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History man Sauder’s Dan Muzyka believes MBAs must know where business is coming from

Green and worth it Be green and still love greenbacks Jonathan Scott explains how to do it

Eastern dreams Virginijus Kundrotas on the management education revolution in Eastern Europe

Talent quiz Ed Andrews suggests the shortage of project managers is an opportunity

Culture club Sending professors abroad means teaching them first warns Mark Thomas

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Separating the wheat from the chaff

Emerald’s John Peters and Rebecca Marsh argue that academic business research needs to grow more responsibly
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www.benchmarkforbusiness.com
Six months ago, in the January 2009 edition of *Global Focus*, just as the size and scale of the economic and financial crisis was becoming apparent, EFMD President Alain Dominique Perrin predicted that during 2009 management education and management development generally would be of greater, not lesser, importance for business and society.

In many of the articles in this June 2009 edition we begin to see how that importance might assert itself.

In their article (page 8), John Peters and Rebecca Marsh of scholarly publisher Emerald launch a dialogue to argue that research into business issues cannot be value-neutral – it must make clear the implications it has for society as a whole.

“This isn’t just a nicety but an important aspect of how scholarship ultimately impacts upon the environment and people’s lives and livelihoods across the globe,” they write.

Similarly, Sandra Waddock of Boston College in America (page 12) and Dan Muzyka, Dean of the Sauder school in Canada (page 22) call for business schools, particularly in their teaching of MBA students, to provide a fuller, more diverse curriculum that will, as Waddock says, “develop in our students the characteristics, skills and capacities that they will need to heal the fractured world they will face”.

Interestingly, both see a greater emphasis on teaching the history of business (a subject rarely discussed in an MBA class) as one way of helping the leaders of tomorrow to avoid the mistakes of the past.

The corporate world, too, must play its part. The much-trumpeted “Generation Y” or “Millenials”, the mid-20s youngsters now entering the workforce in large numbers, appear to show an idealistic and community-oriented mindset that could promise to be a much-needed antidote to the excesses of previous generations.

But to attract, retain and make the most of their talents will, as Rainer Jensen points out in his article on page 44, require that companies themselves undergo significant change.

None of this can be achieved without leadership, a talent much talked about but, it seems, rarely exercised in recent years. The subject is looked at from various angles in articles by Fernando D’Alessio (page 38), Mario Vaupel (page 26), and Jorgen Thorsell and Didier Gonin (page 52).

Finally, Matthew Fraser and Soumitra Dutta examine how companies can respond to and make the most of growing social networking sites such as MySpace and Facebook (page 16); Virginijus Kundratas considers the 20-year revolution in management education in Eastern Europe (page 34); Jonathan Scott says, yes, you can make money in a recession by being green (page 30); Ed Andrews calls for more investment in training for project managers (page 48); Mark Thomas explains how to devise executive education programmes for cross-border delivery (page 56); and Emmanuel Peralis looks at how companies are implementing corporate responsibility programmes (page 60).
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Project management needs more people and this is a huge opportunity for business schools and other educational institutions says Ed Andrews. page 48
2009 International Deans Programme (IDP)

In association with EFMD and ABS

The role of a business school dean has become increasingly pressured and challenging in a highly competitive global environment. After a highly successful first year the International Deans Programme (IDP) will run again, starting in December 2009.

The IDP is aimed at recently appointed deans/directors of business schools that are members of the Association of Business Schools (ABS) and/or EFMD. It is a great networking opportunity to collaborate internationally.

The IDP enables a group of up to 20 international deans to visit business schools in three countries. You will gain a unique overview of strategy, operations, structures and future markets in business and management education.

The 2009/10 programme will visit:

7-8 December 2009
Judge Business School and Cranfield School of Management, UK

12-14 April 2010
Beijing, China

June 2010
ISM University of Management & Economics, Lithuania

For more information please contact Virginie Heredia-Rosa or Julie Davies:
Virginie.heredia-rosa@efmd.org
jdavies@the-abs.org.uk

"The programme gave me unique access and understanding about the operations and individual characters of top schools in the world in a very short space of time. IDP also gave an understanding of what other international deans were thinking about and a network of friendly deans as well as EFMD and ABS colleagues to talk to when I need some help.

Professor Baback Yazdani, Dean
Nottingham Business School

1st Global Peter F. Drucker Forum
19-20 November 2009, Vienna

Managing for the Future – Special Call for Conference Papers

The Drucker Society of Austria supported by Emerald and EFMD

Peter Drucker is widely acknowledged as “the father of modern management”. The 1st Global Peter F Drucker Forum “Managing the Future” will be held in Vienna, Drucker’s home city, on the centenary of his birth – visit www.druckersociety.at.

In addition to invited papers by key thinkers including Charles Handy, Philip Kotler and CK Prahalad, the Drucker Society has now opened an opportunity for a limited number of contributions from scholars and practitioners on themes central to Drucker’s work, including:

- Repositioning management as a social role
- The profession of management for the 21st century – a new model?
- Knowledge worker productivity and knowledge worker wisdom
- The future of knowledge work
- Innovation and entrepreneurship
- Managing non-profits in the 21st century

Submitted papers will be evaluated for presentation at the forum and publication in a subsequent special issue of Management Decision. Just as Drucker was interested in relevant research, reviewers will be paying particular attention to how manuscripts critically evaluate Drucker’s insights and their application to day-to-day management.

Those selected will be expected to attend the conference and present their paper. Places are very limited, so we would request an early indication of interest, accompanied by a good abstract/outline of a proposed paper, to Helen Evans: hevans@emeraldinsight.com

Electronic submissions, to http://mc.manuscriptcentral.com/md, are due no later than July 1, 2009.

Contributors should follow the author guidelines provided here. For general questions about submission, please contact Guest Editor, David Lamond: dlamond@emeraldinsight.com

We expect to be able to offer acceptance by September 1.

Emerald and EFMD are delighted to be working with the Drucker Society of Austria in supporting this landmark event to celebrate the life and contribution of one of the field’s greatest thinkers. We hope you will be able to join us.
Global recession forces job cutbacks but new MBAs still command a premium

Employers continue to place a high premium on people with an MBA or other graduate management degrees, even as they sharply curtail plans to hire new business school graduates in response to the deep global recession, according to new research from the Graduate Management Admission Council (GMAC) and the European Foundation for Management Development (EFMD). Recruiters said they expect to hire an average of six new MBAs in 2009, down from the average of 12 they hired last year. In addition, the number of firms planning to hire MBAs this year declined by 9% compared with 2008. But employers also reported that when they do hire MBAs they plan on average to pay them nearly twice as much as people with only an undergraduate education.

Employers also plan to offer higher average starting salaries to MBAs than to people with other graduate management degrees, such as masters in finance.

The data come from the just-released 2009 GMAC Corporate Recruiters Survey, which drew responses from 2,825 hiring managers from 2,092 companies in 63 countries. GMAC, an international non-profit association of business schools, sponsors the Graduate Management Admission Test (GMAT). In addition to EFMD, GMAC also worked with the MBA Career Services Council to conduct the survey.

The survey indicates that MBA hiring activity is uneven across sectors of the economy. Demand for MBAs remains strong in industries including consulting, healthcare and energy although it is weaker in other industries such as the non-profit and high-technology sectors.

But regardless of their hiring plans, recruiters said they have had a good experience with business school graduates: 98% of respondents to the survey said they are satisfied with their current employees who have MBAs.

Despite the challenging job market, a sizable number of MBAs have been able to line up employment months before finishing their degrees this year. Half of all new full-time MBA graduates who participated in the 2009 GMAC Global Management Education Graduate Survey said they landed at least one job offer before graduation.

On average, these graduates had 1.9 job offers and expect to earn 66% more money after completing their MBA than they did prior to starting school.

EFMD-EURAM launch joint programme on research leadership in Europe

Academic research into business and management in Europe is eclectic of method and extensive in content. But as increasing efforts are made by research-funding bodies to get “value for money”, issues of research quality and research impact become paramount.

Performance systems are probably most developed in the UK where five government-inspired research assessment exercises have been conducted over the last two decades. These rate schools and or departments on scales – the higher you are, the greater the funding you get.

To cope with the extensive preparations that school and departments have to make for these assessments, the role of Director of Research (DoR) has become a prominent one in UK academe.

With rules changing for each period of assessment, DoRs have to encourage and support the research output of their colleagues and remain smart as to the manoeuvres of competitors in their field as the transfer market can become quite “hot” at particular junctures during these periods.

To support DoRs, the Association of Business Schools (ABS) and the British Academy of Management (BAM) developed a very successful programme allowing new DoRs to get advice from experienced hands and, in the process, build a network of peer DoRs.

From listening to its members, the European Academy of Management (EURAM) has become aware of the range and diversity of DoRs’ needs in mainland Europe given the different styles, structures and roles across the continent and has teamed up with EFMD to offer a new programme, “Creating Research Leadership in Europe”, whose objectives are a) to prepare individuals for significant research management roles and b) to build a community of research leaders.

The inaugural course will be launched during the autumn and winter of 2009/2010 and it will be in three 48-hour modules ranging from “European research identity” to “Performance engineering”.

For further information please contact:
Luisa Jaffe (EURAM): luisa.jaffe@eiasm.be
Robin Hartley (EFMD): robin.hartley@efmd.org
Quality Services to hold first accreditation seminar in Latin America

The objective of the accreditation seminar is to give a comprehensive overview of the EQUIS and EPAS accreditation systems.

For EQUIS this will involve a detailed look at the practical application of the 10 EQUIS Standards & Criteria / understanding the key stages of the EQUIS accreditation process / making the most of the Self-Assessment Process and preparing an effective Self-Assessment Report / deciding whether you are ready for EQUIS accreditation: gap analysis.

For EPAS the seminar will focus on the presentation of the new EPAS Manual and Application Datasheet, the interpretation and practical application of the EPAS Standards and Criteria as well as the key stages of the EPAS Accreditation process.

The seminar will provide a very clear picture of the accreditation processes and allow participants to explore the options that best suit their school. The seminar is targeted at both accredited schools that want to gain a better understanding of the standards and criteria and those considering EQUIS / EPAS accreditation for the first time. It will be relevant for Deans and Directors, Directors of External Relations and those responsible for accreditation within the school.

Venue
CENTRUM Católica, in Lima, Peru

First session
Tuesday the July 7, 2009 from 15.30 until 18.30 (once the main EFMD Centrum conference has concluded)

Second session
Wednesday July 8, 2009 from 09.00 – 14.00

Information and registration
www.efmd.org/conferences

Koç University School of Business awarded EQUIS accreditation

EFMD would like to warmly congratulate Koç University School of Business, Turkey, which was awarded EQUIS accreditation on March 3. This takes the number of accredited schools to 116 across 23 countries.

Baris Tan, Dean, Koç University School of Business, comments:
“We are proud to become the first and the only school in Turkey and also in the region with EQUIS accreditation. This accreditation takes us one step closer to achieving our vision of achieving worldwide recognition with our programmes, students, alumni and faculty. Our objective in initiating this accreditation process was to conduct a comprehensive self-assessment, to benchmark our performance in different areas with very good international schools and to gain from the expertise of our international colleagues.

“We are planning to use this valuable information to set the future strategy of our school. I am confident to say that all of our expectations were met in the EQUIS accreditation process and we benefited tremendously from the experience.

“Our long-term strategy includes further enhancement of our ties with institutions in Europe. As a candidate for European Union membership, Turkey and Europe have very strong economical, cultural and political ties. I believe that EQUIS accreditation will also serve as a vehicle to establish even stronger ties in the area of business and management education in Turkey and also in the region.”

12 New EPAS Programmes Accredited

The EPAS Accreditation Board has recently awarded the EPAS quality label to the following programmes. We congratulate the schools on this achievement and welcome them into the growing EPAS network.

ALBA Graduate Business School, Greece
MSc Finance (5 years)
MSc Strategic HRM (3 years)

Corvinus University of Budapest, Faculty of Business Administration, Hungary
Executive MBA (3 years)
BA in Business and Management (5 years)

DCU – Dublin City University, Business School, Ireland
MSc in eCommerce (3 years)

Ecole de Management Strasbourg, Université de Strasbourg, France
Grande Ecole Programme (3 years)

Kemmy Business School, University of Limerick, Ireland
Bachelor of Business Studies (BBS) and BBS with French, German or Japanese (3 years)
Master of Business Studies in Human Resource Management (3 years)

Kingston University, Kingston Business School, United Kingdom
UK Masters in Management suite (3 years)
Bachelors in Management suite (3 years)

SGH – Warsaw School of Economics, Poland
Canadian Executive MBA (CEMBA) (3 years)

Turku School of Economics, Finland
Executive MBA (3 years)

For more information please visit: www.efmd.org/epas

Talking shop
EFMD – CEL accreditation confirms our programme’s integrity as a professional development programme and adds considerable value

Ruud A Kronenburg Dean, College of Marketing & Distribution Caterpillar University

2009 EFMD Case Writing Competition

The categories have been announced for the EFMD Case Writing Competition.

**European Categories:**
- A. Corporate Social Responsibility
- B. Entrepreneurship
- C. Family Business
- D. Finance and Banking
- E. Supply Chain Management

**Special Categories:**
- F. Emerging Chinese Global Competitors
- G. Euro-Mediterranean Managerial Practices and Issues
- H. Public Sector Innovations
- I. African Business Cases
- J. Indian Management Issues and Opportunities
- K. Responsible Leadership

Awards of €2,000 for each category will be made. More information on how to take part is available via: www.efmd.org/casecompetition

Or contact Diana Grote on: diana.grote@efmd.org

EABIS Annual Colloquium

21/22 September 2009
Barcelona, Spain

Three days after the last EABIS Colloquium (Cranfield, Sept 2008), Lehman Brothers collapsed, unleashing a financial, economic and increasingly socio-political and governance crisis. The crisis has highlighted deep flaws in past approaches to the governance of the firm and of economic systems. The 2009 EABIS Colloquium will therefore focus on:

**“The Role of Business in Society: Challenges and Issues for Global and Corporate Governance”**

- How is the role of business in society likely to change?
- To what extent can governance mechanisms foster CR at global, company and individual levels? These issues will be addressed in three high-level debates:
  - Social, political and economic perspectives on the failure of governance in the global economy
  - The governance of the firm and managing sustainable value creation in markets and society
  - Future implications for executive development and learning in business schools, companies and corporate universities
- The EABIS Colloquium is one of the world’s largest multi-stakeholder conferences to explore corporate responsibility issues in management practice, research and education. It attracts each year an audience of 300+ high-level executives, researchers, professors, policy-makers and other stakeholders.

For more information, background reading and registration:
www.iese.edu/eabis2009

Global Focus back issues

Copies of articles from this, and previous issues of Global Focus can be downloaded from our website: www.efmd.org/globalfocus

Caterpillar University Sales Effectiveness Program (SEP) awarded CEL

The SEP at Caterpillar University has been awarded EFMD’s CEL programme accreditation for technology-enhanced learning.

Ruud A Kronenburg, Dean, College of Marketing & Distribution Caterpillar University and Talent Development Caterpillar, comments:

“We are very pleased with the recognition for our Sales Effectiveness programme. EFMD – CEL accreditation confirms its integrity as a professional development programme and adds considerable value for the 10,000+ students of the programme around the world. We much appreciated the high level of expertise of the CEL audit team and found the audit process very insightful and of great professional benefit. Caterpillar intends to build on this certification and expand the same concept to other programmes.”
Should business research have its social implications made explicit? Scholarly journal publishers John Peters and Rebecca Marsh think so.

Separating the wheat from the chaff
Summer 2002 at Harvard Business School. A member of the Harvard faculty is explaining his work in the recent past with the now-discredited Enron Corporation.

In summary, the discussion went like this:

"We used Enron as a case study of how to run a modern business. They did everything we said at business school that a successful company should do. They were innovative, entrepreneurial and intelligent. They used any and every financial technique to add value. And in the end, all of it was wrong. There was insufficient governance; greed got the better of sound business practice; they chose not to limit their own behaviour and it wasn’t limited for them. But thank goodness we all learned our lesson. We need to make sure that what we teach and research and practise in the future is socially valuable."

In the audience we nodded our heads wisely. Yes, thank goodness we all learned our lesson. This kind of thing could surely never happen again.

Fast-forward to early 2009 and an obscure story about American low-income families being given mortgages they couldn’t pay back has metamorphosed into the biggest financial crisis since the 1930s.

And once more we hear that the crisis is caused, largely, by cupidity and lack of governance. Once more we hear that too many senior executives have exercised a lack of self-restraint we would frown at in a toddler; and that those who regulate and govern their actions have once again sat on their hands.

In our position as a business and management publisher – indeed, as the world’s leading specialist scholarly publisher in the field – the recent crisis has opened discussions as to our role in shaping business research. Should we follow an emerging trend to reflect more social responsibility in business research or try to lead it? And what of the business education community, whose research we both serve and help to shape?

This article aims to share our emerging conclusions, with the specific intent of provoking debate and discourse.

The new capitalism

Robert Peston, the BBC’s business editor in the UK and one of the key popular commentators on the 2008 financial meltdown, refers to “the New Capitalism” (BBC website, posted December 19, 2008) likely to emerge from the wreckage of the downturn.

Peston looks ahead to “a semi-permanent nationalisation of the banking system”; political and regulatory restraints on globalisation; transparency of policy among the leaders of our largest corporations, many of which will similarly be propped up by taxpayers’ money; and “chief executives who succeed [being] those who imbue in their businesses very simple, commonsense standards of decency”.

We were particularly struck by a presentation by Ramu Damodaran, the Chief of the Civil Society Service in the United Nations Department of Public Information, at an academic conference on knowledge transfer in 2008. He appealed to the academic community to consider the implications of their research on society and the greater good.

This isn’t just a nicety but an important aspect of how scholarship ultimately impacts upon the environment and people’s lives and livelihoods across the globe. As a scholarly publisher, we recognise our role in reflecting this need.
The call for business school educators and researchers to lead issues of standards, ethics, “decency” and “commonsense” is of course not new and initiatives such as the EFMD-supported Globally Responsible Leadership Initiative (GRLI) and Principles for Responsible Management Education (PRME) echo this.

It is an unusual EFMD Deans and Directors meeting or Annual Conference where there is not at least one industrialist berating the audience for producing graduates skilled in analysis but unable or unwilling to contribute to the pressing issues of business’ interaction with society.

We have plenty of people who are good at analysis and control and spreadsheets, the refrain goes, rather give us graduates in tune with the zeitgeist, who think differently and divergently, who can challenge and connect.

We, as employers ourselves, would certainly echo that sentiment. And if “the New Capitalism” is indeed coming, we need both people and research that look ahead to what might be, not behind at what was.

Scholarly publishing and social change

Scholarly publishing is an industry inextricably linked to the world of business research and education and it is surprising to us that the debate rarely seems to be extended to our publishing operations.

The policies and norms of publishers such as ourselves and the structures around us, such as citation indices, journal “quality” rankings and the like, influence quite deeply the type and content of research undertaken. If the prevailing norm is for scholars to be judged on their publications in a few “elite” journals and the policies of such journals are to favour single-discipline, single-author, highly-rigorous, dense, quantitative, model-based studies, then guess what happens?

Despite the need for businesses, and businesses in society, to be informed by multi-disciplinary, relevant, accessible research – research that people can use – the prevailing norms will persist.

This year Emerald will be asking our authors to consider the social implications of their work, to note social implications in their conclusions, and to note it as a section in the structured abstract they are asked to create.

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Like PRME and the GRLI (with whom we work in partnership), this was instigated before the current financial and economic crisis but has become more appropriate because of it. To our knowledge, we are the only publisher to have sought to address social issues of research, institutionally, as a policy. And part of the reason, we would suggest, is that there is really no pressure on us to do so.

We introduced this because, as argued above, we believe it is the right way to go and because it is congruent with our positioning and brand values. But the point we would emphasise is that at no time have we felt pressure from our customers, authors or constituents to do so. Should we not have?

The world of management research should not, we believe, disengage itself from those who publish their research outputs.

Generally speaking, debates about publications are mostly one-dimensional discussions about rejection rates or citation indices. We and our competitors in scholarly publishing should be pushed to encourage the connection of business research to the needs of business and society. Our guess is that our move to specify “social implications” may be more likely to cause short-term resistance than be immediately welcomed.
Measuring what we value
In late 2008, London-based scholar Stefano Harney published an impassioned critique of the British research assessment and funding system, woven around his own institution’s (Queen Mary University, London) decision not to include a business ethics module in the core curriculum of their postgraduate programmes (*Times Higher Education Supplement*, Nov 20th 2008). Harney’s argument is that institutional measurement systems, such as the Research Assessment Exercise and its mooted successor, are not rooted in social usefulness and therefore will neither reward nor encourage research geared towards social responsibility.

Harney’s analysis of 2,300 published papers in business and management 2003-2004 claimed that 85% of these “mentioned nothing about corporate social responsibility or business ethics”.

Our own analysis of more recent papers across our broad spectrum of nearly 200 international business and management journals shows a similar percentage noting, or rather not noting, CSR and business ethics.

Now what?
Publishers publish what we receive. We can shape what we receive through our publishing scope, objectives and philosophy. As a commercial publisher, our supply and demand is a function of the goodness of fit of our product and service with the needs and aspirations of our authors, readers and purchasers.

If institutional reward structures favour papers that are discipline-based, rigorous and narrow in scope, we tread a difficult path in positioning ourselves outside of those structures.

But we believe that it is, in the end, fundamentally incompatible with the role and ethos of academic research not to lead and provoke change. Scholars should not go into scholarship and research to be narrow and conformist; publishers should not go into publishing if their sole concern is return on assets employed. Although many of the larger publishing firms have their assets owned by banks and investment funds, there are enough significant independent players, such as Emerald, who do not. University business schools, by and large, can be “New Capitalists”.

We have the brains, and the ability, to lead the wider business world out of a crisis and into a better future. Our industry has a history of proud non-conformity and it’s time all of us involved remembered this.

Change is not beyond us. EFMD, alongside bodies such as AACSB, PRME and GRII, are helping schools, governments, accreditation bodies and funders look at how business schools might better serve, shape and interact with society. Maybe we all need to up our game a little.

If any readers of this piece would be interested in exploring some of these issues with us, we would welcome the dialogue and the challenge. Now, more than ever, we believe it is time to reclaim the soul of business research. If the “New Capitalism” is taking shape – and it is a more human, more connected, more appropriate capitalism – we should, together, be the people who help shape it. We can, and should, learn our lesson this time.

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Rebecca Marsh is Publishing Director, Emerald, rmarsh@emeraldinsight.com
A question of priorities
Management education in the future

The global economic crisis has raised many questions about the current state of management education. Sandra Waddock has some suggestions for how it should respond.
Collapsing property and financial markets; companies that are “too big to fail,” “free” markets that create a race to the bottom for companies seeking low-wage workers, an interconnected world vulnerable to new physical diseases and a virus-like collapse when confidence in global systems fails.

All of these elements, and many others, have created a context in which questions are being raised about the nature, orientation and quality of management education today.

For example, Paul Shoemaker has claimed that too much of today’s culture of management education “inculcates a rational, reductionist mindset that serves business well in times of stability but not when discontinuity is upon us and entrepreneurship is called for.”

This perspective is supported by Rakesh Khurana’s recent analysis of management education, in which he argues that management education has largely lost its way and is now training “hired hands” or technocrats rather than professionals who work in the world with a sense of purpose and strong moral compass.

Further, management education has been roundly criticised by Sumantra Ghosal in his posthumous essay for its short-term orientation and failure to emphasise the systems-thinking skills that are crucial to leaders and managers in the complicated and dynamic world they face.

Today, we live in a world where moral compass, a sense of responsibility for the greater good and an understanding of the system as a whole are more imperative than ever for those who would assume the mantle of leadership in our largest and most powerful institutions—corporations.

These attributes, of course, are equally needed in traditional and social-entrepreneurial ventures as well as in our public institutions and the non-governmental sectors.

The question is: does management education as it is practised in most places today adequately prepare graduates for this world? The answer, for many, is no.

We learned, for example, that there are problems with the “free”-market, shareholder-driven, wealth-maximisation assumptions in the early 2000s when a wave of ethical scandals swept across the business world and public trust in business fell to record low levels.

We found that out again—even more dramatically—with the global economic meltdown of financial institutions that occurred in the autumn of 2008—and which continues today.

We accepted largely unquestioningly the externalities associated with the idea of how business “should” operate when its attention is focused on share price.

Among these externalities are the loss of local jobs to outsourcing, larger companies’ scale economies overpowering the ability of many smaller local operators to survive, the ravages of agribusiness and the growth of financial instruments so complicated that many barely comprehended them.

We watched as the subprime mortgage mess evolved and as the housing market collapsed—because the businesses involved were apparently doing so well, as were our pension plans. Then we watched all of that collapse precipitously, evolving into a world where the best economic minds do not seem to know what to do to make things better.

We watched as the logic of post-industrialisation and management education generally failed to grapple with the reality that only in the early 2000s a wave of ethical scandals swept across the business world and public trust in business fell to record low levels

Most business education almost completely ignored the fact that about half the world—some three billion people on the planet—live on less than US$2.50 a day
a small portion of the world actually lives in what has come to be called the knowledge economy. The knowledge economy is the one that keeps us connected to each other on a 24/7/365 basis. It’s the economy where education and privilege lead to more of the same. It is an economy in which human and intellectual capital matter at least as much as physical work or material resources, where collaboration and co-operation are at least as important as competition, where multiple perspectives and world views intersect and interact on a regular basis, and where dynamism and an almost incredibly fast pace are realities.

Most starkly, in watching this world evolve and in making these assumptions, we have forgotten that most of the world doesn’t live in the knowledge economy. Indeed, until very recently when, following the leadership of CK Prahalad and Stuart Hart, some business schools introduced material on social entrepreneurship and the “bottom of the pyramid”, most business education almost completely ignored the fact that about half the world – some three billion people on the planet – lives on less than US$2.50 a day (in 2005 dollars). According to the World Bank the richest 20% of the world’s population is responsible for nearly 77% of consumption while the poorest 20% only consumes 1.5% and the middle 60% 22%.

Most of these people don’t have access to telephones never mind computers, mobile phones, Blackberries and the other paraphernalia we have come to expect.

For the most part, their participation in anything resembling the knowledge economy is beyond their wildest imagination (except that many can see how the developed world lives because of the ubiquitous presence of television, which only serves to make their deprivation more acute).

In contrast to the billions living in poverty, the developed world, where most of the management skills learned in business schools and in large corporations are applied, lives quite well – but, unfortunately, not very sustainably.

Here then is the fundamental tension facing business schools today: most of the management theories that have been developed to date are directed at and apply only to the developed world and we might want to acknowledge that many of those theories have not been particularly fruitful.

They apply to a model of doing business that failing markets and financial institutions suggest is seriously broken and that virtually all ecologists believe is not ecologically sustainable.

The focus of most management theories is on competing better and making “improvements” to the existing system thereby enhancing productivity (and eliminating jobs in the process) and cutting costs (and therefore salaries and frequently jobs) to gain greater efficiencies. It does this by externalising whatever costs are possible to society and nature with little regard for the social or ecological consequences. When virtually every ecological report suggests deteriorating ecological conditions and most reports on poverty suggest a growing gap between rich and poor, the old models are no longer functional.

What the world arguably needs of management theories and business school graduates are viable approaches to real and sustainable economic development. We need to define a new type of progress that enhances (rather than destroys) the earth’s biological capacity to sustain human civilisation and simultaneously results in greater global equity.
We need a system that rewards people, not corporations, and that does not allow any institution to get “too big to fail”. We need financial models that are comprehensible by reasonably intelligent and educated people and that serve the interests of society as a whole rather than an elite.

We need businesses, too, that are geared to the needs and interests of all of their stakeholders not simply those at the top.

We need to teach and foster social entrepreneurship—businesses that inherently understand the multiple bottom lines of sustainability in all of its senses. Such businesses meet real social needs rather than fostering ever-more consumption and materialism.

None of us may know exactly how to do all of these things. We can, however, through our educational strategies, teach the history of management. We can raise important questions about the system, about the design and purpose of corporations, about the contributions that businesses—and the other important sectors of society, governments and civil society—can and need to make in bringing about greater balance in the world.

Complex and time-consuming as it is, we can take pains to provide curricula that are integrated across functional areas where, for example, cases are taught from multiple perspectives or, when problems arise, students are asked to think through the full set of consequences arising from the problem—and its proposed solutions.

We can ensure that business is consistently placed in its broader contexts—individual, community, societal and ecological. We can teach about the problems that hyper-competition, chasing short-term gains, and size and scale create rather than simply accepting them as inevitable.

Despite general awareness of some of the problems facing business and the world, one thing that seems to be missing in much top management today is the courage to make the kinds of changes that are needed and perhaps also the know-how and ability to effect system changes. Developing courage takes self-awareness, self-confidence and safe places in which to reflect on the consequences and implications of one’s decisions.

We who teach in business schools have a responsibility to develop in our students the characteristics, skills and capacities that they will need to heal the fractured world they will face.

Interestingly, in its research the “Response” project found that training in meditation—what I would call mindfulness training—had significant positive effects on social consciousness compared to other modes of training and education.

My sense is that, combined with the other types of learning suggested above, mindfulness practices can also potentially enhance the capacity of future (and current) leaders and managers to undertake systems thinking and to gain awareness of the consequences of actions and decisions.

Although it may seem odd to suggest, it seems then that one important thing that we could do in management education is to foster more of the types of reflective practices that enhance all of these abilities.

Let our students think about what really matters to them. Let them acknowledge and recognise their own efficacy as change agents. And prepare them to take their roles as future leaders who put the interests of society ahead of personal—and sometimes even organisational—gain.

Mindfulness practices can also potentially enhance the capacity of future (and current) leaders and managers

ABOUT THE AUTHOR

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Online social networking: the challenge for corporations

Throwing Sheep
The “Web 2.0” challenge for corporations is currently one of the most hotly debated management issues as companies wrestle with the challenge of deploying “social” software tools that promise to harness collective intelligence, foster open innovation, boost productivity and enhance value.

The online social networking phenomenon exploded in 2006 and quickly reached a tipping point with the global popularity of Web 2.0 sites like MySpace, Facebook and YouTube. They have since been followed by micro-social software applications like Flickr and Twitter. There are now more than 600 million people worldwide on online social networking sites. Facebook alone counts nearly 200 million members.

Last year, Barack Obama’s spectacularly successful use of Web 2.0 platforms like Facebook and YouTube to mobilise support and raise money has changed the face of electoral strategy.

Web 2.0 has become a management challenge because online social networking is penetrating corporate environments, often with controversial outcomes related to security, privacy, liability, brand reputation and productivity.

Many corporate executives, when they don’t dismiss Web 2.0 as a needless distraction, regard it as a risk-management problem. Web 2.0 evangelists, on the other hand, argue that social software tools can be deployed to enhance value. They call for a radical transformation of corporations into an “Enterprise 2.0” model that promotes more horizontal forms of organisation to facilitate peer production, open innovation and mass collaboration.

While many CEOs are increasingly intrigued by the business case for Web 2.0 deployment, there is still a significant “fear factor” inside many corporations. The widespread adoption of social software tools threatens to destabilise entrenched status hierarchies and disrupt established power relations.

Still, Web 2.0 is gaining momentum. In December 2007 McKinsey published a forward-looking prediction of eight business technology trends to watch. Five of them—more than half—were Web 2.0 trends.

Today there are numerous companies selling Web 2.0 software tools to facilitate social networking in organisations: Contact Networks, Leverage Software, SelectMinds and Oracle’s Visible Path.

Another consultancy, Forrester, projects consolidated Web 2.0 spending growth at 43% annually—from $764 million in 2008 to $4.6 billion in 2013. Still, deployment has been modest. That $4.6 billion spending number is only a tiny fraction—less than 1%—of global corporate spending on enterprise software.

General Motors is a notable convert to Web 2.0. GM uses its internal blog, FastLane, as a corporate “focus group” that attracts some 5,000 visits daily, including consumers. Proctor & Gamble, for its part, has famously outsourced its R&D through sites like InnoCentive, which “crowdsources” product development and problem solving for its clients. A G Lafley, P&G’s chief executive, has said he wants 50% of the company’s product development crowdsourced outside the company.

Perhaps the best-known example of a Fortune 500 company converted to open innovation is IBM. After the Big Blue chip business had lost $1 billion in 2002, the company was desperate for a new strategy. Crisis forced IBM to take drastic measures. The solution was a new “open ecosystem” that opened up its chip R&D to outside partners. And it worked.

IBM’s chip division quickly turned the corner and began booming. IBM also launched its “WikiCentral” in 2003 as a vehicle for internal expertise. A year later the Big Blue organised a brainstorming platform called InnovationJam that was soon attracting more than 150,000 participants inside and outside the company.

Online social networking sites like MySpace, Facebook and YouTube are not just social phenomena. They and their offshoots, say Matthew Fraser and Soumitra Dutta, have serious implications for the way the corporate world works.
to help identify emerging business opportunities. Against this backdrop, the Web 2.0 revolution is no longer a purely “social” phenomenon. Social software tools present tremendous opportunities and serious challenges for complex organisations – especially as a younger generation familiar with sites like MySpace, Facebook and YouTube move into the workforce and get promoted up the ranks.

Our analysis in Throwing Sheep in the Boardroom is organised around a thematic structure with the acronym ISP: I for identity, S for status, P for power.

In the book we argue that the Web 2.0 revolution is producing destabilising “e-ruptions” for the way identities are constructed, the way status is assigned, and the way power is distributed. We argue, moreover, that the Web 2.0 revolution is disaggregating identities, democratising status, and diffusing power.

Put more simply, in the online world people are increasingly adopting multi-faceted identities for purposes of self-exhibition; status and its rewards are increasingly determined based on performance and merit; and power is increasingly being pushed from vertical, centralised institutions towards horizontally structured social networks.

These three e-ruptions pose tremendous challenges for complex organisations as young people in “Generation Virtual” (GenV) move into the workforce and bring with them a radically new system of values based on virtual social interaction. For corporations, the challenges are both external and internal.

Externally, communicating with the outside environment has been radically transformed by the emergence of Web 2.0 platforms like blogs, which cannot be managed in the same way as mainstream media. Internally, corporate managers are facing serious challenges as their employees use Web 2.0 social tools at the office. Many employees have been disciplined or dismissed for using Facebook and YouTube at the office while numerous companies have banned social sites outright. And yet the evidence indicates that Web 2.0 social networking is inexorably penetrating corporate environments despite management resistance.

Three examples reflect each of this article’s major themes: identity, status, power.

Identity

On online social networks, personal identities are frequently fabricated and wholly invented. This can pose serious threats to society when false identities are used for purposes of fraud, privacy invasion, cyberbullying and sexual predation. It has also produced unfortunate consequences for some corporations when false identities have been exploited for PR and marketing purposes. Major PR firms have suffered serious reputational setbacks in the blogosphere after “flogging” (fake blogging) on behalf of corporate clients.

In 2006, Edelman managed a flog for retail giant Wal-Mart called Wal-Marting Across America. The blog created the impression that it was written by an average American couple, “Jim” and “Laura”, who were chronicling their travels across America in a recreation vehicle and making stops in Wal-Mart parking lots. It turned out, however, that the blog was being written by “fake people” – Laura was a freelance writer and Jim was a Washington Post staff photographer – paid by a pro-Wal-Mart public relations front, Working Families for Wal-Mart, which had already been at the centre of another phony-blog controversy. Working Families for Wal-Mart had been set up, it turned out, by none other than Edelman.

Another controversial corporate flog was Sony’s marketing campaign using MySpace profiles and YouTube videos to hype its PSP game console. Even CEOs have committed astonishing blunders on their blogs, including attempts to hide behind false blogging identities to promote their brands – and, even more controversially, knock their competition.

Whole Foods president John Mackey was busted doing this after he blogged using an identity called “Rahodeb” (a scramble of his wife Deborah’s name). Mackey’s flog posts betrayed a clear conflict of interest when he trashed another food retailer, Wild Oats, on Yahoo! stock forums. Whole Foods was making a takeover attempt on Wild Oats while Mackey was flogging about how overvalued the competing retailer was. When Mackey’s flogging was uncovered, the U.S Securities Exchange Commission launched an investigation to determine whether he had violated any laws about disclosure of insider information.

Status

Websites like RateMyProfessors.com have destabilised academic institutions as millions of students rate, review and rank their teachers in the same way they rate their favourite songs and movies on MySpace and Facebook. Rating, reviewing and ranking have become engrained in GenV’s social DNA.

These reflexes are now having an impact on corporations as rating and ranking move into office cultures. One site called ImproveNow.com gives employees an opportunity to rate their bosses, anonymously, according to a number of questions, such as “are angry words between you and your boss quickly forgotten?”
ImproveNow is no RateMyProfessors, however. It is a highly controlled “HR” environment where bosses initiate the ratings by asking employees to log on and conduct evaluations. ImproveNow is primarily a service for managers – with a business model based on revenues from executive training – not a bottom-up democratic platform for employees.

More in keeping with Web 2.0 values is a site launched in June 2008 called Glassdoor, which stands a chance of becoming the RateMyProfessors of the corporate world. Glassdoor members get access not only to reviews and rankings of CEOs and top executives but also to insider knowledge about salary and bonus levels and the pros-and-cons of working at specific companies.

The site operates on a “give to get” policy. The service is free of charge but you have to provide information about your own workplace to gain access to information about other employers. Glassdoor thus can lay off on its own members the cost of building its database. Information about corporations is crowdsourced by their own employees – or, in many cases, ex-employees.

Another corporate rating-and-ranking site is Criticat, which serves as a collaborative platform for transparent information about companies. Criticat features a box called Shout, which asks employees to answer the question: “What is one thing you would want to change if you were made the CEO of the company?”

If sites like Glassdoor and Criticat take off they could become a serious challenge for HR executives because it turns the table on employers by empowering job candidates with strategic information.

Power

The Web 2.0 revolution is diffusing power from centralised institutions to the margins, where spontaneous social networks are located. This eruption has already transformed certain industries – such as pop music – by turning entire business models on their head. It also holds out the promise of transforming corporate governance and even democratic participation.

In the corporate world, the example of a British soccer team illustrates how the Web is diffusing power to social networks. In 2007, the struggling Ebbsfleet United Football Club was purchased by thousands of its own fans organised on the Web. They leveraged the power of Internet-based mass collaboration to storm the Kent-based football club’s boardroom. Organised on the website MyFootballClub.co.uk, roughly 27,000 fans paid £35 each to buy – and manage – the underperforming team.

Today the team’s new owners – in the spirit of the club’s motto “Own The Club. Pick The Team” – not only vote via Internet on top management but also select players and decide on transfers.

MyFootballClub.co.uk operates like an investment fund that prefers majority positions (it owns 51% of Ebbsfleet), voting control and takes a hands-on approach to management.

One of the first decisions taken by the team’s virtual owners was to demote the club’s manager to head coach, thus making him subject to their online votes on team selection, formation and tactics.

Critics quickly dismissed the new fan-owned Ebbsfleet as “fantasy football”, saying the experiment wouldn’t last. And yet, despite the naysayers, mass online ownership hasn’t hurt the club’s fortunes. In May 2008, Ebbsfield won the FA Trophy. MyFootballClub.co.uk has since been kicking the tyres of other takeover prospects, including clubs like Leeds United, Nottingham Forest, Cambridge United, Accrington Stanley and Halifax Town.

The implications of these Web-based forms of social organisation are obvious for corporations. Indeed, shareholder groups are now being organised on Facebook and other social networking sites as part of their efforts to call for governance reform and protect shareholder interests.

These are still early days in the Web 2.0 revolution for corporations. But these trends are building momentum and we predict that a tipping point will be reached sooner rather than later, following a similar trend in social and political spheres. gf
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The changes in pedagogy have tended to see an increasing emphasis on group work rather than the individual and the development of a more flexible pedagogical style.
Dr Daniel F Muzyka has been Dean of the Sauder School of Business at the University of British Columbia, Vancouver, Canada, for 10 years. During that time he has taken the somewhat conservative nationally oriented business school to international prominence.

Before joining Sauder, Dr Muzyka was the IAF Professor of Entrepreneurship at INSEAD in France where he also served as Associate Dean of the MBA programme and Director of the i3 Venturelab. He regards his time at Sauder and INSEAD as the two most challenging and successful periods of his career life. He was previously a faculty member at Babson College in the US and was a visiting professor at the Harvard Business School.

Dr Muzyka was not initially an academic. His first degree was in astrophysics. Although he worked in a number of scientific institutions as a research associate, he decided there were “not many jobs” in astrophysics and joined General Electric, where he worked in finance and corporate strategy. Subsequently, he spent five years as a consultant with Braxton Associates in America.

He has a BA from Williams College (Astrophysics) in Boston, an MBA from the Wharton School (Corporate Strategy), and a DBA from Harvard Business School.
What do you think are the greatest challenges facing business school deans at the moment?

The challenges facing us as business schools right now are pretty similar to those facing society in general. Predominantly, a lot of those have to do with funding, especially in terms of declining endowment returns, which tend to be primarily affecting the big private American schools.

But the specific challenges have not really changed— for example, trying to recruit and retain high-quality faculty is an on-going issue for everyone and the cost of faculty has risen much more substantially than inflation. So, along with the funding issue, there are plenty of cost pressures.

On the other hand, demand for business school places tends to go up in periods like this so in some ways that is a counterbalance.

One area where we are being challenged more and more is programme content, particularly the need to take fundamental research and find ways to make a bridge between that and what we teach in the classroom. And personally I think that pressure is well deserved. I think that it is critically important that we don’t just publish our research in academic journals but find ways to translate it into the classroom and into management and professional practice more quickly and appropriately.

And make research more relevant, not so esoteric?

Well some research might be seen as esoteric. I’ve said that myself. But research that seems esoteric when it first appears can change things in the long run and ultimately prove to be really useful. Many fundamental breakthroughs have an effect in the real world – it just takes longer for them to be felt. A lot of people win Nobel prizes for economics or whatever with research that may appear wildly esoteric at first. Then we realise later that it has really changed our perceptions of truth in an area. You have to be careful about being too judgemental about things.

What have been the major changes in management education you have noted during your 10 years as dean?

I think things change more slowly than it might appear. Probably the biggest changes in management education since I did my MBA at Wharton have been the evolution of pedagogy and the overall approach to teaching.

The changes in pedagogy have tended to see an increasing emphasis on group work rather than the individual and the development of a more flexible pedagogical style. I think that’s very important.

We are moving towards more learner-centred educational styles rather than a classroom focused approach. I think over the last 10 years we have seen a general trend in that direction and I think that it’s very healthy. We are asking ourselves how do we ensure that individuals learn what they need to learn.

The other trend is towards more integrative approaches. At Sauder we teach a number of classes where we have two or three instructors in the classroom running integrative exercises. There is less of the functional silos. The approach is more “this is how the problem will come at you, what are you going to do about it?”

When I was teaching entrepreneurship at INSEAD in the 1980s and 1990s, for example, having students develop a business concept and write a business plan was one of the few major integrative exercises at the school. Today there are a lot more of those kinds of things in all programmes.

Do you think technology in teaching plays a role in this?

I think another evolution is that while we use our classrooms and facilities as physical centres there’s going to be a lot more education that expands outwards. Technology is a huge enabler for this. Getting learning out into the community and embedded in the community is so much easier.

Canada does a lot of this. We are undergoing a C$80 million rebuild of our facilities and putting in a lot of what we call electronic classrooms where we are using Internet-based technology to open the classroom to access around the globe. The university medical school has already been doing that and a number of business schools have been using similar technology on EMBA programmes.

We have been using this type of approach on our part-time MBA and we are building a much larger capacity to do more of it. This and other technologies enable multi-location group and individual learning opportunities. We have quite a number of professional programmes which operate in a distributed basis including our professional programmes in real estate. And I think we are going to see more of that: it’s learner-centred education again with the focus on matching programme and individual learning needs no matter the location.

It’s going to be a wild and woolly world as we go forward. As I said earlier, I see the change being that we ensure that individuals learn what they need to learn.

Do you think that the way business schools have taught business and management has any bearing on the current global economic crisis?

One area where I’m not sure that business schools have done a good enough job is in teaching business history. In other academic areas you have to go back and study the great works. You had to understand how the field evolved. It’s in the MBA textbooks in bits and bobs and in a PhD degree you really do have to go back and study these things. But in the average MBA programme we teach students the skills but we give them little if any sense of history.

You know, people say “the current situation is unprecedented”. Well, it’s unprecedented if you just look at the last 25 years. Do you remember 1975? [The beginning of a period of recession in response to rising oil prices.] That was pretty dramatic. Is the current situation unprecedented compared to the Great Depression – running from the Wall Street crash of 1929 pretty much up to the second world war? Should all this be in our collective memory? I think the answer is probably yes.

So I think it’s important that we do bring in some history so that people realise what has happened before, what was driving it and think about how we can learn from it to today.

Also, we teach risk management as a technical subject but it’s clinical, it’s not integrative. So you might study systemic risk if you’re an economics major but I think we have to go back and look at whether we are teaching risk responsibly in a business context.

So business schools have some responsibility?

I think we are all looking at this in one way or another. Again, I think it is about teaching risk systematically. Not teaching that properly is one of the big things we have probably done wrong.

So I do think we have some responsibility. We have educated these people. We taught them about derivatives and algorithms and the rest of it.

The other side of this is that we should not only teach people these tools but we also need to educate them about their use, particularly with regard to the consequences and larger-scale risks. We are doing this in many areas such as sustainability and the impact of business on the environment. That’s been evolving over probably the last decade. It’s now in the curriculum and it’s getting stronger. So we are seeing some sort of impact. But I’m not sure we have done as well on the broader topic of risk. Though I think people are
Sauder is undergoing a C$80 million rebuild of its facilities and putting in a lot of electronic classrooms where Internet-based technologies are used to open the classroom to access around the globe.

now looking at their curricula and thinking “what do we need to change here?”

In your own area of entrepreneurship, do you think that generally the crisis will dampen entrepreneurship or maybe even encourage it?

My feeling is that the immediate impact will be to make people pull back and think more conservatively.

But if you think about it in terms of “creative destruction”, these types of periods tend to loosen up plenty of resources and open up opportunities. So I think the outcome could and should be positive for entrepreneurship.

Another point is that recessions close down traditional paths for some people – you know, they are not going to get as many jobs in investment banking as before. But they are still clever people, what are they going to do? Well they may think “I’ve got this idea and I’m going to pursue it”. OK, there may not be as much capital around but there are other resources that can substitute for cash. Every crisis is also an opportunity.

You have about two years left as Dean. What will you do in the future?

Yes I can only do 12 years – the University of British Columbia has a limit of two consecutive six-year terms so I am beginning to think about what to do next. There are multiple options, maybe in the corporate world, maybe as a faculty member, maybe as something else. I will probably start thinking about it seriously during the next year. I reckon I have another good decade left to invest in some interesting pursuit!

“A lot of people win Nobel prizes with research that may appear wildly esoteric at first. Then we realise later that it has really changed our perceptions of truth in an area.”
Getting the true measure of leadership

Redefining leadership for the 21st century

Effective corporate leadership is crucial and much discussed yet everywhere it seems to be in crisis. **Mario Vaupel** suggests an alternative approach
Leadership in organisations, especially in companies, has become a very popular topic in the world of academics and business writers in the last few decades. A growing stream of publications about the do’s and don’ts of leadership offers advice for leaders in conducting everyday tasks in modern organisations.

And several magic formulas for great leadership profess to deliver the ultimate answer of how to guide organisations to long-lasting success.

Additionally, business schools and training providers offer a broad set of learning processes and tools that should help one to become a (better) leader.

Looking at this professionalised world of teaching, writing and speaking about leadership, high expectations of leadership performance seem to be reasonable. Systematically educated and advised leaders should be able to steer their companies through turbulent markets.

The practice of leadership performance in the recent decades tells us a different story.

Looking at the yardsticks of leadership performance – how successful leaders secure adaptability of companies to market developments and customer expectations, manage productivity and innovation, and foster employees’ commitment to and public acceptance of the corporate world – there are clear signals of a crisis.

Regarding the first yardstick, the shrinking average lifetime of listed companies in the different stock indices in past decades exposes leaders’ difficulties in managing companies’ adaptability to the market.

This vanishing of corporate sustainability has been driven mainly by systematic leadership problems in the second performance area, the management of productivity and innovation.

Determined by the unintended and misleading consequences of the shareholder value approach, top managers around the world are forced to concentrate on short-term financial optimisation and therefore spend too little management attention and other resources on critical corporate performance drivers.

Focusing on the short-term financial effects they often reduce staff and investments in innovation. This type of leadership culture systematically damages the productivity drivers of knowledge-driven organisations (the third yardstick), which are people, knowledge, quality and time.

Taking this current reality of organisational leadership performance into account, we have to change some basic patterns in the two worlds – the world of academics and business writing and the world of management – to make leadership a more effective force for companies.

The Leadership Asset Approach: five necessary steps to reshape corporate leadership

The challenge of increasing the effectiveness of leadership can only be met by a paradigm shift. Some basic patterns in our leadership concepts and the practice of leadership have to change.

The management approaches and practices that foster a short-term view and excessive financial speculations have caused the management disasters of the so-called New Economy in the first years of the new millennium and a second economic disaster that has become apparent since 2008.

This systematic mis-leading of companies, which is characterised by short-term orientation, a mainly financial instead of market, innovation and customer view, and some fundamental mistakes in defining personal, strategic and operational leadership requirements, has to be overcome.

To achieve this, the Leadership Asset Approach (LAA) offers a framework to reshape corporate leadership.

Five necessary steps, which can be read as the basic concepts of the more holistic LAA approach, give an initial idea of what leaders have to consider and work on when they try to reshape their thinking and actions to achieve a more sustainable economic success.

1. Reshape the time frame

Since the 1980s, the increasingly popular and widely accepted shareholder value approach has justified the needs of top managers to reduce the complexity of multiple stakeholder expectations and turbulent market developments. The approach delivers the legitimacy to focus – more or less – on the interests of the shareholders; that is, to raise the return on equity.

This management model, which provides corporate leaders with reasons and legitimacy to focus on financial questions, has been an important driver for leadership and corporate failures in the last 20 years. The focus on the interests of shareholders has been pushing corporate leaders in the market economy towards an inevitably accelerating competition for higher returns on equity. The concentration on competition towards always higher returns has disastrous consequences – as we can observe at the end of the first decade of the new millennium – for the stakeholders of the companies and the companies themselves.

Especially critical is the effect of this popular management approach on the time dimension. Competition towards short-term financial optimisation determines the time frame for other leadership activities. But most real business development activities do not correspond with this short-range perspective. Leaders must reshape their time frame and turn the focus of their management practices towards the LAA, that is:

1. secure the liquidity and productivity of the company

2. establish a realistic and ongoing assessment of the costs of staying competitive and communicate these necessary investments to stakeholders
We should give up attempts to explain leadership performance as a product of one or a few attributes, traits, competencies, motives, values, skills or characteristics.
Instead of looking through “psychological glasses” we should look first through “market glasses” to define leadership requirements

1. The dynamic hedging of the corporate adaptability to market changes as the main challenge of strategic leadership

2. The preparation for the first by transferring the results of the above-mentioned professionalised analysis of emerging developments to activities of strategic alignment and resource allocation. With alignment activities, leaders give a clear orientation and bundle the corporate resources of all performance areas to achieve the strategic objectives. With allocation activities, they decide what corporate resources to use, or not further use, and how to secure the stabilisation, expansion or optimisation of the needed resources.

3. The sensitive and “down to earth” challenge of mixing strategic planning with the flexibility to accept and learn from emerging strategies

4. The profound assessment of whether the organisation will be ready and enabled to transform the strategic activities with sufficient operational performance into business results within the calculated budget and time

5. Reshape operational leadership

The Gallup Engagement Index has documented over the last eight years that the commitment of 70% to 90% of the workforce in industrialised countries is low.

Other Gallup studies, conducted over the last 25 years with more than a million employees, revealed that the immediate leader rather than the policies or procedures of the overall company influence employees’ commitment and productivity.

Finally and unfortunately, the Proudfoot productivity studies tell us that one key weakness in generating productivity worldwide is operational leadership.

Combining the results of these studies, we can draw the conclusion that we have to improve immediate or operational leadership to increase employees’ commitment and productivity. But what is going wrong with operational leadership today?

In her empirical study Becoming a Manager, Linda A Hill discovered that two-thirds of the graduates surveyed used their MBA skills marginally or not at all in their first management assignments. The young managers Hill interviewed told her that management has more to do with negotiating interdependencies than with the skills they learned during their studies. This contrast between what is learned in formal education and what is needed in practice is apparent in higher positions too.

The LAA postulates a shift in the education and practice of operational leadership.

First, we simply have to apply what we know. The majority of definitions of leadership from the 1950s to the present tell us that “goal-oriented influence of behaviour” is the essential characteristic of effective leadership. Taking this insight seriously, we should accept that operational leadership is mainly a communication challenge.

Therefore the LAA delivers an additional framework with which we can reshape operational leadership performance. This framework is closely related to the seven performance relevant mindsets that have been discussed as the drivers of market-oriented leadership performance.

Whether operational leadership is effective and up-to-date depends on the performance of the most important activities linked to each mindset. Most of these activities (for example involving people, giving orientation and delegating tasks) correspond with the communication challenge of operational leadership. With this communication focus of operational leadership (complemented by, for example, analytic and planning activities) the LAA could help to overcome the commitment-productivity trap of the current paradigm of operational leadership.

These five steps – which outline some basic concepts of the Leadership Asset Approach – should be considered when intending to minimise the gap between the promising world of popular writing about leadership and the challenging reality of organisational practice.
You’ve heard it before: measures designed to mitigate the degradation of the Earth and its resources help businesses and the economy by saving money, boosting revenues and creating jobs. Is prejudice, short-term thinking or ignorance preventing you from cashing in? asks Jonathan T Scott

Greening the recession
Several months ago a first-year student at Kozminski University in Warsaw, Poland, approached his family’s business. He wanted to cut expenses by reducing wasted electricity – an idea that was met with scepticism because it involved tackling a low-end cost. Fortunately, the student persisted and the family agreed to conduct a test to determine if the idea was feasible.

First, the amount of electricity the business consumed on a daily basis was measured and then all unneeded lights and equipment were switched off. What happened next was astonishing. Electricity consumption plunged 77%, saving the business an estimated €28,800 per year and reducing its carbon emissions by 139,000 kilos. Not surprisingly, company managers immediately invested in scores of motion detectors to ensure the company’s lights remain on only when needed.

Further north, another first-year Kozminski student asked her father if she and two classmates could conduct a similar energy evaluation of his business. During the evaluation the students explained how natural light could replace artificial light and how the efficiency of the heating and cooling system could be improved. In addition they recommended replacing old equipment with energy-efficient alternatives, unplugging electric equipment when not in use and changing work hours to be more compatible with daylight. The combined estimated annual savings totalled €31,700.

These are more than anecdotes. To date, scores of select Kozminski students, working in teams as part of an on-going course titled Managing the New Frontiers, have shown 70 (mostly small) businesses how they can save an estimated total of €1,083,529 per year by ‘going green’ (i.e. reducing waste and wasteful practices).

Needless to say, there is nothing particularly new in this. For example, years ago the authors of the acclaimed book Natural Capital explained how Lockheed Martin moved several of its offices to a building lit by natural light and experienced a 15% drop in absenteeism (which usually hovered around 7%). Further analysis revealed that a 15% drop in a 7% absenteeism rate amounts to a 1% improvement in productivity, which added $1.5 million in extra revenues to the business every year. The company has since made “going green” (moves or measures that ultimately reduce negative impacts on the environment) a major part of its risk-management programme.

Additional research has shown that basic green practices (think green as in money rather than leaves) can also:
- increase productivity by up to 18%
- dramatically reduce staff turnover
- double customer numbers
- induce customers into shopping for longer periods of time
- increase retail sales by up to 40%
- decrease accident rates by as much as 50%

So it’s no coincidence to see a number of astute companies jumping aboard the green bandwagon. Unfortunately, the message does not appear to be spreading in numbers that correlate with the noise being emitted. Business schools in particular still mostly ignore the merits of going green, deeming the subject too vocational, not academic enough or too entrenched in the domain of environmentalism to merit serious inclusion in a business curriculum.

The tide, however, may turn as a result of growing grassroots movements that understand that the study of waste streams (for example, reverse logistics and/or the analysis of “assets in transition”) is a worthy discipline and not just because of the environmental links. Put more succinctly, the more a business wastes the more it has to purchase.

Laggards may find themselves unduly susceptible to rising costs, expensive laws and diminishing markets. For example, recent legislation imposed in California has made it mandatory for leaks in HVAC (heating, ventilation and air conditioning) systems to be reduced to 6% from an average of 30%. Similarly, all street and car park lights in the state must now, by law, direct 94% of their beams down, thereby reducing the 15% of leaked light (and the energy behind it) that currently disappears into the sky. Like-minded laws in Europe may go even further.
Yet welcome as these measures are they merely scratch the surface of a much more invasive problem. In other words, reducing wasted energy is only the starting point of a long, unending (albeit profoundly rewarding) journey that involves rethinking and re-structuring on many levels.

As far back as the late 1970s the European Commission (EC) found itself facing remarkably similar economic conditions as those being experienced today. Above all, two sobering realities loomed: oil price increases and job losses (the EC realised that no matter how many businesses are started in Europe there will probably never be enough jobs to satisfy the continent’s growing population—a population inundated with increasing amounts of waste and wasteful practices).

Not knowing quite how to address these issues, the EC asked Walter Stahel, an architect working in Switzerland, if there was a relationship between energy use and manpower and, if so, to examine it.

Stahel discovered that roughly three-quarters of all industrial energy consumption is associated with the extraction or production of basic materials. The remaining quarter of consumed energy, he observed, is used in the transformation of basic materials into finished goods. Conversely, the opposite is true of labour. A quarter of the manpower required is involved in the extraction and production of basic raw materials while about three times that number works to convert basic materials into finished products.

Being an architect, Stahel concluded that it is less wasteful and more cost effective to remodel old buildings rather than construct new ones.

He reasoned that increasing the use of a building to twice its intended life means that the original costs of its materials and energy are halved and the cost and waste of constructing a new structure are avoided.

Intriguingly, Stahel noted that this principle could also be applied to many products. By extending the life of the materials that go into a product or extending the life of the product itself, less energy is used, less pollution is created and more people are employed with the added benefit of decreased waste and manufacturing costs.

A simple example of this is seen in the Stewart Ice Cream Shops company in America. Stewart has been using refillable bottles (12 million bottles annually) in its 200 shops for more than 40 years. One programme in particular sells milk in re-useable bottles to a local school, which reduces waste by 700,000 bottles per year and dramatically lowers the school’s purchasing and disposal costs.

A broader example is seen at Caterpillar, the world’s largest manufacturer of construction equipment. Prior to 2009 Caterpillar delivered four straight years of record profits thanks to a remanufacturing business model that makes high-quality components, collects them after they’ve been used, cleans them up and re-incorporates them into new products (at a cost 60% less than making the same components from scratch).

The Interface carpet tile company (the world’s largest manufacturer of carpet tiles) goes even further by taking back old carpets, recycling them into new ones and converting its products into a service. As a result, revenues have doubled, profits have tripled, employment has nearly doubled, and the company’s stock price increased 550% over a five-year period.

One of the economic models that Stahel and the think-tank he co-founded (the Product-Life Institute) continues to examine is the conversion of products into services, a move designed to keep basic materials in the hands of manufacturers, thereby lowering costs.

For example, Safechem (a division of Dow Chemical) is a chemical distribution company that delivers its service to industries across Europe. Safechem’s customers do not have to purchase the chemicals they need nor do they have to pay for special application equipment or cleanup and disposal costs. Instead, Safechem travels to customer sites and applies

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whatever chemicals are needed there. Afterwards the site is cleaned up, Safechem transports the used chemicals (and equipment) back to its base, and everything is made ready for the next customer.
This model allows the company to extend the life of its product, reduces its inventory, reduces raw material costs and decreases waste. Likewise, the incentive for customers-who are enticed with “square meters of cleaning’ rather than litres of solvents—includes only having to pay for what is needed.
In 2004, the Austrian government commissioned two studies that looked into the potential profitability for chemical companies that convert products to services. Both studies concluded that over half of the 4,000 chemical companies in Austria would benefit by adopting a similar service model. In addition, chemical consumption across the country could be cut by a third and the average company could expect substantial cost savings.
With a little thought almost any product that is bought, used and thrown away can be turned into a service. The Michelin tyre company, for example, sells the performance of truck tyres rather than just tyres. By producing a tyre that’s easy to re-tread the company saves 56 litres of oil per tyre, creates skilled jobs and earns a higher profit. Of course, the above-mentioned examples represent only a fraction of the efficient (and green) business possibilities that are helping companies around the world save money, boost quality and increase market share.
Don’t be put off by the term “going green”. For a number of reasons, I and many others who work with businesses are not crazy about it. Nevertheless, it seems to resonate with the public (and customers) and both the short and long-term aspects of all it encompasses are too profound to ignore.
To spread awareness, a free, peer-reviewed text titled Managing the New Frontiers is currently being distributed by several universities and research centres (including EFMD). The aim is to relay the fundamentals of efficiency, sustainability and waste reduction to students, teachers, businesses and employees (including the unemployed).
Our intent is to make it easier for these subjects to be shared, researched and capitalised upon (work is underway to translate the book into French, Polish, Spanish and Russian) in order to help strengthen the world’s business communities, increase employment and reduce environmental degradation.
I believe that the role of business schools in forming or changing individual values and a person’s professional behaviour is huge.
Despite his youthful looks, Dr Virginijus Kundrotas is a seasoned veteran of the 20-year effort to bring modern management education to the countries of central and eastern Europe (often known for convenience simply as CEE).

He is the Founding President of ISM University of Management and Economics, Lithuania – the first private institution of higher education in the country; Vice-President of the Central and East European Management Development Association (CEEMAN); and the Founding President of the Baltic Management Development Association (BMDA).

In the early 1990s he was Vice Dean at Kaunas University of Technology in Lithuania and there worked closely with BI Norwegian School of Management (BI) to establish a set of management training programmes and, ultimately, in 1995, to create the Business Training Centre as a joint venture between BI and Kaunas University of Technology.

“At the time, the demand for applied management training in Lithuania was obvious but supply was limited,” says Dr Kundrotas. “Public universities had been offering traditional studies at undergraduate and graduate level in management for young inexperienced students but were not capable of offering anything reasonable for managers who had already a few years of practical business experience.”

The centre proved a great success and in two years was financially self-sufficient and in four years the biggest provider of management education and training in Lithuania.

In 1998 it launched the first International Executive MBA on behalf of Kaunas University of Technology in co-operation with Bocconi business school in Italy and Roskilde University in Denmark, which also turned out to be a success.

It was at that stage that the idea of transforming the Business Training Centre into a full-blown private business school emerged.

At that time there no such institutions in Lithuania “but we decided to take a chance,” says Dr Kundrotas. “We had a very good reputation in the business community through our training and consulting activities though in the academic society we were much less well known.”
And we had a serious academic partner – BI, which was motivated by the success of the Business Training Centre and decided to invest in this rather risky project”.

Because of the limited academic resources in Lithuania ISM had to have a strong international orientation from the outset. It became a member of the main European management associations – EFMD, CEEMAN, EIASM and was among the founders of the BMDA, established in 2002.

“We also established partnership agreements with business schools in Europe and outside,” says Dr Kundrotas. “We involved international experts in the review of our study programmes, we paid a lot of attention to learning materials and library development.”

“An extremely important fact was that our main founder and shareholder was BI,” he adds. “We learned a lot from them. We created double degree programmes with them and settled research links among BI and ISM faculty. We also had a chance to see how management systems function in a big international business school. That gave us a chance to adapt that expertise and to integrate the lessons learned into our activities and structures.”

In 2007, after eight years of activity, ISM had about 1,800 students in two modern campuses in Lithuania’s two major cities, Vilnius and Kaunas, and a full range of undergraduate, graduate and PhD programmes accredited nationally by the Ministry of Education.

The school has gained accreditation from CEEMAN and is aiming for the EFMD’s EQUIS accreditation in the future. There was a small but motivated, enthusiastic and competent faculty and a large number of international visiting professors.

In other words, says Dr Kundrotas, ISM had entered a new organisational development cycle. The entrepreneurial stage was over and the tasks facing it were of a different nature.

“We didn’t need to prove anymore that private higher education has its place in the Lithuanian system,” he says. “We didn’t need to prove that we were the best – other institutions had been learning from us. We didn’t need to fight to survive – we were a wealthy enough institution.”

“So I started to feel that it was clearly the time to give someone else a chance to leads ISM forward.”

Dr Kundrotas gave the ISM Board one year’s notice to finds a successor (the current President of ISM is Dr Nerijus Pačėsa) and on July 1, 2008 left. He has spent the time since in two main areas, helping with the development of the BDMA and following his own areas of academic interest – business ethics, CSR and leadership.

It also, he says, “gave me a chance to read, think and reflect about the last two decades”.

With his sabbatical about to end Dr Kundrotas is now starting a new stage in his own professional life.

Understandably he is reluctant (at the time of this interview in April 2009) to commit to what that might entail but he says he has had “a few proposals” though he also has his own thoughts and ideas about what he might do.

“I enjoy teaching but even more I enjoy creating and building something that did not exist before,” he says. “Still, a lot of ideas, dreams and plans as well as many interesting challenges are waiting for me, I’m sure. And I’m looking forward to facing them.”

Business ethics and leadership are, of course, at the centre of the current global economic crisis. Does he think a failure of both is connected to it or even directly responsible?

“Business success has become measured and rewarded basically by the bottom line,” he says. “That is definitely not enough. Our whole thinking should be changed towards sustainable and responsible development of our activities. And rewards should be based on that to.

“Leadership has a major role to play in promoting and implementing this change. This crisis is giving us a clear sign that we went too far and provides a chance to rethink our behaviour. It is not easy but it is necessary and I think we will take that chance.”

Lithuania and some other CEE countries are suffering quite badly in the current crisis but he rejects any suggestion that that they embraced the “western” economic model too enthusiastically or, indeed, could have acted in any other way.

Lithuania or any other CEE countries did not have many choices to act differently, he says. Given their historical and political experiences they
needed to integrate into the western economic system as rapidly and deeply as possible to assure their long-term economic and political survival and security.

“Given such tasks, you do not think how to change things or remodel them. We were in a hurry and we were learning by doing. During a very short period of time, less than 20 years, CEE went through tremendous changes – economically, socially and mentally. And during that whole time a learning process has been taking place. We learned how to live as independent states and how to live as part of a bigger team – the European Union.”

“Today we all are interconnected. That is why a lot depends on how systematically we are going to cope with this crisis. It is a common challenge and we need to fight it together. If we manage in that attempt, there is hope that an ethical, responsible and sustainable approach will become the norm.”

In the same vein he does not really believe in making any distinction between “eastern” and “western” management education

“I do not believe in such a separation,” he says. “There are very good examples on both sides from which it would be useful to learn.”

For example, he mentions that schools in CEE have been displaying an innovative, creative and entrepreneurial approach, particularly in their use of art, music and sculpture in teaching management, “which might be imitated by our western colleagues”.

At the same time, though, “the best western business schools could be a great learning source for creating solid research activities, implementing participant-centred learning methods and integrating foreign students into the study process”.

Even so, as Dr Kundrotas admits, there are some problems specific to CEE business schools. Notably, because of a continuing disparity of income and job prospects compared to western Europe, a difficulty in attracting foreign students and, more particularly, permanent foreign faculty.

He believes the answers lie in more co-operation between CEE business schools, including student and faculty exchange and joint research activities, and something that is also relevant for western European business schools – support of management schools by business through partnerships.

Although he accepts that business schools, along with society at large, must accept a level of responsibility for the failures that led to economic crisis, Dr Kundrotas is more inclined to see them as a solution rather than part of the problem, pointing out that CEE schools have a good record in paying attention to responsible and ethical education.

“I believe that the role of business schools in forming or changing individual values and a person’s professional behaviour is huge,” he says. “There is still a lot of work to be done in this area. But we will do it much more than before, much more widely and in a much more systematic way.”

So, after more than two decades at the centre of the revolution in management education in the CEE region what have been his greatest personal and career achievements so far?

“I have been very much fortunate to work with very dedicated, enthusiastic and sincere people throughout my whole professional career,” he says. “I learned a lot from them. I have been really lucky to share with them very pioneering, very ambitious and courageous dreams and ideas.

“Somebody said once that ‘the future belongs to those who believe in the beauty of their dreams’. There are still a lot of ideas to be implemented, still a lot of activities to be done in the area of management education, a lot of dreams to be materialised.”

“CEE business schools have been displaying an innovative, creative and entrepreneurial approach, particularly in their use of art, music and sculpture in teaching management, which might be imitated by their western colleagues.”
It would be interesting to ask if the gurus that write books and articles or the professors that teach leadership have actually at any point themselves led and, if they did, what were the results.
There is no subject that has received more attention in the business school world than leadership. But nonetheless it continues to be a perplexing and elusive concept says Fernando D’Alessio.

For the last 25 years the most controversial and analysed topic in business schools has been leadership. Hundreds of books and articles, of varying significance, have been written on the subject. Nothing ”sells” more than leadership. Almost all business schools base their advertising and marketing strategy on offering to form leaders. As if by magic students enter a school, follow courses and seminars, and graduate as "leaders".

Seminars, workshops, discussions and conferences are offered to organisations and individuals promising a great achievement: they will end up as leaders. No doubt these events are motivational and they have their effect, though, unfortunately, it is of a short span. There are very pleasant moments hiking hills, jumping water, climbing ropes or maybe walking on hot cinders but they are far away from the main objective to be accomplished through them.
It would also be interesting to ask if the gurus that write books and articles or the professors that teach leadership have actually at any point themselves led and, if they did, what were the results.

One of the key issues is to define which indicator to use to be able to say that a person is a leader or that he or she may have the traits that would turn him or her into a leader. Some believe that possible indicators for leadership include, for example, the results obtained in a project, the outcome of business management, the goals and achievements obtained in an organisation, changes implemented successfully, a revolution in the corporate mentality and improvement of the business culture within a company, the chain reaction or the multiplying effect obtained in a human group.

Are all these successful results an indicator that there was a leader behind them? It is a complicated issue, is it not?

There also is confusion between leadership, management and command.

Leadership is a process that involves a vision, implicitly long term, where transformation and change for excellence is inherent. Above all, it is the transformation of organisations and their culture.

Management is concerned with the short term and operational. Both management and leadership obtain results, though respectively short and long term.

Command is short term, vertical, with power as a factor, where subordinates follow orders to fulfill a precise previously established mission. Leadership, on the contrary, involves voluntary action from followers reacting to the charisma, personality and credibility of the leader.

The following questions regarding leaders always cause controversy and disagreement:
- Are they visionaries, charismatic and self-sufficient?
- Do they guide, teach, delegate authority and help?
- Do they take decisions and assume risks?
- Do they possess courage and confidence?
- Do they also lead themselves?
- Are they ethical and moral?
- Are they humble or do they crave prominence?

Kotter (1985) identified leadership behaviours as: establishing direction, aligning people, motivating and inspiring, and producing change. These descriptions go far beyond simply being charismatic and credible.

The pioneers in studying leadership and presenting models that are still in use were:

1. **Tannenbaum and Schmidt (1958)**. They stated that leadership takes place in a continuum, from leadership centred on the subordinate to leadership centred on the manager.

2. **Blake and Mouton (1964)**. They presented their well-known grid of nine points: the fulfilment of tasks versus the concern for people as co-ordinated axes, placing on one side, the 1/1, of poor management and an abdication style, to the 9/9, management by teamwork with an organisation centred on objectives and progress.

3. **Vroom-Yetton (1973)**. They presented their interesting contingency model. In this style, the leader acts according to contingency, from the leader that makes a decision and communicates it so that it is carried out, through the leader that shares a problem with people to receive their recommendations and then takes his or her own decision, to the leader that, collegiately with his or her subordinates, reaches a decision.

James MacGregor Burns, who won a Pulitzer Prize for his book Leadership (1978), has been one of the biggest influences on the subject with such powerful statements as:
- One of the main universal desires at this time is the wish for urgent creative leadership
- The present leadership crisis is due to the mediocrity or the irresponsibility of many men and women in power
- Leadership is one of the most observed and least understood phenomena on earth
- Leadership is a concept with many fragmented meanings

Written in 1978, is this not familiar today in 2009?

It is really distressing how little progress there has been in such a critical organisational subject, especially in an uncertain, volatile and global economy.

Burns established the existence of two types of leadership: transformational and transactional. Transformational leadership occurs when one or more persons are committed to one another
so that both leaders and followers raise their motivational and moral levels. This is viewed as real and authentic leadership. Transactional leadership occurs when one person takes the initiative to establish contact with other persons with the purpose of exchanging valuable possessions.

Bass (1985), following Burns, identified nine dimensions of leadership behaviours: five in transformational leadership and four in transactional leadership.

The first transformational leadership behaviour, idealised influence, attributed and behavioural, refers to leaders who have high standards of moral and ethical conduct, who are held in high personal regard and who prompt loyalty from their followers.

The second transformational leadership behaviour, inspirational motivation, refers to leaders with a strong vision for the future based on values and ideals. Idealised influence and inspirational motivation are highly correlated and they are sometimes combined to form a measure of charisma.

The third transformational leadership behaviour is intellectual stimulation, which refers to leaders who challenge organisational norms, encourage divergent thinking and push followers to develop innovative strategies.

Individual consideration, the fourth transformational leadership dimension, refers to leaders’ behaviours aimed at recognising the unique growth and developmental needs of followers as well as coaching and consulting with them.

These five dimensions involve various personal characteristics. For example, a leader may gain influence over subordinates, gaining their respect, to become an exemplary model. Or he or she may be a motivational leader, whose followers act with enthusiasm, and who guides them to an ambitious and triumphant future. Other leaders may stimulate their followers’ intellect so that they become creative and innovative. Finally, a leader may encourage his/her subordinates to improve and grow in their personal and professional lives. The transformational leader is the true leader.

Transactional leadership behaviours are aimed at monitoring and controlling employees through rational or economic means.

The first behaviour of transactional leadership is contingent reward, which refers to leadership behaviours focused on the exchange of resources. In other words, leaders provide tangible or intangible support and resources to followers in exchange for their efforts and performance.

Management by exception – active refers to monitoring performance and taking corrective action as necessary. The focus of management by exception is on setting standards. The other two behaviours are known as passive-avoidant and they are the management by exception – passive, which is a less active version of management by exception in which leaders take a passive approach, intervening only when problems become serious; and laissez-faire, which can be thought of as non-leadership or the avoidance of leadership responsibilities.

Organisations usually operate transactionally. Business schools teach how to deal in this way when talking about incentives and disincentives, hierarchy and promotions (contingent reward), following manuals and organisational charts (management by exception) or, finally “let the waters calm down” (laissez-faire).

What do organisations do to recognise leadership? They do little beyond sending their executives to courses that promise to turn them into leaders but claim a lack of leadership when crises arise. Are business schools the place to form leaders? They should be, but it could be their least-performed activity. They are good at teaching the classic courses of accounting, finance, economics, marketing, operations and human resources. However, they do almost nothing about developing the abilities of the human being, to cultivate them, mould them, improve or enlarge them. Those are leadership, critical thinking, negotiation, communications, social responsibility, managerial skills, human relations, organisational psychology, among many others. And if they claim to form leaders, how can they prove it?

How can we “measure” leadership? There are several tools that may help us such as the Bass and Avolio’s MLQ (Multifactor Leadership Questionnaire).

And, once again, the eternal question: are leaders born or made? They are born and they are made, because there is always the genetic factor plus a lot of work to enhance an individual’s attributes. But opportunity is paramount and it should be taken with conviction. This should be a critical task to be performed in business schools.

Without a doubt, the human being is the most complex “black box” that psychologists, anthropologists, medical doctors, opportunity is paramount [in making leaders] and it should be taken with conviction. This should be a critical task to be performed in business schools.
Extraverts are described as assertive, active, talkative, upbeat, energetic and optimistic. Openness to experience represents the tendency to be creative, imaginative, perceptive and thoughtful.

administrators and others have tried to understand with little success.
The difficult interactions of the six facets that outline each of the five domains of the personality are, in part, responsible for this fact. Costa and McCrae (1992) in their NEO PI-R, stated their three original domains: neuroticism, extraversion and openness to experience, which were part of the Personal Inventory (PI). Later, this was reviewed and increased with two more domains: agreeableness and conscientiousness.

Neuroticism is the opposite of emotional adjustment. Individuals with low scores are emotionally stable, calm and relaxed and they confront difficult situations calmly.

Extraverts are described as assertive, active, talkative, upbeat, energetic and optimistic.

Openness to experience represents the tendency to be creative, imaginative, perceptive and thoughtful.

Agreeableness consists of tendencies to be kind, gentle, compliant, caring and warm.

Conscientiousness and responsibility to reach goals is strong in people that are modest and altruistic and that tend to be both trusting and trustworthy.

Two more human characteristics, nowadays fundamental in management and in leaders, are critical thinking and emotional intelligence.

Watson and Glaser (1980), professors at Columbia University, developed the WGCTA (Watson Glaser Critical Thinking Appraisal) as a tool of five sub-tests to measure these abilities and used to determine a final critical thinking score based on: inference, recognition of assumptions, deduction, interpretation, and evaluation of arguments, which are critical aspects of a leader and good manager.

Emotional intelligence is also a crucial attribute in a leader because a leader needs to use emotions to enhance her/his leadership behaviours. The Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) (Mayer, Salovey, & Caruso, 2002) evaluates the personal attributes based on four branches: perceiving emotions, facilitating thought, understanding emotions and managing emotions. These four branches are generated by eight areas and are combined in two kinds of emotional intelligences: experiential and strategic.

Human beings show a series of abilities related to critical thinking such as the ability to recognise the existence of problems and the necessity to demonstrate what should be considered as true, the acknowledgment of

the validity of inferences, abstractions and generalisations in which the precision of various types of evidences are logically determined, and the ability to employ and apply the above-mentioned attitudes and knowledge.

In a recent study Reicher, Haslam, and Platow (2007) presented a new psychology of leadership and, with this new approach, indicated that effective leadership must include the values and opinions of followers via a productive dialogue. Moreover, they stated that there is not a group of personality attributes that can assure good leadership because the most valued characteristics depend on the nature of the group that is being led.

Leadership has to be practised with clear objectives, usually strategic and long-term. The environment will favour or hinder it and superiors and peers play an important role when the leader is not the head of the organisation. In general, envy, anger, and culture play a crucial role since in many organisations the superiors or peers do not like to see successful subordinates.

In-depth research at CENTRUM Católica in Lima during the last five years has attempted to correlate the leadership behaviours with the five domains of personality, namely, neuroticism, extraversion, openness to experience, agreeableness and conscientiousness; the cognitive abilities comprising critical thinking and the competencies associated with emotional intelligence, on different demographic variables such as sex, age, working experience and profession, among others. These instruments are used with the students when starting an MBA programme and when finishing it as a longitudinal study to see how the program has made them change their personal attributes. Very interesting results have been found useful to improve the curriculum structure of different MBA programmes and focusing these changes on emphasising the human managerial skills needed nowadays in this complex global arena. A general knowledge of the leadership attributes in the sample can be recognised.

In summary, much has been written about leadership, a crucial human attribute critical to organisations in a competitive global arena. Nevertheless, it seems that little or nothing has been achieved up to now, not only in Peru but around the world. Given its relevance, the subject has not yet received all the attention it deserves.

ABOUT THE AUTHOR
Professor Fernando D’Alessio is the founder and Director General of CENTRUM Católica, the Business School of the Pontificia Universidad Católica del Perú, the leading business school in Peru and the number one business school in leadership and strategy in Latin America (ranked by América Económica 2007 and 2008). He is renowned for his studies in strategy and leadership.
For the first time, EFMD and CENTRUM Católica will jointly organize the Europe – Latin America Conference

“Managerial Challenges for Latin America: Developing Innovative, Responsible, Talented & Global Leaders”
5 -7 July 2009

Eminent speakers from market specialists, academia and global company leaders from Europe and the Americas will discuss the main issues related to business education, leadership development and social responsibility in order to identify the role of business schools and companies in the process of the development of leaders in Latin America.

What must Latin American economies do to achieve greater medium-term growth? What must Latin America do to boost and stabilise growth, while reducing poverty and inequality? How can business schools and companies prepare future business leaders to take on these challenges?

The conference will take place at CENTRUM Católica, in Lima, Peru.

Lima and Machu Picchu are waiting for you!
Information and registration: http://www.centrum.pucp.edu.pe/es/conferenciaefmdcentrumcatolicajulio2009/
The characteristics attributed to Generation Y may or may not be valid. But the simple facts of demographic change mean that companies must rethink the way they attract and retain employees. Rainer Jensen describes how the Coca Cola bottling company in Germany is tackling the problem.
Markets, customer demands, consumer behaviour and societal issues are changing fast – and some of these changes will be dramatic.

They may become a threat or provide new opportunities – especially for well-established and “traditional” brands and companies. Whether they do so will depend on our capacity to anticipate and analyse their nature and potential impact and to create flexibility and agility in our structures, processes, procedures and leadership.

The key management and leadership challenge is more than ever to prepare the company for the future. It goes without saying that people have and will increasingly become the one differentiating competitive factor. Even though the “war for talents” was declared some years ago, there is a great likelihood that it is only now entering its “hot” phase.

An analysis at Coca Cola Erfrischungsgetraenke AG (CCE AG), which employs 11,500 people at 70 locations including 27 bottling plants in Germany, highlighted four main areas in need of special attention:
- an ageing society and demographic change
- female employment and leadership
- ethnic diversity
- Generation Y/Millennials

Even though all four are of great importance, we concluded that demographic change plus the Generation Y phenomenon could pose the most immediate challenges regarding:
- recruitment and HR marketing/employer branding
- talent management and succession planning
- work environment, schedules and models
- corporate responsibility and sustainability (CR&S)

**Ageing society**

Over the last 30 years Germany has seen an ever-decreasing reproductive rate. The number of people of employable age has already begun to decline dramatically. This will lead to a huge generation gap in 2030. Companies have begun to realise the impact this demographic change will have. It will affect both their existing workforce and their opportunities to recruit people to replace those soon about to leave in large numbers.
48m

Over the next eight years more than 48 million “Baby Boomers” will retire from the market.

51m

Over the next eight years approximately 51 million Gen Y individuals will enter the labour market.

It could have the capacity to threaten the existence of small and medium-sized enterprises in structurally weak areas or where large and attractive employers garner the majority of recruits. It will even affect companies such as CCE AG that have excellent employer branding. The impact may be delayed and variable but an impact there will be.

**The demographic situation at CCEAG**

CCE AG has a low staff turnover and a high average tenure. This is especially true for those areas that involve physical labour, e.g. warehouse, production and distribution. Alternative jobs are rare and in many cases involve complete retraining. Furthermore, in those areas the employee value proposition of the brand is significantly less strong than it is for sales and marketing.

**Generation Y/ Millennials**

The impact that demographic developments will have on companies and the economy generally could be enhanced by the phenomenon of “Generation Y” (Gen Y) or “Millennials”. A topic that is increasingly gaining the attention of business and HR leaders.

Gen Y individuals were born between 1980 and 2000 and are now entering the labour market in large numbers as the preceding Generations X (1965 – 1979) and Baby Boomers (1949 – 1964) move out. The Baby Boomer generation, which on a European scale is approximately 48 million employees, will enter retirement over the next eight years. At the same time approximately 51 million Gen Y individuals will enter the labour market.

The similar size of these groups indicates that there could be a significant impact on organisations if the new cohorts of employees really do bring the set of expectations and behaviours ascribed to them.

In brief terms, Gen Y individuals are said to:

- aspire to a better work-life balance
- look for alignment of personal and corporate values
- are contractors of their skills
- base loyalty on facts and not on faith
- show a high desire for flexibility and customisation – standardisation makes no sense for them
- are the first generation of “digital natives”

They believe that corporate profit and social responsibility can co-exist to the benefit of both. They pay careful attention to environmental sustainability, use of renewable energy, social entrepreneurship and demonstrate an inclination towards group activities, collaboration and volunteerism.

These behaviours and attitudes could be seen as simply representing aspects of the usual generational conflict. Yet there is one phenomenon that we believe makes a real difference.

**Social computing**

Forrester Research, a technology research group, describes social computing as a social structure in which technology gives power to communities, not institutions. Technology increases the speed and force of social change while social forces shape technology development and application. Social computing is – across all cultures – an entirely new form of collective behaviours in terms of the timing, speed, scope, and range of communications and interactions of Gen Y.

Communication and interaction have become:

- fast, spontaneous and direct – instant messaging is a key and indispensable feature
- global and less limited by structure, culture, traditions or language, new codes are being established, hierarchies are irrelevant, traditional authorities lose influence
- rely on information generated in and for the peer group (wikis, blogs, viral marketing) – rely less on official experts and more on the collective and corrective expertise
- autonomous and self-driven – no patience for systems and their limitations, access to external intranets, e-mail accounts and so on
- look for and integrated into viral networks that deliver reference, orientation and cohesion
- highly consultative and collaborative, questioning hierarchical behaviours and structures, discerning customers and consumers – highly differentiated and individualised

**Approaches to talent management – attraction and retention**

Taking all the above into account, CCE AG will have to tackle both the generation gap and the Gen Y phenomenon at the same time. Whether the description of Gen Y attributes is scientifically valid or not is not so important. Many of its aspects are evident and as a minimum the concept will function as a catalyst for overdue changes in organisational structures and cultures to react to demographic and diversity issues.

We will intensify our support for and collaboration with educational institutions such as schools, universities, regulatory bodies and so on in order to better leverage the power of the brand specifically for those areas where the employee value proposition is not yet strong enough.

At the same time we will have to start creating alliances for hiring and educating young talents.
across industries on a regional basis. For all partners this will enhance the employee value proposition and allow for more vocational training in predominantly technical professions, where each company by itself does not have enough facilities and/or resources.

The online presentation of CCE AG has been significantly improved. Our website has been recreated with a special focus on providing features allowing for customising and personalising. The online application tool has been modernised to ensure we react swiftly to applications, requests and enquiries from applicants and users, thus presenting us as a company that is technologically state of the art.

It is important for us to establish and maintain a viral dialogue with potential talents through their media and tools, which also allows us to stay informed about how we are perceived and rated by Gen Y as an employer.

As a next step we are going live with the company’s new intranet, which has Web 2.0 elements integrated into it. It provides, as well as ESS and MSS, features to establish in-company communities, blogs and wikis and is designed to create viral networks throughout the entire global COKE system.

In the learning and development department we have created a new function that is dedicated to further developing this intranet with a special focus on Gen Y requirements. This function is also charged with establishing not only a technology driven knowledge management system but related programmes such as employee tandems and mentoring.

We have just launched a set of Leadership Standards that puts a strong focus on valuing diversity, developing and deploying talents, and sustainability. Additionally we engage in public programmes such as “Diversity Charter” and on a global scale have installed initiatives that will support us in attracting, retaining and developing more female talents into leadership roles.

For a company that uses natural resources for creating and distributing its products a credible approach to sustainability is vital. We have therefore increased our already significant efforts to reduce our use of water, petrol and other resources.

We have engaged in campaigns against obesity and sponsor sport and healthy living initiatives and provide comprehensive and open information about our products. A CR&S report in 2010 will provide even greater transparency for CCE AG and strengthen our employee value proposition, specifically with Gen Y.

In our CR&S efforts we will increase our support for volunteering initiatives and use our credibility in this area to enhance our attractiveness as an employer of choice.

The main challenge, however, is a cultural one. It entails the creation of highly flexible work models regarding time, location, remuneration and a work environment that is characterised by transparent and efficient processes stretching from simple things like office layout to job sharing, telework, sabbaticals and modern “cafeteria” remuneration schemes.

Every company that wants to attract a sufficient number of talents with the right qualities will increasingly need to provide far more flexible and “family friendly” work models than today. Even though this has been an issue over the last 20 years, the demographic pressure alone now urgently requires support mechanisms that bring more female talents into full-time employment and to provide them with realistic career perspectives.

In addition we already see, supported by legislation, a steadily increasing number of men sharing parental leave with their partners.

It is evident that tradition, legislation and financial resources can be obstacles to some major changes that are required – hence specific efforts need to be made to address attitudes and behaviours leading to a shift in how financial resources are allocated.

While hierarchy by itself is neither good nor bad but just a given in any human organisation we will have to create a culture in which hierarchy plays only a structural and descriptive role and is not an impediment to communication and interaction.

More than ever, management needs to adopt a mentoring and coaching role. Our talent management programmes have already been extended and now include international perspectives within the bigger framework of the whole Coca Cola system.

Regardless of theory and potential scepticism towards the Gen Y concept we will have to either create a different work reality or face a severe lack of attractiveness as an employer and a hole in our talent pipeline in the near future.

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**ABOUT THE AUTHOR**

Rainer Jensen is Director Learning & Development, at CCE AG

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**4’9–’64**

Baby Boomers

**’65–’79**

Generation X

**’80–’00**

Generation Y
A safe pair of hands

Project management: the need for talent

Project management needs more people or worldwide growth could be at even greater risk. This is a huge opportunity for business schools and other educational institutions says Ed Andrews
Individuals appropriately educated in the principles and tenets of project, programme and portfolio management are in increasing demand.

Businesses and governments around the world have seen project management grow at almost exponential rates in recent years.

For example, Figure 1 shows the growth of project managers with the Project Management Professional (PMP) credential. Between these credential holders and non-certified members, the Project Management Institute (PMI) has over 500,000 professionals affiliated in 178 countries. Through its global network of registered education providers, nearly 800,000 individuals are provided continuing education and personal development each year.

So why the interest and dramatic growth in project management? One particular statistic from the World Bank - gross fixed capital formation - is relevant. By the World Bank’s own definition, this primarily comprises large infrastructure projects such as roads, hospitals, schools and the like. Figure 2 provides a clear view of how this economic measure has grown over the last few decades.

At $7.5 trillion this represents nearly one-fifth of the world’s value generation (gross domestic product). Recent research at the George Washington University in America and University of Vienna in Austria concludes that the percentage increases of fixed capital growth are even more dramatic in emerging economies such as China and India.

What this means is that projects, large and small, are growing at a phenomenal rate and appear, within the growing economies in particular, to be sustained at this rate of growth despite the current global economic woes. It also means that individuals appropriately educated in the principles and tenets of project, programme and portfolio management are in increasing demand.

But there is a problem associated with this dramatic global growth in projects and the subsequent demand for project management professionals – the retirement of many qualified individuals.
The growing gap between supply and demand of professionals

Anecdotal evidence of increasing difficulty in finding properly educated project managers has been around for years. Virtually any large company with multiple projects and a focused business strategy dependent on project execution can attest to the difficulty in recruiting and retaining such individuals. Part of the reason for this is the fact that the project management profession is relatively young, having been more or less formally established only in the late 1960s.

Accordingly, many of the individuals actively working as project managers are now at retirement age. This mirrors overall trends in the world’s labour force.

In 1950, the fraction of the total population of retirement age – 65 years old or older – in the advanced economies was well under 10%, even in Japan. As of 2005, it had grown from 8% in 1950 to 12% in America, from 8% to 15% in Canada, from 5% to 20% in Japan and from 9% to 17% in the 25 countries that today make up the European Union.

By 2050 the figure will reach 21% in America, 26% in Canada, 29% in the EU and a whopping 36% in Japan according to UN projections in 2004. Even in India and China, the world’s two largest emerging economies, it is projected to rise from less than 5% to 15% and 24%, respectively. (See Figure 3).

Retirement age population in major countries

Figure 3 – In-depth appraisal of most critical indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
<th>Canada</th>
<th>EU</th>
<th>China</th>
<th>India</th>
<th>Japan</th>
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The Australian Institute of Project Management (AIPM) says one-third of project managers in Australia will retire in the next decade. Nearly 50% of AIPM’s membership falls within the 40- to 54 age group. Another 10% in the 55 to 60 bracket face imminent retirement. Our own PMI data shows 35% of members are in the 40-49 year bracket, 20% in the 50-59 year bracket and 3% in the over-60 bracket. Accordingly, in the next decade we will also see upwards of 30% or more of our members retiring.

American research firm Anderson Economic Group says that overall demand for workers in project-oriented occupations is growing faster than other sectors. Project-oriented occupations comprised 7.8 million positions in 2006 or 5.7% of all wage and salary employment in America. Employment in project-oriented occupations across all industries will grow 1.5% from 2006 to 2016 compared to 1% growth for total employment. There is confidence that the current global economic situation will not affect this long-term growth.

The American figures are reflected globally in the 10 countries included in Anderson Economic’s analysis: Australia, Brazil, Canada, China, Germany, India, Japan, Saudi Arabia, United Arab Emirates and Britain.

Global skills shortages

Project-oriented occupations comprised 7.8 million positions in 2006 or 5.7% of all wage and salary employment in America

According to UN projections by 2050 36% of Japan’s population will be of retirement age

5,500 courses

Today there are over 3,000 schools around the world teaching over 5,500 courses in project, programme and portfolio management

- Globally there were 24.4 million project-oriented employees in 2006
- By 2016 these employees will increase to 32.6 million, a 33% growth
- 10.2 million of these will be new workers, equal to 31% of the total project-oriented workforce

The economic impact of not filling these positions globally is also telling. Global project-based industry GDP will increase by $4.5 trillion by 2016. Of this, $123 billion to $194 billion is at risk from project management skills shortages. That represents 0.3% to 0.4% of projected 2016 GDP for these countries and 1.7% of the 2016 GDP of project-based industries in these countries.

So we need project managers but where will they all come from? Who will educate them to be project managers? The answer lies in a unique opportunity for academic and educational organisations to grow with this demand.

The opportunity for academe

In recent years there has been a flurry of activity among engineering, business and technical schools to establish courses and full degree programmes in project and programme management. To be specific,
in 1994 there were only two recognised bachelor and nine masters degree programmes in project management globally.

Today there are over 3,000 schools around the world teaching over 5,500 courses in project, programme and portfolio management. The 11 lonely degree programmes in 1997 have grown to over 500 plus an additional 200 or more certificate programmes globally.

We tend to think of project and programme management as being taught in engineering, architecture or technical schools. But in reality there is near-equal representation in business schools. The trend in project management education over the last decade in particular has resulted in wide acceptance of its necessity at both the undergraduate and graduate levels.

Quality standards

The upsurge in degree-granting programmes has also meant a need for quality standards. The PMI Global Accreditation Center for Project Management (GAC) is a semi-autonomous body and, as a member of the Association of Specialized and Professional Accreditors, is a specialised accrediting entity. It provides institutions with recognition for the quality of their programme offerings in project management.

The process for accreditation follows recognised academic standards of submitting a letter of intent, preparation of a detailed self-study report, an on-site evaluation conducted by a team of peer institutions and finally a decision by the GAC board. Initial accreditation is conferred for a maximum of seven years and annual continuous improvement reports are required.

At present there are 22 accredited schools globally and an additional 12 institutions going through the process.

Despite the many programmes globally, there is still a shortage to satisfy the growing gap in supply-demand for project professionals. Many organisations, especially large corporations and government agencies, have taken this matter seriously enough to establish their own in-house programmes in project management.

The National Aeronautics and Space Administration (NASA) has the NASA Academy of Program/Project and Engineering Leadership, while Huawei Technologies, Boeing, IBM and numerous other corporations have corporate universities. While these programmes often align with university partners for research and teaching needs, their creation emphasises the fact that what academe is currently offering is insufficient for industry’s needs.

PMI is conducting international workshops bringing corporate, government and academic leaders together to discuss the supply-demand gap and to explore solutions for co-operation and facilitation of new academic programmes to satisfy the need. The primary findings (wish-lists) from several of these workshops are telling:

- Make project management part of the undergraduate curriculum across all disciplines especially in business and engineering
- Develop minors in project management or concentrations (certificate programmes)
- Embrace the need for advanced leadership skills in project management/management programmes to ensure the ability of graduates to perform in industry, understand stakeholder analysis and model good behaviour

What does all this mean for your institution?

Clearly the business world and governments recognise the need for project management professionals and thousands of academic institutions globally have seized on that need as an opportunity for them to institute new courses or full degree programmes in project, programme and or portfolio management. Research centres and centres of excellence have been formed to teach project management. The opportunity for any business school is there for the taking.

PMI has a dedicated website to assist and facilitate those interested in starting courses or programmes in project management (www.PMIteach.org). Numerous resources are available either directly from PMI or through its network of association, corporate and government partners. Research grants are available from PMI’s research department and various scholarships and other financial aides are available through the PMI Educational Foundation.

Expanding into the fertile project management arena offers business schools the opportunity to grow programmes, add faculty and enrich the intellectual fabric of their offerings. The proven demand is there: organisations and governments around the world know that educated project professionals offer them the ability to execute their individual business strategies successfully.

ABOUT THE AUTHOR

Dr Edwin J Andrews is Director, Academic and Educational Programs and Services at the Project Management Institute (edwin.andrews@pmi.org)
Growing Leaders

Innovation in executive development

Jørgen Thorsell and Didier Gonin outline some of the results of research into the current and future state of leadership development.

Talent management and development
What are the key business challenges your organisation is facing?

Table 1: Key business challenges

<table>
<thead>
<tr>
<th>%</th>
<th>Revenue growth</th>
<th>Innovation</th>
<th>Talent recruitment &amp; retention</th>
<th>Economic factors</th>
<th>Managing expenses / cost environment</th>
<th>Globalisation</th>
<th>Other</th>
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<td>16</td>
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The results in Table 1 show the impact of the current economic crisis on businesses, with revenue growth seen as the number-one challenge identified by respondents (economic factors and the management of costs and expenses being respectively numbers four and five).

Yet it is quite striking to see the importance given, almost equally, to two major topics – innovation and talent management.

This suggests that these two themes are seen by respondents as critical for the future of their business as well as key levers to transform the crisis into an opportunity.

If organisations pursue today – and possibly more than ever before – innovation in their products and services, they can also seize this opportunity to look at internal social innovation.

With respect to talent management, if most organisations do focus on attracting and retaining talented people – key assets in service economies – the results suggest that they are ready to focus even more than before on the assessment of potential, on identifying future leaders, and on innovative ways to develop talent and unleash potential.

If the current crisis is properly managed to identify and work on opportunities, it may well be, first and foremost, in finding new leadership development themes, methods and approaches as well as innovative human resources practices.
**Finding an integrated approach**

In your organisation, what are you primarily trying to affect through leadership development efforts?

---

As Table 2 shows, since leadership starts from within, respondents say that true leadership development starts with the individual by personal development and should continue to do so in the future.

Leadership development efforts are seen as having a desired impact on the organisation as a whole, as shown in other parts of the survey, in “stimulating entrepreneurship and innovation” and in “redirecting corporate culture” and creating new mindsets.

Nevertheless, the above results could possibly lead to misinterpretation and strategic mistakes. It may very well be, paradoxically, that in the very low percentage given to the team (14%) hides the solution. The link between an individual and organisation development and the path to true organisation development and transformation may lie in the teams within your organisation.

The focus on integrating individual/personal development with organisational development is a significant step forward. This may indicate more focus on the integration of teams in the future since team approaches have recently demonstrated high levels of effectiveness.

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**Best practice activities**

Looking at your leadership development practices, what do you consider the single most powerful activity or best practice?

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Table 3 shows how much focus will be put, in the coming years, on effective coaching and mentoring schemes in many organisations.

It also demonstrates a strong desire to find new ways to link leadership development initiatives to organisation strategy; to work on real cases and challenges facing leaders; to link development to specific job assignments; and to use the leaders’ experience to train other leaders.

Approaches that will foster learning from peers and encourage networking within the organisation will be increasingly preferred to traditional methods.

The results of the research also suggest that the role of senior executives in the leadership development process is perceived as even more critical than in the past both by direct involvement and active sponsorship of initiatives but also by “modelling the way” and by being living examples of the type of leadership the organisation needs.
One way – no way!
What activity or practice do you consider the least effective?

| Table 4 |
|------------------|------------------|------------------|
| Instructor or teacher-led “academic” classroom training | Top-down and one-way “dialogues” | Outdoor exercises disconnected from business realities |
| Standard, “off-the-shelf” and too generic programmes | Emails or posters with corporate values | E-learning or web-based leadership development |
| Business schools or consultants imposing their models and views | “Sheep dip” or “brainwash” of managers | “Death by PowerPoint” |
| Assignments that are not challenging or stretching | Lack of sharing of experience and building on it through dialogue | Lack of participants’ managers’ engagement to follow up and support |

On top of leadership development activities that are not based on needs analysis, not linked to business strategies and not sponsored, some of the practices quoted most often are shown in Table 4.

An increasingly well-educated workforce, the emergence of new technologies as well as sociological changes seem likely to precipitate the decline of an academic “one-way” theoretical model of teaching that is increasingly seen as ineffective and quickly becoming obsolete.

True attention to the specific needs of the organisation and real customisation of leadership development initiatives also appear to be becoming more important today, as organisations reject “ready-made”, “off the shelf” programmes and too “generic” solutions.

Rather than “top-down messages”, respondents seem clearly to prefer more participative approaches that place true dialogue above presentation.

The above results also indicate an increased awareness of the importance of paying attention to the process (“how” do we communicate our values or our strategy, for example) rather than focusing mostly on the message (“what” are our values, “what” is our strategy).

The results also indicate a healthy and strong desire to ensure that leadership development initiatives be connected to the real challenges of the business and be actively followed by leaders within the organisation by providing coaching support.

Entrepreneurial leaders assessment and development
What changes do you foresee in the focus of leadership development in your organisation in the next two to three years?

| Table 5 |
|------------------|------------------|------------------|------------------|
| Focus areas of leadership development | More focus than today | Same | Less focus than today |
| Stimulate entrepreneurship and innovation | 65% | 24% | 3% |
| Increase executive quality | 66 | 35 | 1 |
| Redirect corporate culture | 53 | 41 | 6 |
| Implement corporate strategy | 59 | 49 | 1 |
| Expand business development | 47 | 45 | 8 |
| Ensure the global executive pipeline | 46 | 48 | 5 |
| Expedite organisational turnaround | 37 | 55 | 7 |
| Attract new hires to the company | 34 | 53 | 14 |
| Retention of senior leaders and executives | 34 | 58 | 8 |

Table 5 points to significant increases in three areas:
1) New products, new services and new approaches to running a business call for new ways to lead individuals, teams and human resources. It also calls for the development of accountability, empowerment, risk-taking teamwork and entrepreneurial spirit.

2) The desire to increase executive quality suggests that the thinking that has been prevalent on how to lead as an executive is no longer sufficient and that higher-level skills are required to lead in an increasingly complex environment.

3) The transformation required will affect not only executives but also the organisation as a whole, calling for new approaches to create agile organisational cultures capable of adapting to change while leveraging their core capabilities and competencies. It may be by truly exploring mindsets and the real dimensions of change that organisations will become better at riding the waves of permanent change.

“The responsibility of senior executives in “modelling the way” and sponsoring leadership development initiatives is more critical than ever”
Growing Leaders: Innovation in executive development by Jorgen Thorsell and Didier Gonin

Table 6 shows that those involved in leadership development expect a clear and strong decline in one-way, top-down, instructor-, teacher- or professor-centred methods as well as a rejection of over-academic or theoretical approaches disconnected from business issues. The decline of outdoor or experiential events suggests that managers expect and need activities with a solid grounding in business realities for their learning and development.

The need for highly professional coaching and mentoring approaches, for “leader to leader development”, for conducting action learning projects, for inviting leaders to learn directly from projects and task forces, for using real personal leadership challenges and dilemmas demonstrate how important it will be in coming years for successful leadership development initiatives to provide efficient and true learning and development support to current and future leaders.

Table 6

<table>
<thead>
<tr>
<th>Development methods</th>
<th>More important</th>
<th>Same</th>
<th>Less important</th>
</tr>
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<tbody>
<tr>
<td>Coaching</td>
<td>75%</td>
<td>22%</td>
<td>3%</td>
</tr>
<tr>
<td>Leader to leader development</td>
<td>69</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>Action learning projects</td>
<td>68</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>Projects and task forces</td>
<td>65</td>
<td>31</td>
<td>4</td>
</tr>
<tr>
<td>Use of own leadership challenges</td>
<td>63</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>Outdoor or experiential events</td>
<td>16</td>
<td>38</td>
<td>45</td>
</tr>
<tr>
<td>Lecturing</td>
<td>3</td>
<td>35</td>
<td>62</td>
</tr>
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</table>

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Conclusion

These results constitute only a small part of the Mannaz Innovation in Leadership Development White Paper to be published in June 2009. The full results, both quantitative and qualitative, will then be available for readers. Some preliminary conclusions emerging from the research are:

Innovate! The current economic crisis both reveals and accelerates a strongly felt need for innovation in leadership development

Know the needs! Leadership development initiatives clearly require in-depth analyses and understanding of the needs specific to an organisation

Be strategic. A more strategic use of leadership development is required in the current environment

New approaches. The desire to use innovative and new approaches to support leaders in rising to the challenges they face is strongly highlighted by almost all respondents

Coaching and mentoring. The skills of coaching and mentoring are recognised as having become highly critical to supporting leaders in their development

Executive involvement. The responsibility of senior executives in “modelling the way” and sponsoring leadership development initiatives is more critical than ever

Mindsets. The desire to impact whole organisations, to change culture and mindsets, underlines the growing realisation that emotional intelligence competencies and interpersonal and social skills will make the difference between great leaders and just good leaders

Talent management. Focused talent management and development is at the heart of leadership development initiatives.

Advanced simplicity. Growing complexity certainly does not require simplistic solutions but, on the contrary, thinking at a different level in order to achieve advanced simplicity.

High quality. Leadership is crucial for successfully weathering the crisis – putting even more emphasis on innovation in leadership development.

In addition, a thought-provoking section of the White Paper, prepared with experienced practitioners who are part of the Mannaz network of associates, will address emerging themes in executive and leadership development internationally and offer some thoughts on what it will take to turn the current economic and financial crisis into an opportunity for reinvention and renewal. The full research paper is to be published in June 2009 and the results will be presented at the 2009 EFMD Executive Education meeting hosted by ISM University of Management & Economics, Lithuania (October 11-13). For further details visit www.efmd.org/conferences

This article is based on recent research by Mannaz (formerly the Danish Leadership Institute/DIEU) in partnership with The Institute of Executive Development focusing on “Innovation in Executive Development”. The research involved over 100 senior corporate executives and heads of human resources and of learning and organisational development. Its conclusions combine quantitative and qualitative data regarding current and emerging trends in executive and leadership development internationally and offer some thoughts on what it will take to turn the current economic and financial crisis into an opportunity for reinvention and renewal. The full research paper is to be published in June 2009 and the results will be presented at the 2009 EFMD Executive Education meeting hosted by ISM University of Management & Economics, Lithuania (October 11-13). For further details visit www.efmd.org/conferences

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soh@mannaz.com
Business schools like to stress awareness of other cultures to their students. As they increasingly offer executive education programmes taught abroad by their own faculty they also need to practise it themselves says Mark Thomas
For many years an international executive education experience was the privilege of a few senior company executives who were flown off to different parts of the world to complete a course at a top business school.

The past few years have seen a certain democratisation of this process. Cheaper and easier travel combined with a greater awareness by many companies of what they require from executive education providers has increased demand for executive delivery across borders.

Rather than flying their executives out, companies are now choosing to fly the professors in. Business schools, which have found their local markets reaching a certain level of maturity, have been happy to respond.

Despite the current financial downturn, the need for training and management development across borders will almost certainly continue. In fact, this model may even increase as companies decide that they can train 30 managers locally for the same cost as sending three or four abroad.

The model may therefore have a great future, particularly with the huge increase in the demand for higher education in Asian and Middle East countries. According to Merrill Lynch, a financial management and advisory group, China alone will have 240 million students in higher education by 2020. That’s half the current population of the European Union studying at any given time.

This will have two effects: an increase in demand for executive education as older employees try to keep pace with a newer, more educated generation and a greater demand for outside teaching to foster new ideas. Running such programmes successfully does not mean, however, just putting a group of trusted professors on a plane and asking them to get on with it.

Academics Henry Mintzberg and Jonathan Gosling in their 2002 book *Management Education as if Both Matter* tell us that the hardest lesson for business school professors to learn is that experienced managers have at least as much to learn from each other as they do from their teachers. This is even more true in a programme delivered cross-culturally.

Education must not therefore rely on a preset design. If a business school is effectively to deliver an international executive education programme it will need to rethink many of its standard practices to ensure that it makes a full impact.

This means putting the customer’s needs first and making the programme learner-centred in order to gain maximum efficiency. Simple, right? It is, if you know exactly what those concepts mean to your potential partner.

The tendency to stick to preset formulas can be traced to the very origins of the modern day business school.

"Experienced managers have at least as much to learn from each other as they do from their teachers"
The first Western business schools were set up about 100 years ago when ideas such as “natural superiority” prevailed. Since Western models were considered to be universally valid regardless of the cultures they were in, a “one best way approach” was the next logical step.

To some extent this has been reinforced by the very success of these business schools. When we see students from the four corners of the world strolling down our corridors every day it is difficult not to feel a sense of satisfaction and pride. These people have invested considerable time and money to come and learn all the skills and knowledge that we have to offer. Students that have made the effort to go and study in a foreign country are far more prepared to make a greater paradigmatic shift of their own norms and values. We all know that we have to adapt when we go to a foreign country and the vast majority of us are prepared to make the effort. But executives walking out of their office and straight into a class in their own country will not be in the same state of mind. Of course they have requested outside training because they are looking for a different awareness of certain aspects of business. However, what these executives also require are skills that have immediate applicability.

We know through Russian developmental psychologist Lev Semenovich Vygotsky's work on “zones of proximal development” that we go through learning stages that to some extent must be dealt with on a step-by-step basis. Much of standard Western orthodoxy in the classroom has to be thoroughly explained in an on-going process. Things that are taken for granted in Western classrooms such as the role of case studies, group work and group grades, respect for deadlines and a strict definition of what constitutes plagiarism are difficult concepts to grasp for some cultures.

This is particularly true when it is the professor, not the student, who is flying to a foreign country. What is an Iranian manager, sitting in a classroom in Tehran, to think of a French or British professor, fresh off the plane, telling him to adapt to Western methods? It simply isn’t going to work.

If we wish to make such programmes successful, we really need to think carefully about how we intend to deliver them (the success of a programme will begin during the negotiation phase long before classes begin) but also to be sensitive to the dynamics and realities of what the future participants will undergo. During this stage it is vital to have a clear academic approach on programme and content delivery. Of course, not everything can or should be put up for negotiation. Many elements of the programme must be considered as non-variables. These all relate to the fundamental values and standards of the programme.

The initial competence level of the participants is, for example, a non-variable as is language ability. This sounds simple. But experience shows that the executive education provider will undergo a lot of pressure to move standards and allow weaker members to join the group. But move them at your peril because another non-variable – expected final outcomes – will be directly related to this. If the participants are weak coming in, not only will they struggle but they will almost certainly hold up the rest of the group.

However, if these elements cannot be negotiated, certain parts of course delivery will almost certainly need to be. We generally accept today that formal training will only count for a small percentage of management development. The rest comes from on-the-job learning.

Given this, executive education providers should be fully aware of the prevailing “local received wisdom”. But are we? Do we assume a manager in Moscow will have the same frame of reference as one in Shanghai?

How many flying faculty are actually given intercultural management training before they go off to teach in far flung parts of the world? Probably very few. Perhaps then, the intercultural development process should be seen as a two-way process. If our teaching is to be truly international then we need a deep understanding of how management is represented at a local level.

We need to be very careful about the
Why business schools need their own cross cultural awareness by Mark Thomas

Key Points to Consider

1. Adaptation to new methods may be much harder for participants learning in their own country.

2. Define clearly the fundamental values, entry requirements and expected learning outcomes of the programme.

3. Give some form of intercultural training to your own staff, including professors, and encourage them to adapt their styles of working.

4. Establish a dialogue (a real one) about how successful techniques may be when adopted in a company.

5. Be prepared to negotiate on the approach to learning.

6. Engage in an in-depth analysis of how companies operate in their chosen market.

Executive education providers should be fully aware of the prevailing “local received wisdom”. But are we? Do we assume a manager in Moscow will have the same frame of reference as one in Shanghai?

ABOUT THE AUTHOR

Mark Thomas is Associate Dean for International Affairs at Grenoble Ecole de Management, France. He is currently completing a PhD at Lancaster University Management School, UK, on the transfer of learning in executive education programmes.

The author would like to thank Steve Ludlow, Head of Business Development at the Said Business School, University of Oxford, UK, for his helpful comments on an early draft of this article.

choice of professors and administration staff. Not everyone is cut out for working in a different culture and this may include your local star professors. And you need to train your own professors before they begin their classes.

Our most successful professors on offsite programmes have been those who have been prepared to make concessions on their teaching methodology. This takes a lot of courage and should be fully commended.

One of our highest-rated professors told us that she abandoned the “everything in English” dogma when she realised that it just wasn’t working. Instead, she allowed all group work and even parts of the final presentation to be done in the local language. A spokesperson was elected to put everything into English so that she could provide feedback.

Test results showed overall improved performance despite the fact that all the exams were in English.

Another of our professors abandoned his standard case study method when he realised that a Western “you have three hours to complete this and not a minute more” approach simply wasn’t appropriate. “We just don’t work that way here,” his group told him. Instead, he advised his group that a few cases would be done in this way while for the rest they could give a general idea of the timeframe needed. This proved to be far more successful and provided a deeper understanding of the issues faced.

Such examples show that success can be established through constant explanation and guidance and most of all through adapting certain teaching styles to the frames of reference of local managers. It is about being pedagogical about our own pedagogy.

Indeed, I would suggest that we could go even further.

The real solution is to actively engage in research within the company. We generally accept that learning is more powerful when linked to lived experiences. But how much do we know about the experiences? Probably very little.

When dealing with HRM or cross-culture issues, what power dynamics are in play in the local context? We cannot possibly know this without spending time analysing the dynamics of interactions within the firm. Obviously this includes a cost to the business school but since consultants have no problem in charging a daily rate for services provided, why should an academic institution? After all, the client is interested in the overall results.

A recent Fortune 500 survey found that 85% of companies estimated that there was a lack of truly global managers. By making an in-depth analysis of how managers learn and transferring such techniques to their own courses, business schools themselves can further the development of such global leaders.

As we have seen, demographic changes in certain countries will almost certainly lead to an increase in the number of programmes delivered in this way. The current financial crisis may even accelerate the process as firms seek better value for money and innovation through learning as a means to increase revenues.

Given that growth in the education market will come primarily from Asia in the coming years, getting this approach right is of vital importance to business schools that wish to stay relevant.

If done properly, the impact can be very great indeed. Many participants on these programmes report not just learning new skills but also the development of a greater sense of community within the workplace through having a shared learning experience.

By engaging with a more diverse approach to pedagogical delivery, business schools can also be instrumental in the advancement of companies across the globe.
Corporate responsibility is a much-discussed topic. But how well are companies doing – and what does acting responsibly do for them? Emmanuel Perakis examines the evidence.

Corporate responsibility: a business driver or an ethical obligation?
Over the past decade, there has been a lot of talk about corporate responsibility (CR), corporate social responsibility (CSR), corporate citizenship, responsible competitiveness and many other terms that are used to describe the same concepts:

- a corporation aiming at profits while – at the same time – taking into account the impact of its operation on the community, the environment, the market and its employees

- a corporation’s effort to reduce its negative influence (for example on the environment) and increase its positive influence (for example through its products and services).

If you look up “CSR” on Google you will be directed to more than 24 million pages while the corresponding figure in 2006 was 16 million and in 2000 just under one million. This does not mean that CR is new (in fact it has existed for as long as corporations have) but it certainly indicates that the term is attracting increased attention.

So what is the reason for this exponential increase? Is it simply increasing pressure from NGOs, the escalating importance of CR to the public, the anticipated involvement of government or the hesitant interest of investors?

All these play a part but none alone is sufficient. The underlying catalyst is the shift towards a knowledge-and information-intense global market. Knowledge and information require open channels and transparency.

According to a study by WWF, for all the world population to use resources as we do in the western world, we would need 7.2 planets like our Earth.

In parallel, corporate scandals, such as Worldcom, Enron, Siemens and others have put pressure on other corporations to indicate that CR is “an integral part of their operations”, publicising information about their impact, “exposing” themselves to the public and appearing accountable for more than just making money.

In a way, private corporations are becoming more and more “public”. Only a few decades ago it would have been unthinkable for a corporation to be asked to publicly disclose information such as energy consumption, accident levels, governance structures and so on.

To look more closely at the issue we need to acknowledge that CR is integrally linked to the concept of ethical behaviour and we therefore need to refer to ethics and philosophy to answer the question of whether CR is an ethical obligation or a business driver.

According to the American academic James March, there are two ways of justifying our actions:

- The consequential logic, where action is guided by the hope of favourable consequences. In other words, “I do things because certain good results will follow”.

- The logic of appropriateness, where identity (and the obligations associated with it) guide our actions: “I do things because of who I am, because it is the right thing to do”.

If you look up “CSR” on Google you will be directed to more than 24 million pages while the corresponding figure in 2006 was 16 million and in 2000 just under one million.
Before we analyse these fundamental ways of behaving it is proper to emphasise that whichever of the two rationales a company follows (or rather its management and employees follow, as it is a dangerous mistake to refer to “corporate ethics”, implying that a corporation has human attributes), if the result is in either case to incorporate CR practices into its operations then this can only be considered a positive step.

If we save energy, we reduce the operating expenses of our corporation and at the same time we reduce carbon dioxide emissions (therefore mitigating the problem of global warming). Whether the underlying driver is the cost-saving benefit or global warming is – one can argue – secondary.

Most corporations follow consequential logic and the truth is that there are business benefits in a corporation behaving responsibly:

**Brand reputation**

More and more consumers (consciously or unconsciously) choose products based on the image of the company. The extent differs from country to country but for the western world the ratio is estimated to be roughly 5%-10%

**Cost reduction**

Saving natural resources results in an almost proportionate reduction of operating costs. This saving can roughly reach the area (depending on the type of company) of 0.5%-5% of turnover

It is unlikely to succeed because there is no scientifically based study that indicates that a clear link between corporate CR and business success exists (at least the way that modern markets define success: through the stock price). Yes, there are examples of companies that have cultivated a sustainable profile that helped their success, but we are not looking at individual examples but a norm.

More importantly it is dangerous because what will happen if another concept is more beneficial for the corporation than CR? If being responsible brings 5% more sales, should CR be ignored when another concept brings 10%? Are ethics a matter of figures?

Although the underlying motivation for being responsible might be secondary, it is still important and critical for the way CR becomes (or does not) an integral part of corporate operations.

Following the logic of appropriateness, maybe the sustainable and long-term perspective is that although there are important – rather than success-defining – benefits in being responsible, the driving factor should be that “it is the right thing to do”. After all, who would say to a child “you have to be a good person, because this way you will make more money when you grow up”?

The truth is that much progress has been made in the last few years. Corporations are working towards more sustainable practices and some are performing well. But what about the majority?

**Risk reduction**

Being responsible means being a step ahead of legislation, being prepared when legislation (usually as a result of societal pressure and widely used practices) is enforced

**Employee productivity**

Increasingly, employees choose the companies they work for based at least in part on the level of their CR. It is not surprising that in the case of Enron most employees who did not believe that “the end justifies the means” were moved out of the corporation as a result of the corporate system itself (via appraisals, development and so on)

**Stability**

Being responsible increases the likelihood of long-term stability and survival for a corporation. This is rather important, considering the current financial crisis, which is largely attributed to greedy (if not illegal or irresponsible) management by heads of financial institutions

But are these benefits enough to justify a company striving to be responsible? Probably not. Seeking bottom-line business results by being responsible is not only unlikely to succeed but, moreover, may be considerably dangerous.

The long-term need of this planet especially in areas such as natural resources, food supply and water availability is far more demanding and simple evolution is not adequate

Taking a look at the corporate responsibility reports for major Fortune 500 companies is instructive:

- The average number of graphs in a CR Report is just 15 while the average number of photos is 42 (according to a study by Sustainability).
- The average score of Fortune 500 companies is just over 34% (according to the Accountability Rating 2007).
- The average score of European corporations participating in the European Excellence Award for Society Results is 44%, 11% away from the second lowest area (People Results), and 12% from the third (Policy & Strategy).
- The average trust of the public in corporations is just over 30% (according to a survey by IMD), a percentage that will probably decrease after the current economic crisis.

Furthermore, the many CR Reporting Guidelines available (GRI, AA1000, EFQM, BITC) do not yet even tackle the actual quality of results produced, just the existence of these results.

The corresponding situation would be for an annual report to include financial results for only some parts of the business or a sales report to show results without trends, targets, comparisons and so on.
To be fair, it must be mentioned that the only management model that incorporates this aspect in its evaluation today is EFQM, and that purely by chance as the same rational (quality of results) is used in all other business sectors as well.

There is a tremendous difference between working and reporting on figures drawn from various places (usually cherry picking the positive ones) and keeping a consistency over the years, reporting on all activities, indicating all failures, covering all products and so on. In general, corporations have still quite a lot of work to do.

Focusing on insignificant awards, PR-related activities and statements such as “responsibility is our guiding principle” might be a good short-term solution but it is highly unlikely such practices will lead corporations towards long-term success. CR is important and critical for evolution, for improving the situation. However, the long-term need of this planet especially in areas such as natural resources, food supply and water availability is far more demanding and simple evolution is not adequate.

According to a study by WWF, an environmental charity, we are already exceeding the use of natural resources by 20%. And since 26% of the western world is using 80% of global resources, if the global population increases by 50% (before stabilising in 2012), this means that for all the world population to use resources as we do in the western world, we would need 7.2 planets like ours.

“"If being responsible brings 5% more sales, should CR be ignored when another concept brings 10%? Are ethics a matter of figures?"

Since it is highly unlikely to find the other 6.2 planets (or at least find them on time) we will have to go beyond evolution in the effective use of resources and move into revolution.

Unfortunately, the only other way of re-distributing global resources on this scale is a process called war (which followed on soon after the 1929 depression).

It is certain that corporations should and will increasingly be asked to play a significant part in this unavoidable effort as major consumers of natural resources. Hopefully some corporations will consider this fact as an opportunity rather than a threat just as they successfully do with market issues.

After all when Wayne Gretzky, the famous Canadian ice hockey player was asked what was the secret of his success (hard work, luck, talent?) his answer was “everybody goes where the ball is, I go where the ball will go.”

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# Upcoming events

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<td><strong>EFMD-CENTRUM Conference</strong>&lt;br&gt;Dates / Venue 5–7 July Lima, Peru&lt;br&gt;<strong>Theme</strong> Managerial Challenges for Latin America&lt;br&gt;<strong>Host</strong> CENTRUM Católica</td>
<td><strong>2009 EFMD Conference on Undergraduate Management Education</strong>&lt;br&gt;Dates / Venue 21–23 September Umeå, Sweden&lt;br&gt;<strong>Theme</strong> After the Crisis: Challenges &amp; Opportunities&lt;br&gt;<strong>Host</strong> Umeå School of Business</td>
<td><strong>EFMD EPAS Accreditation Seminar</strong>&lt;br&gt;Dates / Venue 9 October London, UK&lt;br&gt;<strong>Theme</strong> Interpretation and Practical Application of EPAS Standards and Criteria</td>
<td><strong>Joint EFMD-EURAM Programme</strong>&lt;br&gt;Dates / Venue 1st of 3 Modules: 5–6 November&lt;br&gt;<strong>Theme</strong> Creating Research Leadership in Europe&lt;br&gt;<strong>Host</strong> Judge Business School and Cranfield School of Management, UK</td>
<td><strong>International Deans Programme (IDP)</strong>&lt;br&gt;Dates / Venue 1st of 3 Modules: 7–8 December&lt;br&gt;<strong>Theme</strong> Creating Research Leadership in Europe&lt;br&gt;<strong>Host</strong> Judge Business School and Cranfield School of Management, UK</td>
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<td><strong>EFMD Accreditation Seminar</strong>&lt;br&gt;Dates / Venue 7–8 July Lima, Peru&lt;br&gt;<strong>Theme</strong> Interpretation and Practical Application of EQUIS and EPAS Standards and Criteria</td>
<td><strong>EFMD Advisory Seminar</strong>&lt;br&gt;Dates / Venue 24 September EFMD Premises Brussels, Belgium&lt;br&gt;<strong>Theme</strong> Managing IT for Increasing Business Value</td>
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<td><strong>Joint EFMD-EURAM Programme</strong>&lt;br&gt;Dates / Venue 17 November&lt;br&gt;<strong>Theme</strong> Opportunities for Business Education in Africa&lt;br&gt;<strong>Host</strong> ISM University of Management &amp; Economics</td>
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<td><strong>Sharing Best Practice: CLIP Workshop</strong>&lt;br&gt;Dates / Venue 4–25 September Fuveau, Aix-en Provence, France&lt;br&gt;<strong>Theme</strong> Creating Business Impact – Using the Learning &amp; Development Function as an Enabler for Business and Product Development and Innovation&lt;br&gt;<strong>Host</strong> STMicroelectronics</td>
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<td><strong>EFMD Advisory Seminar</strong>&lt;br&gt;Dates / Venue 17 October EFMD Premises, Brussels, Belgium&lt;br&gt;<strong>Theme</strong> Managing Business School Rankings</td>
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<td><strong>1st Global Drucker Forum</strong>&lt;br&gt;Dates / Venue 19–20 November, Vienna, Austria&lt;br&gt;<strong>Theme</strong> Managing for the Future</td>
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