpose. The shift from focusing solely on profit or power to one that takes into account all of society's stakeholders is what is needed for our downtrodden planet and crestfallen employees.

A change in positioning is necessary. The shift from believing profit is evil to becoming a necessary component of progress should also be enacted. In summary, a new balance between "management and meaning" ought to be our collective moon shot for the 21st century.

But why does a fixation on profit or shareholder return — arguably the singular motive for so many private firms — continue to be prominently displayed in many of their mission statements?

> *"The shift from believing profit is evil to becoming a necessary component of progress should also be enacted. In summary, a new balance between "management and meaning" ought to be our collective moon shot for the 21st century*

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1.3

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Author and academic Lynn Stout argues in her book *The Shareholder Value Myth* that "Many people are 'prosocial,' meaning they are willing to sacrifice at least some profits to allow the company to act in an ethical and socially responsible fashion." She adds: "Others care only about their own material returns."

And there's the rub. We need more of the former and less of the latter.

Deloitte LLP has unearthed wonderful evidence suggesting a culture of purpose in the organisation directly creates confidence, short and long-term growth as well as an improved internal culture and financial benefits.

Based on the research, Deloitte's Chairman, Punit Renjen, stated: "An organisation's culture of purpose answers the critical questions of whom we are and why we exist through a set of carefully articulated core beliefs".

He contends that an organisation that instils a sense of purpose — permeating all stakeholders, including employees, citizens and society — not only builds business confidence, it fosters a thriving business community.

When an employee, leader or organisation has lost or buried its sense of purpose — driven by hedonic pleasures, management inanities, power tripping, or myopic and singular fixation on maximising shareholder value and profit extraction — society becomes the ultimate victim. When employees are disengaged at work, treated unfairly, bullied or not listened to, it becomes difficult for them to believe their role has any meaning or value.

This trough of disillusionment has proven to lessen an employee's level of fulfilment and well-being both at work and in life itself. There is no opportunity for an employee to achieve his or her "calling".

If an organisation fixates on profit — as opposed to balancing its need for profit with an external purpose to aid all stakeholders — society ends up as the unwilling harbour of dysfunction. I believe it is the predicament we face as the 21st century slowly inches closer to the 22nd.

If a pig-headed leader believes fatter paycheques, larger teams, fancier job titles and increased levels of authority and power are the sources of workplace purpose then, ironically, the organisation ends up suffering too.

The apex of such hopelessness is when the organisation itself (aided and abetted by its most senior leaders and directors) shamelessly states profit is the only *modus operandi* of management. It puts this mindset not only ahead of other stakeholders; it knowingly ignores the tentacles that make up society. It is a self-serving act of greed and short-termism.

The financial crisis of 2008 might be the cover story but it is the legions of leaders who shamelessly sought (and continue to seek) personal wealth that linger as the new pages of normality.

Ever noticed that the wage gap between senior leaders and the average worker has increased even further since 2008? Is it surprising, then, to witness leadership habits evoking command and control tactics versus collaborative or participative behaviours?

Senior leaders shed jobs like a snake sheds its skin, not for an annual rebirth but to uphold its guidance and "profit promises" it has made to analysts and investors. It is a recipe for societal and organisational disaster.

Sadly, leaders today are demonstrating much of this scenario across far too many organisations through massive layoffs and other management trickery to ultimately protect the stock price and guidance.

Of course it was none other than leadership guru and author extraordinaire, Peter Drucker, who once wrote: "To know what a business is, we have to start with its purpose. Its purpose must be outside of the business itself. In fact, it must lie in society since business enterprise is an organ of society. Thereis only one valid definition of a business purpose: to create a customer".

There is no doubt Drucker was ahead of his time — he penned this passage some 60 years ago — but he was also far wiser than many gave (or give) him credit for. It is particularly so as it pertains to the true purpose of an organisation.

While Drucker insisted there is no such thing as the one right organisation, he did believe that for organisations to truly prosper that there ought to be a better alignment between profit and purpose. Indeed, our new purpose of supporting customers, employees, shareholders and communities ought to manifest itself through the creativity of its employees – not the profit-extraction practices of a scant few.

I believe the organisation, its leaders and employees are in need of a revival if not a resuscitation. The reset button has to be hit for many firms, whether they are private, public or as Henry Mintzberg has coined in his latest book, *Rebalancing Society: Radical Renewal Beyond Left, Right, and Center*, "plural".

It is time to review, refocus, recreate and thus

> *To know what a business is, we have to start with its purpose. Its purpose must be outside of the business itself. In fact, it must lie in society since business enterprise is an organ of society. There is only one valid definition of a business purpose: to create a customer.*
>
> **PETER DRUCKER – 1955**

redefine the true purpose of an organisation. It is as though some organisations have forgotten what they once stood for; dumbfounded with the path forward for fear of potential reprisal.

For every Paul Polman of Unilever or Richard Branson of Virgin or John Mackey of Whole Foods there are a thousand leaders who have truly confused the meaning of work and thus the purpose of the organisation. It is time to stop the thoughtlessness.

So, to leaders everywhere, and to the leaders business schools are producing for the future... how would you like to be remembered?

Do you want to be a modern-day "Robber Baron" or perhaps an improved 21st century version of "Robin Hood"?

The choice is yours.

gf

ABOUT THE AUTHOR

Dan Pontefract is the author of FLAT ARMY: Creating a Connected and Engaged Organization. *He is also Chief Envisioner of TELUS Transformation Office, an organisational culture-change consulting firm. Previously he lead the leadership development, learning and collaboration technology strategy at TELUS, a Canadian national telecommunications group. His next book will be published in May 10 2016*

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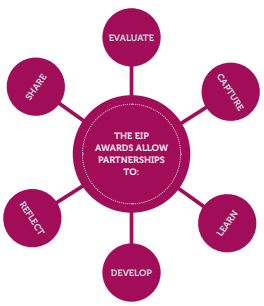

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The past is not the future

Business schools – and the businesses they serve – need to discover a "second curve" if they are to survive and prosper. By **Charles Handy**

When I last spoke to the EFMD conference in 1974 my talk reflected my own personal dilemma. I was at the time the Director of the MBA Programme at the London Business School (although it was then technically still called an MSc because London University did not recognise the MBA as a graduate degree).

I found myself presiding over a programme that I could not fully believe in but was unable to change.

I had soon realised that there are limits to how much you can teach about the practice of management in a classroom. I, along with all my colleagues, had gone through American business schools and had adopted their classroom-based models as the prototypes for ours.

For some reason we did not look to our own examples of other professional schools – architecture, law, medicine or accounting – all of which combined classroom instruction with a form of tutored apprenticeship. It became clear to me then that the MBA more accurately stood for Master of Business Analysis.

There is nothing wrong in that so far as it goes. The problem was that it did not go far enough. We were, in effect, training consultants not managers. And as future consultants, the best of our students were rapidly picked up by consulting firms and investment banks. That was not, I felt, what we were there for.

We also followed the American model along with the Ford and Carnegie Reports and anchored our school in the University of London. I had naively though that this would allow me to import occasional teachers from their faculties, such as those of philosophy, law and political theory as well as history and science, because I believed that business analysis needed to be enriched by other disciplines to provide a more rounded preparation for a management role.

I soon discovered, however, that the traditional faculties of the university regarded us as a cuckoo in their nest and wanted nothing to do with us. Nor did my own colleagues welcome the thoughts of any such intrusions. What we did import, alas, was the university ethos, one that valued published research more than teaching ability for career promotion. The result was a school that was effectively a collection of subject silos and colleagues who were pushed to teach subjects rather than students.

One of the problems was that almost all of my colleagues were pure academics. They had never had to put their knowledge to work in businesses or any other organisation.

But knowing *What* does not automatically guarantee knowing *How*, let alone knowing *Why*.

In desperation I found myself running workshops in communication skills and listening exercises. But these were inadequate sops in what I saw as a wrongly focused system. I worried that we were turning loose clever but unskilled graduates into a world that desperately needed effective leaders and managers.

The development of our future managers was effectively delegated to myself as programme director. It was in recognition of this that I was promoted to Professor of Management Development, one of only two such titles in Britain, or in Europe, at the time.

It was probably in recognition of my rarity value that I was asked to be one of the early Trustees of the newly formed EFMD, which, indeed, became my sanctuary and haven in those years. It would be interesting to know how many Professors of Management Development there are in this hall today. Few, if any, I suspect. That, I fear, is a symptom of one of our problems – the main purpose of our existence is not recognised academically or culturally.

Even the research that became the focus of attention of most of my colleagues was not the ground-breaking stuff of the physical sciences but rather a recording and interpretation of what was happening in the real laboratories of management, the businesses themselves. Again, useful but not future shaping.

In general, we followed our customers, those same businesses, serving their wishes and using the best of them as our models. We seldom wanted to challenge them, content to feed them with new entrants groomed to their ways.

It was a strategy that made us a successful business but not, I felt, a transformative educational institution. I remember well the day when a journalist rang me to enquire what LBS thought of a new government initiative aimed at business. I heard myself saying "The school does not think…." before stopping myself and suggesting she talk to a particular member of the faculty.

Then I reflected, should not the school have a view on current events? All that brainpower going to waste because we were a collection of individuals not a group with a view. In my more cynical moments I reflected that I was more truthfully the curator of an elite pond where the businesses came to fish for talent and the students came to be hooked.

PHOTOGRAPH COURTESY Wikimedia ©

As long as my recruitment process captured the right sort of fish everyone was happy, irrespective of what we taught them or what they learned. Anecdotally, past students would tell me that they had enjoyed a tough and stimulating educational experience, one that had made them more self-confident and had led onto a good job, but that they had so far found little use of anything particular that they had learned.

Indeed the surveys, then as now, indicated that only 10% of our learning came from books or study. No wonder, perhaps, that I was disconsolate.

That was more than 40 years ago. Since those pioneering days when business schools were hardly known outside the US they have multiplied around the world.

There are now thought to be over 10,000 business schools overall with nearly 5,000 in India alone. The MBA is a global brand, with many young people seeing it as the necessary entry ticket to good jobs and big salaries.

Clearly my misgivings did not worry anyone else. It is a great success story. But success can lead to wilful blindness and the belief that all will continue as it has in the past. Are they right or are they unwittingly on the road to Davy's Bar?

"Davy's Bar" alludes to something that happened to me some years ago and has subsequently led to my own "Theory of Everything".

One day I was driving through the Wicklow Mountains behind Dublin when I found myself uncertain about the right road to take. I saw a man by the roadside so I asked him if I was on the right road to Avoca.

x10

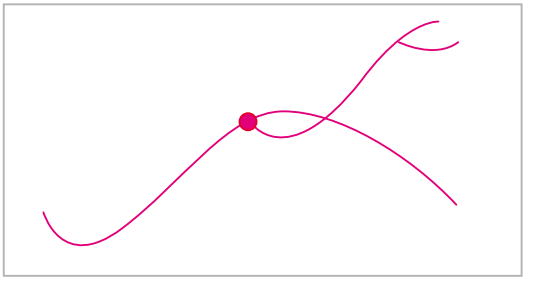
Costs are soaring, in research as well as teaching, with the average two-year programme costing $120,000, ten times the cost of one online

15yrs

Richard Lyons estimates that half of US business schools will be out of business in less than 10 years. Clayton Christensen reckons that half of the American universities will be bankrupt in 15 years

10%

Indeed the surveys, then as now, indicated that only 10% of our learning came from books or study.



I went on to formulate my experience as a general principle, the "Law of the Sigmoid Curve", the curve of everything human or made by humans, businesses, governments even empires and, of course, our own lives.

Any and everything will start with an investment of some sort, be it money, ideas or education. More goes out than comes in for a time. Then the line picks up and grows and grows until, eventually, it peaks and thereafter starts to decline. The eventual decline is inevitable; all we can do is determine how long the line might be and at what place we are on it.

That is a depressing prospect for the human race but there is an escape from the inevitable. We can start a second and even a third curve:

The trouble is that the second curve has to start before the first curve peaks because otherwise there are no resources or energy to cover the early investment that will start the second curve. Obvious that may be, but it is hugely difficult in practice because the need to start second curve thinking comes just when everything is going well, when all the implicit messages urge one to continue the status quo.

Where are the business schools on that first curve now? Some believe that they are nowhere near the peak of the curve. LBS has recently raised £100 million to buy and refit the nearby City Hall with a suite of new lecture theatres, confident that life will go on as before only more so.

On the other side of the ocean Richard Lyons of Berkeley's Hass School estimates that one-half of US business schools will be out of business in less than 10 years. Clayton Christensen of Harvard reckons that half of the American universities will be bankrupt in 15 years. Part-time participants and GMAT applications are both declining.

Meanwhile, costs are soaring, in research as well as teaching, with the average two-year programme costing $120,000, ten times the cost of one online.

Roger Martin, former dean of the Rotman School of Management at the University of Toronto in Canada, has calculated that the total cost of one published article is now $400,000 and something like $1.7 million for one that is actually used by managers.

> *"The second curve has to start before the first curve peaks because otherwise there are no resources or energy to cover the early investment that will start the second curve*

'You are indeed," he said, "and it's easy, just go on up the hill for two or three kilometres, then down for a while until you cross a small bridge and see Davy's Bar on the other side. You can't miss it, it is bright red. Have you got that?"

"Yes. I think so," I said.

"Well, half a kilometre before you get there turn right up the hill."

It sounded so clear that I drove off before I realised what he had said. I got to the bar, turned round and found the right road but as I drove on I thought that in life we cannot do that, miss the road and turn back.

Too many businesses that I knew have ended up in Davy's Bar having missed the turn to the future and can only reminisce about the good times and how they missed their opportunity to change direction.

Are business schools becoming just too expensive to survive as they are today? It is my sense, from perusing the excellent publications by Howard Thomas and others on the Future of Management Education for the EFMD, that most of the business schools of the world are at or maybe even beyond the peak in the curve.

It seems beyond doubt that the schools are going to be hit by a disruptive innovation from the new online courses. In my terms, the intruders will steal a march on the incumbents and get to the second curve ahead of them. Change so often comes by the bypass, unnoticed until it is right there, already ahead of you.

The paradox is that just when business schools may be beginning to hit the buffers they will actually be needed more than ever. Businesses are getting ever more complex, too big to be human scale and too self-absorbed to be seen as legitimate to wider society.

These businesses also need to find a second curve, one that defines a new purpose, new structures and new values and therefore requires a new sort of leadership. The opportunity is there for the business schools to match their second curves to those of the corporation, but are they up to the challenge?

They probably have five to 10 years to find that new curve while current programmes keep them going – that is the point of the overlap in the curves, it gives time for experiment. PepsiCo, I understand, does this routinely, with two groups in each division, one promoting the current strategy, the other seeking to disrupt it before others do.

So what should be the elements of that second curve? You are, of course, better placed than me to answer that. But as a concerned outsider I might be allowed to express a view. I have a rule of thumb that if a computer or the internet can do what you do, then let them do it and move onto things that they cannot do. In this case this means leaving a lot of the *What* syllabus to online courses and concentrating on the *How* and the *Why*.

Essentially that means concentrating on manager development rather than management education – a subtle but crucial change of words. It means moving away from the university and towards the work organisation.

PHOTOGRAPH COURTESY Vivanhertzbe ©

> *Concentrating on manager development rather than management education – a subtle but crucial change of words – means moving away from the university and towards the work organisation*

Different faculty will often be needed, often drawn from outside, and different faculty reward systems will be needed. Maybe the business schools should become leadership academies to recognise the change in emphasis.

Second, in place of research that records/interprets current practice, the new academies should turn themselves into think tanks, exploring the future – of business, of capitalism, of organisation structures and the role of regulation and so on.

These are big asks, which require big changes but my fear is that, left to continue as they are, the schools will become shadows of their former selves, slimmed down, with shorter, cheaper courses, poorer faculty and shabby buildings, relics abandoned in the sands of time.

This article is an edited transcript of an address by Professor Charles Handy to the EFMD Annual Conference, June 2015, in Brussels.

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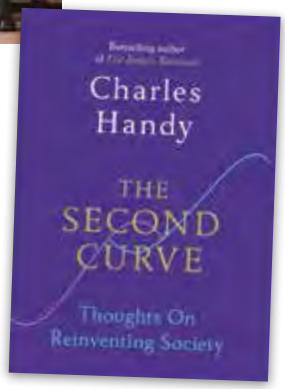

Above
In *The Seond Curve*, Handy builds on a life's work to glimpse into the future and what challenges and opportunities lie ahead. Provacative and thoughtful as ever, he sets out the questions we all need to ask ourselves – and points us in the direction of some of the answers.

The Second Curve, is published by Penguin Random House and available in print and e version from Amazon.co.uk

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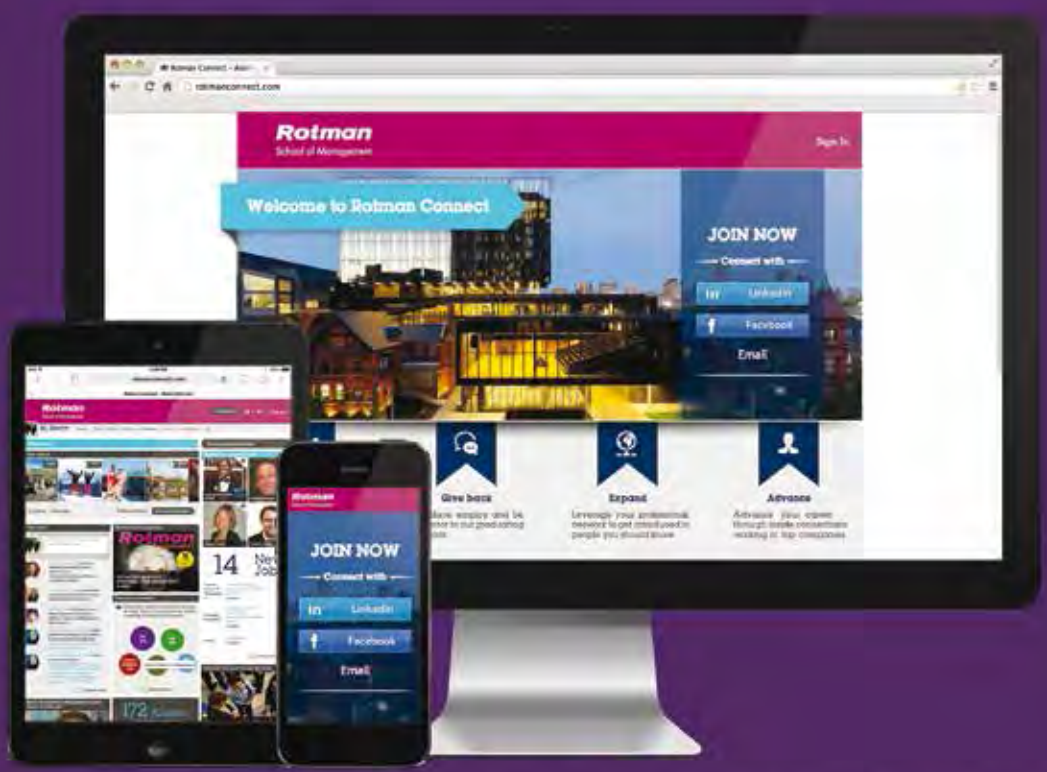

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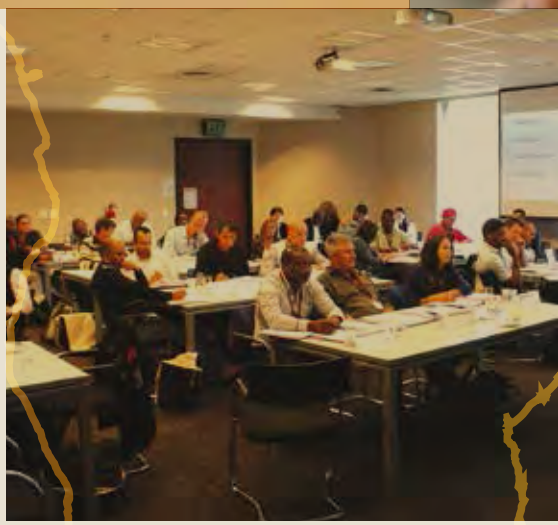
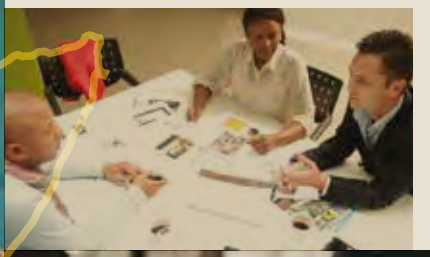


What does it mean to be an "African" business school?

Piet Naudé describes how a rethink of African business schools could impact global business education

> *"One would rarely hear Harvard being called an "American" business school nor would IMD market itself as a "Swiss" school. They are simply "business schools"*



3

There are only 3 EQUIS-accredited schools in Africa two in South Africa and one in Egypt

A business school that happens to be located in Africa has to ask a few tough questions to unpack its "adjective" status.

To call a business school "African" can mean quite a number of things.

The sometimes hidden assumption underlying discussions of "African" business schools is that the "default" business school idea (without the geographical description) serves as the norm. One would rarely hear Harvard being called an "American" business school nor would IMD market itself as a "Swiss" school. They are simply "business schools".

Both from a historical and globalisation perspective, schools in the West act as the actual benchmark. The status associated with the *FT* rankings ensures they remain the idealised "model" to which others (should?) strive.

This creates a typical centre-periphery constellation where those in the centre – without specific intent – serve as a normative ideal and those on the periphery aspire to become "like the centre".

It also guarantees a dominant status to academic work done in the West due to asymmetrical power relations embedded in journals, publishers and conferences.

At a first level, speaking of an "African" business school could then simply refer to geographical (continental) location but not much more. This would imply that such schools are the same as business schools elsewhere and they attempt to do what dominant schools do by "copying" it in a different location.

The opening up of Western branches or education sites of business schools in Africa may stand in this tradition. A key marketing advantage is communicated: "You can get the best from America or Europe right here in Africa", building on the assumption that "you will get exactly the same content and quality as in the home country – at a better price". For a colonised mind, this works well.

At a second level, an African business school might say: "We are sensitive to our specific context. We therefore take the management and leadership theories developed in the West or elsewhere and interpret them in and for Africa".

The textbooks, case studies and intellectual basis of such a school therefore lie outside of Africa and are translated for the African context. Creative applications are sometimes found and – because the canonical names and sources are cited – African scholars find that there is international interest in what they do and publish.

In this model, African business school academics are often invited to conferences to participate in the "African" or "emerging market" tracks. They are praised "for taking existing knowledge into new contextual applications". The plenaries are, however, mostly reserved for "global" topics.

The difficult path for academic recognition from Africa lies in the triple interpretation and explanation that is required.

- One first has to study and understand one's own context because contextual awareness is a given when you live on the academic periphery
- Then one has to study and understand – in English – the dominant literature and rich tradition of disciplinary knowledge in the West
- Finally one has to engage in a fusion of the two horizons, where the dominant knowledge is interpreted and applied in local contexts

Because of the gravitational pull toward the centre, the problem for many African academics is – surprisingly – not to talk with and like the centre but to honour our own context. This problem is created because of two reasons:

- The lack of local knowledge implies that the context is always already interpreted via foreign spectacles with the good-quality, ready-made knowledge produced elsewhere. There is simply not a *de novo* interpretation possible
- Second, seeking such context-specific insights are seen as "peculiarities" not to be taken seriously if we wish to advance our academic careers, and are often – in an ironic twist - done better by outsiders who then go home with this "exotic" knowledge

My guess is that this is the level at which most African (and perhaps also Indian and Latin-American?) business schools operate.

There is, I would suggest, a third level possible, though its realisation is quite unlikely in the near future.

> *"African" schools could draw on the philosophy of* Ubuntu *the belief in a universal bond of sharing that connects all humanity. Based on this philosophy, one could ask serious questions about who has access to business schools, who benefits and whose interests are served?*

In this case a business school might say: "We are not satisfied with mere interpretation or application of existing knowledge and the paradigms in which they function. Our task is to develop new, original knowledge emanating from a different paradigm".

Because of the current "adjective" culture, this kind of knowledge – if produced – will probably be called "indigenous" knowledge like "African management" on the assumption that American and European thinkers develop "global" knowledge.

But this view is an improvement on the read-and-apply approach and recognises that Africa has a long history of cultural achievement going back at least 5,500 years. I suppose there was a time when Egypt or the School of Alexandria produced "global" knowledge because they were at that point seen as the centre of civilization.

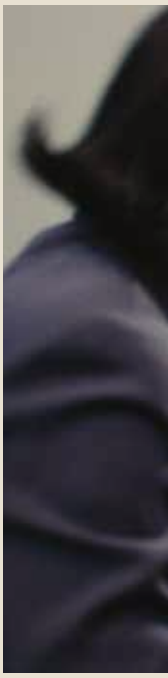
Part of this critical approach (in the positive sense of the word) would be to question the very paradigm of business schools as we have seen them develop over the last 80 or 100 years.

The idea that business knowledge is aimed at securing and further enhancing the position of the societal elite in the context of a predominant utilitarian approach to increase the private good of students might have to be challenged.

And, yes, it could in probability only be challenged by those not steeped (or trapped?) too deeply in this specific knowledge production culture.

Perhaps "African" schools could draw on the philosophy of *Ubuntu* the belief in a universal bond of sharing that connects all humanity, often expressed in the saying: "I am, because we are". Based on this philosophy, one could ask serious questions about who has access to business schools, who benefits and whose interests are served?

Instead of the relentless race to the top – measuring the success of schools *inter alia* by the increased earnings of its graduates - African schools might want to ask how business schools can facilitate access to their impressive fountain of knowledge by those previously or currently excluded on both social and financial grounds.



5.5k

Africa has a long history of cultural achievement going back at least 5,500 years – to a time when Egypt or the School of Alexandria produced "global" knowledge because they were at that point the centre of civilization

Public schools in Africa will have to create a more inclusive model of business education – addressing basic business skills and fostering an entrepreneurial culture – while at the same time maintaining the higher-end education associated with an MBA and PhD.

African business schools might also lead the way in explicitly building into their very planning and execution the advancement of a broader public good (beyond the narrow claim that successful students pay higher taxes and thus indirectly serve the public good).

It is heartening to see that accreditation bodies – all based outside of Africa – have in recent years moved to give specific credence to "societal impact" beyond merely increased financial earnings and are actually assisting African schools towards achieving local missions.

But perhaps the biggest contribution African – and other "adjective" schools in India, China and Latin-America – can make is to engage with our colleagues in the West in moving us as a global business school community beyond the adjectival stereotypes of the past.

We must open up debates and slowly progress toward acknowledging the rich contextuality of all of our work, understanding that truly global knowledge can only be constructed if all localities and wisdoms are given honour and space.

The crisis of capitalism, the questions around ecological sustainability, the enduring problem of morally unacceptable levels of inequality, the role of business in diplomacy and peace-building are but some of the challenges we face.

And it would be worth it to muster our collective knowledge by creating liminal spaces of interaction that overcome the dualities of centre-periphery-driven thinking as set out above.

Is it not so that these problems exactly arose from the current dominant paradigm to which we all openly or quietly aspire?

gf

ABOUT THE AUTHOR

Professor Piet Naudé is Director of the University of Stellenbosch Business School (USB) in South Africa.

Kenneth W Freeman and **Howard Thomas** outline some of the crowdsourced ideas about the future of business schools and other institutions that emerged from the first Business Education Jam

Crowd-sourced

4k

The Business Education Jam attracted more than 4,000 participants...

40

...from over 40 industries...

350

...350 academic institutions...

122

....and 122 countries

For four days last autumn, researchers, scholars, students, executives and thought leaders engaged in an unprecedented online brainstorming session about the future of management education.

The Business Education Jam, conducted by Boston University Questrom School of Business in the US in collaboration with EFMD and other global partners, attracted more than 4,000 participants from over 40 industries, 350 academic institutions and 122 countries.

Around the clock and around the world these "Jammers" shared insights, experiences and ideas about issues critical to business and business education: how to engage new-generation students and employees; impart 21st century competencies; develop innovators for the future; foster more collaboration between industry and academia, and much more.

Participants could join in from their laptop, desktop or smartphone, begin a conversation, leave for a while and come back without missing a beat thanks to the full record and analysis Jam technology provides.

The experience was much like that of any social network with the added benefits of real-time aggregation and analysis that directed the conversation to maximise productivity and enable synthesis of the results.

Those results – the wisdom of this "crowd" – include many innovative answers to the challenging questions facing everyone with a stake in business education. From among the many questions the Jam addressed, three that are particularly closely related illustrate the power of crowdsourcing to help chart a course to the future.

> *"Around the clock and around the world these "Jammers" shared insights, experiences and ideas about issues critical to business and business education*

Q1

How can we foster ethical leadership?

Given the malfeasance of the recent past and today's time of great transitions in the environment, health care and global economies, Jammers almost universally agreed that educational institutions and businesses have a new and urgent responsibility to nurture deeply ethical leaders.

Ideas about fostering ethical leadership converged around a central principle: integrate ethics with all aspects of business education and organisational culture.

Strategies proposed for integrating ethics with education include the case method, simulations, presentations from business leaders who have faced difficult ethical questions and more.

Some participants favoured courses that do a deep dive into values, culture and ethical ideas.

A number advocated building an ethical dimension into functional courses such as finance, marketing and operations.

Others argued for beginning programmes with a course devoted to ethics in order to equip students with ethical frameworks they could apply in functional courses.

But there was also a strong feeling that educators have paid lip service to ethics and corporate social responsibility by merely bolting ethics courses onto the existing curriculum. Many suggested that more radical action learning, such as required community service projects mentored by professors, could provide a far more effective means of instilling moral values by directly exposing students to the kinds of ethical issues they will have to face.

The challenge globally, many participants noted, is to create uniformly high ethical standards across cultures that have different outlooks on ethics and behaviour.

In all cases, the overall message from participants was clear: break through the abstractions and make ethics real – in the classroom, the work place and the world; strongly reinforce the cultural and contextual dimensions of values; and bring together leaders, governments and educational institutions in civil society to find holistic solutions for propagating ethical leadership.

Q2

What role can we play in developing the next generation of innovators and entrepreneurs?

Many Jammers agreed that the ability to innovate and launch enterprises, far from being a mysterious gift is a skill like any other. Many of these skills can be taught inside the classroom and out and they can be put to work in new ventures and big enterprises alike.

As with ethics, participants offered a rich array of ideas for making innovation and entrepreneurialism come alive, with an emphasis on action learning. Business schools could also invite companies to bring their innovation ideas and problems to campus where students and faculty from various disciplines could work on those challenges. Students would gain valuable experiential learning and companies could tap a potentially rich source of ideas.

Business schools could also go much further by underwriting entrepreneurship as some Jammers reported their schools are already doing. Underwriting can take many forms such as donating office space and providing a way for faculty, students and entrepreneurs to connect. A business school entrepreneurship centre could transition promising new-business projects to start-ups should students want to pursue them after graduation.

Schools could become accelerators or incubators of new businesses with faculty providing mentoring. They could also establish venture funds run by alumni to support fellow alumni entrepreneurs. Alumni could be enlisted to help in student learning through classroom presentations and mentoring and they could offer opportunities for students to participate in their start-ups.

In turn, schools could serve those alumni through networking opportunities like the Jam itself to bring together knowledge, resources and talent around the world.

Right
The Business Education Jam Platform

75%

Born between 1980 – 2000, Millennials now make up about a third of the world's population – by 2025, they will constitute 75% of the global workforce

Q3

How can industry and education tap the potential of the millennial generation?

Born between 1980 and 2000, millennials now make up about a third of the world's population. By 2025, they will constitute 75% of the global workforce. And for the past decade they have occupied the overwhelming majority of places in our business schools.

How well are those schools preparing millennials for the world they will soon lead? Not so well, according to the Deloitte Global Millennial Survey 2015.

When asked to estimate the contributions that skills gained in higher education made to achievement of their organisations' goals, the average figure for the millennial executives in 29 countries was only 37%.

And how well is the world prepared for them – especially their desire to create value not only for their companies but also for the world? Some 75% of the millennials in the Deloitte survey believe that businesses are focused on their own agendas rather than on helping to improve society.

To turn numbers like those around we will need to reimagine business education and employee engagement through the lens of the millennial generation, as a number of Jammers suggested.

The millennials are the first truly global generation in history with instant electronic access to their peers everywhere. Realising the full promise of this unprecedented globality will require knowledge of international relations and an understanding of the differing impacts of globalisation on world economies.

Study and learning abroad are essential. In addition to imparting skills of emotional and analytical intelligence, business schools must instil cultural and contextual intelligence.

Integrating digital technology with the business curriculum is also critical. Although digital technology is ubiquitous in students' lives and in business it has entered business education in piecemeal fashion.

In fact, students often know more about digital technology and social media than their professors. Schools will need to systematically integrate collaborative digital technology with classroom and course design, provide data-rich and immersive teaching materials and facilitate real-time problem solving.

That means that in the near term schools will have to find ways to develop faculty so that they can stay abreast of technology and use it effectively in their teaching. Digitally savvy students can help by providing input to new pedagogical approaches.

Companies, for their part, can more fully engage millennials and develop them faster by adopting reverse mentoring, an idea supported by Jam participants of all kinds.

Instead of an older executive mentoring a younger colleague, they mentor each other. The more senior executive coaches the junior colleague on leadership, company culture, and business and industry practices. The younger colleague tutors the older in social media or generational trends that might affect the business – and has an opportunity to make an impact early on.

Millennials who desire to innovate and act as entrepreneurs can be offered opportunities for "intrapreneurships". Initially, millennials might be offered low-risk, internally focused projects that give them opportunities to make a difference right away and become better team members in the process. Eventually, they would move on to market-facing intrapreneurships.

Acting as entrepreneurs within the larger organisation, they could take an idea from concept to profitable product, harnessing their drive to innovate and engaging them deeply in the organisation.

These are just a small sampling of the ideas and proposals the Business Education Jam generated. And that was just the beginning.

The Jam is part of a larger movement employing analytics and crowdsourcing to shake up current practices. IBM has deployed crowdsourcing technologies across the world to engage stakeholders in strategic conversation. McKinsey Solutions deploys software and technology-based analytics and tools that can be embedded in a corporate client to provide continuous engagement outside the typical project-based model. Other initiatives are in place or being developed.

The Business Education Jam has built a broad-based open platform – in this case bringing together industry, civil society and academia from around the world in a completely open forum.

Focused Jam sessions are now being conducted within major global conferences. New webinars have been created in collaboration with the *Financial Times*. Deans of business schools have used the Jam as a springboard for discussing strategic options with faculty, staff, students and advisory boards. A full report on the Jam findings, *Reimagining Business Education*, has been published and is available at bu.edu/jam.

The report, for use by business schools and businesses in advancing management education, synthesises emerging themes, critical questions and actionable solutions crowd-sourced during the conversation.

Where do we go from here? In late 2016, we plan to advance the discussion of business education with another massive online global brainstorming event. We will seek to broaden it even more to include under represented areas such as Africa, South and Central America, and parts of Asia in the conversation.

We will explore the ever-changing nature of globally responsible leadership along with more cross-culturally sensitive approaches to business education. And together we will bring the future we have collectively begun to envision into even sharper focus.

gf

37%

Asked to estimate the contributions that skills gained in higher education made to achievement of their organisations' goals, the average figure for the millennial executives in 29 countries was only 37%

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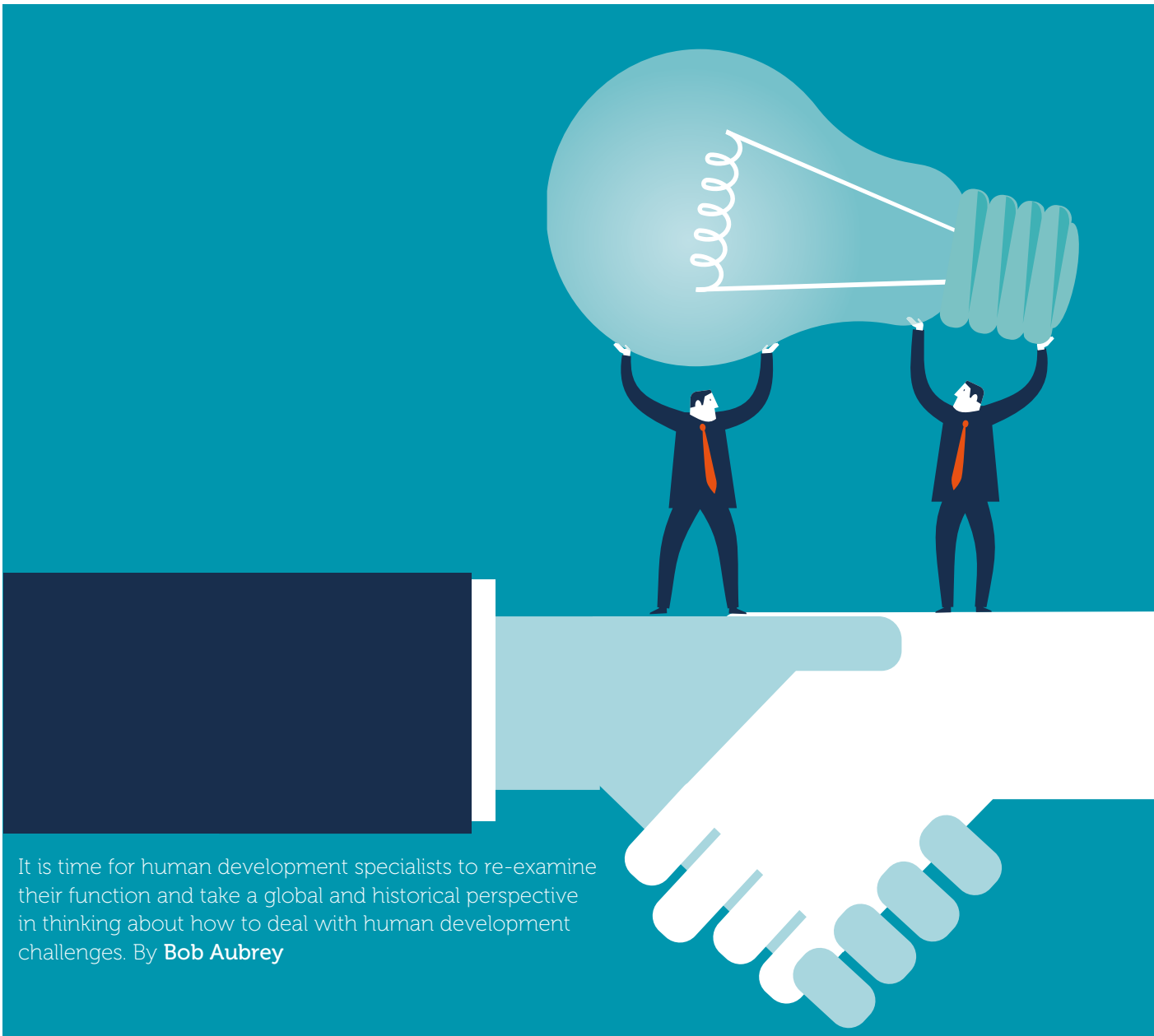


It is time for human development specialists to re-examine their function and take a global and historical perspective in thinking about how to deal with human development challenges. By **Bob Aubrey**

Why tomorrow's HR professionals must reinvent their role

There is no doubt that human development is important to companies. Whether baptised as "talent" or "human capital", the sourcing and development of employees is at the top of CEO priorities.

But talk to human resources (HR) professionals and you will hear a different story: their work goes unrecognised; they don't have a seat at the table when leaders create strategies; they are cast in a support and service relationship as HR business partners where they are considered neither as business leaders nor as partners.

Learning and development (L&D) professionals are part of a widely spread people function whose identity is mostly defined by its administrative and process work. That is about to change.

Human development professionals are going to find themselves on the front line, dealing with a host of unprecedented known-unknowns – things we know that we don't know – but which will have a huge impact on work and the global workforce by the middle of the century.

- For example, we do not know if robotics and artificial intelligence and automation will make workers obsolete. It is already starting but who will be impacted and will new jobs replace the ones that are eliminated? Can today's workers be retrained for this new world of work?
- Another is whether the example of China's extraordinary human development progress will be repeated by the rest of the developing world – India, Southeast Asia, South America and especially those at the bottom of the income pyramid. Will we see improved health, learning, longevity and self-determination extended to most of humanity? As new middle classes arise, will we have the right talent where we need it and will we be able to increase productivity at the same pace as the cost of work?
- A third is whether work itself will necessarily include development and self-determination. The mission of the International Labour Organisation (ILO) already includes aspiration as part of human development.

In addition to providing income, the ILO says, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent. Decent work sums up the aspirations of people in their working lives.

"In addition to providing income, the ILO says, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent

SHIFT	INDICATORS
1. The concept of development will become a mainstream management concept	• Development becomes a measurable, actionable and a mainstream concept • Development as an end in itself and having its own indicators makes the concept distinct from performance • Need for compliance to development standards such as decent work frameworks
2. Leaders will have specific development responsibilities if they are responsible for people	• Leadership includes people development for most positions • Capability to create development strategies becomes part of the leadership skillset • Leaders are measured according to Key Development Indicators (KDIs)
3. Professionals in HR, Learning, and Development will become more highly valued and require more education	• Development becomes more important than administration • Changing roles and organisation of HR will support a higher level of human development management • Learning and development will accelerate due to massive tertiary education of the workforce
4. Business strategy will set development goals as well as performance goals	• Includes development as well as performance • KDIs for stakeholder development • Strategic development objectives cascaded into operations and work objectives
5. Workers will be expected to set their own development goals; work will have a development dimension	• KDIs become part of work development along with Key Performance Indicators • Development goals and tracking are no longer based on the short-term job cycle but on career stages; career development becomes more measurable
6. New institutions will be created to support and enhance development; current institutions will rethink human development	• New development needs, such as for seniors, drive the creation of new institutions and change existing institutions • Global institutions will adopt development policies and create compliance standards • National governments and regional trade agreements will provide development policies through targets and measurements
7. Research on development will increase; new models and processes will be created	• Scientific research in areas such as neuroscience, genetics and medicine continue to enhance human development • Applied research and development in areas such as robotics and artificial intelligence create accelerated human development • Economic and political sciences as well as business schools will focus more on development

7

Current challenges will result in a shift in focus on people by business leaders and human development professionals – seven shifts will affect companies in the near term, you can already see them starting to happen

> *The difference between the day-to-day work of HR professionals and the need to have professionals who can anticipate, strategise and invent creative solutions for fundamental social changes constitutes one of the most important gaps in management development today*

(See the ILO website on the decent work agenda http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm.)

Will the ILO take the decent work agenda even further into laws and compliance systems that make these lofty goals a requirement for companies?

By the middle of this century, we will have answers to these fundamental questions but today's business leaders and human development professionals are not preparing themselves to deal with the challenges that these known-unknowns are creating for companies.

The difference between the day-to-day work of HR professionals and the need to have professionals who can anticipate, strategise and invent creative solutions for fundamental social changes, constitutes one of the most important gaps in management development today.

This opens up great opportunities for business schools to educate strategic human development professionals, just as it clears the way for today's practising professionals to take the lead and innovate with new strategies.

How will these challenges result in a shift in focus on people by business leaders and human development professionals? Seven shifts will, I believe, affect companies in the near term (see opposite page). Look closely and you can already see them starting to happen.

We still have a long way to go – we are only at the beginning of the journey. Very soon we are likely to see innovations and globalisation speed up the way we manage human development but the larger known-unknowns such as brain science, genetics and the redefinition of work are not short-term issues.

It is daunting to think that none of the leadership gurus of the past provide us with answers to questions raised by our ability to influence human development on today's scale. To really think again about development and take responsibility for it seems so difficult that it is tempting not to begin.

Leaders cannot delegate their responsibility to the experts but they need experts to bring ideas to the table and improve the management of human development in work.

For human development professionals the future holds a new level of responsibility – indeed new respect for professionals has already started in fast-developing economies where companies such as Alibaba have to learn quickly how to manage a global workforce but do not want to take a Western framework off the shelf.

Leaders in these companies are asking professionals to help them take their own philosophies and values into the world and make them universally aspirational.

So what does this mean for EFMD members? If you are a practising L&D professional, whatever part of the world you find yourself in, it is time to re-examine your function and take a global and historical perspective in thinking about how to deal with human development challenges.

If you are on the business school side of EFMD, you should take a critical look at how strategic your programmes that deal with managing people are.

You should also take advantage of the need to educate young professionals and re-educate practising professionals to deal with fundamental social, political and economic changes. It is a chance to reframe subjects such as philosophy and the humanities for business.

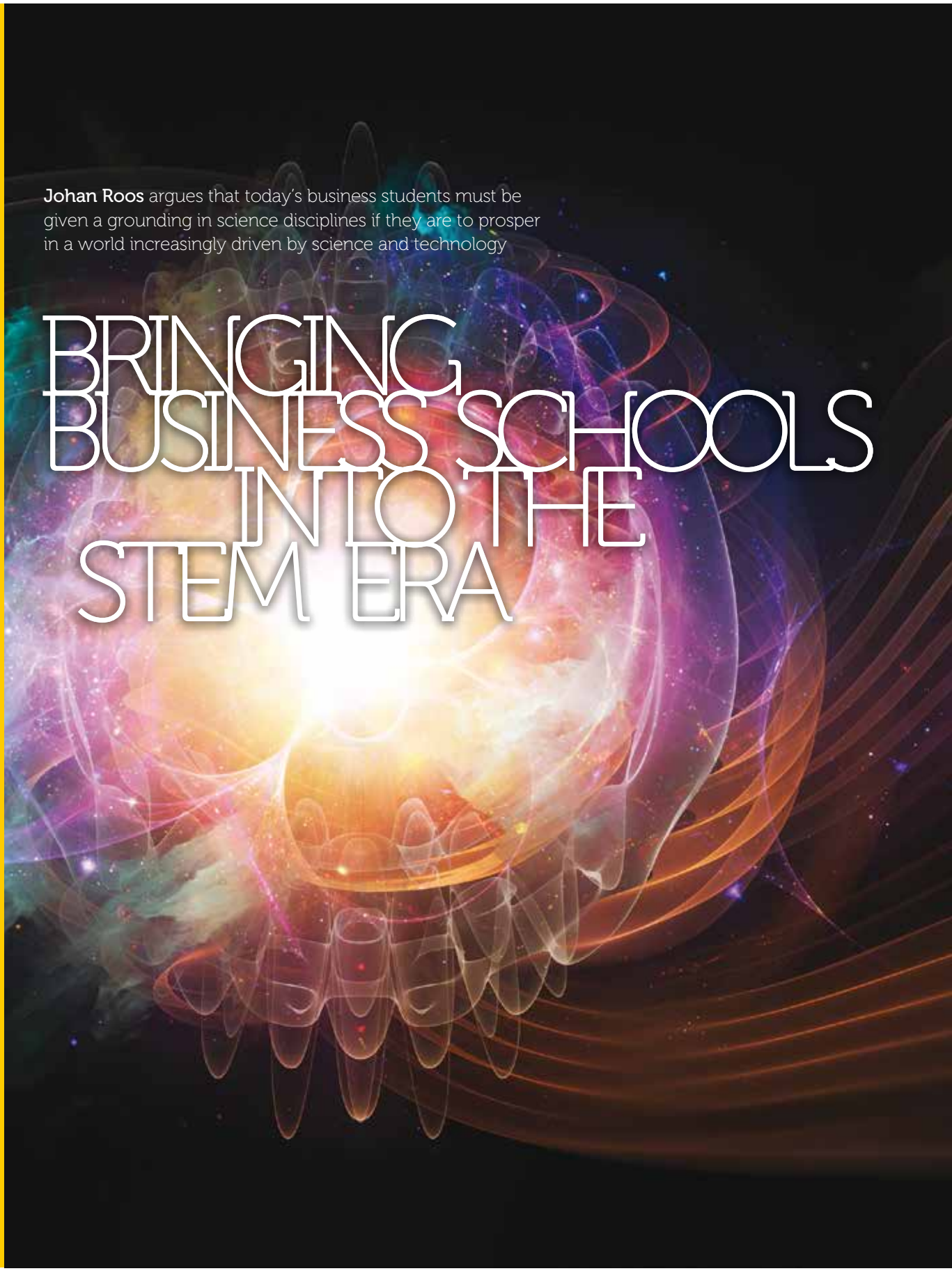
Development is defined as getting results that make something better. Ultimately we are the ones who decide how to define what better is and for whom. We will need to create a new "measure of man".

And we need institutions like the EFMD to do it together.

gf

ABOUT THE AUTHOR

Bob Aubrey is EFMD Senior Advisor for Asia and Chairman of the European Chamber of Commerce HR Committee in Singapore. This article reflects ideas developed in his book Measure of Man: Leading Human Development *published by McGraw Hill Education.*



Johan Roos argues that today's business students must be given a grounding in science disciplines if they are to prosper in a world increasingly driven by science and technology

BRINGING BUSINESS SCHOOLS INTO THE STEM ERA

Science, technology, engineering and maths (the so-called STEM subjects) are the driving force behind the most promising and lucrative businesses of the future. But turning such developments into commercially successful innovations requires people who understand STEM as well as organisation and management.

Gone are the days when an MBA generalist with a strong marketing education could fathom the potential of new businesses creating products and services to utilise STEM advances. Today's managers need a solid business background but also the knowledge of the innovative potential deriving from their company's progress in STEM fields.

In the March / April 2015 issue of AACSB's *BizEd* magazine a series of well-written and persuasive articles argued that business schools ought to be reaching out aggressively to STEM students to attract them into dual-bachelors or MBA programmes specifically designed for them.

I agree and praise all these initiatives and am implementing them myself. For example, in my own business school, Jönkoping International Business School (JIBS) in Sweden, we are launching a new masters programme in Engineering Management for engineering students, starting this autumn. Soon after we opened it for applications this spring, the programme quickly filled up with incoming students from many countries. In addition to learning about organisations and management such programmes complement the natural science way of *explaining* reality in *objective* ways with the more social science approach of *questioning* and *changing* reality in *subjective* ways.

However, I want to argue on behalf of a *complementary* view about what business schools should be doing to ensure that our students are prepared for the management and leadership jobs of the future.

I am convinced that business students need to be "conversant in STEM" if they are to have the intellectual capacity and skills to survive in the technology-driven organisations of the future. We can no longer produce responsible graduate business students who are ignorant of basic vocabulary and syntax in the STEM fields.

They at least need to be aware of recent advancements in multiple fields, ranging from genome coding via nano-enabled engineering to the explosive (and controversial) developments in artificial intelligence. In addition, considering that all of these subjects are moving at breathtaking speed, with the borders between them becoming hazier, we are already behind in preparing business students for the jobs that will exist in the future.

The much-cited 2013 Oxford University study by Carl Benedikt Frey and Michael Osborne predicted that some 350 occupations could be computerised within the next two decades, eliminating many jobs that business students formerly captured.

> *"Business students need to be "conversant in STEM" if they are to have the intellectual capacity and skills to survive in the technology-driven organisations of the future. We can no longer responsibly graduate business students who are ignorant of basic vocabulary and syntax in the STEM fields*

350

The much-cited 2013 Oxford University study predicts that just over 350 occupations could be computerised within the next two decades, eliminating many jobs that business students formerly captured

x3

Over the past 10 years, growth in STEM jobs was three times as fast as growth in non-STEM jobs, they are projected to grow by 17.0% from 2008 to 2018, compared to 9.8% for non-STEM occupations

Meanwhile, STEM-related jobs have been leading the jobs growth and are predicted to continue doing so in the future. A 2011 US Department of Commerce Economics and Statistics report states that "over the past 10 years, growth in STEM jobs was three times as fast as growth in non-STEM jobs. STEM occupations are projected to grow by 17.0% from 2008 to 2018, compared to 9.8% for non-STEM occupations".

The Great Recession has affected many such estimates –a 2013 report from the IEEE Spectrum claims that there is no longer a shortage of STEM graduates because of the economic downturn – yet it is clear to us in the world's business schools that the future growth of STEM-involved organisations will always require qualified leaders and managers.

Rather than just having business schools attract STEM students to dual business degree programmes or a token programme for engineers, I argue that every business school student must begin developing STEM literacy. Here are seven ways this can be accomplished:

No.1

In the heyday of liberal arts studies many US colleges required their undergraduates to take a battery of courses in every division of study—humanities, sciences and social sciences. Some of these schools offered "survey" courses in each division to ensure students walked away with a "Renaissance" education, knowing something about everything so as to become a literate citizen.

We should borrow from this pedagogical insight and begin to offer our students a "STEM survey" course. Such a course would help students understand the fundamental challenges in many leading STEM fields – such as neuroscience, nano-technology, biomedicine, material sciences, synthetic biology, astrophysics, artificial intelligence, robotics and many others – and introduce them to the scientific principles and vocabulary they would need to be literate in those fields.

No.2

Business schools would also create new projects that involve both business and STEM students, so both types of students learn how to understand each other's jargon and how to work together. This will help STEM students themselves gain business experience while helping business students begin to understand some of the STEM challenges of their cohorts.

What I have in mind is not so different to what engineering students at Harvard recently were asked to accomplish in a class. As reported in a recent *New York Times* article "Learning to Engineer a Better Brisket", students were challenged to develop a new barbecue grill that would cook meat more evenly than existing barbecues.

Students had to study not just the principles of heat transfer but the manufacture of ceramics, engineering design of grills, the chemistry of cooking meat, the business of starting a competitive new company in a crowded market, and even programming and designing an app (the grill keeps the chef informed of the cooking temperature via a mobile app, which can also be shared among guests invited to the meal).

Harvard is patenting the students' final design and several students are starting a company to create other new grill designs. While this course was for engineering students, it could have equally been conducted for business students to teach them the engineering concepts—with assistance perhaps from an engineer to build the product for them.

"Once many US colleges required their undergraduates to take a battery of courses in every division of study—humanities, sciences and social sciences – to ensure students walked away with a "Renaissance" education, knowing something about everything so as to become a literate citizen

"Designed as an elective in our masters programme, the course "Bringing high-tech innovations to market" offered students an opportunity to learn about nanotechnology and use their entrepreneurial skills in this advanced technology field

No.3

Although the case study method has recently been under much criticism for not adequately preparing students for real world practice and contexts, case studies could prove very helpful to familiarise business students with many STEM concepts.

Case studies could be aimed at generalist business students, for example, to teach them about the challenges of specific STEM industries, such as R&D methods in high technology, risk management in new biomedical fields, or intellectual property concerns in molecular biology and so on.

Students would get the opportunity to study how actual company leaders had to solve problems in managing highly innovative, speculative STEM industries, which are usually very different to managing traditional manufacturing industries.

No.4

Schools should arrange internships for students at STEM companies and organisations. At my school, JIBS, we have experimented by sending students to the London Centre of Nanotechnology (LCN) in the UK, a joint venture between Imperial College London and University College London (UCL).

Designed as an elective in our masters programme, the course "Bringing high-tech innovations to market" offered students an opportunity to learn about nanotechnology and use their entrepreneurial skills in this advanced technology field. Students who participated in the pilot course in 2014 worked with scientists at LCN on live cases utilising patented nano-technology.

JIBS students were paired with LCN post-doctoral researchers and had to get a basic grasp of the technologies involved and work out how to help the scientists commercialise their patented nano-tech applications. They wrote business plans and presented their joint ideas to the programme leaders.

The project's outcomes included business plans for a new type of Protein Chain Reaction machine, a new grapheme-based ink for the photovoltaic market, and a new diagnostic tool to quickly detect bacterial, viral and fungal infections. The overall learning for the JIBS students was that nanotechnology is also about hands-on engineering and innovation and no longer science fiction.

No.5

We also need to create new types of business courses specifically focusing on the key challenges of STEM businesses today. They include how to bring advanced innovations to market, manage and communicate with natural scientists and researchers, comprehend the policy and regulatory context in STEM fields, ethics and the shared responsibility for our societal common good as well as understanding the evolving language of STEM-based innovations.

No.6

New joint degree programmes could be developed to entice STEM-minded business students, just as STEM students are being courted to take joint business or even mixed STEM and management degrees.

There are certainly talented business students with extensive backgrounds in the sciences, mathematics or technology who may not want to be scientists or engineers but who could benefit from a joint degree.

One could even encourage high school students to apply for these joint degrees. It would also benefit industry and academia to begin promoting joint STEM/business programmes to younger students, giving them a glimpse of how their interests in business and/or science can go hand in hand.

No.7

Finally, working with the other end of the scale we also need to involve more PhD students at business schools to research, engage with and write their theses about a STEM field. Business schools worldwide have a goldmine of talent among their faculty and PhD candidates who can perform top-notch research for STEM industries and produce research that has practical results.

In the *BizEd* article series, the authors of "Plotting a Course for STEM" write that "distinctions between STEM and non-STEM disciplines are rapidly disappearing in companies in every sector—and that means that business schools should be part of the STEM conversation. The movement is already there but is coming from the other end of the candle. Many articles have argued about bringing STEM students into business but we need to burn the candle at both ends. We need to bring business schools and their students into the STEM age".

I agree wholeheartedly and am working diligently to take steps in this direction.

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> *"There are certainly talented business students with extensive backgrounds in the sciences, mathematics or technology who may not want to be scientists or engineers but who could benefit from a joint degree*

ABOUT THE AUTHOR

Dr Johan Roos is Dean and Managing Director of Jönköping International Business School (JIBS) in Sweden where he also holds a professorship in strategy. He has been a senior faculty member at a number of leading European business schools. He has an MSc in Agriculture and a PhD in International Business. In 2011 he was elected to become a member of the Danish Academy of Technical Science (ATV) and is currently serving on the steering committee of Medicon Village in Sweden.

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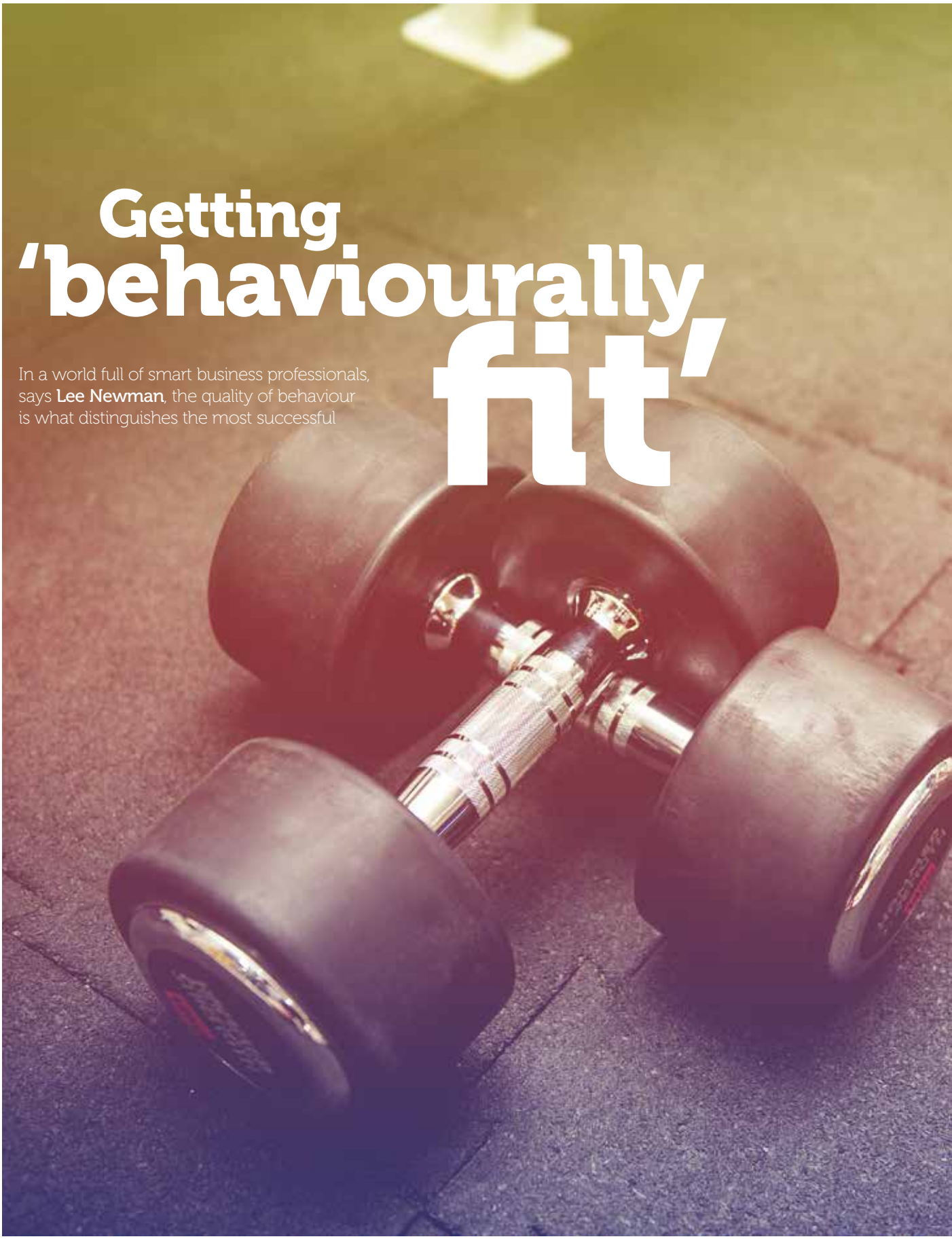

Getting 'behaviourally fit'

In a world full of smart business professionals, says **Lee Newman**, the quality of behaviour is what distinguishes the most successful

130

Last year, companies spent $130 billion on training...

35%

...35% of which went on leadership skills, yet, despite this, the overwhelming majority of employees across countries and industries are not highly engaged

"Those professionals who are the most "behaviourally fit" are the ones who are more likely to succeed – and this comes down to how they behave, in every meeting, conversation, problem solving session, negotiation and interview

Take two equally intelligent, well-educated professionals with similar years of experience and put them in similar organisations with the same budgets and staff.

One consistently moves ideas forward and shepherds projects to success while the other becomes mired in obstacles, battles, and set-backs. Why? The answer is behaviour.

Being good at the job-specific aspects of one's work is important, yes, but merely the entry ticket to a sustainably successful career. We all know those people at work who are unremarkable at what they do but succeed because of how they do it. And we also know people who are excellent at what they do yet have stalled careers because, again, of how they do it.

Talk to line managers, recruiters and HR staff and they will tell you that what ultimately sets apart two smart employees is not the details of their marketing plans or the specifics of their operational improvement proposals.

Rather, it is how well they listen to colleagues and customers, how open minded they are in considering others' ideas, whether they can learn to trust and not micro-manage, how effectively they can influence and persuade, and their ability to forge positive alliances to marshal resources and gain the buy-in necessary to make things happen. And the list goes on.

Those professionals who are the most "behaviourally fit" are the ones who are more likely to succeed – and this comes down to how they behave, in every meeting, conversation, problem solving session, negotiation and interview. The behaviourally fit have three qualities that others lack: a broader repertoire of behaviours, greater flexibility in calling upon them and more practised execution in the moments that count.

So, how behaviourally fit are most business professionals? Not very – and they admit it (behind closed doors). When I ask a classroom of MBA students "who joins me in being a member of The Bad Listeners Club?" nearly everyone raises a hand and smiles.

I get the same response in corporate workshops, working with recent hires up to the C-suite. And it is not just about underdeveloped listening skills.

What I have found in my teaching and training is that most people, much of the time, find themselves challenged by a wide variety of the behaviours that drive their daily performance at work. These include micromanaging instead of trusting and delegating, losing control over emotions, getting impatient in team meetings, not giving real consideration to others' ideas, difficulty coping with distraction and procrastination, and placing too much emphasis on results to the detriment of people and process.

It's a shame, then, that business schools and corporate universities focus so little on helping professionals develop the in-the-moment behaviours that can boost interpersonal effectiveness, productivity and engagement.

It is not for lack of trying. There are myriad training programmes on offer and every business school curriculum includes a share of soft-skills classes – it's just that the current methods do not work well.

Last year, companies spent $130 billion on training, 35% of which went on leadership skills. Yet, despite this, the overwhelming majority of employees across countries and industries are not highly engaged.

(See *The Corporate Learning Factbook 2014* (Bersin by Deloitte), *State of the Global Workplace 2013* (Gallup), *2012 Global Workforce Study* (Towers-Perrin) and *Driving Performance and Retention Through Employee Engagement* (Corporate Leadership Council, 2004).

When behaviours are not reasonably refined, the day-to-day working environment becomes difficult at best and engagement and productivity suffer.

What is needed is a radical shift in emphasis from training business acumen to training behaviours. And not only a shift in emphasis but a shift in methodology as well.

We need to move beyond theories of organisations, teams and personality and beyond the classroom roleplays that are already taking place in business school classrooms and break-out sessions. Business students need to experiment and to fine-tune their workplace behaviours on a daily basis across the 12-24 months of their programme.

"It's a shame that business schools and corporate universities focus so little on helping professionals develop the in-the-moment behaviours that can boost interpersonal effectiveness, productivity and engagement

Let's be honest: A student's ability to listen is not *really* getting challenged during a 20-minute classroom role-play dedicated to "active listening". But it's in their daily work when students stop listening to each other, fail to give consideration to their teammates' ideas, lose control over their emotions, and when inquiry loses out to fighting simply to win arguments.

And it is in these moments – the class discussions, team projects, individual assignments, in-school start-ups, and community outreach projects – when students should be exercising and strengthening their behavioural muscles and creating good habits that last.

This is what I call "Behavioural Fitness". It means training behaviours in real working conditions in the same way that we train our bodies at the gym. Identify areas for development, craft a plan…and then get to the hard work of getting fit.

The current behavioural training paradigm in business schools is equivalent to learning about getting physically fit and then lifting a few light weights. And that's about it.

The result is that MBA graduates re-enter the workforce knowing a lot more about strategy, finance, marketing and operations but in the difficult moments that they face daily in the workplace, most are no better equipped than they were prior to their graduation .

Yes, they can write better marketing plans and present these with greater confidence. However, when it comes to having the flexible repertoire of behaviours needed to resolve disagreements and get others to buy into their plans, the soft-skills frameworks and best-practices learned in school just does not translate into practised behaviours that will serve them well in the moments that matter.

This is a pity because the explosion of research in the behavioural and neural sciences offers a new and exciting basis for not only better identifying and understanding performance-critical behaviours but also for how we might train them.

Behaviour training needs to happen on a daily basis and it needs to be *in situ*.

To make this happen, behavioural training needs to be given a greater share of business school curricula. We must redesign existing organisational behaviour and soft-skills courses so that they leave students with the same kinds of workout plans and support mechanisms that they get when they go to the gym.

And these need to be complemented by structural changes in what students do on a daily basis so that their interactions, meetings and projects are not only about deliverables and outcomes but also about behavioural development.

We need to give students more assessment tools and real-time feedback technologies so that when they test drive new behaviours in their daily work – more mindful listening, a technique for regulating emotions, a different way to handle conflicts – they can find out from team members how well they are progressing.

Behaviour change is notoriously difficult but business schools should not throw in the towel. A new approach to behavioural business education is necessary, possible and should be near the top of every school's agenda.

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24

Business students need to experiment and to fine-tune their workplace behaviours on a daily basis across the 12-24 months of their programme, rather than solely in classroom-based roleplays

ABOUT THE AUTHOR

Professor Lee Newman is professor of behavioural science and leadership and Dean, IE School of Human Sciences & Technology, Madrid, Spain.

Tanya Bondarouk and **Ivar Dorst** detail their study for the University of Twente in the Netherlands of how business leaderssee the role of business education

Is business education a good preparation for a business career?

Improving the link between business education and the requirements of business practice has received a lot of research attention recently. We believe it is probably now time to discover business leaders' own expectations of graduates.

In a recent such study we asked 16 business leaders several key questions such as:

- How valuable is a generic business education for a career in business?
- What is the relative importance of competences attained by academic business graduates?
- What are the developments in the business world that demand different competences of business graduates?

Our interviewees differed in gender, educational background, tenure and function and covered a wide range of service and production companies from airlines to semi-governmental organisations.

Value of a generic business education

Opinion among business leaders on how business education should be targeted is divided.

Some think that business administration programmes must be specialised, since "Companies are tired of having only generically educated graduates".

Other interviewees think that the generic programme is actually very valuable and is the key strength of a business administration education.

As one of the interviewees said: "A car manufacturer would never say: 'Do you know what is important for a good car? The engine, the bumper and the tyres.' How about the lights? Without headlights I am not allowed to drive. It is about the complete image instead of knowledge of separate details".

For business schools this simply means that finding a good balance remains as important as it was before. Businesses value a generic business administration degree but raise questions whether such graduates can perform specialised job tasks.

Importance of competences

All our interviewees express an opinion that they prefer to hire young graduates with strongly developed skills: "You have to understand the content but afterwards skills are of decisive importance within business administration".

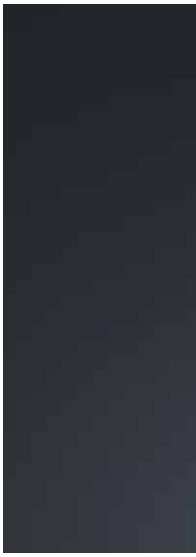
It is difficult to disagree with this view. Indeed, knowledge has two practical functions:being able to choose between options and a tool to learn analytical skills.. The fact that a student succeeds in graduating from a business school programme provides business with expectations that he or she is able to handle analytical knowledge: "Getting your university diploma proves that you are able to deal with a specific way of thinking".

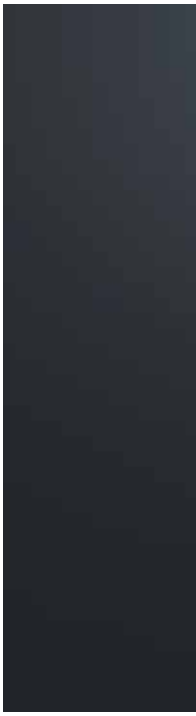
Probably it may be time for business schools to consider introducing specialist, challenging knowledge-integrating subjects/courses into their curricula.

Many interviewees saw knowledge as a tool to develop skills, critical thinking and a fluid translation from theory to practice: "You challenge students by content; students must reach a certain level of abstraction. However, it is not about using most of knowledge again later on". It is largely about ways of thinking and the speed of mastering business uncertainty that are seen as important.

During our interviews we frequently heard the view that the knowledge that students gain at university is not important for business. What can be said about this opinion? Any educators and programme managers have probably been confronted with it at least once.

Throughout all the conversations we held, we sensed that business leaders did not expect universities to train graduates for a specific job. But they unanimously acknowledged that "companies will select someone with a university degree expecting him or her to be able to gain knowledge but not someone with narrow specific knowledge".





> *"The fact that a student succeeds in graduating from a business school programme provides business with expectations that he or she is able to handle analytical knowledge: "Getting your university diploma proves that you are able to deal with a specific way of thinking"*

16

For our recent study about business graduates we interviewed 16 business leaders . Our interviewees differed in gender, educational background, tenure and function and covered a wide range of service and production companies from airlines to semi-governmental organisations

Most interviewees agree that cognitive and intellectual skills are the most important ones for academic graduates.

"Analytical skills are the most important as these can be developed in courses during the study programme. There are two kinds of analytical skills: from engineers (exact and computed); and from businessmen (approximate, flexible). Two different analytical methods, both are good and you should be able to apply both. Learning by understanding each other and how the other thinks is very important for this."

Interestingly, we observed that some of our interviewees assumed that people who study business administration already have natural personal and interpersonal skills so, in their view, it is a waste of time to invest much in training such skills.

Other interviewees feel that these skills could very easily be taught to the graduates employed by the company by letting them follow some onboard training courses.

One of our interviewees thought that "university programmes do not need to teach employees skills like presenting or team management…that is not the role of the university".

Organisational sensitivity

Many of our interviewees talked about difficulties that some business graduates experience in "[finding] their way and [reaching their goals], especially in bigger organisations".

We call this competence organisational sensitivity, abilities mingled with feelings for organisational structures and how organisations really work.

"They lack some kind of street smarts. How do organisations work, what is the difference between the front and back of the organisation, what is the difference between the formal connections in the organogram and the one taking the real decisions? They still think they can implement changes via the organogram".

We would add that organisational sensitivity is the difference between being right and being proved right. You can be right concerning the content but – as business leaders stressed – that does not win you the case within organisations. Via informal contacts our graduates have to be able to go along with the different opinions in an organisation to reach their objectives and thereby learn to deal with it for better or for worse.

Possible solutions

The interviewees also suggested some possible solutions to solve the lack of practice in the business curriculum. The decision to change the curriculum must of course be made by every university individually and we do not suggest that we have found the Holy Grail on how to close the gaps.

We heard many voices advocating introducing "good old" internship practices and/or practical case studies into the business curriculum. We are aware that not all curriculum structures allow for internships in the master programmes.

The introduction of internships was not the only solution the interviewees came up with. They suggested changing the method of selecting lecturers. The universities could consider asking people from the business world to give a course of lectures, not just the occasional guest lecture, and become part of a grading system.

One interviewee mentioned that it would be useful to integrate management training in the business administration curriculum in which students focus on practical management skills. Another possible solution mentioned was attracting business coaches for all students throughout the programme.

Ethics

The final important issue that was discussed by all interviewees concerned ethics. Notably, all the business leaders spontaneously but unanimously finished their conversations with ethical dilemmas in business. "Ethics is everything in business, it all starts and ends with ethics. Without ethics…business is not possible."

Before a student starts a business administration programme, he or she has to be convinced to join a particular programme. As one interviewee suggested, it is time for business schools to build their promotional campaigns on how difficult and how socially important the programme is. Indeed, let us attract our prospective students with the message: "Do you dare to study here? Do you dare to change the complicated business world?"

Conclusion

In this article we have addressed the question to what extent a degree in business administration prepares students for a successful career in business.

"Our interviews with the business leaders gave us a varied picture but mainly divided along two lines: a group that stresses the importance of cognitive and intellectual skills and a group that stresses the practical skills and competences

Our interviews with the business leaders gave us a varied picture but mainly divided along two lines: a group that stresses the importance of cognitive and intellectual skills and a group that stresses the practical skills and competences.

Where does this leaves managers of business administration programmes?

First of all, it could suggest that business administration programmes move away from generic programmes and introduce specialisations. Specialisations allow programmes to prepare students for a specific type of industry, which in turn gives space for a focused set of cognitive and intellectual as well as practical skills for that particular type of industry.

Another way forward could be to offer two types of programmes: one a more practice-oriented programme; another of a more academically oriented type. This means that students need to be informed and (have themselves) assessed on their preference and orientation in order to make the right choice.

Those who follow the academic programme will be better prepared for a PhD but are also better prepared for those roles in business that require stronger academic skills, such as programme and/or policy development.

A third way forward could be to involve business more in business administration programmes, not only in terms of internships or guest lectures but to have students work in a company for at least a full year, with supervision by the university in reflection and feedback sessions as well as a share of course work.

We are aware that the business administration programmes around the world already differ in structures and content and that higher education systems vary around the world. However, the majority of business schools offer generic business administration programmes.

This triggered us to make the voice of business heard and it is the task of universities to incorporate those voices in the programmes. To prepare the future leaders of business is where the future of the business school lies.

gf

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Alice Guilhon describes how two leading French business schools realised their ambitions by merging with each other

SKEMA

THE STORY OF A MERGER

"The two institutions came to an obvious conclusion: only major change could stop our respective stories ending in tragedy. Such a project could even enable us to achieve a common dream of a global business school in line with the aspirations of students from all over the world

Although mergers are common in business, they are far from typical in the higher education environment.

This could be partly because of the nature of higher education. Our production processes stretch over several years depending on the product (programme) so our decisions always impact the long-term. Our organisations also seem to have a certain built-in inertia.

Given this situation, implementing ground-breaking change in higher education is no mean feat. It involves breaking down familiar structures and processes, setting up new and unfamiliar ones and, to cap it all, no longer relying on the usual sources of revenue. To embark upon such a journey would be foolhardy without making sure that all collaborators are fully on board – and this means providing really convincing arguments.

In France, we started getting wind of inevitable government reforms from about 2007.

The first vague rumours became more and more concrete with each successive official declaration. The country would soon no longer be able to afford higher education, not only for the public sector but also private-sector institutions.

Two leading French business schools – CERAM, a business school run by the Nice Côte d'Azur Chamber of Commerce and Industry (CCI) and, ESC Lille, an association under the French 1901 law – rapidly perceived the situation as a straightjacket on their institutions' development and ultimately a threat to their very survival.

These preoccupations resulted in the two institutions coming to an obvious conclusion: only major change could stop our respective stories ending in tragedy. Such a project could even enable us to achieve a common dream of a global business school in line with the aspirations of students from all over the world and the expectations of companies in the new knowledge economy.

The merger between our institutions would entail the disappearance of both our brands. But it would give birth to a mega-project, propel our establishments out of their regional existences and hopefully set them up on the world stage.

In March 2009, a merger was confirmed.

Fast and furious: decision making that works

Our institutions had very different governance structures. However, the governing bodies of the two schools ratified the following principals:

A merger with governance balanced equally between the two entities

The President would be from Lille, the Dean from Nice; the bureau would be made up of nine people (four from the North region, four from the Alpes Maritimes and the President of the COS (an influential committee of alumni at Lille).

An equal balance, with equivalent contributions

The Statutes of the Lille Association were opened up to accommodate the higher-education branch of the CCI Nice Côte d'Azur. This brought in €20 million in premises and funds to balance Lille's contribution. All this had to be ratified by the Ministry of Industry, (given CERAM's relationship with the CCI) before an official announcement could be made.

The project time frame and collaborator commitment

CERAM personnel had to be prepared to give up their public-employee status and take on a new, private-sector work contract. In 2011, after two years working under a transitional contract, 99% of CERAM employees signed the SKEMA Business School private-sector contract. We thus knew that the staff were on board.

SKEMA's strategy, project and ambition

This had to be ratified by both governance bodies, a business plan being part of the deal. This plan included launching campuses in the US and elsewhere.

€6m

The total cost of the merger came to about €6 million, and in 2009 the budget was €54 million; five years later it is €67 million

All these decisions were taken quietly between March and the end of June 2009. On 29 June the general assemblies of each establishment ratified the project and announced it to collaborators. The following day, we presented the project to the press. The merger was announced officially on 30 June 2009.

We now needed a name that would express the project's true dimensions and an outside agency suggested SKEMA and this attracted us from the outset.

The acronym of "School of Knowledge Economy and Management" also has connotations with "scheme", whose widest sense comprises the idea of collaboration and teamwork: just what we needed!

Managing a merger involves a colossal amount of work, sometimes to the point of exhaustion. The students were present while we were still trying to work out the inevitable operational problems of setting up new methods and procedures. Moreover, companies continued to work with the school but they had different contacts in the new organisation; expectations on all sides were sometimes less than clear.

PROBLEMS AND OBSTACLES

Five stumbling blocks

SKEMA's President, Bernard Lecomte, and the members of the COS all have experience of company mergers. They had all warned me of one thing: people would be the main problem. However, blinded as I was by the rapid success of SKEMA's beginnings, I now confess that I did not take enough notice of their warning.

We came across five main problems:

1 | Forecasting costs

Launching a brand and other costs inherent to logistics are easy to identify. However, other expenses are not so easy to see coming. Considerable costs were generated by transforming the different management and accounting procedures of the two establishments into a single set of processes.

Furthermore, there are always some individuals who do not wish to stick with the project (about 5% in the case of SKEMA) and who must be helped to leave the organisation in the least damaging way.

Finally, creating a global multi-site school in France and abroad demands investment in technology, whether for management or pedagogical purposes.

In short, the total cost of the merger came to about €6 million. Fortunately, the new establishment covered this and the management team decided to depreciate two financial exercises to help spread the costs. In 2009 the budget was €54 million; five years later it is €67 million.

2 | *Deconstruction-reconstruction*

Breaking down the processes that people had been using for years generated considerable problems. Though we created multi-service task forces to completely rewrite processes and procedures, a company the size of SKEMA would never function like either CERAM or ESC Lille. Getting this right took hours and hours of negotiation, explanation and adjustment until we finally achieved a mode of operating that suited our ambitions.

3 | *New HR competences and procedures*

Changing the culture meant developing skills inside SKEMA at every level. From the very beginning, we wanted to set up a highly client-oriented international culture of excellence. We standardised contracts by objective, implemented management training and defined collective objectives. In this way we were able to raise gradually the skill levels of most of our collaborators.

99%

After two years working under a transitional contract, 99% of CERAM employees signed the SKEMA Business School private-sector contract. We thus knew that the staff were on board

> *Our successful journey has not only been a matter of strategy; the human adventure is what has always propelled us forward*

KEYS TO SUCCESS

Five ways to merge and expand... at the same time!

1 | *Solve governance issues upstream*

This is probably why we were able to move forward with an efficient and speedy decision process. Once the distribution of "power" had been dealt with, decisions could be focused and effective. The Nice Côte d'Azur CCI gift to SKEMA was certainly one of the factors that encouraged trust between the partners, creating a vital condition for the merger's success

2 | *Make projects a priority*

We very early focused our attention on development projects. Thus the US campus became a priority as early as January 2010.

3 | *Communicate incessantly*

A project this size will not just happen if you do not explain it. We therefore decided to communicate constantly over at least two years to make things clear. We met with collaborators and included our social partners all the way through to set up a climate of confidence in the project.

4 | *Get your hands dirty*

Directors have to show that they are in the same boat as their collaborators. It is not enough to draw up a project and decree its existence. You have to set an example. To understand dysfunctions and prescribe the appropriate remedies the management team never stopped redesigning the processes and procedures, being there on the spot and on all the campuses.

4 | *A business school as a business?*

In SKEMA, we set up a management and monitoring system similar to that used in international companies. Very quickly we noticed that creating a new culture made people anxious. They worried that they would not be "good enough".

Reporting, managing multi-site teams, managing responsibly and being ever-more demanding were probably our most difficult tasks during the first three years. We had countless negotiations with our social partners to come up with a common view of the challenges we faced, and to implement the management system we aspired to.

5 | *Resistance to change*

The "it was better before" syndrome was at first very strong but gradually faded. Such resistance was expressed throughout the hierarchy, curiously enough especially at the top.

The faculty was the first group to really merge but resistance remained strong among administrative staff. However, little by little, the "better before" syndrome affected only those who had the most to lose. Some of them are still with us; others have left.

5 | *Be passionate and committed*

A final element of success is the passionate commitment of everyone involved in the merger project. This shows in the confidence between top management, teams of collaborators and students.

During this time, SKEMA was audited by EQUIS and AACSB. In 2011 the school was re-accredited for three years by EQUIS and one year later by AACSB for five years.

EQUIS was very helpful: it validated the strategy a few months after the merger, showed us the ways for improvements and reaffirmed the priorities that were identified in the strategic plan. In 2014, the school won EQUIS accreditation for five years.

Conclusion

Whatever the future brings, this adventure has only succeeded because our collaborators, managers and students "bought" the project – and supported it come hell or high water. Our successful journey has not only been a matter of strategy; the human adventure is what has always propelled us forward.

It now remains for us to achieve our 2015-2020 strategic plan....but that's another story!

gf

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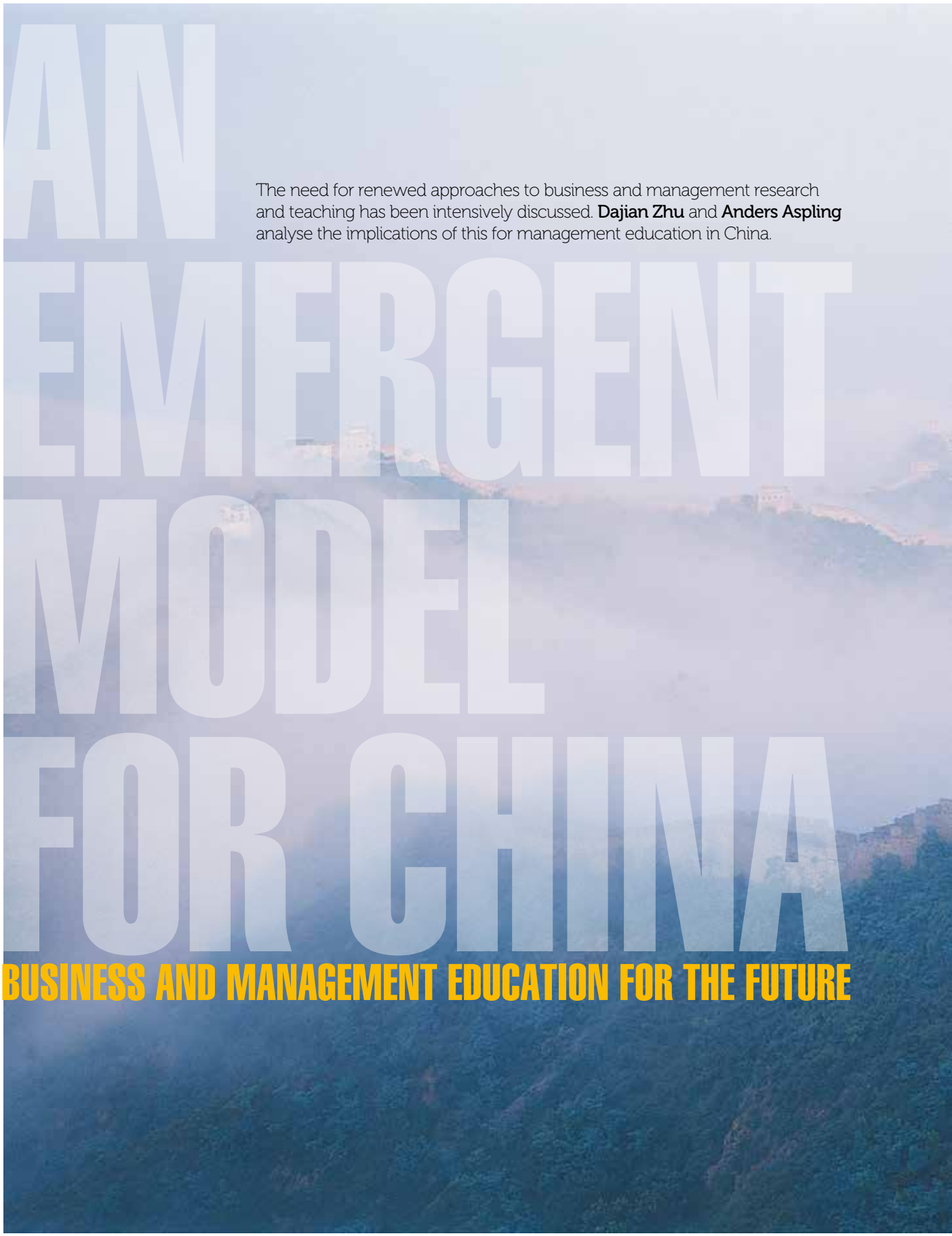
AN EMERGENT MODEL FOR CHINA

BUSINESS AND MANAGEMENT EDUCATION FOR THE FUTURE

The need for renewed approaches to business and management research and teaching has been intensively discussed. **Dajian Zhu** and **Anders Aspling** analyse the implications of this for management education in China.



> *In China, MSE is the earliest field of management research and education and includes fundamental theories, management skills and the quantitative methods of management science*

Business education began as an organised and focused activity in the early 19th century, first in France and then, towards the end of that century, in the US.

After the second world war the US model of management development came to influence large parts of the world. Business schools grounded in the US model were founded in many countries.

From the latter part of the 20th century and into the new millennium the dominant model for business schools and management education worldwide was heavily influenced by the US model, itself characterised by the reasoning of the Carnegie and Ford reports commissioned in 1959.

This model largely embraces values aligned with the belief that a strict market capitalism contributes to the welfare of society at large. Europe, with its more interdisciplinary and culturally diverse tradition, has struggled to integrate this model. Europe also represented a different approach to research – more quality oriented and less reliant on quantitative methodology.

Towards the end of the 20th century there were definite signs that the "Americanisation" of European business schools and management education was being questioned and challenged.

China management education 1.0

In the 1980s management education in China began based on the discipline of "management science and engineering" (MSE).

Many US and European academics have found it difficult to understand the discipline of MSE. In China, MSE is the earliest field of management research and education and includes fundamental theories, management skills and the quantitative methods of management science.

The concept of MSE developed from its roots in operations research and industrial engineering. While in the US this discipline is often technology oriented and falls into the schools of engineering or departments of mathematics, in China it is management oriented and related to the core of management education.

The MSE approach developed rapidly to become the major component of management education in China.

In the early 1980s many Chinese universities began establishing management schools or new departments of management science. By 1987 185 universities had established relevant schools or departments. This development built on the dual characteristics of management science research – a combination of technology and technical science (with natural science ingredients) and social sciences.

Unfortunately, it strengthened the orientation towards academic research without providing a sufficient understanding of management practices and practical implications for businesses and other organisations.

Further development of management education in the 1990s introduced the western concept of business administration. In the late 1980s and early 1990s business administration catered to the needs of enterprise management and grew rapidly.

In 1990, nine business schools started to offer MBA education as pilot schemes, extended to 65 schools in 2000. Enrolment increased from 105 students in 1991 to 10,238 in 1999.

The development of MBA education has also been greatly influenced by the MSE tradition – which leads to universities and schools requiring teachers to write academic papers rather than increasing their understanding of business management practice.

Following the introduction of international accreditations at the beginning of the 21st century, China's management education has continued to follow the American model, which has led to further academic orientation and an enhanced emphasis on academic publication.

The new millennium has also seen public administration emerge as an important dimension of the Chinese management field. Since 2000, social management issues have become of key importance in China's development. This has led to an urgent need to strengthen research on macro-management and public policies.

In 1999, the Academic Degrees Committee of the State Council approved the setup of Master of Public Administration (MPA) degree programmes in China, with a first batch of 24 pilot institutions. So far, nearly 100 institutions have been authorised to grant MPA degrees.

Over the past 30 years management education in China has basically followed the American model. From a Chinese perspective some of its characteristics are summarised below:

- The model is fundamentally oriented towards economic interests regarding teaching with an emphasis on "doing things right rather than doing the right things". It stresses the maximisation of shareholders' interests rather than the balance of stakeholders' concerns and pays less attention to the direction of management practices and how to promote leadership for sustainable development. It focuses on the technological and economic issues of an enterprise and pays no explicit attention to social and environmental issues or the role of business in society.
- The model is equally US-oriented regarding research and knowledge material. It uses predominately US management issues and cases and shows little interest in accumulating research in management practices of Chinese enterprises.
- The model is oriented towards publishing papers regarding social services with an emphasis on dogmatic scholarship. Modelling, quantitative analysis and number of publications in SCI and SSCI journals are the focus. Added to this there is a lack of engagement in management practices by academic intellectuals. (As an exception, owing to its strong tradition in project management and policy consulting, Tongji University School of Economics and Management (SEM) in Shanghai has developed a pragmatic orientation in its research and places great emphasis on social services based on this approach.)

Upgrading China management education to 2.0

The 2012 Rio+20 conference proposed and presented the "50+20 Agenda" for a management education system oriented towards sustainability.

The Agenda indicated that management education in the world should transform to more of a social market economy model with a global perspective and sustainability as common denominators – "Management Education For the World".

At this stage some suggested that Chinese management education could leapfrog incremental shifts to a sustainable development model and step directly into the sustainable management education model.

However, this implies at least three major transformations:

- from an efficiency-based management skills education to a benefit-based leadership education
- from US-contextual academic research to China-contextual research
- from academic intellectuals to socially engaged public intellectuals

A new China management education model

China's management education is in need of transforming from an imitation of the American model to a sustainable development model. We propose the ideology and path of the transformation from three aspects:

Object analysis

- Most Chinese business schools still follow the American model and they will not transform themselves until external conditions have radically changed
- Some independent business schools such as CEIBS should have higher potential and opportunities for rapid transformation

100

In 1999, the Academic Degrees Committee of the State Council approved the setup of Master of Public Administration (MPA) degree programmes in China, with a first batch of 24 pilot institutions. So far, nearly 100 institutions have been authorised to grant MPA degrees

- A small number of business schools are taking on a parallel strategy, organising some forces to develop the sustainable development model while at the same time following the example of the American model. Chinese universities with strong European connections and all major disciplines of management education available, such as Tongji, will have the potential for such a development in terms of both academic research, teaching and social engagement
- Initiatives taken for new innovative programmes or for establishing totally new business schools could be based on the sustainable management education model and a social market economy approach. (The provision of management education at NYU Shanghai may represent an interesting example.)

Subject analysis.

The transformation of China's management education is dependent on the influence of stakeholders, including government, enterprises and accreditation bodies as well as faculty and administrators inside business schools.

Generally, innovators are driven by internal motives while followers are driven by external pressures.

As China's business schools are mostly funded by the government, they are also obliged to undertake academic research. Their transformation is affected by government policies and discipline ranking. Only a few business schools are able to sponsor actively the movement towards a new model.

Tongji's orientation toward sustainable development has created a favourable environment for such a move by offering postgraduate programmes and courses on sustainable development and management; proposing the "China-model", which distinguishes China from the western world especially in terms of context-oriented research. Tongji SEM's CSR or sustainable business courses discuss in detail common issues and differences between China and the West.

Tongji also encourages and rewards academic influence and social influence in terms of services and carrying out joint projects on sustainable development with overseas institutions through exchange and collaboration. SEM sets up indicators and reward instruments not only on academic impact but also social impact. Many faculty and departments have a clear social service orientation such as urban mega-project management and sustainable business development in their curricula and research.

Process analysis

Systematic transformation depends to a large extent on how the "50+20 Agenda" and similar initiatives influence major international accreditations. It is only possible to "push" China's management education to change direction after the accreditation systems have changed their focus.

Therefore, the transformation will go forward in three stages:

- A minority of business schools take the initiative to make sporadic explorations under the drive of internal stakeholders
- Driven by external stakeholders, they systematically explore the sustainable management education model under renewed accreditation systems – and leading practitioners will appear
- Business schools will change direction on a large scale under the combined forces of external pressure and internal motives, which could be estimated to be another 30 to 40 year project (2015-2050).

China also has the opportunity of introducing an alternative accreditation model, fully integrating social services and sustainability dimensions, or adding new elements to CAMEA (China Advanced Management Education Accreditation – which started in 2013 with Tongji SEM as one of the first five schools to go through it). This could be pioneered by a group of leading Chinese schools in collaboration with their partners from the US, Europe and other parts of the world.

Conclusion

This short article has aimed to address the importance of contextualisation when looking at the future of business and management education. Contextualization is important to secure the richness of a continuously developing and quality guaranteed global diversity. It is important to enable learning across cultures. And, it is crucial to the importance of honouring differentiation.

This is one way of presenting a Chinese perspective on the future of business and management education. Context-based presentations also from other parts of the world would be welcome, as well as supplementary comments on the China development.

gf

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10th

Emerging World, provider of international development experiences, inclusive business strategies and corporate volunteering programmes, celebrated its 10th anniversary in 2014

PHOTOGRAPH COURTESY: Jeff Kay, Microsoft ©

Matthew Farmer sheds new insights on how skills-based volunteering overseas can help build tomorrow's global leaders

Building leaders through international development

"

Tell me and I will forget, teach me and I may remember, involve me and I will learn

BENJAMIN FRANKLIN

Benjamin Franklin's words have never resonated more truthfully.

The growth of experiential learning and frameworks such as 70:20:10 are formalising the way that learning and development (L&D) departments think about how employees learn and how to structure their learning interventions and processes. However, when it comes to global leadership development, what kinds of experiences are most relevant?

In the past, rotational assignments were used but many companies are phasing these out due to their expense and high risk of failure. So what kinds of experiences are relevant to build the capabilities of employees to tackle the global volatility, uncertainty, complexity and ambiguity of tomorrow? Enter Corporate International Service Learning (CISL).

CISL involves initiatives in which employees of corporations travel internationally to use their business skills in the service of third-party organisations, usually addressing a social need in some form or another, and learn as an outcome.

It was coined to encapsulate two kinds of experiences offered by companies – those driven by CSR/Corporate Citizenship as a structured form of corporate volunteering and those offered by L&D functions as a way of stretching and challenging leaders.

Over time, more companies have embraced these kinds of programmes. Early movers in the late 1990s included Zurich Financial Services, Accenture and PwC, sometimes supported by a facilitating NGO such as VSO.

Case studies of these programmes and the companies that initiated them highlight the quality of interventions and their innovative nature. After all, they were a good story to tell – executives out in developing countries helping people, lots of interesting pictures, the potential of doing good/saving lives – it all looks fantastic.

However, as more companies have got on board such as IBM with its Corporate Service Corps programme, which sends hundreds of people each year on CISL assignments, or Microsoft's Front Lines programme in which experienced senior leaders in the organisation work with strategic partners using action learning, the stakes have increased.

It has become more important to understand in greater detail what impact the programmes have on participants. What empirical data is there? And while the inspiration and immediate impact of these programmes seems intuitive, what about the long-term impact?

These are questions that we have been asking for some time at our company Emerging World, which operates in this field, and we decided to use the celebration of our 10th anniversary in 2014 to look for the answers. The findings were compelling.

The impact of CISL programmes is multi-dimensional. They have an impact on the projects, people and organisations operating in the developing/emerging world as well as an impact on the participants in the programmes and the organisations that employ them.

Within our research, we were initially most interested in the impact on participants, as companies need to show the ROI of these programmes if they are to continue to invest in them.

We were mindful that there is little existing data on the longer-term impact of these experiences and almost none from a cross-company perspective. Most of the published research has tended to take a case study approach.

Therefore, we undertook an empirical study into the impact of programmes on participants over the longer term. It provides fascinating insights into the power of these experiences and their value to corporations.

One of the challenges of undertaking cross-company empirical research in this area is the need to ask participants of programmes from different companies the same questions with regard to their impact. Companies tend to assess the impact of their programmes using sets of questions tailored to their own outcomes.

However, having worked with many different companies on these kinds of programmes previously, we were in a unique position to be able launch a cross-company study. We had also kept in touch with a range of participants enabling us to reach alumni who had changed employers since taking part in programmes. In our first phase, we were able to collect data from 65 participants in eight different CISL programmes offered by six separate organisations.

The results can be summarised into three different areas; all of which are key outcome areas that companies look for in these programmes:

- the impact on participants' leadership capabilities
- the impact on career mobility
- the impact on employee engagement

In terms of leadership skills, the research shows how strong the learning is and how relevant to the future are the competences and behaviours that these experiences develop.

Respondents had completed a CISL experience (ranging from one to 12 weeks) at least 12 months prior to participating in the research (and in some cases up to eight years previously). Therefore, unlike other studies, we were able to understand what participants have been able to apply to their work and lives on return.

We used Kirkpatrick's levels of learning framework to consider the results, as this was the most popular framework among companies. Ninety-eight per cent of respondents had recommended their programme to at least one other person, which is a very powerful indicator of a positive reaction (Level 1 on Kirkpatrick's scale). But our questioning also revealed that 92% of respondents felt that their experience had made a positive difference to their leadership skills and competencies (Level 2).

Questions designed to elicit data at Level 3 confirmed that 79% of participants had made positive changes to the way they worked as a result of the experience while 62% said that these changes had been observed (and reported on) by others.

Unlike studies that capture more immediate responses where the enthusiasm of the experience is still fresh, this data shows what participants have actually been able to achieve and apply over time.

PHOTOGRAPH RIGHT COURTESY Jürg Stadelmann, Credit Suisse ©

Other data shows how the experiences affect 12 different global competencies and behaviours required by leaders to be effective in a global context.

These range from important qualities such as self-awareness, self-confidence and the ability to deal with ambiguity through to behaviours such as working with culturally diverse groups and teams and initiating new ways of doing things. These competencies have been identified by leading researchers in this area as important global competencies required to succeed in the future.

An interesting nuance is how the level of stretch (or the degree to which you are out of your comfort zone) affects learning – something that has intrigued us for many years. We were able to start to see patterns that indicated that more stretching assignments were stronger at building self-confidence and self-awareness and at developing competencies such as the ability to deal with complexity.

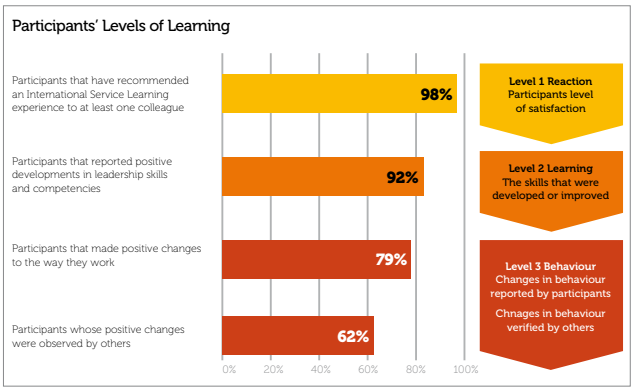
We could also see the differences between shorter and longer experiences and between group and individual assignments.

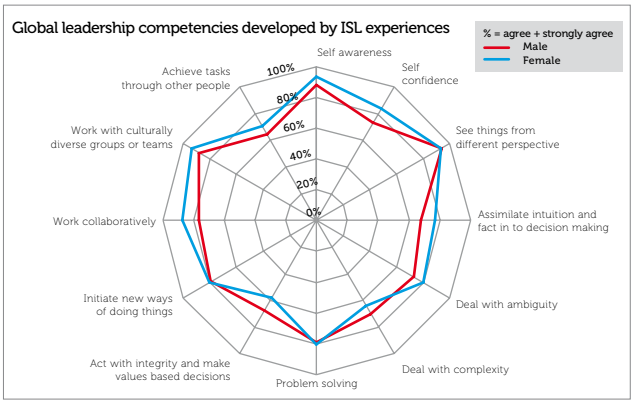
Companies interested in offering these programmes are often curious about how the experiences impact career mobility and retention. Our intuition was that these frequently visceral experiences, which bring colliding perspectives into play create significant disruption in individuals' usual thought patterns, which drives changes and can cause them to seek new challenges and experiences.

The data showed that 65% of respondents indicated that their CISL experience had been a factor in changing roles after their assignments but there was very little evidence to support that these experiences led to increased overall attrition. Indeed, the effects on employee engagement were very positive – although, interestingly, stronger for shorter (less than four weeks in the field) than longer experiences.

These data-driven insights have led to us to undertaking a wider study in which we have had over 300 responses from CISL programme alumni from five companies – BD, Credit Suisse EY, GSK and Microsoft.

PHOTOGRAPH ABOVE & BELOW COURTESY: Jeff Kay, Microsoft ©





The study, launched in October 2015, provides additional weight of responses and creates a benchmark that will not only enable other companies to measure the impact they are having with their programmes in this growing field but also a framework for how they can improve them.

The study also identifies the variables that have most impact on participants' learning and engagement. You can find out more about the findings during a special webinar scheduled for November 12th at 16.30 (CET).

Many practitioners will recognise that international development for executives needs to be relevant, viscerally impactful, immediate and preferably actively endorsed by the CEO in order to get serious attention and achieve business results.

In this globally integrated and uncertain world, leaders also need externally focused experiences that help them to understand different cultures and operate effectively within them.

CISL programmes tick all of these boxes and CEOs should enjoy championing such inspirational work - and now we have the data to demonstrate their business impact.

> *Our intuition was that these frequently visceral experiences, which bring colliding perspectives into play create significant disruption in individuals' usual thought patterns, which drives changes and can cause them to seek new challenges and experiences*

gf

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Confucius said that rulers need three resources: weapons, food and trust. The ruler who cannot have all three should give up weapons first, then food but should hold on to trust at all costs. **David Watkins** explains

The toughest leadership challenge?

Building Trust

43%

In terms of the credibility of people, academics and other experts are the top of the trust list (67%); CEOs are at the bottom (43%). And this gap is wider than in 2009

> *"Trust is the emotional glue that binds followers and leaders together. The accumulation of trust is a measure of the legitimacy of leadership. It cannot be mandated or purchased; it must be earned*

112

After more than a decade of careful study of 112 considered characteristics, "honesty and integrity" stood out as being the most universally "desirable" leadership characteristics

2139

Bernie Madoff, having run the largest Ponzi scheme of all time and swindling some $65 billion, was sentenced to 150 years in prison he will get to taste freedom sometime in 2139

Trust has become one of the most pervasive – and perhaps for that reason least noticed – aspects of social and business life. We need it in order to live at all. Think about how we conduct our daily lives – would you go to a dentist or doctor with a suspicious reputation?

Trust is like a bank account. You can make deposits and withdrawals. The higher the trust account, the more likely that the company (or person) will attract more business. We trust in the things that we have confidence in.

Therefore, leaders must deal and trade in trust. They should have an understanding of how trust is built, sustained and if necessary recovered. As Warren Bennis stated in his book *On Becoming a Leader*, one of the basic ingredients of leadership is integrity. Integrity is the basis of trust. Integrity, however, cannot be acquired – it must be earned.

Project Globe, a study conceived by Robert House of the Wharton School of Business in the US, set out to measure the most universally acceptable great leadership characteristics. After more than a decade of work and careful study of 112 considered characteristics, "honesty and integrity" stood out as being the most universally "desirable" of those leadership characteristics.

Nevertheless, we appear to be beginning to witness a crisis of trust in leadership. Too many scandals, too many examples of misused power and too many broken organisations are leaving us with a predisposed assumption that leaders cannot be trusted.

Take Bernie Madoff, for example. He ran what appeared to be a successful finance and investment firm and as a non-executive chairman of Nasdaq at the time presumably generated a perception of great integrity. One who could be trusted with an individual's life savings.

But hiding behind the mask was a leader who, according to Denny Chin, his federal trial judge, committed crimes of "extraordinary evil". Madoff, having effectively run the largest Ponzi scheme of all time and swindling some $65 billion, was sentenced to 150 years in prison. Madoff has dealt his last card as, on paper at least, he will get to taste freedom sometime in 2139.

According to the Edelman Trust Barometer of 2014, trust in company leadership has plateaued. In terms of the credibility of people, for example, academics and other experts are the top of the trust list (67%); CEOs are at the bottom (43%). And this gap is wider than in 2009. This surely means that the time is ripe for business leaders to have the courage to act aggressively through transparent engagement in their activities.

Company results are driven by actions and actions are driven by attitudes, perceptions, behaviours and beliefs about what is right or wrong.

In the book *Leaders: The Strategies for Taking Charge*, co-written by Bennis and Burt Nanus, it is claimed that "Trust is the emotional glue that binds followers and leaders together. The accumulation of trust is a measure of the legitimacy of leadership. It cannot be mandated or purchased; it must be earned".

If this is true, then our leaders must recognise and understand within their leadership process how others around them feel. And this understanding must come from within – the head and the heart. Great leaders are able to face up to the reality that they need to manage stakeholder expectations and the dual commitments of relationships and results; not put one over the other. Maximising profit in the short-run may hurt trust-building with other stakeholders in the long-run.

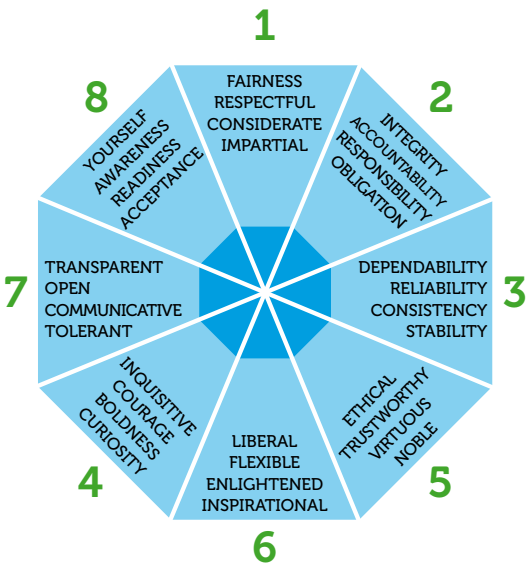
Perhaps, therefore, we should consider that establishing trust is much more about behaviour rather than processes. Good leaders are followed chiefly because people trust and respect them rather than the pure technical skills they may have.

If leaders can get this right, they typically produce consistently high performance almost any way you can measure it – gross sales, profits, talent retention, company reputation and customer satisfaction.

But where to start?

One approach is my pragmatic model the "Eight axioms of honest leadership". (see diagram below) The model collates the traits and behaviours that I believe represent trust and honesty. These behaviours are grouped together into eight axioms. These further combine into the easy-to-remember acronym FIDELITY:

The axioms are not a list of tasks to plan and do. They are behaviours to consider and master. Leaders work at embedding these behaviours into observable actions in order that all or some can become habits. A leader should aim to achieve "habitual honesty".



EIGHT AXIOMS OF HONEST LEADERSHIP

Anchoring the axioms

Actions that ranked highest in the Edelman survey included clear and transparent communication, telling the truth (regardless of how unpopular or complex it is) and regular engagement with employees.

But building trust is not just a matter of being truthful. Rather, it requires a concerted effort to change personal behaviour and, in doing this, careful consideration of the observable actions. Here are some ideas:

ANCHOR 1:
Look in the mirror

The best place to start is with yourself. If you are honest with yourself you will be seen as honest by others. Self-awareness and control help demonstrate integrity and moral intelligence. Self-honesty starts with the recognition of your main responsibilities – to yourself, to your followers, to your organisation and to other stakeholders.

This also means accepting what you discover. If you suffer from self-delusion that everything is not your fault – for example, you lay the blame on difficult customers, an unreasonable boss or soft market conditions – then you mislead yourself and your team, and you will make faulty decisions.

ANCHOR 2:
Increase your focus

To build trust you need to focus on it. But when you focus on something it tends to increase. For example, if you focus on the fact that your car is old and needs expensive repairs, you get a bit depressed.

Then when you think about this and focus on it, what happens? You start to think of other things that you had forgotten about and you need to repair – the crack in the bathtub, the kids' broken bikes and so on. Focus increases the thing you are focusing on.

With this in mind, try to focus on the things you need to do to instigate the axioms. Think about just one thing.

For example, if you are the type who tends to work behind a closed door, think for a few minutes about the message that your closed door provides to your team. Does it demonstrate that you are ready to guide others and act as an inspirational leader? Probably not – how could it when you put up a barrier between yourself and your followers? Focus on keeping it open.

> *Honesty and building trust is a never-ending job; you have to maintain your focus to do these things and continually question yourself and monitor your actions*

ANCHOR 3:
Communicate with inspiration

Of course you know it is critical to communicate. I do not mean a town hall meeting and assuming everyone is on board – the success of any communication lies within the receivers' heads; they determine if they understood and accept your message.

Some simple rules:

Do not lie or hide the truth

Eventually lies will catch you. Tell it like it is. If it is bad news, say so. But tell people what you are doing to make it better. If it is good news, say so and thank people. Be humble. Integrity starts in your communication.

Be personal

Do not be afraid of sharing experiences and telling stories. If you stay at arm's length then you can expect others to hold back and stay reserved. This will not promote a transparent and trusting culture and is not inspirational. Open up.

Avoid vagueness

Specificity is better than ambiguity. Learn to communicate with clarity. Simple and concise is better than complicated and confusing.

Focus on giving

The best communicators are adept at transferring ideas, aligning expectations, inspiring actions and spreading their vision. Communication is not for you – it is for your followers.

Listen first

Great leaders know when to dial it up, dial it down and dial it off (mostly you should focus on down and off). This is not about all-round dialogue.

Be empathetic

Ensure that your communication is candid, empathetic and caring and not full of an inflated ego.

Be aware of your gaps

Be aware of what you are not saying or doing.

ANCHOR 4:
Look around, benchmark the best

If you see a great idea there is no reason to be ashamed to borrow it and adapt it to your needs. As the great investor and philanthropist Warren Buffet said: "It's better to hang out with people better than you. Pick out associates whose behaviour is better than yours and you'll drift in that direction". Look out for your benchmarks wisely and follow them.

ANCHOR 5:
Show you care

This is vital as you have to execute with people not processes. This means you must show the people that you care about them and build a baseline trust. And people will determine the success or failure of your efforts.

Finally, honesty and building trust is a never-ending job; you have to maintain your focus to do these things and continually question yourself and monitor your actions. What are you waiting for?

gf

ABOUT THE AUTHOR

David B Watkins is a consultant, coach, author, facilitator and leadership shaper with over 20 years business and leadership experience across the world. He recently published his first leadership book *Where's my dog? The Search for Honest Leadership* available in Amazon stores worldwide. David.B.Watkins@gmail.com

Mariet Vriens describes current research into virtual internships and their advantages and pitfalls

Virtual internships:

What's in it for business schools?

In 2009 the Media and Learning Department of the KU Leuven in Belgium began exploring the possibilities of virtual internships. After a decade of building experience in virtual mobility (or ICT-supported international learning experiences), this seemed a logical next step.

The topic also became increasingly relevant against the background of globalisation and the increasing need for graduates to have international work experience.

Undertaking a "real life" international internship, however, can be quite an endeavour. It is not always feasible for students because of financial or social reasons. Internships abroad are also not easy to combine with other schoolwork.

Would it be possible to "send" these students on a virtual international internship, where all communication and collaboration between student and company takes place with the support of ICT tools? We set out to find out.

Supported by the Life Long Learning programme of the European Commission, KU Leuven co-ordinated two European projects about virtual internships between 2009 and 2014.

The first project, EU-VIP (www.euvip.eu), brought together 16 partners from eight different European countries, mainly student networks and higher-education institutions.

In the second project, PROVIP (www.provip.eu), 14 partners joined forces and a number of business networks were also included to strengthen the company perspective.

As a network bringing together businesses and business schools, EFMD was a very valuable partner in both projects, which focused on applied research. Theoretical frameworks were tested and improved through small pilot projects.

8

The first project, EU-VIP, brought together 16 partners from eight different European countries, mainly student networks and higher-education institutions

14

In the second project, PROVIP, 14 partners joined forces and a number of business networks were also included to strengthen the company perspective

> *A virtual internship helps to equip the student with the necessary skills for teleworking and online collaboration in an international setting, skills that he or she will most likely need more and more in his or her future professional life*

So, what's in it for you?

A virtual internship is, of course, very different to a "real" internship but the experience none the less valuable. It is an additional way of providing students with an international work experience with its own merits and problems.

One clear advantage is that a virtual internship helps to equip the student with the necessary skills for teleworking and online collaboration in an international setting, skills that he or she will most likely need more and more in his or her future professional life.

International internships should always support the student in the development of international and/or intercultural competencies. We talk about international competencies when we refer, for example, to knowledge about different international systems or markets. This knowledge can, of course, be perfectly transferred over the digital highway.

Intercultural competencies are more generic and value based. They are about effective and appropriate behaviour and communication.

Gaining intercultural competencies is a long and complex process. It is not realistic to expect this process to develop during a (virtual) internship. What is possible, however, is the development of intercultural "awareness": the realisation that things are done differently and that other values are important in other cultural settings.

Body language and intonation will be less in the forefront during virtual interaction, of course. The focus here is on differences in written communication, negotiation styles, business cultures, decision-making processes and so on.

And finally yet importantly, the field of business and marketing studies is par excellence suited for virtual internships. While it is difficult to see how a medical trainee would treat patients in a hospital abroad via a laptop, you can perfectly picture a student writing a communication plan, undertaking market research or analysing business concepts while he or she is not at the premises of the company.

Are companies interested?

More and more. When we started with the EU-VIP project in 2009, it was very difficult to reach the companies as a stakeholder group. There was a lot of scepticism and businesses had a difficult time seeing the advantages virtual internships could hold for them.

A conscious effort was therefore made to include representatives of businesses more strongly in the partnership of the follow-up PROVIP project.

The type of company that virtual internships could be a valuable option for became clearer: not so much the big multinational with rigid internship structures but small companies where resources, staff and space were scarce.

To these companies virtual internships can offer cost-effective access to specialised knowledge of local markets or native speakers. The virtual intern can take up that "project in the drawer" for which there are lots of ideas but never enough time.

Next to this more refined picture of target companies we have also felt over the last five years a more general shift in the attitude of companies towards virtual internships. We can only assume that this is closely related to the growing importance of telework and online collaboration as a whole.

"To these companies virtual internships can offer cost-effective access to specialised knowledge of local markets or native speakers. The virtual intern can take up that "project in the drawer" for which there are lots of ideas but never enough time

Do virtual internships always work?

Too be short: no. There are some does and don'ts.

First of all, virtual internships are not suited to all students. Too be successful in a virtual internship students need to have a high degree of autonomy and maturity. Students following a master or postgraduate programme are the strongest candidates.

Next to this, adult learners are an important target group especially because they are likely to benefit the most from the flexibility offered by a virtual international internship.

Virtual internships preferably take on the form of clearly defined bigger projects with detailed milestones. Students need to be able to fulfil their tasks independently with a lot of flexibility while also keeping in regular contact with the company.

An important success factor is also the importance of the outcomes of the internship to the company. To stay motivated while working for a company at a distance, students need to be convinced of the added value of their work and the fact that the company is counting on them to complete their project.

Regular contact between company and student is important for a number of reasons. A virtual internship contains a high risk of the student feeling isolated or the company feeling it has no "control" over the intern.

One condition for success of a virtual internship is to have clear agreements about the communication and collaboration tools that will be used and the rules that will be applied while using them (frequency, time for reply, contact hours and so on).

The available IT tools for online communication and collaboration are numerous. Some tools disappear, others are constantly being updated and new tools emerge every day.

To support a virtual internship you can use simple tools such as email as well as complex ones such as video conferencing. In addition, old-fashioned telephone calls can sometimes be just as effective as using the latest trendy app on your smartphone.

When choosing the tools used for communication and collaboration during a virtual internship, the keywords are always accessibility and usability. Use technology that is accessible, easy to use and preferably already used by everybody involved.

However, a virtual internship always benefits from using a mix of communication tools, including tools for synchronous "face-to-face" communication (like Skype or Google Hangouts).

Another important issue is to make sure that the student is in contact with different employees of the company. This will have an impact on his or her "organisational socialisation", in other words: the degree in which he or she feels part of the company and is exposed to the organisation's social and cultural background.

This brings us back to the specific goal of international internships mentioned above: stimulating intercultural awareness. This is only feasible in a setting where the student collaborates with more than one employee. Otherwise you run the risk that personality traits rather than cultural identities dominate the experience.

> *Stimulating intercultural awareness – this is only feasible in a setting where the student collaborates with more than one employee, otherwise you run the risk that personality traits rather than cultural identities dominate the experience*

Interested?

We hope so. Even though the concept is still relatively new and needs further exploration, we have already experienced the valuable addition it can be to a traditional internship programme. When addressed in the right manner, a virtual internship can be a flexible and accessible way for students to gain international work experience from the comfort of their own homes.

gf

ABOUT THE AUTHORS

During the last decade, Mariet Vriens has been working on different aspects of educational technology for the central educational policy services of the KU Leuven. In this respect, she was responsible for the management of several European projects on virtual mobility. She recently joined the Leuven Institute for Media and Learning, where the scope of her work has shifted towards the use and development of educational video.

TIME TO SAY '**JE SUIS DIVERSITY**'

Global migration has introduced us to new communities and new religious practises. **Edwina Pio** asks how we can best reconcile them

How we handle the challenges of today will determine the future of our fragile planet and our humanity. Immigration is changing the composition and texture of workforces both nationally and globally.

The world contains over 5,000 ethno-cultural groups. Technology, cheap airfares and the global economy have scattered people in countless combinations around the planet and in organisations.

We need to move away from solitary identities that stereotype and put people and organisations into boxes. An individual may be a mother, sister, daughter, corporate lawyer, a Muslim, from Afghanistan and a New Zealand national.

Our corporate organisations need to ask some urgent questions: What if our actions were imbued with the sacred? What if activism in organisations evokes better local society and responsible global community? What if sacred activism signals the performance of a deeper understanding and mindful actions for organisations?

We need to understand were the sweet spot is in organisations as we scrutinise gateways of opportunity and pathways to success and influence. And yet organisations are reflections of the environment and so we have to look outside organisations to understand what is happening inside them.

Re-storying our relatedness may mean replacing a master narrative with multiple narratives, each of them true in a particular context and within a given set of circumstances, dependent on religion, geography, culture, migration history and economic prowess. In a planet which is so diverse perhaps the mantra that needs chanting is *Je suis diversity*.

Diversity is always politically charged and is a complex weave of historical and socio-economic legacies. These weaves affect the practices of organisational and societal life.

There are many approaches to viewing diversity, including ones that primarily focus on the negatives of diversity.

However, a positive approach to viewing diversity asks the following questions: What is the nature of opportunities minority groups have access to? How does diversity impact group performance in areas such as creativity?

This approach focuses on what makes individuals push towards optimal functioning within the context of five diversity megatrends within which religion is embedded.

Demographic patterns

Increasing global mobility and growth of "non-traditional" migrants in Western countries. Worldwide in 2013, international migrants were approximately 232 million, accounting for some 3.2% of the world's population.

Religious growth

Multiple religions diffuse historically religious monopolies and drive religious diversity. In 2014, Christians constituted 31.5%, Muslims 23.2%, Hindus 15.0%, Buddhists 7.1% and Jews 0.2% and in total account for roughly three-quarters of the world's population.

Corridors of Commerce

BRICS, Asia Pacific and halal areas are billion dollar markets.

Human Rights

Fusion of sacred and secular, accommodation and good faith requiring employers to accept religion and/or ethical observances as long as the practice does not unreasonably interfere with the business, guidelines on religious diversity in the workplace.

Whole self@work

Framing diversity in terms of relationships focuses attention on the nature of people's encounters with one another. These encounters are embedded in the history of societal relations between diverse groups, including the distribution of power, which shapes social roles, expectations and meanings at various group and individual levels.

The Sufi poet Jalaluddin Rumi reminds us: "Sell your cleverness and buy bewilderment", which is the purpose of the following three conversation points.

5k

The world contains over 5,000 ethno-cultural groups scattered in countless combinations around the planet

3.2%

Worldwide in 2013, international migrants were approximately 232 million, accounting for some 3.2% of the world's population

CONVERSATION ONE

Help! I am inundated with diversity

Organisations can check their own religious data. What are some of the compelling questions which need to be asked? What kind of literature and discourse is available on diversity? Ask managers in organisations how do we co-create this knowledge?

Raising sociocultural awareness and consciousness can explode a skewed understanding of diversity. Governance changes can render organisations more beneficial to humanity and reduce the costs they inflict on humanity, where long-run consequences can dominate short-term benefits, where there is a willingness to transport wealth, imbibe knowledge and disseminate inclusive organisational practices through novel ideological constellations.

We want organisations to be diversity-sensitive in a holistic manner – we want both gateways (access) and pathways (career progression) – we want accountability at all levels, we want contribution at all levels.

CONVERSATION TWO

Exposure to tales of difference and circumventing religious phobia

Structural disadvantage resulting in a "shackled runner" is a powerful force to consider when investigating diversity and encourages the implementation of positive discrimination or the specific recognition of characteristics such as ethnicity, which may disadvantage a group through no direct fault of their own.

In seeking to side-step diversity penalties, a decision-making process that is premised on social justice and fairness can lead to transformative change.

Within countries across the European Union the Muslim population numbers around 20 million and represents 3.8% of the European Union's total population, making it the largest minority religious grouping in the region.

Over the next 15 years, Pew Research predicts that there will be about 58 million European Muslims. The significant population of Muslims in many countries in the West is also contributing to their economic, political and cultural influence, particularly in urban areas. Indeed, the usual negative images and stereotypes pertaining to Islam are in sharp contrast to its etymology, which means peace, and ignores Islam's cultural and ideological heterogeneity.

Recently there has been an enormous growth in the Islamic banking and finance industry and products in the West, providing Muslims and others with an opportunity to engage in interest-free transactions, which is consistent with the Islamic ethic of creating a world free from economic exploitation and disparities.

David Cameron, UK Prime Minister, announced in 2013 that the UK will issue a £200 million Islamic bond, or *sukuk*, making it the first non-Muslim country to tap into Islamic financing.

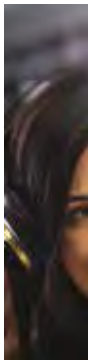
Organisations can eschew fundamentalism by paying attention to their religious minorities, reaping diversity dividends and making a difference by blessing our uncommon humanity.

20m

Within countries across the European Union the Muslim population numbers around 20 million and represents 3.8% of the European Union's total population

58m

Over the next 15 years there will be about 58 million European Muslims



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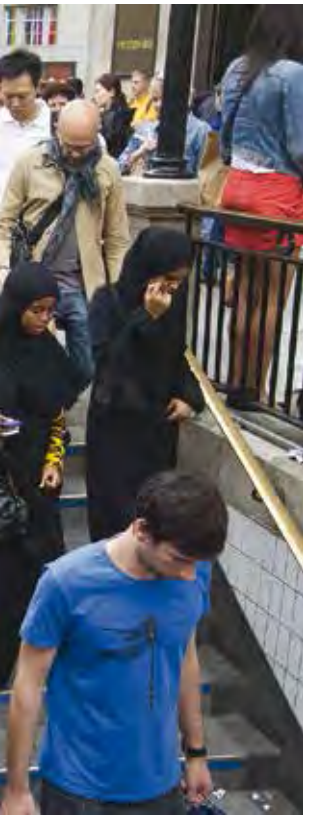
Religious radio stations have quadrupled over the past 25 years, while religious television shows increased fourfold



CONVERSATION THREE

In praise of an expanding circle of inclusiveness

The challenge before societies in an era of economic globalisation is the need to work towards a pluralistic and sustainable world order on principles that transcend the temporary goals of pure economic efficiency and expedient realpolitik.

The antidote to the short attention span of the global market oriented society is mindfulness to what is unique, specific and irreducible in human events and existence.

We need an inclusive, less arrogant and more attuned approach to social knowledge and action, including a global appreciation and respect for diversity.

Minorities, too, need to challenge the model of victimisation and stand tall and resilient, without arrogance or cleverness but with dignity, respect and know-how to negotiate the rivers of our lives.

Crafting policies, talent management, learning and development are key to expanding circles of inclusiveness. Inclusion in the workplace necessitates a discourse to integrate multiple voices. Diversity has to be constructed, deconstructed and reconstructed. *Je suis diversity* seeks recognition and depends on social relations and acknowledgement.

Global migration has ensured that organisations have a rich base of potential employees to select from and to promote. Migration has also clearly complicated simple divisions such as work and religion, private and public, the sacred and secular.

> *Diversity has to be constructed, deconstructed and reconstructed. Je suis diversity seeks recognition and depends on social relations and acknowledgement*

Yet such migrant complications also mean access to multifarious worlds, markets, technologies and knowledge bases. Religious radio stations have quadrupled over the past 25 years, while religious television shows increased fourfold. Corporate chaplains, who number in the thousands, represent a booming industry and careers related to spirituality and counselling in the workplace continue to gain in importance.

The diaspora tends to unsettle existing stasis in organisation and urges the need for multiple voices to be acknowledged. A special issue of *The Economist* (2011) focused on the diaspora phenomenon highlighted how migrant business networks are reshaping the world by providing not only financial investments but also the critical managerial and technical skills needed for economic development.

In a woven universe we are all intimately linked, we are called to be future makers through respectful reciprocal relationships.

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ABOUT THE AUTHOR

Edwina Pio is New Zealand's first Professor of Diversity. She teaches at the Business & Law School of the Auckland University of Technology. A Fulbright alumnus, she is Research Leader of the Immigration and Inclusion Group, Co-director of the Global Centre for Equality and Human Rights and Associate Director of the New Zealand India Research Institute.

Andrew Rutsch sheds light on the Spanish energy firm's evolution to international sector leader

From rational strategies to emotionally rich business journeys

The Gas Natural Fenosa case

The shift from the industrial to the information age is on its way. After two world wars in the last century, people were longing for a calmer life and satisfying basic needs such as TVs, cars or holidays abroad. The economy was thriving, firms competed primarily within their industry boundaries and change was rather incremental. In that environment, businesses were able to profitably grow by creating and exploiting knowledge based assets – core competencies, intellectual property and functional expertise – that delivered rational value: computers with stronger CPUs and memory, TVs with better resolution and so forth.

The shift away from the rational industrial age

In today's uncertain information age, doing business is shifting. Offers to choose from are abundant, capital and labour much more mobile, traditional businesses under attack by new entrants (think Amazon, Google, Apple, Airbnb, Uber) and saturated consumers seek both performance and meaning – altogether driving incremental and radical change. Factor in the advent of digital technology that accelerates the flow of information and fast-forward a few years: the convergence of knowledge is close. It becomes less exclusive and increasingly difficult to use as a differentiator.

"The workshop theme was focused on developing middle management as the strategic lifeblood of enterprises but the exchange soon evolved into a discussion of how people and businesses should be led in today's information age

50

Stengel in his ten year growth study found 50 businesses that outperformed the S&P 500 index...

57%

...in the case of Starbucks, he found that its revenues attributed to emotional connection grew from 26% in 2001 to 57% in 2010

Hence, creating a new knowledge-based advantage that delivers rational value may be a ticket to the game. To win the game, however, requires routinising and emotionalising such value creation. For example, Stengel (2011) in his ten-year growth study found 50 businesses that outperformed the S&P 500 index. In the case of Starbucks, one of the growth stars, he found that its revenues attributed to emotional connection grew from 26% in 2001 to 57% in 2010. In the same time period, FedEx, another star, lifted this same metric from 17% to 55%. While this influence is commonly accepted by B2C companies, B2B companies such as German growth leader Kuka, a robotics company, are proactively catching up.

The last EFMD CLIP Sharing Best Practice Workshop hosted by Spanish international energy firm Gas Natural Fenosa on 20 March 2015 in Barcelona, Spain, provided rich insights into this shift. The workshop theme was focused on developing middle management as the strategic lifeblood of enterprises but the exchange soon evolved into a discussion of how people and businesses should be led in today's information age.

Gas Natural Fenosa – from national to international sector leader

The evolution of Gas Natural Fenosa provides an illustrative example. It can be grouped into four major steps:

- 1843 – 1912: Beginnings
- 1912 – 1987: Expansion in the Iberian Peninsula
- 1987 – 1992: Consolidation in the gas sector
- 1992 – 2015: International business expansion and diversification

Today, Gas Natural Fenosa is present in more than 30 countries with 23,000 employees, offering services to more than 23 million customers. The acquisition of the electricity company Unión Fenosa in 2009 allowed it to bring gas and electricity provision together in order to compete in an increasingly integrating and globalising market. In a harsh environment, it has focused on efficiency gains and strong international expansion resulting in incremental net turnover and profit progression over recent years.

The firm's targeted evolution from national to international leader reflects a focus on the "hard" (key assets, business model) and "soft" side (collaboration, culture) in pursuing profitable growth. On the hard side, it is advancing from satisfying existing customer needs (such as combining gas and electricity) into also emerging needs (such as renewable energy) by actively growing and acquiring critical assets as part of its business model evolution. To reinforce and sustain such hard change, firm leadership emphasises the softer side: by building a stronger collaboration with its staff – one that actively solicits their engagement and inputs towards a growth culture that will drive its future progression.

Engaging middle management as lifeblood for profitable growth

Practice and research show that the most critical success factor in how to realise profitable growth is actual leadership practice: how the company's management mobilises and orchestrates key constituencies and whole markets through strongly interactive and system shaping practices towards creating a social movement which continuously strengthens and evolves its business model, culture and performance (Rutsch 2015). So one key group the firm has recently started to engage proactively towards that end is its middle manager population.

Its current role and potentially much larger contribution became clear when Gas Natural Fenosa was recently faced with rolling out global distribution and sales processes. This would affect tens of thousands of key stakeholders in how the company attempted to work going forward. Also, an employee survey in 2013 reinforced the call for action: a clear need to strengthen the role, development and impact of its 2,500 middle managers – a very diverse group ranging from department heads to operational unit managers – to reinforce the firm's evolution and help mobilise the rest of the organisation: the "Jefaturas" programme was launched, with ten work streams aiming to turn this key group into a vector for profitable growth (Figure 1).

ALL PHOTOGRAPHY COURTESY Gas Natural Fenosa ©

FIGURE 1:
TEN WORK STREAMS TO DRIVE AND SUSTAIN THE PROFITABLE GROWTH

CATEGORY	PERFORMANCE	DEVELOPMENT	STRENGTHENING THE ROLE
ORGANIZATION			Optimize chain of command Reclassify
LEADERSHIP	Reinforcing and strengthening the Leadership Model		Strengthening the role modelling, aligning it with the Gas Natural Fenosa Leadership Model
TALENT CYCLE	Improving the feedback process	Creating a '**Jefaturas**' School Reviewing mobility and diversity plans	
PERFORMANCE MANAGEMENT			Performance evaluation Recognition Compensation Rewards
COMMUNICATION	Improving the communication process between top level management, middle managers and contributors Encouraging collaboration betwen areas	Design platforms to lever the value and knowledge of middle managers, involving them in strategic reflections	

30

Gas Natural Fenosa is present in more than 30 countries with 23,000 employees...

23m

...offering services to more than 23 million customers

"At the core of Gas Natural Fenosa's transformational ambition lies the "Jefaturas" School which meanwhile has been rebranded into Savia – the Spanish meaning for lifeblood – in energizing Gas Natural Fenosa's profitable growth

At the core of this transformational ambition lies the "Jefaturas" School, which meanwhile has been rebranded into Savia – the Spanish meaning for lifeblood – in energising Gas Natural Fenosa's profitable growth. With a blend of hard (operational excellence) and soft content (influence and team management) and a highly interactive format steered and supported by the company's leadership over one year, it is the nucleus in starting to turn the firm's global future and new identity into reality by helping build middle managers' capabilities and performance as well as sustained interaction amongst them and with the rest of the organisation.

First promising results have started to materialise: Rationally, programme participants are putting their lessons learned into actual use and the new distribution and sales processes are delivering efficiency gains. Emotionally, people are highly satisfied with the programme and they are requesting to continue deepening their impact on strategic plans and on people management and security improvement. In other words, they have started to internalise the values that Savia reflects: strength, joy, vital energy and capacity. Because of the programme's success, company leadership decided to maintain its commitment: to continue the programme, strengthen the leadership model, and continue the key drivers defined.

2.5k

The "Jefaturas" program was launched in response to a clear need to strengthen the role, development and impact of its 2,500 middle managers – a very diverse group ranging from department heads to operational unit managers , and to reinforce the firm's evolution and help mobilize the rest of the organization

The new norm: Towards emotionally rich business journeys

The Gas Natural Fenosa case stands out because of two factors: a move from a one-off programme towards a continuous journey, and several measures seeking to shape the larger social system as opposed to its partial optimisation. This is a departure from the prevalent practice in many organisations seeking quick fixes to deeper problems in an uncertain and accelerating environment. Turning the game around, they strive towards a continuous business journey, with senior management driving a two-way collaboration with key actors towards sustainable profitable growth. That way, it is emotionalising the journey – by building relationships and amplifying its softer side – but is rationally sharply focused on the short- and long-term hard evolution required in its key assets and business model.

A popular McKinsey article (Bradley, Bryan & Smit 2012) discusses this trend: the need for a regular dialogue that involves a larger group of stakeholders to help firms adapt in times of murkiness. The authors argue in favour of building an institutional, interactive practice of tackling both operating issues and enacting rational strategies that evolve over time – and thus become emotionally much more internalized. While companies are moving forward in engaging more proactively their middle managers (Vilà & Canales 2008), evolving prevalent rational management into a wider growth focused leadership practice that is rationally and emotionally rich should and will be the way forward, in today's information age that drives rational convergence and rewards emotional connection.

The Gas Natural Fenosa case stands out because of two factors: a move from a one-off programme towards a continuous journey, and several measures seeking to shape the larger social system as opposed to its partial optimisation

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ABOUT THE AUTHOR

Andrew Rutsch works with business owners and leaders to shape and sustain profitable growth in B2B and B2C markets. He received his Doctorate from the University of Pennsylvania, Philadelphia, US, that created a new method to simplify market shaping, profitable growth.

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OCTOBER 2015

EVENT
Executive Development Conference
DATES / VENUE
14-16 Oct / Barcelona, Spain
THEME
Learn to Transform in Unpredictable Times
HOST
Barcelona School of Management

EVENT
EQUIS and EPAS Accreditation Seminars
DATES / VENUE
15-16 Oct / Prague, Czech Rep
THEME
Interpretation and Practical Application of the EQUIS and EPAS Accreditation Processes
HOST
University of Economics, Prague – Fac. of International Relations

EVENT
EFMD GN Americas Annual Conference
DATES / VENUE
19-21 Oct / Québec City, Canada
THEME
The Power of Collaboration
HOST
Université Laval

NOVEMBER 2015

EVENT
EQUIS and EPAS Accreditation Seminars
DATES / VENUE
12-13 Nov / Miami, USA
THEME
Interpretation and Practical Application of the EQUIS and EPAS Accreditation Processes
HOST
Manchester Business School – Americas Centre

NOVEMBER 2015 cont...

EVENT
Career Services Conference
DATES / VENUE
18-20 Nov / Groningen, The Netherlands
THEME
Connecting for Success
HOST
University of Groningen

EVENT
EFMD GN Asia Annual Conference inc. an EQUIS, EPAS and EDAF Introductory Seminar
DATES / VENUE
20-22 Nov / Phuket, Thailand
THEME
Brand ASIA – The Next Revolution: Challenges and Opportunities for the World
HOST
Sasin Graduate Institute of Business Administration of Chulalongkorn University

EVENT
Africa Conference including an EQUIS, EPAS and EDAF Introductory Seminar
DATES / VENUE
29-1 Nov/Dec / Dar Es Salaam, Tanzania
THEME
How to Empower Business Education in Africa with the Use of New Technologies
HOST
Institute of Finance Management (IFM), Dar Es Salaam, Tanzania with the support of IESEG School of Management

DECEMBER 2015

EVENT
Masters Conference
DATES / VENUE
9-11 Dec / Lisbon, Portugal
HOST
Católica Lisbon School of Business & Economics

JANUARY 2016

EVENT
Conference for Deans & Directors General
DATES / VENUE
25-26 Jan / Budapest, Hungary
THEME
Business Schools: Purpose in Context
HOST
Corvinus University of Budapest

FEBRUARY 2016

EVENT
Entrepreneurship Education Conference
DATES / VENUE
24-26 Feb / Brussels, Belgium
HOST
Solvay Brussels School of Economics and Management, ULB – Université Libre de Bruxelles

MARCH2016

EVENT
EFMD (ESMU) – HUMANE Winter School
DATES / VENUE
6-11 Mar / Barcelona, Spain
HOST
UPF Universitat Pompeu Fabra Barcelona

EVENT
MBA Conference
DATES / VENUE
13-15 Mar / Sant Cugat (Barcelona), Spain
HOST
ESADE

APRIL 2016

EVENT
Conference for International and External Relations, PR, Marketing, Communication and Alumni Professionals
DATES / VENUE
13-15 Apr / Edinburgh, UK
HOST
University of Edinburgh Business School

EVENT
Doctoral Programmes Conference
DATES / VENUE
11-13 May / Rotterdam, The Netherlands
HOST
Erasmus Research Institute of Management

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