

Synergistic Mindsets Wanted: Are Business schools meeting the demands of a VUCA world?

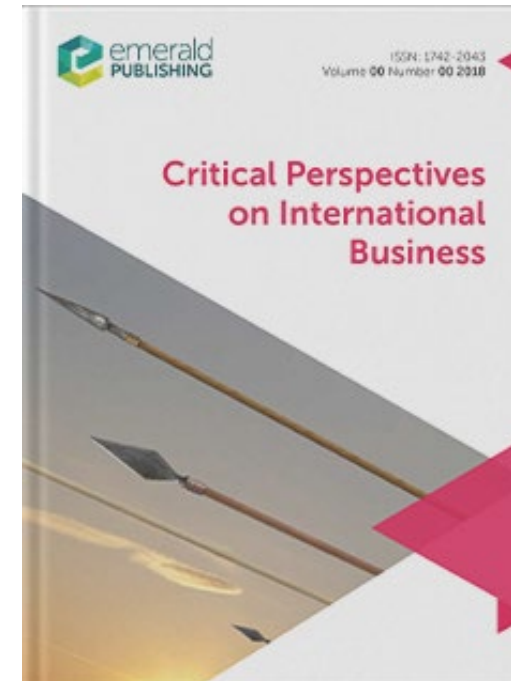
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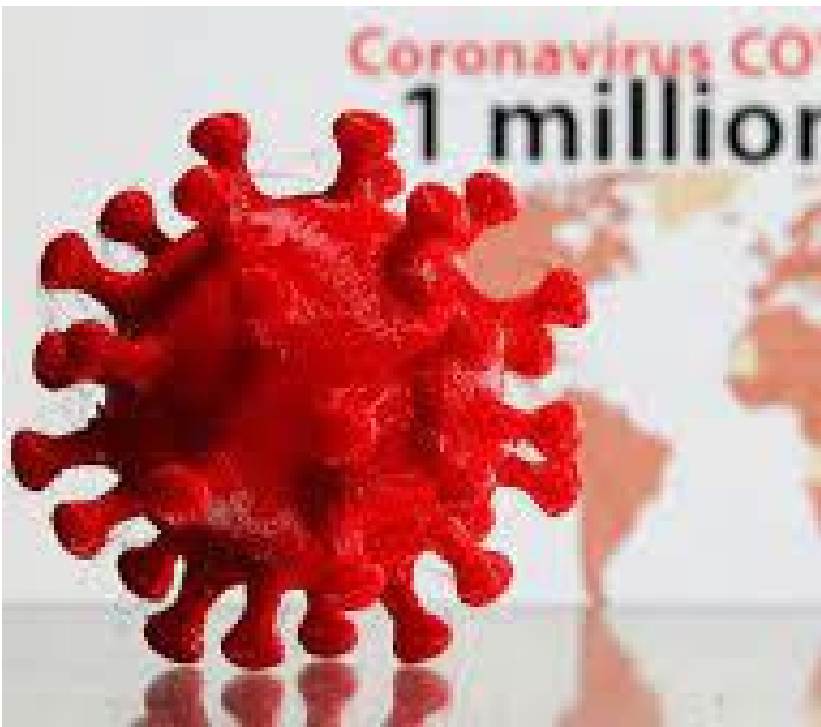




CORONAVIRUS PANDEMIC

Key Issue

- The COVID-19 pandemic was an eye-opening experience that put to the test our crisis management competencies across many institutions, including those offered by institutions of higher education.
- However, less attention has focused on the educational approaches/mechanisms to building risk management competency (Sindila et al., 2023) in our graduates.
- Today's business world is more turbulent and uncertain than in previous decades (Cavusgil et al., 2021; Van Tulder et al., 2019; Oh & Oetzel, 2023).
- “A crisis is a low-probability, high-impact event that can threaten the viability and survival” (Chen et al., 2018:9) of organizations
- The frequency of crises has increased recently, and its influence on IB issues is worthy of investigation (Nielsen et al., 2023).



Key Question

Are business schools equipping students for a marketplace that is volatile, uncertain, complex, and ambiguous (VUCA)?

Key Question

Where do business schools stand on this issue of crisis management?

Business Schools: Building competencies

- AACSB has called for more engaging, impactful, and market-relevant business curricula (Belasen, 2019) and continuous improvements in what is now being taught in business schools (Suárez-Barraza et al., 2019).
- Managing risks has always been a major focus in the IB literature (Luo, 2022; Gurtu & Johny, 2021; Holburn & Zelner, 2010), yet it did not receive equal importance in IBE.
- It is not considered a core competency for many business schools (Lalonde & Roux-Dufort, 2013), a
- Very few dedicated courses or programs on the topic
- Most IBE programs focus on building cross-cultural intelligence (Liou et al., 2021; Aggarwal & Goodell, 2012).
- In Seno-Alday and Budde-Sung's (2016) meta-analysis of 471 studies on IB and management education, they found that cross-cultural management, sensitivity, and global mindsets were the major skills emphasized in IB assignments.
- While the need for cross-cultural understanding is important to account for cultural risk in IBE, **other sources of intelligence/risks are equally important for the future global manager** (Luo, 2022; Gurtu & Johny, 2021; Holburn & Zelner, 2010).

Business Schools- Shortcomings

- Business schools are seen as late reactors to crisis, they state that "while we witness crises in many forms, we have **traditionally done little to address** these considerations within our teaching programs" in business schools (Cirka & Corrigall, 2010).
- Conn (2019) noted that "many at business schools and the business leaders with whom they interacted **defined crisis in a different way than most** of the rest of us" (Conn, 2019:156).
- IB suffers from constructive misalignment, which is defined as a gap between theory and practice (Zhao, 2016).
- "International business today is far more complex than envisioned by early business education program[s]," (Shi & Dow, 2019:247).

Key Question

How is this relevant to teaching International business

Decision Making at Crisis Mode

- IB risks are embedded in global interactions when decision-makers are
 - (1) interacting across countries or cultures
 - (2) managing interpersonal relationships within diverse teams
 - (3) orchestrating resources globally
 - (4) navigating digital technology solutions
 - (5) facing challenges from variations of public or institutional policies.
- Need for accurate estimation, management, reduction, leverage, and avoidance of business risks (Kauppi et al., 2016; Akhter & Choudhery, 1993; Toksz, 2014; Holburn & Zelner, 2010; Abdelzaher & Ramadan, 2023).
- Need to develop risk management competencies in our business graduates





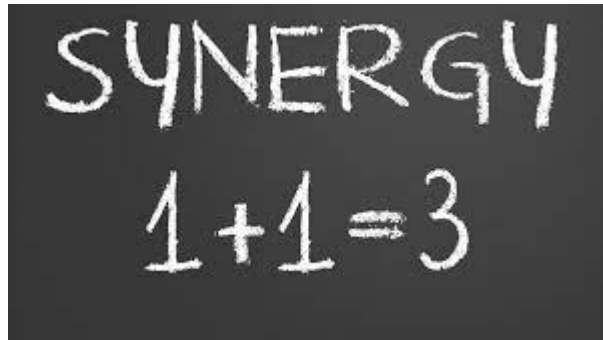
IB Risks

- Types of IB risks in the IB literature,
 - Cultural risk
 - Institutional risk
 - Policy risk
 - Supply chain risk
 - Digital risk
- IB risks directly impact IB outcomes, including expected profits;) internationalization choices, company reputation, risk management, coping with COVID-related consequences (Boustanifar and colleagues (2022; Kraus et al., 2015)).

Proposed Solution

We call for developing the "synergistic mindset" competency, which although inspired by the challenges of the pandemic, is relevant to other mega-disasters such as floods, storms, and wars.

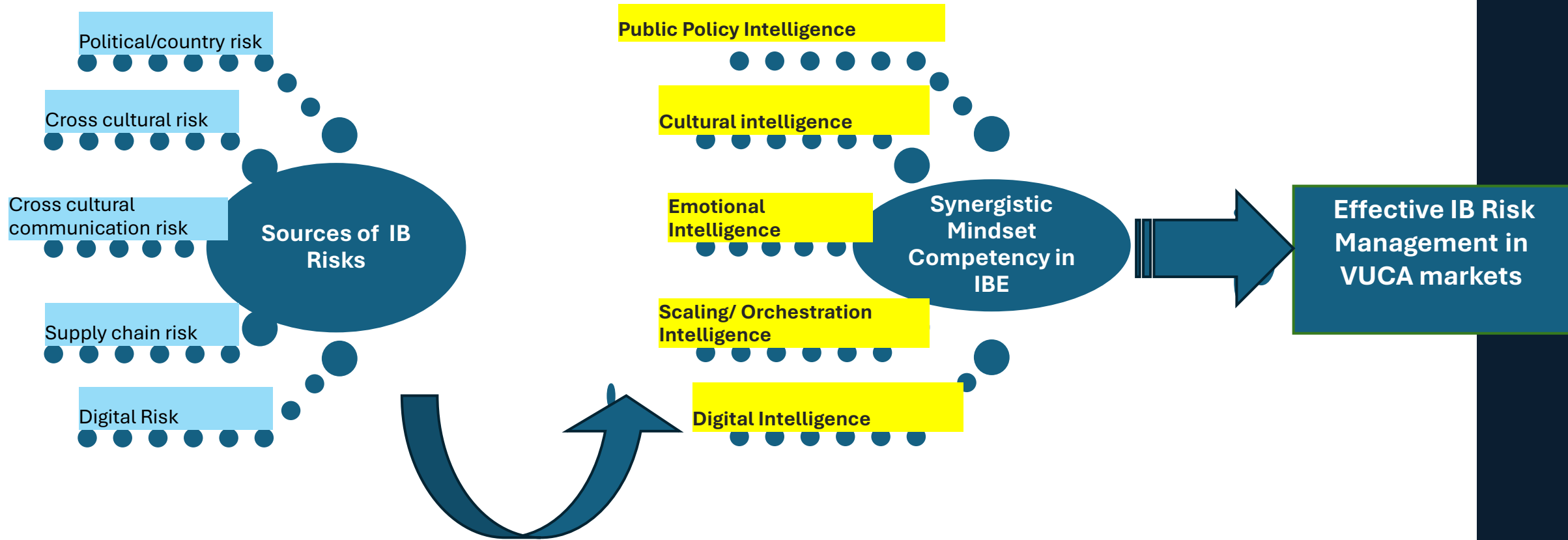
Synergistic Mindset



- Synergy is formally defined as "increased effectiveness that results when two or more people or businesses work together" (Kachgal, 2015:10).
- This notion of synergy, whereby the **sum of the parts is greater than their individual value**, directly fits with the needed approach to tackle a global crisis such as the COVID-19 pandemic, because of **the need to build scale with a limited set of resources**.
- According to Goold and Campbell (2014), training managers on building synergistic mindsets helps them separate real opportunities from illusions.
- Scholars call for the importance of developing mindsets that **build students' global capabilities in IBE** (Randolph, 2011, Mintzberg, 2004).

What are the key competencies of developing synergistic mindsets?

Building “synergistic mindset” competency in IBE in VUCA markets



Proposed IB Program Framework

Synergy Mindset- Components- 5 IQs

CQ

Cross-cultural risks: cultural intelligence- CQ is an individual's ability to engage in effective cross-cultural interactions and relationships.

CQ "is an individual's capability to detect, assimilate, reason, and act on cultural cues appropriately in situations characterized by cultural diversity").

EQ

Cross-cultural communication risks – emotional intelligence

EQ is defined as the ability to perceive, use, understand and regulate emotions in oneself and in others for effective decision-making

EQ is reflected mostly during interpersonal interactions at the individual level within teams or between IB partners.

PPQ

Country risk: public policy intelligence (PPQ).

PPQ is needed to drive the necessary collective action to create synergies between decision-makers in both public and private sectors.

the process of policy formulation and implementation in host markets

OQ

Supply chain risks: orchestration intelligence (OQ) Orchestration of resources occurs when local competencies or practices are transferred to other units ([Mérindol and Versailles, 2020](#)) to increase competitive advantage ([Sirmon et al., 2011](#)), reduce dispute and grow complementarities of resources within an organization ([Teece, 2007](#)).

DQ

Digitalization risks: digital intelligence- DQ enhances a leader's ability to mitigate the associated digital risks and make timely global decisions ([Van Dooren and Noordegraaf, 2020](#)) as well as manage global projects

Conclusion

- While each of the IB risks discussed has been cited as important in IB literature, their integration with related intelligence in the IBE curriculum has not been examined.
- The need for synergistic mindsets that integrate the five discussed components in a curriculum is greater now than ever, and we believe the path to cultivating such mindsets begins with this call for more synergistic-oriented curricula, particularly in IB programs.
- We specifically identified the key components of building synergistic mindsets to be cultural intelligence (CQ), emotional intelligence (EQ), policy-making intelligence (PPQ), orchestration intelligence (OQ), and digital intelligence (DQ).
- Each of these intelligences can be developed (in the paper)
- This integrated curriculum allows students to capture synergies at various levels: global, institutional, company, interpersonal, and individual.

Teaching Implications

- In line with the logic of how synergy works, building one source of intelligence will spill over to the next source of intelligence, further maximizing the sum of their value, making their collective value much more than the value of the individual source of intelligence.
- For example, building OQ is likely to be facilitated through building DQ, because digitalization is needed to orchestrate resources.
- Likewise in cross-border operations, firm-to-state relationships during a crisis require PPQ, but this is likely to be more effective when the manager also has high CQ and EQ.
- Likewise, managers having EQ will be more effective at building both CQ and PPQ, since understanding the mindset of foreign policymakers requires the ability to have empathy for their roles.
- Additionally, EQ will play a role when orchestrating resources, since leaders who lack this quality will often face resistance from employees and partners when asked to expand scale or perform beyond what is indicated in their job description



Implications for Business Schools

- Step #1- Internal analysis of program design and content
 - Are we market-relevant?
 - Are we attractive? According to whom?
 - What do we stand for in terms of competencies?
 - What needs to be done?
- Step #2- to bring change numbers speak louder than faculty resistance
 - Leadership support is key
 - Emotional intelligence goes along way
- Step #3 Learn from other institutions
 - Chair MBA committee at UHCL- we did that
 - Talk to schools who have undergone change

THANK YOU!