

BUSINESS SCHOOL'S STRATEGY: DEVELOPING LEADERS FIT TO LEAD

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Abstract

Businesses operate in a world facing a range of urgent global issues. We argue that these are caused, at least in part, by business and political behaviours that come from an outmoded business paradigm, poor decision-making, and a narrow focus.

In this paper, we suggest that an effective response to these issues requires global leadership. Four elements are highlighted as being crucial to developing such leadership, namely: a contemporary mission; improved decision-making; a holistic approach; and a new paradigm.

The paper begins by exploring what the mission of businesses should be, and the aspects of decision making which tend to be overlooked or poorly performed. In considering the third element to global leadership, use is made of the Global Fitness Framework to assess whether business leaders are 'fit to lead'. For the final element - development of a new paradigm - weaknesses with the existing business paradigm are considered together with what needs to be contained in a new paradigm.

Having set out the four elements of global leadership, we continue by arguing that business schools are partly to blame for the above scenario. They have failed to recognise the role and power of business – including governments and public service organisations - in helping to address these global issues. A key role of business schools should be to lead in the development and promulgation of new ideas on leadership, rather than relying on existing philosophies and purely striving to meet requests from the market place in their teaching.

Business schools, being businesses themselves, are however operating from the same old paradigms as the businesses they are there to help. As such, they are part of the problem not the solution. If business schools are to have an effective role in the future, they need to adopt a global leadership strategy themselves to ensure they are fit to lead.

1.0 GLOBAL ISSUES

Businesses operate in a world facing a range of urgent global issues (UGI), including those shown in Table 1.

Table 1: Illustrative Urgent Global Issues

Global warming
General treatment and attitude towards the 'Third World'
Middle East
Wealth / power distribution
Religious conflicts / extremism / radicalisation
Resource depletion e.g. water, oil, deforestation
Over population
Demographics
Mass epidemics
Future of men
Aids in Africa
Child development / protection

We argue that some of these issues have, at least in part, been caused by the paradigm in which businesses in the west have operated from for many hundreds of years. Many in the west currently base their behaviour on poor decision-making models, have a short term, parochial and finance dominated focus, and operate from the type of outmoded business paradigm shown in Table 2.

Table 2: Attributes of the Current Business Paradigm

Individuals should act in their own self interest
This also applies to organisations and nations
Competition is a good thing
Market forces will result in optimisation
The public sector can deal with any adverse aspects
Natural resources are there to be exploited - animal, vegetable, mineral...human
Business (and population) growth is desirable

In his study of failed civilisations, Diamond (2005:509) identified:

“...maximum population, wealth, resource consumption, and waste production mean maximum environmental impact”, and worryingly

“...a society’s steep decline may begin only a decade or two after the society reaches its peak numbers, wealth, and power...”

Like the mythical (we hope!) slowly boiling frog, businesses have not recognised the changing circumstances that have made the current business paradigm unworkable and unsustainable as a long-term strategy. This is evidenced by the number and significance of the UGIs shown in Table 1.

Businesses are not of course solely responsible for the cause of the UGIs, or for their effective resolution: individuals, religions, governments, the United Nations, and the G8 all have their part to play. However with the size, power, and global nature of many organisations today, businesses – including public service organisations – have a crucial role in addressing these UGIs.

2.0 GLOBAL LEADERSHIP

We argue that for businesses to operate effectively in the contemporary environment, they need to adopt a global leadership. Global leadership consists of four elements:

- A contemporary mission
- Global approach
- New paradigm
- Effective decision making processes

Each of these are considered in more detail in the following sub-sections.

2.1 Contemporary mission

Leaders need to establish a mission for their organisation that includes a consideration of these UGIs. The Globally Responsible Leadership Initiative (2005), a partnership between the European Foundation for Management Development and the UN Global Compact is a good example of this mission:

The global exercise of ethical, value-based leadership in the pursuit of economic and societal progress and sustainable development

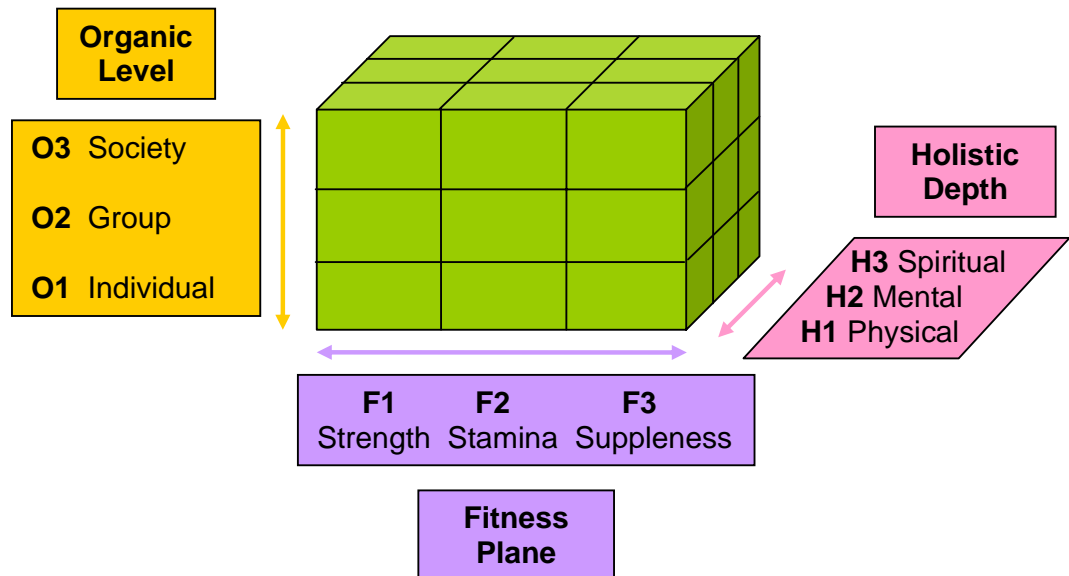
The contemporary mission we are currently working with is developing a:

Sustainable, just and fulfilling human presence on the planet

2.2 Global approach

A global approach needs to be a holistic one and we have developed a framework – the Global Fitness Framework which details this approach, (Figure 1, Rayment and Smith 2007).

Fitness is often thought of as relating purely to individuals and their physical condition: strength, stamina and suppleness. In the framework, this is broadened to include mental and spiritual aspects, and concern for groups and societies,

Figure 1 – The Global Fitness Framework

There has been a great deal of work done in studying some of the cells in the framework, and its modular nature enables this work to be recognised and valued. It is also our contention that the cells in the framework, and hence humanity, are interconnected, and influence each others, such that as well as considering the 27 cells separately they also need to be considered in clusters and as a whole. We argue therefore that the leader needs to consider all of the 27 cells, and their interaction, in order to work in the holistic manner proposed.

More work has been done by researchers on elements represented by cells toward the bottom front left of the framework (individual, physical, strength) than on those represented toward the top back right (society, spiritual, suppleness). The authors suggest however that although the latter elements are more complex they are of greater importance for leaders in the modern world. The fitness aspect can be used to highlight the need for individuals, organisations and societies to be ‘fit for purpose’. We believe this is one of the areas in which much could be done, particularly relating to tackling the UGIs.

The term spirituality is difficult to define (see Smith and Rayment 2007), but in the GFF a very broad interpretation is used where spirituality is seen as anything that is neither physical nor mental. It links to connectedness, either to self, others, nature or some higher being, and provides meaning and purpose. In the GFF, fitness is considered in terms of strength, stamina and suppleness. Spiritual strength reflects such factors as depth and breadth of conviction, commitment, influence and power, clarity of beliefs and the ability to resist attack on them. Spiritual stamina is ability to maintain beliefs and act accordingly in the long term, and be ready to stand up for a cause or beliefs. Spiritual suppleness considers the ability to listen to other views on spirituality with an open mind, consider their validity, reflect upon them, and change

one's own views when relevant to allow for new thoughts, ideas and other changes. This requires the ability to understand and accept that there are many attitudes, approaches and beliefs, each of which may contain some truth.

In decision-making in business, for example, much attention is given to the physical aspects such as money, equipment, and use of scarce resources, and to mental processes such as statistical analysis and risk management. Relatively little attention is paid to what the objectives should be, which is the realm of spirituality. Often objectives that are set, such as to maximise profit, are only intermediate level objectives, not necessarily resulting in achievement of ultimate goals such as increased health and happiness. We would argue that spirituality tends to be largely ignored in current business. We accept that raising issues such as these may bring criticism and even hostility from some quarters, e.g. those unwilling to consider spiritual suppleness as a virtue, but we believe that failure by leaders and decision makers to adopt valid stances on these facets of spiritual fitness is a root cause of several contemporary global issues, and improvement is fundamental to success in tackling them. Our focus on the spiritual aspect of business includes a new approach to strategy, where leaders are aware of issues that are bigger than their current organisation and role, and are given the tools and knowledge necessary to contribute to their resolution.

2.3 New Business Paradigm

The current business paradigm has not recognised the changing circumstances that have made it unsustainable in the long-term. This is evidenced by the number and significance of the issues identified in Table 1. A new paradigm is required, along the lines illustrated in Table 3.

Table 3: Attributes of a New Business Paradigm

Organic Level	Attribute
Leaders and decision-makers	Act ethically, honestly and with integrity
	Are aware of global issues
	Recognise their role in shaping the future of humanity and the whole planet
	Recognise that all aspects of their followers' lives are important, and need to be valued and nurtured
Organisations	Focus on co-operation with customers and suppliers, and work collaboratively with other businesses
	Actively reduce their use of natural resources and impact on the environment
	Contribute to the development of the local community
Nations and Societies	Recognise each others' basic humanity, value and rights
	Act together to tackle issues
	Share resources fairly
	Reduce exploitation of resources and people

2.4 Decision Making

Table 4 shows a model, which covers the stages in systematic decision-making (Rayment, 2001).

Table 4: The ASK SIR L Decision Making Model

A	Appreciate	that there is a problem
S	Specify	its nature and scope
K	Causes	identification thereof
S	Solutions	generation and selection
I	Implement	chosen programmes
R	Review	whether the problem has been solved
L	Learn	how to avoid repetition

Much of the focus in current business decisions tends to be on the middle steps in this process, selecting and implementing solutions, with consequentially little on other stages. 'Appreciate', 'Causes' and 'Learn' are vital stages that are very often missed. Consideration of the UGIs, environmental impact, and challenging assumptions all fit into these areas. When using systematic decision making as outlined in Table 4, consideration must also be given to its potential weaknesses, and the need to include more intuitive approaches such as lateral thinking and Mind Games (Rayment, 2001). Challenging assumptions, flexible thinking, unconventional approaches and suspending judgements all come into this.

3.0 THE ROLE OF BUSINESS SCHOOLS

To a large extent, businesses rely on business schools to guide them. If this were not the case, it would be difficult to justify the pre-eminent position and esteem in which such schools are held, or to see what future they have. A key role of business schools should be to lead in the development and promulgation of new ideas on leadership, rather than relying on existing philosophies and purely striving to meet requests from the market place in their teaching. If they do not then they will soon be overtaken by others, including the business academies that many organisations are now setting up for themselves.

But are business schools 'fit for purpose'? Too often they are focused on developing the mental strength and stamina of individuals and groups. They need to focus more on the spiritual, supple and societal aspects. Traditional business school programmes such as the MBA (Master of Business Administration) include modules on finance and accounting, marketing, human resources and strategic management. They rarely include modules specifically relating to any of the UGIs identified above.

As a first step, business schools need to fully acknowledge the leading role they have in developing and promulgating business philosophies, approaches, tools and knowledge that fit contemporary circumstances and facilitate businesses' understanding and solution of UGI such as those identified in Table 1. This paper

suggests development of what we are calling global leadership, with four crucial elements: contemporary mission; a global approach; a new business paradigm; and improved decision making.

The new paradigm is aimed at ensuring leaders are aware of the consequences and implications of their decisions, and have valid motives and objectives. The global approach aims to ensure all relevant aspects are considered, including physical, mental and spiritual, for individuals, groups and societies.

4.0 PHYSICIAN HEAL THYSELF

Section 3 outlined reasons why we feel business schools are not current 'fit to lead'. It also suggested that the first step is to fully acknowledge the leading role they need to play in the business world.

There is however a more significant issue. Business schools need to recognise that as they are businesses themselves, they are operating from the same old businesses paradigms as the businesses they are there to support. If they are going to play a leading role in the crucial future strategies outlined in this paper, then they themselves have to firstly appreciate the problem, and the fact that they may be part of the problem. They then have to break from operating in a current business paradigm, which will entail attacking their very foundations. They can then adopt the four elements to the global leadership strategy outlined in this paper.

Of course there are significant challenges in business schools doing this. However, as recognised by the Spirit at Work Awards (2007), some businesses are already adopting these new paradigms, and if business schools do not change, then what will the future hold for them?

5.0 CONCLUSION

Humanity is faced with many serious issues, and has many urgent global issues to deal with. Businesses have a major role to play in coping with these.

The paper has outlined the difficulties with current approaches and ways of thinking and has put forward a new global leadership strategy. This strategy consists of four elements: a contemporary mission; a global approach; a new business paradigm and improved decision-making.

It has then gone on to consider the role of business schools in assisting businesses to work effectively in the current environment. We argue that business schools should play a leading role in developing and promulgating the business philosophies, approaches, tools and knowledge required, and in developing leaders 'fit to lead' in the new environment.

We also question whether business schools are 'fit to lead' this. We argue that it is a case of 'physician heal thyself' and that as they are businesses themselves, they are experiencing the same difficulties as the businesses they are there to help. Business

schools need to adopt a global leadership strategy themselves before they can be fully effective in the future.

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