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# THE SPIRIT OF LEADERSHIP

## *New Directions in Leadership Education*

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In this chapter we challenge the emphasis in business schools on an economic narrative of management that privileges a relatively narrow view of how leaders should think and act. As an alternative we propose a more varied, complex, social narrative of leadership grounded in a model of management education that encourages reflection upon the nature of identity, humanity and "being together." We examine—with particular reference to the current financial crisis—what the economic narrative comprises and promises, why it is so powerful (for example, in promoting a particular MBA mind-set), and where it fails us because of its one-sided assumptions about individuals, business, and society.

We then develop an alternative narrative of management as a complicated balancing act and an identity project and describe how in our teaching we aim to promote a sense of a learning community, critical self-reflection, and intercultural awareness to challenge the lure of a narcissistic, self-preoccupied individualism that often goes with

power and wealth. We then give a sense of what you would find if you joined us in the classroom. We foreground the virtues of compassion and empathy as a counterweight to the dominant discourse of rationality. We encourage our students to think and act in terms of dialogue, relationships, and intercultural learning, rather than just markets and a narrow bottom-line. Our overarching goal is to facilitate the creation of richer, more inclusive narratives of self, of business, and of society.

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## *Introduction*

In this chapter we discuss what we believe to be a very real challenge for leadership development: the emphasis in business schools on an economic narrative of management that privileges a relatively narrow view of how leaders should think and act. As an alternative we propose a more varied, complex, social narrative of leadership grounded in a model of management education that encourages reflection upon the nature of participants' views on identity, both personal and organizational.

The chapter is organized as follows. We use the current financial crisis as the basis for an analysis of an economic narrative that dominates business school thinking and argue that this gives a distorted view of the fundamentals of leadership. We suggest that business schools are implicated, at least in part, in the origins of the crisis and that they must play a pivotal role in ensuring that we do not repeat the same mistakes. We examine what the economic narrative comprises and promises, why it is so powerful (for example, in promoting a particular MBA mind-set) and why it fails us, not least because it is so one-sided in its assumptions about individuals, business, and society. We then set out our views of an alternative narrative of

management as a complicated balancing act and an identity project.

We explain how we aim to develop an alternative management and leadership narrative from a mind-set that emphasizes humanity, plurality, and reflexivity. To do this, we aim in our teaching to promote an authentic learning community defined by critical self-reflection and intercultural learning to challenge the lure of a narcissistic, self-preoccupied individualism that often goes with power and wealth. We give a flavor of what you would find if you joined us in the classroom.

## *A Challenge*

The economistic narrative of leadership narrowly focuses on economic return which is largely defined in terms of material benefit to individuals, to corporations, and to shareholders, to the exclusion of other interest groups and broader societal needs. The economistic perspective is socially and culturally impoverished because, we argue, it is based upon a simplistic view of the way markets function. It assumes they are both rational and self-regulating and can be somehow trusted to operate towards the best possible outcomes. This perspective privileges individuals and markets at the expense of long-term relations. It also assumes a quasi-Darwinian view of competition in which business is an unremitting war of all against all in which only the fittest survive, and a view of evolution in which greed becomes a virtue not a vice. We contrast an economic orientation to business education with our approach which aims to encourage the development of a richer narrative of leadership and of management enriched by a broader sense of personal identity, individual and collective possibility, and intercultural awareness.

In our teaching, we extend the view of leadership to include notions of complexity, and historically grounded knowledge rather

than economic claims to empirical absolutes. We foreground the virtues of compassion and empathy as a counterweight to the dominant discourse of rationality. We encourage MBA students and clients to think and act in terms of dialogue, relationships, and intercultural learning, rather than just markets and contracts, emphasizing "being plural" rather than "being singular." Our overarching goal is to facilitate the creation of more humane, more inclusive narratives of self, business, and society.

Leading business schools across the world emphasize that their fundamental role and responsibility is to create outstanding leaders. Is it not ironic then that we are living through a financial crisis in which graduates of the world's top schools, particularly MBAs, have played leading roles in firms, such as Lehman Brothers in the United States and HBOS in the United Kingdom, who were themselves major contributors to the crisis itself? We have learned from experience that the leaders which business schools chose as exemplars or role models in their case studies (Enron springs to mind) too often prove to have clay feet. Key questions are: where does the current crisis leave business schools? What should we be doing in response? What kind of leadership do we need for the future? And more fundamentally, is the business school a receptive or appropriate context for the task of recasting models of leadership which account for the cultural and social complexity of a global business environment?

We need to ask ourselves how our thinking about and our teaching of leadership has contributed to the crisis for which the MBA has been held partially accountable. Firstly we suggest that one reason for the crisis is an excessively economistic focus on the tasks and responsibilities of management. A maladaptive belief in the primacy of economic causes or factors creates a dangerously limited perspective on the goals of business leadership. This focus has bred a damaging individualism, at odds with any sense of collective or transcendent

purpose, and a preoccupation with a very narrowly defined 'bottom line."

There is some evidence of discontent with and within business schools, expressed both in academic work (Pfeffer & Fong, 2002; Khurana, 2007; Starkey & Tiratsoo, 2007), and in the media (highly critical articles in, for example, *Wall Street Journal* and *The Economist*). These titles give a flavor of the critique: "B-Schools Rethink Curricula Amid Crisis" in the *Wall Street Journal*, and "The Pedagogy of the Privileged" in *The Economist*. As a counterpoint, we have developed an intercultural perspective on and a teaching practice of leadership that combines insights from a range of the social sciences and humanities—particularly sociology, psychology, education, and philosophy—drawing on theory and practice both eastern and western. We argue that current financial economics, a key contributing factor in the financial crisis, focuses far too narrowly on the material world and on ethnocentric, individualistic models that are at best quasi-scientific and at worst have given us a distorted view of the way business and society intersect, or could intersect, in the making of a better world. We examine the implications of this critique for the teaching of leadership, and set out to develop an approach that does justice to its moral, social, emotional, and spiritual complexities and to the need for a more holistic, inclusive and interdisciplinary perspective on the nature and responsibility of management and economy. We emphasize the spirit of leadership as its essential characteristic, remembering Max Weber's (1992) pioneering work on the spirit of capitalism which emphasized the ethical aspect of modern organization while also warning that in the absence of spirit we run the danger that the organizations we create are prisons, "iron cages," rather than liberating. Weber (1992, p. 124) warns that at our stage of cultural development the danger is that those in positions of authority, "specialists without spirit, sensualists without heart," imagine that they have

"attained a level of civilization never before achieved." We take this warning very seriously.

## Business Schools, Economics and Leadership: The Power of Narrative

Davis (2009, p. 42) argues that "[w]ithin the economic crisis is a unique opportunity for management scholarship to provide direction." Clearly, it is too early to comment definitively on the causes of the crisis but we would suggest that a precipitating factor was a particular narrative of business and of leadership. Narratives are a significant vehicle for human sense-making and meaning-making. They encapsulate the quintessential beliefs and assumptions we make about the nature of our reality, which in turn, conditions the way we see the world and believe that it works. We frame our daily lives with stories. They embody and enact the world we want to live in and can provide predictability and reassurance by bringing meaning and a sense of order to complexity. We justify our actions with stories (Denning, 2007).

The intoxicating power of narratives is that they can capture and describe our sense of identity to ourselves and others so that we, and they, become predictable in an unpredictable world. Too often, though, these narratives, if habitual and unexamined, can be solipsistic, failing to do justice to how our stories and the stories of others (whether these "others" are in our own backyard or across the world) are inextricably intertwined, for better or for worse. One of our major concerns in facilitating leadership development is to engender an appreciation of the role and significance of narratives, personal and social, in shaping how we relate to others and to the immediate and wider world around us. The emphasis on critical reflection on personal, organizational and cultural narratives, for example within an international MBA group, can be a powerful context for intercultural learning and dialogue. In our work we set out to develop an understanding of the way these often culturally determined narratives shape our perception and look at the intended and unintended consequences of this cultural myopia. In doing so, we challenge students to interrogate their own ontological and self-invested assumptions in order to co-create alternative narratives of business and leadership that are generative, transcultural, ethical, and sustainable. We argue that it is out of this critical reflection on personal narratives that genuine insights may emerge and personal and professional transformations occur.

Narratives can and are used ideologically to justify particular business practices. The financial crisis, as we have witnessed, was partially caused by a misplaced belief in a narrative of business and finance that came to be taken for granted and remained largely unquestioned. Built on economic theories, it became convenient for those powerful groups who benefited most from this narrative to adopt it whole-heartedly and in turn impose it on others. There was no alternative to the view that their representation of the world was the way the world is and must be. Our work with cohorts of international MBA students and clients consciously focuses on developing the psychological flexibility, intercultural competence, and creativity to generate alternative, less simplistic understandings of the way their worlds work, intersect, and diverge. Through authentic reflexivity, alternative, culturally more nuanced ways of perceiving the world and potential scenarios of the future become possible. For many of those centrally involved, the banking crisis was not only unthinkable but impossible, until it happened. Kotlikoff (2010, p. xvii) explains economists' failure to predict the financial crisis on the fact that they were obsessed with researching an "imaginary world in which people play by the rules." This simultaneous failure of theory, leadership imagination, and

responsibility demonstrates the power of the narrative spell. Thus we consciously adopt and articulate the basic philosophical assumption that no one theory can serve as a definitive "mirror of nature" (Rorty, 1980).

Some narratives are more hegemonic than others in their claims and we suggest that economics possesses more of this characteristic than most. As a counterbalance we encourage a greater tolerance of a multiplicity of visions of the world, as well as a sense of the present, composed of a complex history and an uncertain future, "determined" by system-wide effects (Senge, 1990). Goodman (1978, pp. 2-4) argues this complexity cannot be appreciated or managed by the attitude of "the monopolistic materialist or physicalist who maintains that one system . . . is preeminent and all-inclusive, such that every other version must eventually be reduced to it or rejected as false or meaningless." An alternative explanation is to suggest that beneath the apparent objectivity and rationality of a scientific narrative, there lurks persuasion, rhetoric, seduction, and fantasy, even utopian dreams (Gibson, 1996) that, alas as we have seen, too often give rise to dystopian nightmares.

The narrative of leadership in business schools, in our view, has suffered in recent years, losing theoretical ground and moral authority to the narrative of economics. Ferraro *et al.* (2005, p. 10) examine what they see as the triumph of the economic in management discourse, arguing that economics has become the "reigning queen of the social sciences" and that there is "little doubt that economics has won the battle for theoretical hegemony in academia and society as a whole and that such dominance becomes stronger every year." Social science theories can become self-fulfilling by shaping institutional strategy and management practices, as well as social norms and expectations about behavior, thereby creating the very behavior they predict.

Behind this position was, as we have suggested, the rise and rise of the economistic as the only true or real measure of value.

This was supported by the whole theoretical edifice of modern financial economics. The efficient market hypothesis suggested that markets were magically self-correcting and knew far better than human actors about what was most efficient and effective. The emphasis on individual self-seeking, a position justified by several hundred years of political and economic philosophy, and by Darwinian biological metaphors such as survival of the fittest and nature red in tooth and claw, was lauded as the oxygen the market needed to survive and prosper. Adam Smith's metaphor of "the invisible hand," according to Greenspan (2007, p. 262), "captured the world's imagination—possibly because it seems to impute a godlike benevolence and omniscience to the market, whose workings are in reality as impersonal as natural selection." The market as a form of *deus ex machina* also relieves individuals from the burden of moral responsibility for their actions, the repercussions of which we are now experiencing.

Theories of commerce had their origins in theories of the relationship between trade, war, and economic growth (Hont, 2005). The business of business was business. A virtuous circle was imputed, in which the pursuit of individual self-interest led to the wealth of nations. Any other philosophy that detracted from this core role of business, such as corporate social responsibility, was to be resisted (Friedman, 1970). According to Miller (1999, p. 1053), it was the philosopher Thomas Hobbes in *Leviathan*, first published in 1651, who "enthroned self-interest as the cardinal human motive" and this has become a collectively shared cultural ideology, particularly hyperactive among students and practitioners of economics and business. Hobbes, Smith, Darwin, and Chicago economics collide to produce what Ross (1994) calls the "Chicago gangster theory of life" —or, more simply, "greed is good."

Davis (2009) describes the consequence of the ineluctable rise of finance as "the end of the society of organizations." An

"overriding corporate focus on shareholder value as the ultimate measure of corporate and managerial employment" and the "orientation toward share price" led inexorably to a shift in perspective: the "old model of organization man was increasingly replaced by a model of the investor trading in various species of capital (financial, human, social)" (Davis, 2009, p. 28). Management education reinforced this, and probably to some extent still does. Khurana (2007, pp. 322-30) charts the inexorable rise of the economic narrative in business schools, "these ideas . . . transformed many business schools from training grounds for general managers to institutions that trained professional investors and financial engineers, especially in the areas of investment banking, private equity, and hedge fund."

Thus, economic theory—for example, agency theory—becomes taken for granted, "a type of shared cognition," excluding any sense of collective responsibility, positioning "managerial agents as distinct and dissociated from one another, defining an organization as simply a nexus of contracts among individual agents" (Khurana, 2007, pp. 324-5). Leadership was associated with unleashing individual entrepreneurial energies in highly driven workplaces where each competed with all for career advancement. Business is seen as a form of war, a war of all against all and the workplace the battlefield where compassion, empathy, and idealism are the fallen. MBA students (both men and women) enrolled on the leadership module regularly voice the fear that learning how to do what they called "the soft, fluffy stuff" and being "more human" in the workplace would make them appear weak and therefore become vulnerable targets for their more rapacious colleagues. The fear that becoming more human and respectful in the business environment will sound the death knell for career progression is a deep-seated one and has its roots in the narratives of leaders as aggressive, territorial, and driven. Inevitably, many said they chose to be an institutional predator rather than the predated. Top MBAs' career of choice was to join investment banks, private equity firms, or hedge funds (Delves Broughton, 2008). Hubbard (2006), himself a leading business school dean (at a more optimistic moment that now seems a long time ago), argued against critics of the business school and the MBA, that the key role of the business school was to develop leaders as champions of entrepreneurial capitalism, that their key weapon was new business models with finance as their core and valuation as the key skill. In these more "innocent" times, his central argument was that private equity was reshaping the world for the better.

Employment relationships are fractured and defined by individualism (Ghoshal & Moran, 1996; Ghoshal, 2005). Loyalty to the company or of the company to the employee is seen as old-fashioned, last-century thinking, and a culturally alien virtue. Individuals are encouraged to become independent and entrepreneurial; to capitalize on market opportunities irrespective of the outcomes. Traditional ideas of stewardship, service and customer relationships were cast aside. Financial services became the prototype industry of the West, at least in the United States and United Kingdom. "The profits to be had from smart people making complicated bets overwhelmed anything that could be had from servicing customers, or allocating capital to productive enterprise" (Lewis, 2010, p. 258). Trading and dealing were the quintessential form of work, "beyond the bounds of rational constraint—or self-discipline" (Tett, 2009, p. 47).

Of course, what we now know is that the new financial instruments—the CDOs and their like—that proliferated in what was claimed by people such as Alan Greenspan to be a period of unprecedented financial innovation, were constructed on shifting sands. They were based on a lack of real wealth creation and bizarre accounting practices that permitted the reporting of profits before they were actually realized.

It was, as we now know to all our costs, a house of cards: "a memo had gone out on Wall Street, saying that if you wanted to keep on getting rich shuffling bits of paper around to no obvious social purpose, you had better camouflage your true nature" (Lewis, 2010, p. 63). Eventually even Greenspan admitted to a "flaw" in his economic ideology and the narrative he had been a key player in legitimizing. As he told a Congressional inquiry into the banking crisis, "I made a mistake in presuming that the self-interest of organizations, specifically banks and others, were such that they were best capable of protecting their own shareholders and the equity in the firms" (Greenspan, 2008). This insight unfortunately came too late. The gains of the market euphoria had been privatized while, in a perverse inversion of responsibility, its losses were socialized, with communities around the world picking up the bill for saving the banking industry.

In summary, the economistic narrative is based upon a particular philosophy of knowledge which assumes it has an accurate picture and theory of how the world works. The financial crisis calls this assumption into question. Economics defines the world into a narrowly pre-determined set of categories: a particular view of value, an emphasis upon management as trading for profit, individuals as rational and calculating profit-maximizers, a philosophy of individualism, and relationships as predominantly about competition and conflict. The economistic way of thinking accepts a particular way of viewing the world as the only way the world can work. This promotes a rigid sense of certainty based on the uncritical acceptance of a particular approach to finance and trust in its one-dimensional model of the world and, particularly its approach to the management of risk. This strong belief system is exacerbated by the emphasis (the overemphasis, in our view) on economics and finance in the MBA curriculum in particular. It is reinforced by a simplistic Darwinian narrative of personal struggle for survival in a business environment where the winner takes all and individualism and fierce competition is emphasized at the expense of cooperation. It relies on a very narrow definition of the bottom line (Starkey & Tiratsoo, 2007). We find this way of thinking limiting, depressing, and dangerous. We also challenge is functionality in the light of the damage caused by the financial crisis in which MBAs from top business schools played key roles. We now go on to present our attempt in our teaching, grounded in our research activities, to develop an alternative narrative of leadership, management, and business which challenges the economic narrative with ideas of reflexivity, self-questioning, self-fashioning, identity, relationality, aspiration, and hope.

## Teaching Leadership: Balancing Acts and Creating a Personal Leadership Identity

### THE HUMAN DIMENSION: PLURALITY AND INTERCULTURALITY

Central to what we do is to emphasize that a key distinction between a leadership and management narrative and an economic narrative is the weight they attach to the human dimension, with all its social, cultural, political, and moral complexity. We use philosophy as our measure here, drawing upon, amongst others, the leading contemporary French philosopher, Jean-Luc Nancy (2000), who argues that developing ourselves as individuals, "being singular," is enriched only to the extent that we develop our capacity for "being plural." We contest a philosophy of individualism to argue that the essence of being human is interconnection and interdependence which can be realized through authentic intercultural dialogue. We agree with Parekh's (2006, p. 338) view of 'the cultural embeddedness of human beings, the inescapability

and desirability of cultural diversity and intercultural dialogue, and the internal plurality of each culture." To be at one with others in this way puts a firm dividing line between the narrative we seek to co-produce with our MBA students and clients and the current emphasis on egoistic individualism which the economic narrative demands of us all. This interconnection goes beyond the bounds of the local and familiar (being singular) to the transpersonal and spiritual (being plural). Authentic interconnectivity embraces similarity while celebrating difference; thus intercultural exchange becomes a vehicle for creating new learning spaces characterized by a respect and appreciation for difference and what it can teach us about ourselves.

Martin Buber, who was "considered by many to be the philosopher of dialogue par excellence" (Guilherme & Morgan, 2010, p. 1), provides rich insight and wisdom into how Nancy's ideas of plurality and interconnection can be realized in and through dialogic encounter. Buber's (1958) concept of I-Thou (as opposed to the I-It objectification of the Other, more suited to the scientific method) provides us with a model of relational exchange characeried by equality, being fully present in the moment and mutuality. Out of this encounter emerges genuine dialogue, where each is heard and a new psychological space emerges which encompasses the field between the two. Buber's notion of a co-created, interdependent space links to current debates about the meaning of interculturality, defined by the Baring Foundation (2007) persuasively as "a dynamic process by which people from different cultures interact to learn about and question their own and each other's cultures. Over time this may lead to cultural change. It recognises the inequalities at work in society and the need to overcome these. It is a process which requires mutual respect and acknowledges human rights."

It is in this respect for the person, whatever their cultural background, where Buber's philosophical concept of I-Thou resonates most strongly with Carl Rogers' humanistic notion of the psychological "core conditions" which he argued needed to be present for facilitating effective human relationships and development: congruence, (universal) unconditional positive regard and empathic understanding. For Rogers, like Buber, "the strongest force in our universe is not overriding power but love" (Rogers, 1980, p. 219).

We also draw on the work of Michel Foucault (1982), the world's leading public intellectual, who argues that a major, perhaps the major political, ethical, social, and philosophical challenge is to promote new forms of intersubjectivity. Foucault encourages us to refuse the too easy seductions of the dominant business narrative, to enable us to reflect upon our history, where necessary contest it, and, if necessary, create a new, shared history. We situate our teaching of leadership and business and management in the context of key social debates as a counterpoint to a view that privileges market exchange and the calculating pursuit of individual self-interest.

The most significant intellectual challenge at present for management and leadership scholars is to counter an immature infatuation with seductive but ultimately dystopian pictures of the world which inform the view of business and management embodied in economic narrative and enacted, in its most extreme form, in the recent practices of the banking industry. The need is for a more human narrative that sets out an alternative to, I-It or 'purely calculative economic relations—asocial economic atomism— . . . individual, disembedded, rational, efficient, short-term, calculable, incontestable," the qualities associated with economic transactions mediated only by a market (Nancy, 2000, p. 83). We now need an alternative narrative rooted in the concept of a richer quality of human relationships that challenges an overly limited Eurocentric view of self-sufficiency and human behavior.

Managers as leaders, with the support of management scholars, can be challenged

to design new institutions in which new narratives of self and of self and the other can be co-created. The implication is that we should encompass a concern for the other, both local and global, in our narratives as an alternative to management practices which are "successful" only at the expense of the other. We need to pay more attention to public value and develop a more intelligent appreciation of the "common good" (Moore, 1995) and we would add what that might mean in a global context. The challenge for the management research community is to create a narrative that fills the gap left by the eclipse of one version of the economic narrative by the financial crisis. The time is ripe for a new narrative of management grounded in notions of intercultural learning which expands our vision of the common interest.

## Critical Realism and Reflexivity

In our teaching we do use a traditional business school technology, the case study, but we do so in a critical fashion, to deconstruct those case studies that have too short-term a notion of success, and to encourage a more "realistic" awareness of what success might mean in the longer term. For example, we draw on cases studies of the present banking crisis and its precursor, Long Term Capital Management (Lowenstein, 2001), to encourage a realization of the importance of knowing and understanding history, not least to challenge Fukuyama's claim that history has ended and that there is no alternative to a particular form of social and economic organization. Our pedagogy is, in part, informed by a philosophy of critical realism (Bhaskar, 1978). This distinguishes between the "empirical" —what we observe—and the "real." The real is the actual driver of events and consists of the generative mechanisms, themselves a complex outcome of structure and agency, which produce the events in the world. "The real consists not

of events but their causes: the generative mechanisms and structures, the potencies, so to say, of which events are but the effects" (Wilson & Dixon, 2006, p. 262).

We contest therefore a science that assumes that the empirical is an unproblematic mirror of the real. For example, what Hamel (2001) saw in his account of Enron might have had simple empirical validity in terms of his case methodology and his rather simplistic "great leadership" view of superior performance. However, it failed to do justice to a more critically nuanced explanation of the Enron phenomenon, its short-lived superior performance, and its spectacular fall. It presented Enron as a model company to be widely emulated. It gave no hint of the weaknesses that led to its ultimate fall. The same is true of many business school case studies with their infatuation with the present and with a success that is often stellar but short-lived.

Critical realism focuses upon trying to model and explain "why what happens actually happens" (Danermark et al., 2001, p. 52) which it does by challenging the assumption of a naïve empiricist positivism—that what we observe is what is important—and focusing on the generative mechanisms that are, by definition unobservable. A prerequisite of the critical realist approach is the cultivation of reflexivity in the researcher. Hertz (1997, p. viii) argues that "to be reflexive is to have an ongoing conversation about experience while simultaneously living in the moment." We encourage reflexivity to develop the intellectual and emotional capacity to distinguish between the lasting and the merely fashionable and to develop the moral courage to point out if the emperor's new clothes are in fact illusory. The essence of reflexivity is the ability to challenge our own thoughts, feelings, values, attitudes, beliefs, and habits of mind. We are at once the subject and the object of our own study, which we might also call self-awareness. This moment by moment awareness— observing ourselves in process—enables us to reframe experience and abandon old

negative or habitual modes of thinking and experiencing. However, reflexivity is not just a personal, affective process. It is also a cognitive process which challenges us to examine the personal, social, and political contexts from which theory, research, and practice derive, and to understand our relationship to them.

We see this approach as building a capacity for prescience rather than prediction. In this sense, social science is as much pre-science as a science in the narrowly positivist sense. The latter only applies in those clearly delineated areas where empiricism can legitimately deal with truly observable phenomena, though the evolution of science (for example physics) teaches us that we can cling to what seems obvious at our peril. We need to learn to be more reflective, and to have the moral courage to challenge our mental models in world that seems increasingly unpredictable. An awareness of the history of capitalism teaches us that it has developed and evolved as a complex interplay of social and economic factors, as an expression of deeply and sometimes contradictory human motives and values. What seems to have happened in the recent past is that a purely economic explanation has reduced the emphasis upon the social and cultural and centrifuged to the margins factors that are inconvenient for its mode of explanation.

Our approach is to redress the balance—"balance" is a key concept we continually emphasize—and to reinstate the human, relational element, complex motives, and competing values, and a sense of history to the fore of our thinking. For example, Lowenstein (2001) argues that one of the reasons why Long-Term Capital Management failed so spectacularly, almost bringing down the world's financial system, was that the human spirit was totally absent from its founders' (Nobel-prize winning economists) understanding of how markets were supposed to work. What was also lacking, as the historian Niall Ferguson (2008) points out, was a lack of any sense of history. We also make this a philosophical touchstone of our teaching, agreeing with John Dewey (1939, pp. 316-18) that a major task for management is "remaking a profit system into a system conducted not just . . . in the interests of consumption, important as that is, but also in the interest of positive and enduring opportunity for productive and creative activity and all that that signifies for the development of the potentialities of human nature." We need a positive narrative, of hope and aspiration which that privileges the human spirit as an alternative to the excess and irrational exuberance that is driven by "animal spirits" (Akerlof & Shiller, 2009).

## Personal Leadership and Identity

The financial crisis, which began on Wall Street (the paragon career for many, if not the majority, of top MBAs) brings into sharp relief the need for a more holistic view of both management and management education. In the search for technical competence, business schools have championed expertise (often masquerading as science, particularly in economics and finance), which undoubtedly contributed to the financial crisis. However, it would be misplaced to attribute responsibility solely to the economists. Leadership and marketing scholars should also take responsibility for their part in the process. The current economic malaise, and resulting widespread social distress, poses both a legitimacy and identity crisis for business schools and a profound challenge to business school leaders. It appears that in the search for technical competence business schools have themselves lost their capacity for reflection and can no longer claim to be learning organizations (Senge, 1990). The MBA has rightly been criticized for focusing students too much on their own economic and social advantage at the expense of public purpose. The MBA curriculum design has also been criticized for being

disproportionately focused on analytics, insufficiently integrative, and for failing to develop wisdom, intuition, and intra- and interpersonal awareness. It has even been suggested that the MBA "distorts" those subjected to it into "critters with lopsided brains, icy hearts, and shrunken souls" (Leavitt, 1996).

A key challenge that we address in our teaching is to promote reflexivity in an arena which has lost a large degree of its collective capacity for critical self-analysis, based upon inquiry rather than partisan advocacy, and for the creation of new educational spaces for experimentation in managing and leading. This requires integrative thinking, the nourishing of the mind with imaginative ideas, and creative alternative ways of seeing and being as well as attention to the needs of the heart, soul, and body. As the Chicago philosopher Martha Nussbaum (1997) neatly expresses it, the challenge we face as educators is to develop improvisers with creativity, passionate about their work and what can achieved, and who can provide both personal and organizational leadership, rather than followers who need leading or technocrats motivated by self-interest. We need to challenge too rigid a sense of identity, too narrowly rooted in the economistic, to explore the possibility of the alternative and of the other (Cavell, 2005). To do this we need learning experiences that offer the opportunity of reflecting on our current ways of being and on authentic alternatives which nurture the spirit as well as promote reflection on the meaning and purpose of material success.

Academic studies of leadership have tended to over-simplify the multiplicity of ethical and psychological challenges leaders face, choosing to focus somewhat narrowly on case examples which offer an overly romanticized view of the leader as the "great man," an alpha-male who single-handedly drags a reluctant organization towards his vision of a great and glorious future. Successful organizations too often are seen as the reflection of this "great man" model of history. One of the problems with this kind of analysis is that it has tended to reproduce notions of outstanding leaders as heroic individuals. This characterization is both limited theoretically and problematic for leadership as well as organizational development. Primarily, it fails to acknowledge the unsung contributions that members of the wider organization make to any major growth or success. It can also have the unlooked-for effect of creating the phenomenon of pseudo-competence within the organizational hierarchy or what Clarkson (1994) calls "the Achilles syndrome." A culture of pretence emerges where individuals feel emotionally pressured to live up to the mythical standards of the heroic leader while feeling wholly inadequate to the task. Feeling like an imposter at work is not only corrosive of the self-esteem but is invariably demotivating and deskilling.

Recent history has taught us that the leader as superhero too often comes to be judged in the fullness of time to be far less impressive than was first claimed. Enron and its leadership for a number of years was the world's most admired corporation. Sir Fred Goodwin of Royal Bank of Scotland was widely perceived in the industry as a heroic, visionary leader. The banking crisis challenges much of our current thinking about what constitutes exemplary leadership and drives us to re-examine our taken for granted assumptions about the very nature of leadership. Lao Tzu's ancient maxim— "A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say, we did it ourselves," —is a timely reminder of a very different and rather more humble vision of the task and responsibility of leadership. So we have argued that we need fresh and different ways of thinking about and practicing leadership. Our approach is to develop leadership programs which aim to re-examine and build the personal resources and attitudes of mind necessary for leading in turbulent times.

The MBA group itself becomes a medium for the development of a learning community and it is within the spirit and practice of authentic intercultural dialogue and enquiry that we aim to prepare them for the challenge of morally purposeful, values-driven leadership, safeguarding a sense of personal integrity while promoting the integrity of others. In this way individuals are enabled to take responsibility for the creation of a leadership identity that people are committed to and ultimately feel comfortable with because it resonates with their authentic values and beliefs. Throughout this process, we encourage learners to examine personal and work identities and the values they are rooted in and express, as well as develop supporting strategies to maximize interpersonal effectiveness in achieving morally complex organizational and societal goals.

As we said earlier, we emphasize the notion of balance and the ability to create harmony in relationship with the self and others. We see leadership as a challenging activity because it requires such a difficult balancing act, which is, by its very nature, intellectual, emotional, and spiritual. Leadership, we know to our cost, has a shadow side, thus we define leadership as a moral, ethical activity, best framed in terms of psychological and organizational integrity. We encourage students and clients to define their core aspirations in the leadership role and to examine how they can achieve these with the greatest sense of personal fulfillment. We examine the organizational context in which they lead and how they can reframe their thinking and actions to develop their own signature identity as leaders. We recognize that working at this level of relational and emotional depth is both demanding and rewarding but as Jersild (1955) reminds us, "to gain in knowledge of self, one must have the courage to seek it and the humility to accept what one may find."

We focus upon two concerns which are fundamentally intertwined: firstly, extending the capacity to think reflexively about the world and about how we think, feel and experience it; while simultaneously elaborating and expanding an awareness of self and identity in relationship. Branden (1995, p. x1) argues that, "it is a dangerous moment in history not to know who we are or not to trust ourselves" —but all too frequently management education sidesteps the responsibility of providing a safe space to develop social, emotional, and transpersonal awareness in favor of a less emotionally demanding technical education. To support this more intimate exploration, we work with our students and clients on understanding their personal and professional identities, and the role that cultures continue to play in (re) shaping that identity. The act of critical self-reflection and a desire to understand ourselves is not a narcissistic undertaking. The purpose of self-learning is a moral one. It serves to deepen our empathy for others and open our eyes to the interconnectedness of humanity, making us more mindful of the consequences of our actions. The tension between, and the balancing of, the individual and the collective, are major challenges which are be addressed at the levels of philosophy, theory, and practice.

We see leadership as much an art as a science, and as much a communal as an individual act. We therefore provide a learning environment which enables participants to explore how to balance economic necessity with the challenge of professing our humanity in developing more humane and sustainable organizations. We do this by drawing on and integrating management and education best practice, eastern and western philosophy, psychology, the arts and humanities, systems thinking, action and narrative inquiry, story-telling, life histories, scenario planning, management learning and personal development. We also mine the cultural diversity of the student community as a focus for rich intercultural learning and dialogue.

Importantly, we emphasize that leadership is about dealing with an inherently

complex, sometimes chaotic, psychologically challenging, and always fast-moving world. Increasingly, a major task leaders must accomplish is to create some sense of order and meaning out of chaos, both for themselves and for those they lead without succumbing to the temptation of premature closure and rigid thinking as a defense against the anxiety of uncertainty. As Branden (1995, p. x1) reminds us, "The stability we cannot find in the world we must find within our own persons." We construe leadership as functioning optimally when it exhibits a capacity for prescience. We define prescience as a capacity to sense/know what is most important in the here and now to prepare for the future. In gestalt terms this means a willingness to be fully alert to and alive in the present moment, an attitude of mindfulness which promotes a deep intuitive appreciation of the patterns of experience in ourselves and others. This is a quality we find in the most inspirational leaders we work with. Prescience requires self-awareness and the capacity for deep, systematic reflection as well as openness to sensory experience and embodied learning. In this way, change, grounded in imagination, particularly moral imagination becomes possible (Johnson, 1997).

Our pedagogical approach is primarily experiential (Kolb, 1984) but while active and participative in character is as much about being as doing. In supporting the development of social (Goleman, 2006), emotional (Mayer and Salovey, 1993), and spiritual intelligence (Zohar and Marshall, 2000) alongside and in balance with intellectual functioning, we give weight to the emotional component of the reflection cycle, using structured exercises to facilitate personal exploration of thoughts and feelings which have their roots in cultural narratives. Cooper and Sawaf (1998, p. xi) argue that "We have paid a drastic price—not only in our organizations but in our lives—for trying to disconnect emotions from intellect. It can't be done." The role of the tutor, or facilitator, in experiential work is to create an environment in which the learning community can flourish by firstly providing sufficient psychological safety to permit the learner to engage with difficult personal and professional emotions and issues. The facilitator needs the ability to able to hold or "contain" strongly felt or expressed emotion by members of the group and needs to be able to engender a sense of deep trust in learners. This requires a degree of emotional maturity and a commitment to one's own growth and self-care as well as that of learners.

If you were to peep into a leadership classroom what would you see and hear? The atmosphere would be relaxed yet alert, informal but disciplined. There would be series of paired, individual, and group work exercises and the culturally diverse student group would be encouraged to record their experiences and learning in a reflective journal. Students might be sitting around tables arranged around the edge of the room or in groups on the floor—whatever is appropriate to the task. At first glance it would be difficult to identify the tutor. We would work with the lived experience of the group and use guided imagery, metaphor and visualization as a means of exploring narrative and to develop self-theories. We use learning sets to encourage collaborative learning and mutuality. There are protected spaces for reflection and goal setting and we encourage support systems such as "buddying" to encourage investment in each others' goals. In this way group affiliation and personal bonds are formed which endure well beyond the boundary of the course.

Our repertoire includes offering process-led exercises choreographed to enhance appreciation and understanding of individual and group dynamics. This experiential work promotes greater self-knowledge, for example, of personal and cultural blind spots, and an awareness of individual boundaries and the limits of personal risk-taking. In this way the interculturalism of the group itself becomes a supportive yet challenging vehicle for social and emotional

learning because it provides a source of immediate, here-and-now interpersonal exploration. We foreground the importance of developing empathy for others, giving and receiving authentic feedback and mentoring and coaching as approaches to developing facilitative workplace relationships. The intercultural competencies of perception management, relationship management and self-management are emphasized (Bird, Mendenhall, Stevens & Oddou, 2010). The importance of handling and understanding the causes and effects of stress in the self and others is explored with a view to developing a capacity for mindfulness and compassion (Kabat-Zinn, 1990), while maintaining a healthy work-life balance through conscious, consistent self-care. Ultimately, we ask MBA students to inhabit their own personal authority and take responsibility for their lives and relationships, rather than projecting blame onto others or the "system" in defensive or unaware routines (Brown & Starkey, 2002).

From the perspective of rationality, we use cognitive techniques such as scenario planning to help participants imagine the future in more flexible ways, based on a range of different possible futures, which we capture through story-telling. To promote self-awareness, and a sense of inner rather than outer direction, using dialogue, we challenge participants to contest the dominant cultural models, their own and those of others, which are used to rationalize the darker side of leadership characterized by a lust for power, moral myopia, insatiability, envy, and greed. The aim here is once again to promote a more empathic, compassionate attitude to self and others and, thus, more sustainable forms of organization characterized by moral and ethical purpose. Here we would mention as an example, the intensely moving narrative developed by a Nigerian MBA student to describe her own and her family's experience of living in Nigeria. Her powerful narrative linked generational and broader business and social
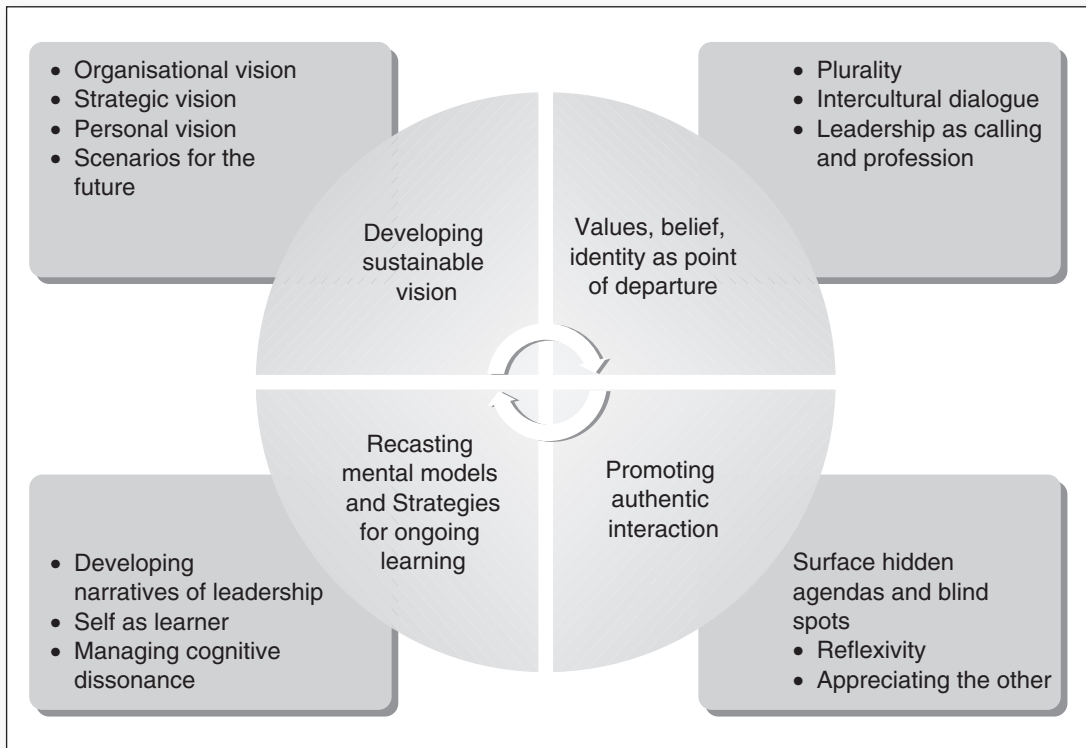
developments, and, in particular, the devastation of the Niger Delta by oil exploration. What emerged out of the group discussion was a co-created, intercultural vision of the role of leadership as stewardship for the present and for future generations, grounded in feelings of care and compassion. We also use a series of case studies, written or chosen specifically to highlight the human repercussions of leadership decision-making. An case example is an analysis of a leadership disaster on Mount Everest (Ennew et al., 2006), which illustrates the darker side of leadership and the importance of recognizing limits, and how to balance risk-taking and self-interest with the greater good and safety of the group.

A key theme running through our work is collaborative inquiry based upon the process of listening in a more open-hearted, respectful manner to others and to the self, as well as the importance of both private and public value (Moore, 1995). In the yogic tradition the practice of listening to others in a community with humility and respect and an emphasis on creating harmony and balance through the quality of individual contributions, is a spiritual practice known as "satsanga." We encourage this spirit of satsanga within the group so that members feel more able to talk about sensitive issues in their personal and professional histories.

Figure 6.1 presents a schematic representation of the architecture of our courses.

MBA courses and executive modules are run over intensive five-day blocks in order to maximize learning and capitalize on the group process. We also offer courses to executive education clients, with our preferred option a three-day course segmented in the following way: a two-day workshop typically comprising a balance of case study, experiential exercises, tutor input, and personal reflection; followed by an opportunity to apply what has been learned in the clients' own work environment. The course leaders provide on-going mentoring/coaching. Finally, we re-convene as a group

**Figure 6.1**  Leadership as Balancing Act

- Organisational vision
- Strategic vision
- Personal vision
- Scenarios for the future

Developing sustainable vision

Values, belief, identity as point of departure

- Plurality
- Intercultural dialogue
- Leadership as calling and profession

Recasting mental models and Strategies for ongoing learning

- Developing narratives of leadership
- Self as learner
- Managing cognitive dissonance

Promoting authentic interaction

Surface hidden agendas and blind spots
- Reflexivity
- Appreciating the other

for a third day to focus on personal and organizational learning from the course and to think through next steps in developing a more balanced philosophy and practice of leadership for the future and what further work needs to be done individually and organizationally. However, we are client-led and tailor bespoke courses to meet the learning needs of the client.

## *Conclusion*

We live in a challenging time for business and business schools. The financial crisis will throw a long shadow and it will require a rethinking of existing theories of business and management and of business and management education practices, if we are to avoid a damaging repeat which, were it to happen, would

have even more damaging consequences. This challenge places a premium upon creative and critical thinking to help us in re-imagining a more effective and sustainable future (Datar et al., 2010). Leadership is the core of an organization. When it works well it has enormous consequences for the good of many: employees, customers, and society. When it works badly, which we have suggested happens when self-interest dominates without reference to the social consequences, it can be the source of great harm.

We have suggested an alternative model of teaching leadership grounded in an eclectic mix of social science, philosophy, and the humanities, combining organizational and personal development. By implication we would also argue that this is the direction in which business schools should move, broadening themselves to different forms of knowledge and experience to

enable reflexivity and responsiveness in their own practices. There are significant barriers to such a change, not least the existing configuration of the *status quo*. Despite the financial crisis, there remains much inertia in the system and resistance to change. To counter this will demand imaginative ideas and a willingness to challenge entrenched opinion. Above all, it will require business school deans and other faculty as well as enlightened managers willing to exercise bold, imaginative leadership.

We finish with a cautionary tale, "The Announcement," a Sufi story told by the Mulla Nasrudin (Shah, 1968) which has something of importance to teach us about the folly of believing there are easy paths to easy solutions, self-knowledge, and insight. Nasrudin stood up in the market place and addressed the throng.

"O people! Do you want knowledge without difficulties, truth without falsehood, attainment without effort, progress without sacrifice?"

Very soon a large crowd gathered, everyone shouting; "Yes, yes!"

"Excellent!" said the Mulla. "I only wanted to know. You may rely upon me to tell you all about it if I ever discover any such thing."

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