Sustainability and Executive Education: A Call for a New Model

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Introduction

This paper will specifically address the role of business schools and attempt to provide some thoughts and ideas as to how business schools can adapt and lead by taking an educational leadership role in climate change and sustainability in general.

The emerging business case for sustainability now finds that it is required to include both profit improvement opportunities and risk mitigation requirements. New market forces are creating new profit opportunities and threatening companies' social license to operate. A smart sustainability strategy address both and is why for climate change adaption the vision that sustainability makes good business sense is one that universities, and particularly their business schools, would be well advised to adopt.

Marie Eiter who was the principal investigator for the UNICON (Universities Consortium) research study 'Investigating Innovations in Curriculum Design' (December, 2009) began the report stating:

"To say that we are in the midst of disruptive change has become the cliché of 2009. Advances in technology and communications have created globally networked organizations that are increasingly complex, inextricably connected, and, as we have seen in the past year, have the power to destroy not only global financial markets, but the ecological well-being of the entire planet. The imperative for organizations is to innovate and reinvent themselves to survive. But even the term survival needs to be redefined as the ability for the organization to create value in harmony with the ecosystem within which it operates." (Marie Eiter, 2009, p.1)

If, as Eiter claims, it is an imperative for organisations to innovate and reinvent themselves to survive, sustainability and executive education will need to play an increasingly important role for organisations to assist them "create value in harmony with the ecosystem within which it operates". This may be difficult to achieve given the current education model because as Eiter, (2009, p.1) noted "Recent conversations among university directors revealed increasing apprehension about their ability to keep pace with innovations in curriculum design compared to competitive consulting firms." This observation is indicative that a new model is needed for university directors and those involved in executive education institutes to support sustainability, and to enhance their own leader-
ship in this endeavour at the same time, in order not only to compete with consulting firms but also to create a new paradigm, a new model, for executive education itself.

To achieve this it may mean that the 'increasing apprehension' university directors and the like have about their ability to keep pace and compete with the consulting firms centres around their own ability to change and also that of the universities and education institutes as well. Change is difficult and it is claimed that we have an 'immunity to change,' both as an individual and as a collective (Kegan & Lahey, 2001 & 2009). Kegan and Lahey's 2009 book, ('Immunity to Change, How to overcome it and unlock the potential in yourself and your organization'), show how it is not only our individual beliefs, but also how our collective mindsets in our organisations and educational institutes combine to create a natural but powerful immunity to change. Indeed, it is reported that only one person in seven is able to make the change needed to enhance their own personal wellbeing even if by not changing the consequences could mean death. Examples such as reducing weight, stop smoking, changing diets etc are all remedies that people have available to them to enhance their wellbeing but which they have not accepted.

"Not long ago a medical study showed that if heart doctors tell their seriously at-risk heart patients that they will literally die if they do not make changes to their personal lives-diet, exercise, smoking-still only one in seven is actually able to make the changes. One in seven! And we can safely assume that the other six wanted to live, see more sunsets, watch their grandchildren grow up. They didn't lack a sense of urgency. Their incentives for change could not be greater. The doctors made sure they knew just what was needed to do. Still, they couldn't do it." (Kegan & Lahey, 2009 p.1)

What this article is recommending is to create a new model for sustainability and executive education within business schools to train knowledgeable, principled, and skilled leaders.

However, because of the impact on our learning that our "immunity to change" has may mean we need to start much earlier than just when students enter business schools. As Baltasar Gracian the Spanish Jesuit scholar who lived from 1601 till 1658 noted, it is he who is thought to have given us that famous Jesuit maxim "Give me a child for his first seven years and I'll give you the man". The inference of this maxim indicates that a new executive education model on its own may not be sufficiently robust enough to achieve the change Eiter (2009) believes is necessary. This could be because the change required applies to general education itself from childhood to adulthood. By the time a person undertakes executive education it is possible that a certain 'mindset' has already developed together with its own 'antibodies' present to reject significant change. Brice (2004, p.78) wrote,

"In any organism that has Viruses, (by Viruses she means those trying to instigate change) there are also Antibodies. The Antibodies, in this analogy not only resist the change, they attack and undermine the Viruses. The attack of the Antibodies may be overt or covert or a combination of both strategies. You need to be mindful: if you have 10% of Antibodies the power of their impact will in most circumstances defeat the Viruses or put them into remission."
To assist with this remission a new leadership hierarchy is desirable. The 'Hierarchy of Leadership' (Figure 1 below Burke, 2001) posits a descending order of importance for leadership qualities and aims to re-align our thoughts to a more appropriate worldview. The traditional approach to education could well be seen as a threat to creating the required change in leadership attributes. Indeed, the late futurist Robert Theobald (1999) says we are becoming aware that learning institutions and learning societies are necessary to future success. Unfortunately we are also discovering that effective learning does not take place in traditional schools and colleges. This supports Eiter's (2009) claims some ten years after Theobald made them.

![Hierarchy of leadership](image)

*Figure 1. Hierarchy of leadership*

Srikant Datar and David Garvin (2010) claim:

"Increasingly, we believe, business schools are at a crossroads and will have to take a hard look at their value propositions," the authors write in the introduction. "This was true before the economic crisis, but is even truer in its aftermath. The world has changed, and with it the security that used to come almost automatically with an MBA degree. [...] High-paying jobs are no longer guaranteed to graduates, and the opportunity costs of two years of training–especially for those who still hold jobs and are not looking to change fields–loom ever larger. To remain relevant, business schools will have to rethink many of their most cherished assumptions." (http://hbswk.hbs.edu/item/6363.html?wknews=050310)

Datar and Garvin's view was also sited by the Australian Broadcasting Commission (ABC) in its program 'Background Briefing' aired on March 29th 2009 called 'MBA: Mostly Bloody Awful' and the program claimed "something happened to management culture decades ago and now being a Master of Business Administration, especially from Harvard, is rather on the nose. MBA, it's being said, can also stand for 'Mediocre but Arrogant', or 'Management by Accident'. Reporter, Stephen Crittenden".
This program cited in particular the following books as support:

- **The Puritan Gift: Reclaiming the American Dream Amidst Global Financial Chaos**
  Author: Kenneth Hopper and William Hooper
  Publisher: I.B. Taurus, 2009

- **Managers not MBAs: A Hard Look at the Soft Practice of Managing and Management Development**
  Author: Henry Mintzberg
  Publisher: Berrett-Koehler, San Francisco, 2004

- **From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession**
  Author: Rakesh Khurana
  Publisher: Princeton University Press, 2007

- **Business Schools Share the Blame for Enron**
  Author: Sumantra Ghoshal
  Publisher: Financial Times, 17 July 2003

It is the responsibility of university directors to take these claims as the challenge before them. The real challenge is always to provide people with the interest and skills to be self-motivated learners. Regrettably, past patterns of teaching have often numbed children’s natural spirit of enquiry which may have an effect on them when they enter business schools and other tertiary educational bodies. In addition, concentrating on single styles of learning excludes others who gain knowledge in other ways, such as using their hands and their bodies. It is to be hoped that new schools and universities will adapt, but much of the most interesting innovation is coming from outside them.

Eiter (2009, p.15) concluded the UNICON Research Report by stating:

Many directors as well as their custom clients expressed the concern that university-based custom programs were at a crossroad—either the schools adapt to the evolving needs of their clients or companies will look elsewhere to meet these new learning objectives.

Clearly, the industry is in transition. Custom executive education is a lucrative market and consulting firms see this industry disruption as an opportunity to gain a greater foothold. Business schools must find a way to secure their valued position. This research suggests that while faculty play a critical and highly valued role in executive education, business schools need to add a professional cadre of instructional designers and business consultants to work with the faculty to deliver the type of integrated programs that build strategic organizational capabilities.

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**Why Does Management Education Need a New Model?**

This question has been the subject of a great deal of research over the years and centres around business and ethics. Jennifer George, Dean of Melbourne Business School (2004, p.4) reported:

"Every time there is a corporate scandal there are calls for business schools to spend more time teaching ethics. It seems to make sense: why not learn to be good while learning to be smart? But it’s a mandate that’s almost impossible to carry out......A revealing survey conducted by the University of Michigan found that chief executives listed ethics as the second most important skill for young man-
agers to have, behind business strategy. But when asked about the skills that had been most critical for their own careers, CEOs left ethics off the list completely."

There is a debate that executive education, particularly MBA programmes, may have contributed to the global financial crisis as illustrated above. However, the global financial crisis was probably only the catalyst for this debate as certainly many authors were already questioning the value of executive education over the last couple of decades, with articles in leading business journals such as the Harvard Business Review appearing. For example, 'How Business Schools Lost Their Way', Warren G. Bennis and James O'Toole (Harvard Business Review, 2005, pp.96-104) who argue that there is too much focus on "scientific" research and not enough on other ways of knowing, other epistemologies.

Some further claim that executive education created the culture that good management is underpinned solely on commercial rewards (Ghoshal, 2005; Mintzberg, 2004). This, they argue, led to the financial crisis as it gave the justification for business decisions based on an education espoused by business schools.

Others believe that the Global Financial Crisis was a result of bad management partly, they claim, due to executive education distancing itself from the core values of human discipline and innovation (Hooper & Hooper, 2009).

Indeed in an article just before he died Sumantra Ghoshal (2005) wrote;

"Business schools do not need to do a great deal more to help prevent future Enrons; they need only to stop doing a lot they currently do.....By propagating ideologically inspired amoral theories, business schools have actively freed their students from any sense of moral responsibility (p.75)"

This article acknowledges this argument but at the same time will address how executive education, is much broader than just MBA programmes at which much of the criticism is aimed (Bennis & O'Toole, 2005; Khurana, 2007; Mintzberg, 2004; Ralston-Saul, 1993), and has been changing to include core values of human discipline and the innovation needed to address global challenges within its teaching.

Executive Education for Leadership and Sustainability

Education of executives starts at an undergraduate or equivalent experiential level where rigour rightly commands perhaps up to 90% of the teaching methodology. At post graduate level this changes closer to perhaps 80/20% rigour and relevance. At the executive education level participants represent a different age and experience cohort and require from their educators up to, perhaps, 80-90% relevance. Most participants have a high degree of rigour in their educational past and need the relevance to what it is they are actually doing in the workplace.

Eiter's (2009, p.2) study sought to investigate the concerns about relevance. The objectives of this study were to:

- explore approaches to executive program design by non-university providers
- identify innovations in curriculum design offered by non-university providers that link education more explicitly with the strategic objectives of the firm
examine the implications of these findings for university-based executive education.

"To return to where we began, will we end up with management schools or business schools? Right now, we have schools of business without much management. Perhaps some will recognize their devotion to business and end the pretence of developing managers. I hope many others will choose to become seriously managerial. We require better managing in this world, and need serious educational institutions to help get us there". (Mintzberg, 2004, p.415)

Specifically Mintzberg is concerned at actions that have been taken by those who lack extensive general knowledge but are closely associated with business executive education, usually with a narrow focus.

Chris Argyris (1991) suggested that competitive success depends on learning, but most people, including professionals in leadership positions, are not very good at it. Learning is a function of how people reason about their own behaviour. Yet most people engage in defensive reasoning when confronted with problems. They blame others and avoid examining critically the way they have contributed to problems. In his classic 1991 article 'Teaching Smart People How to Learn' Argyris shows how companies that focus on continuously improving their managers' and employees' reasoning patterns can improve employee problem-solving and therefore increase success. Eiter's finding that "university directors revealed increasing apprehension about their ability to keep pace with innovations in curriculum design compared to competitive consulting firms" well demonstrates Argyris assertion that smart people have difficulty in learning something significantly new because of the anxiety this creates.

To assist them learn and navigate this anxiety futures theory and methodologies offer a valuable route.

Role for Futures Thinking for a New Model

Futures thinking moves people into the realm of strategic Leadership capabilities and gives them tools to navigate the anxiety the future can hold as most change is usually approached as a technical problem, and thus has a ready made solution, rather than what is more likely to be the case that it is an adaptive challenge (figure 2). Technical problems (even though they may be complex) can be solved with knowledge and procedures already in hand. Adaptive challenges require new learning, innovation, and new patterns of behaviour (Heifetz & Linsky, 2007).
The most common leadership mistake is treating Adaptive Challenges as if they were technical problems. Technical problems can be solved by an authority or expert. They have a known solution.

Heifetz and Linsky (2007) claim that Adaptive Challenges are quite different in that they have no known solution – the skills and answers are outside your repertoire. Adaptive Challenges are those you have to grow into solving and require mobilising people's hearts and minds to operate differently. Luckily, these skills can be learned regardless of position or function.

Leading effectively requires recognising both the adaptive and technical aspects of a situation and tailoring your efforts accordingly.

In other words most of us with good technical skills tend to think that by using these technical skills to solve all problems is good leadership which supports the challenges to business school's the authors mentioned are making. It can be but only if it is appropriate. If the situation is an adaptive challenge (and when dealing with people this is often the case) then it certainly requires leadership rather than relying solely on our authority or our technical skills. Adaptive Leadership is the framework people need to effectively close the gap and make their aspirations reality. It provides a disciplined approach to do more for what they care most about.

Adaptive Leadership is purposeful evolution in real time.

The leadership role is understood as shaping the future by providing direction and vision, hence problem definition and solution. It is also to provide protection, particularly from external threats. The leadership role is also one of creating order so as to maintain stability (Heifetz, Grashow, & Linsky, 2009, p.28).
Kegan and Lahey (2009, pp.310-314) argue that one of the ways in which leaders can lead the way is by honouring the distinction between technical and adaptive learning agendas. Eiter (2009, p.15) claims change in the executive education process can be achieved by corporate learning that has moved from an educational process to a strategic leadership practice. This suggests that the educational process is primarily a technical process with technical solutions ready to hand whereas what is required is an adaptive approach through strategic leadership.

An example of this is the Global Financial Crisis (GFC). The term “Global Financial Crisis” (GFC) is a misnomer that attempt to divert attention from anxiety about the real problem that is treating the crisis as though it was a technical problem with a technical solution. ‘Finance’ was not responsible for the humanitarian tragedy this "crisis" precipitated. It is, of course, a Global Leadership Crisis (GLC).

So what caused the Global Leadership Crisis (GLC)?

Arguably it is a worldview (mindset) problem that our education system may be responsible for because of its technical approach. A more appropriate leadership methodology for an alternative worldview based on equity, sustainability and cultural wealth is now called for as argued in Foresight (Burke, 2001).

Policy making and sustainable development that is inclusive of all tiers of society is a adaptive leadership challenge, if not the leadership challenge humanity faces, and needs to be foremost in the curriculum of universities and business schools. Issues that Business Schools must address for the future include "how can executive education contribute to the welfare of business as well as the planet and all its inhabitants?"

Futures theory and methodology can be used to shape the future of executive education by demonstrating that executive education in a futures context directly addresses the question "what kind of world do we want to live and work in?"

Much of what we observe as executive education concerns responses and reactions to current organisational and economic problems. It does this by addressing problems of the past that led to the current organisational and economic problems, with the assumption that we can learn from these problems and thus they can be avoided in the future. This is perfectly understandable, necessary, and desirable.
However, it is only part of the solution, as it does little to achieve the world we want to live and work in simply because it is not directly addressing it.

To directly address what kind of world do we want to live and work in is a leadership responsibility and role which can be addressed successfully by using futures methodologies to navigate the way of directly addressing the shaping of the future.

The leadership role in a futures context is important because it enables people to examine the future they truly desire and to give priority to actions for achieving that, as well as, simultaneously, enhancing the present. The distinction between linking long term with the short term is pivotal and is demonstrated through backcasting, i.e. from there (the future) to here (the present). This means challenging, what James Dator, professor of political science and former president of the World Futures Studies Federation, (2007) calls, "crackpot realism", the view that there is no change and that thinking like we did yesterday actually works.

Eiter (2009, p.12) poses the question:

*Can universities adapt? In most schools a formidable barrier to effectively responding to customer's evolving needs has been the almost total reliance on tenured faculty in the program design and delivery process. However, customization in terms of real adaptation requires deep engagement with one client. This type of deep focus is in conflict with the teaching and research responsibilities of the faculty. The implications of these findings raise a number of issues for schools to consider.*

This paper argues that executive education has been changing to include futures theory and methodologies to meet these challenges by responding to the core values of human discipline, that is basic human rights, and the innovation needed to address global challenges within its teaching as its adaptive challenge.

Futures theory and methodologies provide people with the opportunity to shape the future of executive education through its multidisciplinary and civilization approach and its quest to achieve reconciliation between the core values of human discipline and innovation i.e. reconciliation of the dual needs of material wellbeing and that of spiritual wellbeing, spiritual in its broadest sense. Indeed these two needs are legitimate and need not be incompatible. John Armstrong, Philosopher in Residence at the Melbourne Business School, writes (2009, p.187):

"The essence of civilization can be defined like this: Civilization occurs when a high degree of material prosperity and a high degree of spiritual prosperity come together and mutually enhance each other."

Let us examine the following:
1. Global challenges and what this means for sustainability and executive education.
2. Futures methodologies in shaping the future of executive education.
3. Future Leadership supported by executive education.
1. Global challenges and what this means for sustainability and executive education

Although more effective than Kyoto, because of the presence of the U.S. and China, the 2009 United Nations Climate Change Conference in Copenhagen (December, 2009), ‘Cop 15’, is an example of Dator’s (2007) ‘crackpot realism’. The facilitated use of futures methodologies could have given the conference the opportunity to suspend vested interests for the short term, what was argued as the fundamental sticking block, in order to enhance a longer term vision, and from that vision, provide the means to work backwards, i.e. backcast, to achieve it. This was the adaptive leadership challenge (Heifetz & Linsky, 2002), the challenge that appears not to have been taken up. This failure of the leaders at Copenhagen to respond to that challenge is an indication that there is a need for an education system aimed at producing a new generation of leaders capable of putting the interests of all on the planet foremost. The problems were framed only in the context of the nation-state and not as a global governance issue with global warming as the symptom of a crisis in global leadership.

In addressing sustainability and the role of universities and business schools there is a consensus generally that sustainability is about improving the quality of life for each and every one of earth’s inhabitants, now and in the future. A sustainable system is one in which resources are not depleted and future generations have the same potential as the current generation does, a reason why futures theory and methodologies are so important for universities and business schools to adopt.

Resilience, which is the capacity of a system to absorb disturbance and re-organise while undergoing change so as to retain essentially the same function, structure and feedbacks to have the same identity, and the ability to cope with shocks and to keep functioning in much the same kind of way. Resilience thinking is thinking that is using networks as an underlying framework to provide valuable understanding about phenomena: asset bubbles, financial collapses, trade, productivity, etc.

Systems thinking, using simulation as an underlying framework provides valuable insights about policy: robustness of policy models, critical variables and policy levers, feedbacks and lags, etc. according to Professor R. Quentin Grafton, of the Crawford School of Economics and Government at the Australian National University, in a speech he made for the Australia 21 Resilience Conference, 18th February 2010.

Futures’ thinking, however, encompasses both resilience thinking and systems thinking, and takes a multidisciplinary approach, largely through ‘what’ questioning to provide valuable insights about living; creating preferred futures about what kind of world do we want to live in.

For example, the questions to ask university directors, “how has the current education system, including executive education, contributed to the poor leadership result from Copenhagen, as well as the other global issues humanity is facing?” From this, “what do we need to do to change as a means of equipping our leaders with the skill and wisdom the challenges of the 21st Century pose?”

This expansion is crucial because less and less of what a business school actually teaches, in the senior executive education arena, is directly about the technical aspects of business itself. Much of the technical aspects of business are covered in MBA pro-
grammes and the like as well as in many executive education programmes. However, with senior executives it is increasingly more about understanding and working through creating effective relationships, leadership, culture (including both the inner and outer issues of consciousness within the deep myths and metaphors the organisation is living either consciously or unconsciously), communication, global issues, and about creating preferred futures.

The underlying assumption in the design of university-based custom executive programs is that by imparting new or refreshed knowledge or skill sets in relevant domains, client organizations will be enabled to meet their current challenges.... The objective of an executive program is to present innovative concepts, frameworks or models to senior business leaders who can then use this knowledge to address their organizations' most pressing issues. (Eiter, 2009, pp.2-3).

Requirements for the Evolving New Model

Climate change adaptation: What are the best visions and strategies for universities to adapt to climate change?

Perhaps Al Gore in his film and book (Gore, 2006, p.23) 'An Inconvenient Truth' may have provided the vision and strategies for universities and business schools to adapt to climate change.

"You see that pale, blue dot? That's us. Everything that has ever happened in all of human history, has happened on that pixel. All the triumphs and all the tragedies, all the wars, all the famines, all the major advances... it's our only home. And that is what is at stake, our ability to live on planet Earth, to have a future as a civilization. I believe this is a moral issue, it is your time to cease this issue, it is our time to rise again to secure our future."

As the concerns of climate change, carbon trading and their economic and social impacts intensify, this presents for universities and business schools the opportunity to get ahead in sustainability education through programs that are designed to examine company's strategic opportunities for growth, competitiveness, profit, shareholder value, risk reduction, right-to-operate and innovation in a world of economic, environmental and social challenges.

Sustainable development is most commonly defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". (World Commission on Environment and Development, 1987).

Previously, it was considered that the needs of business and the needs of the environment were not compatible; that progress in one was at the expense of the other. The opportunity for universities and business schools to prove that sustainable value demonstrates that profitability and sustainability are not mutually exclusive by a focus on showing how to develop strategies that integrate profitability with sustainability.

In the words of sustainability experts Hart and Milstein, "The global challenges associated with sustainability, viewed through the appropriate set of business lenses, can help to identify strategies and practices that contribute to a more sustainable world, and simultaneously, drive shareholder value; this we define as the creation of
sustainable value”. (Hart & Milstein, 2003, p.57)

"Firms that take the time to create a compelling sustainability vision have the potential to unlock future markets of immense scale and scope....delivering the opportunity to create sustainable value - shareholder wealth that simultaneously drives us towards a more sustainable world - is huge.” (Hart & Milstein, 2003, p.65)

The question of living in harmony with the planet is the dominant debate today, because of the threat of ecological collapse and its potential for the future of human life. Providing the debate is allowed to continue and governments react responsibly perhaps there is a chance for a new era of 'global consciousnesses', a sustainability era, as hypothesised by Oliver Markley (1996) and Jorgen Randers (2008), suggesting that humanity is at a bifurcation point, do we overshoot and collapse or can we find a new global consciousness and survive and thrive, and this could also be added as a fundamental subject for executive education.

Good business relations and ethics, that are inclusive of all tiers of society, and all nations and cultures, offers executive educators the opportunity to contribute to a more humane and peaceful society, the benefits of which will contribute to co-existing peacefully and equitably with each other and to healthy international cooperation and trade and economic prosperity.

The main point to make here is that executive education must expand what it teaches from the narrow to the broad, from the efficient to the ethical, from the national to the deep civilizational.

These fundamentals are included in the futures theory and methodologies (Inayatullah, 2005) that participants have found of great value in the futures executive education were they have been taught.

2. Futures methodologies for shaping the future of executive education

What may be the scene for executive education in the future if these topics are included as fundamental? What future for executive education does university directors want to create? What are the images for executive education that will pull it to the future? What is happening today from multiple perspectives (social, technological, economic, environmental, political, demographic, etc) that will push it to the future? And what are the past weights of executive education that are still a burden and difficult to change?

Futures thinking uses foresight to seek answers to these and other 'what' questions i.e. what kind of world do we want our grandchildren's grandchildren to be educated for? Futures thinking also uses hindsight to examine the themes and patterns from the past (macrohistory) that seem to repeat themselves, in order to differentiate from the more undesirable aspects of the past and to forge a future in a more positive way. From foresight and hindsight, insight is sought. What needs to be done now in order to achieve an executive education preferred future?
There are two parallel streams. One that is the role of management to focus on the issues of today, based on their knowledge from the past (programmed learning). Learning from the past involves reflecting on their experiences from the past and is often described as act-observe-reflect-plan-act. Two, the role of leadership which is inherently focused on creating a future that has yet to be realized, which often requires 'constructive destruction', the ability to self destruct in order to innovate and reposition successfully. The futures thinking methodology will help organisations innovate and create preferred futures through the gift of insight - a leadership capability.

These two streams are both essential, but fundamentally different. Stream one, the management stream, attempts to 'control' change within the current paradigm, whereas stream two, the leadership stream, attempts to 'initiate' change for the better by shifting the paradigm. It appears that Eiter's (2009) UNICON research is claiming that university directors are mainly operating in stream one, whereas consultants are more likely to operate in stream two.

There are a number of futures methodologies that are used and the most common methodology is that of scenario planning. Whilst scenario planning is an effective methodology for creating a strategy document or intention, and are often readily accepted by CEOs and their Boards as effective strategy, it can be argued that it is too mechanistic a methodology when it is used solely on its own, which is most often the case (Burke, 2009, pp.99-104). There is little room for an outlier scenario particularly when the most popular 'double-sword' traditional matrix scenario planning method is used. The goal in the double sword method is to enhance strategy within the framework of reference not rethink the framework. It is only based on what we don't know instead of the more challenging what we don't know we don't know (Inayatullah, 2005).
Arguably there needs to be a lot more thinking before an organisation embarks on creating its strategy otherwise they can get results that are consistent with current paradigms, ideologies etc., or what Argyris (1991) calls single loop learning outcomes, i.e. learning within the current paradigm. It is this new thinking that needs to be encouraged, as a responsibility of executive educators, before their participants engage in creating a strategic plan for their organisations. Scenario planning may be a good management tool, but when used solely on its own it is not effective enough as a leadership method. This is because often it fails to deliver on what is the real leadership challenge for the organisation that is emerging.

Organisations appear not to engage deeply enough in what the future holds by challenging their worldview before they even commit to a strategy as suggested by Mintzberg et al (2002).

"We can live our lives and manage our enterprises obsessed with getting ever more, with keeping score, with constantly calculating and scheming. Or we can open ourselves to another way, by engaging ourselves to engage others so as to restore our sense of balance". (Mintzberg, Simons & Basu, 2002, p.91)

Again this is a leadership challenge as it requires that decisions are often made that may completely alter the organisations direction and culture. This creates enormous anxiety and, it is for this reason that, to practice effective leadership can be dangerous (Heifetz & Linsky, 2002, pp.11-13) and possibly a reason why CEO tenures are so short. Perhaps they are short not because the CEO was trying to implement change, but because of it, the 'immunity to change' effect. Providing teaching of futures theory and methodologies for CEOs, and management executives in their executive education helps provide the navigational tools and methods to help guide them to instigate more profound societal and organisational transformation.

Because futures methodologies effectively enhance clarity around an organisation's direction, as a result of directly addressing it, the visioning process tends to produce more tangible results. Through scanning methods, such as emerging issues analysis (Molitor, 2003); current maps of past, present and future are disturbed by having the external threats and/or opportunities more rigorously examined. The insights derived from this disturbance improve organisational stability because of the real evidence to the organisations stakeholders that the future has been rigorously previewed and researched. This enables all the stakeholders to feel more protected and, as a result, order is maintained. Therefore the distinction between management as reacting to current problems (technical review as hindsight), and leadership as creating a preferred future (adaptive preview as foresight and insight), is important.

From the outcomes of foresight and hindsight to insight then apply futures theories and methodologies, as illustrated below (Inayatullah, 2005), to apply strategies to allow organisations to move forward.

In order to navigate this anxiety effectively so as to practice effective leadership without, metaphorically, 'getting shot' the six pillars methodology, described below, developed by the futurist and political scientist Professor Sohail Inayatullah, is most effective.
Because the future does not exist, and never will exist, it can only be ‘seen’ as images. It requires acts of inspired leadership to develop the powerful images and the capabilities needed to successfully leverage the opportunities and challenges that organisations will encounter along their paths to future success. This process often results in not only enabling participants to ‘see’ the future, but also can ennoble them to carry it out (Inayatullah, 2005, p.223).

In creating the preferred future these six pillars are ways of navigating the anxiety of the new (the adaptive leadership challenge) and incorporates a process of sharing–sensemaking–discovering common intention and then prototyping (Scharmer, 2007, p.203) innovations that will be reliable and effective through challenging groups to progress their thinking about creative alternatives and assist to discover ideas, tools and techniques to use in their own project research and practice.

This requires an ability to both learn from the past and learn from the future as it emerges as my model below suggests.
Learning from the Past

Learning from the Future as it Emerges - Theory U

Figure 6. Learning from the past and learning from the future as it emerges

In order to learn from the future as it emerges in the here-and-now is a leadership challenge. The work of Otto Scharmer is valuable in that new Leadership challenges
often require new approaches to leadership. Otto Scharmer's 'Theory U' (2007) argues that downloading from our past experiences is not good enough to address new challenges. He argues that people need to process three movements; Observe, observe, observe, especially horizontal connections; Retreat and reflect, connecting vertically at the deepest human level so that something new can happen authentically; Act in an instant, while staying connected to your intention, you connect to your attention and begin to operate from the now – the doing straight away – prototyping, learning by doing. Richard Searle (2009) refers to this as 'Attfluence' - intention, attention and influencing.

"Leadership involves influencing change, but in the absence of true attention to others and reality, our efforts at influencing often degenerate into being reactive and coercive. To be truly effective and innovative a symbiosis of attention and influence or 'Attfluence' is needed," says Richard Searle (2009, p.1).

Awareness, not only around whole ecosystems, but in small ecosystems, is needed to learn from the future as it emerges. People need to extend their awareness from ego (their learnt behaviours from their past), to ecosystems (learning from present and future systems) which is a leadership requirement today, Scharmer (2007) claims.

The most important tool of social technology is yourself and your capacity to act as who you really are with unconditional confidence which is connected with confidence that is grounded in something, present and future, but not embedded in the past.

The relationship between the individual and the collective transforms across all systems levels, all levels of consciousness.

At the organisational level, where the geometrics of power bureaucracy reside, is the centre where the power resides. As the centre grows it creates divisions and 'little kingdoms'. Networked power resides in the relationship patterns of relationship problems. It can get very complex. Futures thinking and methodologies are useful tools to help navigate this complexity.

The business case for futures theory and methodologies is that the futures tools and methodologies not only are challenging conventional business assumptions but they are also challenging the worldviews, myths and metaphors that created these assumptions in the first place. This allows new thinking, whilst not necessarily an easy experience, to emerge which holds tremendous potential for forward thinking organisations to significantly increase their innovation, through dialogue to co-evolve a desired emerging future as it occurs in the here-and-now as the 'new' strategy.

Teaching sustainability

Climate change and sustainability has always been a critical issue for business and in teaching sustainability it is important to do this in a way in which business can connect. In this sense using business language avoiding "green hype" can have a distinct advantage (Willard, 2002 & 2005).

The language used with executives is critical when attempting to engage their interest in sustainability. It is preferable to position sustainability as a means to achieving existing business goals, rather than as another goal for already-busy executives.
It is important that the teaching shows this. The 'Sustainable Enterprise Academy' (SEA) at Schulich School of Business, York University, Toronto, Canada, promotes sustainability education as outlined by its director Brian Kelly, who states:

- Companies can be both sustainable and profitable (there is a strong business case for sustainability)
- With the right business strategies, there is no trade-off between sustainability and profitability, indeed there is synergy
- Sustainability is a risk management strategy
- Sustainability is moreover a growth opportunity
- Informed leadership for change is critical to success


Stage 1: **Pre Compliance**: in which the company feels no obligation beyond profits

Stage 2: **Compliance**: Regulatory enforcement meaning compliance in which the business manages its liabilities by obeying the law etc by reactively doing what it legally has to do. Corporate Social Responsibility (CSR) etc. is given lip-service.

Stage 3: **Beyond Compliance**: Eco-efficiencies / PR crisis / Regulatory threat

The company moves from defence to offence. Sustainability are tacked on as "green housekeeping", not built in and institutionalised.

Stage 4: **Integrated Strategy**: Enhanced business value as the firm transforms itself. It re-brands itself to sustainability and integrates sustainability with key business strategies for competitive advantage.

Stage 5: **Purpose/Passion**: Values-driven founder / CEO committed to improving the well-being of the company, society, and the environment, the company helps build a better world because it is the right thing to do.

The 'tipping point' is in stages 4 and 5. Willard recommends that you teach and lead sustainability like any other cultural change initiative. Willard's three steps are:

1. Walk the talk as senior leaders Integrate into vision - mission – strategies
   - Business strategy vs. philanthropy and avoid "green-washing" hype
2. Educate the whole company Solicit employee ideas – help
3. Align with measurement and reward systems

Willard's (2002) extensive research of the impact of businesses adopting sustainability approach has identified seven business case benefits:

1. Reduced recruiting costs
2. Reduced attrition costs
3. Increased employee productivity
4. Reduced expenses in manufacturing
5. Reduced expenses at commercial sites
6. Increased revenue - market share
7. Lower insurance & borrowing costs

... yielding a profit increase of an average of +38%, and substantial reputation effects.
Sustainability and Executive Education: A Call for a New Model

Organizations need to tailor the business case to their particular situations. Sustainability champions should anticipate arguments against their proposals and arm themselves with effective counter-arguments to push-backs from sceptical executives.

Brian Walker who is an internationally experienced scientist working on ecological sustainability and resilience in social-ecological systems in his speech to the 'Australia 21 Resilience Conference' at the Australian National University in February 2010 made the observation that in an uncertain, changing and not-very-well-understood world, a stumbling block to progress could be noticed in the words of Bertrand Russell and W.B. Yeats:

"the trouble with the world is that the stupid are cocksure and the intelligent are full of doubt" (Bertrand Russell)

"the best lack all conviction, while the worst are full of passionate intensity" (W.B. Yeats)

Walker summed this up "and we all, of course, cast ourselves in the roles of intelligent and best."

3. Future leadership supported by executive education

A sustainable university: How can universities move from industrial organisations to ecological ones?

Given the tough economic times we are in and its uncertainty for the future, there has never been a better time than right now to be sustainable. Sustainability is an effective growth strategy - for today's environment and the reason universities and
business schools must move from being industrial organisations to ecological ones.

Being sustainable is actually a guarantee that organisations will benefit financially, for four reasons (Hart & Milstein, 2003), and this is why it is important for universities to be foremost in providing the education necessary.

- Firstly, a stronger focus on the internal operations of an organisation e.g. leading to minimising waste and emissions produces cost and risk reduction instantly;
- Secondly, a strategy of product stewardship that integrates stakeholder views into the business process enhances reputation and legitimacy with organisations external customers. Organisations with sustainability practices are more likely to survive in these tough times while others won’t;
- Thirdly, a clean technology strategy which develops the sustainable competencies needed for now and the future produces innovation and effective repositioning, becoming creatively proactive rather than reactive; and
- Fourthly, through development of a sustainability vision universities and business schools and organisations can create a shared roadmap for meeting unmet needs securing a long term future. This means a ROI which not only improves shareholder value but also stakeholder value.

There has been a lot of hype about sustainability but not much actual guidance to ensure that business won’t be saddled with a huge financial burden with not much to show for it. Universities and business schools can and do provide programs to address this concern.

These programs give practical pragmatic steps to guide organisations to the rewards of sustainability. Indeed universities and business schools should be able to provide methodologies and evidence to show how this is possible and how some organizations have improved profitability and that the firms that take the time to create a compelling sustainability vision have the potential to unlock future markets of immense scale and scope.

Universities move from industrial organisations to ecological ones by participating in learning leading to the foundations of or improvements in the sustainability strategy for organisations. This means that universities and business schools will have the opportunity to create sustainable value – shareholder wealth that simultaneously drives towards a more sustainable world. These opportunities for universities and business schools are huge, and yet to be fully exploited. This remains an under-appreciated avenue for future profitable growth.

Today’s real leadership challenge is to remain firm on the longer term challenges for sustainability.

Business leaders are paid to focus on the bottom-line, and they should. They acknowledge that environmental and social concerns deserve attention, but not at the expense of company value or shareholder returns. Surprisingly, many companies are discovering that they can enhance their competitive positioning while improving their image as responsible companies by being more productive around sustainability issues.

Using all our ways of knowing and of being, executive education can support leadership as the way of contributing to the welfare of business, as well as the planet,
and all its inhabitants, by adopting a balanced portfolio approach that looks at the future (there) and the present (here) at the same time.

Looking at this model, developed by Hart and Milstein (2003) we can see why it makes sense (Figure 8). However, in practice what usually happens is that Today-Internal (management) gets the most attention at the cost of the other three quadrants (leadership), as depicted below (Figure 9).

Figure 8. Manage for a Balanced Portfolio

Figure 9. Sustainability portfolios: current reality and future vision
So what might be the challenges or opportunities for executive education that could evoke a significant mindset change in order to sustain a viable future and not have a repeat of our current negative world events?

Executive education, through futures thinking, future theory and strategies, can provide the navigation tools for the anxiety questions involving the need for change, disequilibrium, provokes leading to innovative strategies that can actually work.

Executive education should consider including in the curriculum methods to:
1. Provide relevant data that identifies potential issues or trends that haven't been considered
2. Challenge the assumptions that organisations are currently using and where these may break down
3. Understand the underlying metaphors that define the culture of organisations, yet aren't necessarily conscious to the organisation
4. Developing a strategy and a story or narrative that incorporates a new way of thinking and helping organisations move to where they need to be in the future
5. Leadership that connects to the source of inspiration, which allows new knowledge to emerge
6. Facilitate this new knowledge into action

Whilst it may not be possible to predict the future accurately we can anticipate it from emerging issues and what the indications of these emerging issues are likely to be.

What can we do?

"A serious problem of our time is the gap between skill and wisdom. Science and technology are accelerating furiously, but wisdom is not. Deep reflection about what it means to be human. Society's best brains are saturated with immediate issues that become ever more complex, rather than reflecting on why we are doing this and what the long-term consequences will be." (Martin, 2006, p.235).

New Leadership challenges for executive education for the future emerge that require new approaches to leadership and a new awareness of what it is we want the future of executive education to be. This is the result of researching what kind of world we really want to live and work in.

Conclusion

Business schools can adapt and lead the key being to create the future society wants and to be able to influence that, rather than have others, such as powerful organisations and governments, with their own vested interests, decide that for society. This call on business schools comes at a time when more than just financial rewards are sought from those in organisations and from those involved in commercial businesses. It comes at a time when the global society as a whole is questioning leadership, our political leaders as well as our organisational leaders.

It is possible for applied futures thinking to make a difference by using the futures tools and epistemology for leadership transformation by entering a different conversa-
tion about what it means to be a human, not as a resource, but as a living person, in an organisation and in our modern society as a whole.

The transformational challenge for business schools may very well now hinge on (re)introducing philosophy teaching, conversations on the philosophy of economics centred on consciousness, spirit, transpersonal psychology, beginning with questions about values such as "What are our values that drive us towards a more meaningful life?" And "What are our beliefs and world views that help us explore our relationship with a more meaningful life?" And for economic philosophy "Thinking about organisational leadership what philosophy of economics would help achieve a more meaningful life for members of your organisation and your society in general?"

The encouragement for executives to backcast using the checklist "STEEPLE" is also worth considering by university directors in executive education programs. That is:

- **Social** (does it meet the needs of society),
- **Technical** (is it using all technical methods available including social technology),
- **Economic** (does it make sound economic sense for all tiers of society and does not favour one tier at the expense of others),
- **Environmental** (does it comply with best practice environmentally including, but not exclusive to, the natural environment),
- **Political** (does it benefit all society without creating losers),
- **Legal** (does it comply with all laws and therefore is the right thing to do),
- **Ethical** (Is it good).

When examining one of the major factors (but certainly not all) that contributed to the GFC, sub-prime housing loans in the U.S., it will be revealed that these loans only got a tick for legal against STEEPLE as all the other factors were clearly not considered. Because of this limited approach financial institutions, and those involved with them in executive education, were under an illusion if they thought they were giving quality financial advice.

For organisational and societal transformation to occur it is important for executives to incast into their backcast using Inayatullah's (2004) Causal Layered Analysis (CLA).
Figure 10. Backcasting with CLA Incasting

Kum-Kum Bhavnani, John Foran (2008, pp.319-338) stated that “in 1998, 2.8 billion people lived on less than $2 a day, with 1.2 billion living on less than $1 per day. These mind-numbing figures are by now so well known that they have lost their ability to shock”.

As Muhammad Yunus, quoted in Fortune, February 19, 2007

What if?

- What if we believed in a world where companies didn't measure their performance only in terms of profitability?
- What if pharmaceutical companies reported on their bottom lines, along with those familiar figures, the number of lives saved by their drugs every quarter, and food companies reported the number of children rescued from malnutrition?
- What if companies issued separate stock based on social returns, and people could buy the shares of those that saved more lives than others, or sell the shares of energy companies that polluted more than their competitors?
- What if, by raising "social capital" and investing it in sustainable businesses without a profit motive, companies could reach into new markets, expanding their core businesses at the same time they improved lives.

We saw in 1989 the collapse of the 'Centralised Plan' concept for the global economy and currently, the collapse of the global 'Decentralized Market Forces' concept.

What is evident from the current world financial crisis is that it is no longer sensible to talk about capitalism versus socialism as a either/or debate. What we need now
is adjustments to our global business/financial system which evolves mutual dialogue that executive education should provide.

We have witnessed how rampant greedy capitalism from some quarters, particularly the risk management of particular financial-services institutions, has failed us and it is only the financial bale-outs that promise any chance of hope. These bale-outs are socialism at its best – elected governments looking after society in its hour of need.

In a positive vein, we can now start to rewrite the business models that prove to be dysfunctional, to embrace wellbeing through economic humanism and conscientious consumerism.

Throughout history business has put short-term growth ahead of environmental sustainability. However, corporations must rethink how they do business, consider all stakeholders beyond shareholders, their approach to strategy development and execution, and take a strategic leadership role in these critical areas. This paradigm shift is best for sustainability and long term profitability and the responsibility is on today’s organisations and today’s educational institutes to effect these changes because they have the power to do so.

Perhaps the new model could encompass the model below (Burke, 2001).

![Figure 11. Evolving leadership for the 21st century](image)

"The best way to prepare individuals for the future is to educate them on the future."
"Education is clearly the doorway to the future and the future of education is education on the future."

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