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### Keeping One Step Ahead

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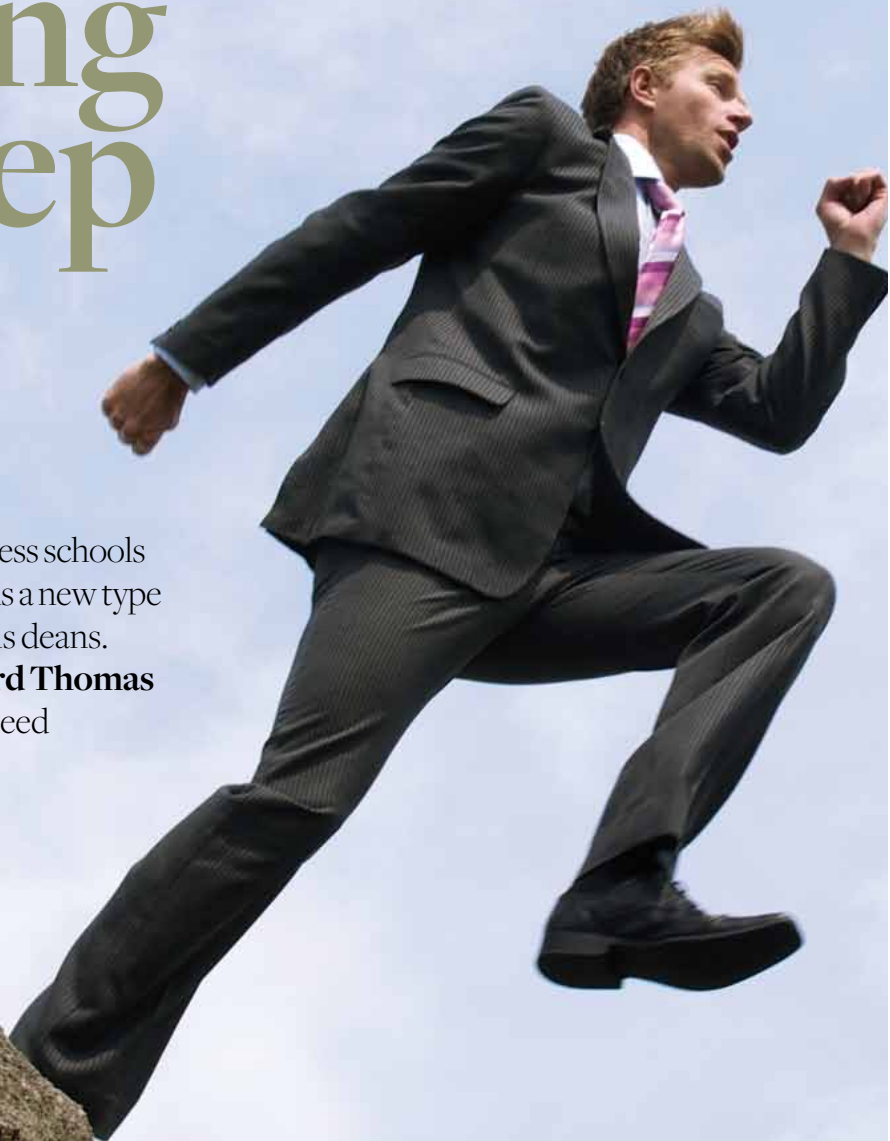
# Keeping one step ahead

The current crisis means that business schools will have to change – and that means a new type of leadership from business schools deans.

**Fernando Fragueiro** and **Howard Thomas** outline the kind of skills they will need

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*Deans serve as a bridge between school goals and faculty's own interests and motivation drivers. They must also bring the voice of external stakeholders into the academic domain*



**The global financial crisis has clearly shown that profound changes are needed in many core components of modern life – from market regulation policies and shareholder value-driven focus to globalisation and economic sustainability.**

Business schools, as links between academia and business, must rise to the challenge of seeking solutions for the shortcomings that have been revealed. While many institutions have made significant and useful efforts over past decades, their endeavours seem to have somehow fallen short or missed the mark. Perhaps the complexities of their governance schemes have hindered bolder moves to address – and even anticipate- the changing needs of both companies and societies in an era of global and local tensions.

To successfully overcome both persistent and emerging challenges, business schools will need strong and determined leadership to provide fresh ideas on how to build fruitful interactions between academia, businesses and society.

In a world that has embraced networking at full throttle, knowledge can no longer remain enclosed in silos; it must flow smoothly in every direction so that business education becomes both relevant and effective.

How can deans champion their schools’ leadership processes, building and executing successful strategic agendas over time? This is easier said than done, of course. Higher education institutions’ particular organisational traits, including shared power, dual academic and managerial authority, collegiality and rotation schemes, bring a substantial influence to bear on the inner workings of leadership in business schools.

As we all know, business schools’ deans tend to be viewed and to act as “first among equals,” for they are elected directly or indirectly by faculties to serve for a specific term.

In a forthcoming book (see end of article for details), we have tried to shed some light on how deans can deal with the double hurdle embedded in their *primus-inter-pares* status and their responsibility to exercise

leadership and, when necessary, introduce change.

The book includes a 14-year study of three world-leading European schools, IMD, INSEAD and LBS, and explores strategic leadership processes as seen from the dean’s office.

In the period analysed, 1990-2004, the three schools embarked on several groundbreaking international initiatives to respond to new management demands and globalisation trends. How did their deans address the need for change and how did they steer their institutions in a new direction? How did they build and use power to rally the support of boards, faculties and staffs?

The lessons learned from the experiences of the deans at the helms of IMD, INSEAD and LBS in years of stunning worldwide change are very applicable to understanding how deans today can juggle their schools’ standing between the academic and business worlds, and their own role as leaders.

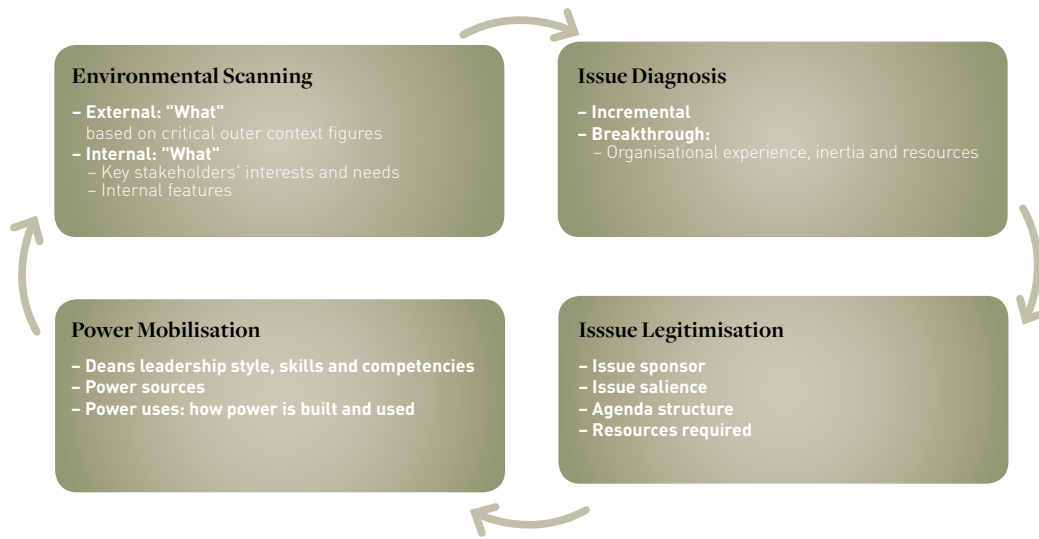


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The book *‘Keeping one step ahead’* includes a 14-year study of three world-leading European schools – IMD, INSEAD and LBS



**Figure 1:**  
Environmental scanning, issue diagnosis, issue legitimisation and power mobilisation



Deans serve as a bridge between school goals and faculty's own interests and motivation drivers. They must also bring the voice of external stakeholders into the academic domain. And just as business schools now need to step up their responsiveness in order to help managers address their new challenges, deans are forced to bolster their own leadership skills to provide their institutions with clear, decisive governance.

A recent survey of 200 companies by the European Academy of Business in Society (EABIS) revealed that context, complexity and connectedness will be the key features for sound management in the years to come. And, of course, the same applies to business school leadership.

External and internal contexts hold the key for deans to understand meaningful trends in their schools' environments in order to shape developments by using the flow of events to pursue a specific strategy.

Furthermore, deans not only need to understand their stakeholders' concerns but must also take into account the needs of others when framing the strategic initiatives that both each school and each situation demand. This understanding should also enlighten deans on how to use their power to accomplish an appropriate leadership style.

The overriding challenge for deans is to garner the support of their schools' constituencies for their initiatives and to overcome any opposition from other actors whose interests may be also competing for scarce resources and a place in schools' limited agendas.

When business school leadership processes are viewed as including a political perspective and are firmly supported by their deans' reputation, commitment and integrity, it is possible for deans to use power and influence to build a seamless continuum that reinforces their effectiveness and drives organisational advancement.

Business schools' collegiality presents a two-fold challenge: providing enough room for consensus in order to preserve and promote motivation and commitment and avoiding endless debates that could jeopardise growth and cause paralysis.

Leadership processes in such organisations involve two crucial steps: first, securing at least a modicum of support for a strategic initiative from key actors and, second, motivating the right people to seize that initiative and make it their own, championing its successful execution across the organisation. In other words, any strategic pursuit needs to be legitimated by key constituencies while deans use their power to overcome resistance and to procure critical resources.

To provide more practical, down-to-earth guidelines, the role of the dean may be narrowed down to the four key tasks identified in the comprehensive and dynamic approach to strategic leadership processes presented in Figure 1: environmental scanning, issue diagnosis, issue legitimisation and power mobilisation. Considering these tasks may help current and future deans in their day-to-day challenges.

### Environmental scanning

Understanding a school's inner and outer context is crucial to identifying opportunities and finding ways to match them with current faculty aspirations, interests and priorities and board members' concerns and objectives. As they do so deans will be able to orchestrate a strategy to raise a number of initiatives not by imposing them but by articulating and communicating them as a means to accomplish a common goal.

In this process potential supporters play a central role and opposition can be expressed and actually exploited to enhance further those initiatives rather than blocking them.

### Issue diagnosis

Deans should not only assess initiatives as regular business proposals but should also weigh the effort required to "legitimise" a strategic issue within their organisations –



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*The Deans mission is to shape their schools’ strategy and to make it work in a way that bold breakthrough initiatives, when needed, can be pursued and effectively execute*

particularly, to ensure faculty and board support. This issue diagnosis task requires the ability to determine whether an initiative involves a major shift or breakthrough in the school’s current strategy or whether it accounts for a natural next step towards its existing goals.

Incremental initiatives will normally go unhindered while true challenges come with initiatives involving a radical change that rattles the status quo for key constituencies or stretches the school’s financial resources.

**Issue legitimisation**

Breakthrough initiatives usually demand extensive legitimisation efforts. Deans are sometimes excessively earnest in their attempts to pursue their vision and ideas, and it is often hard to resist the temptation to drive an initiative by trying to match stakeholders’ interests and ideas with market demands. This process may lead to initiative enhancements to make it more compelling for others.

While a directive leadership style is generally necessary to drive breakthrough initiatives, it should be combined with an effort to allow for discussion and contributions from key constituencies.

**Power mobilisation:**

Finally, deans need to exercise their ability to mobilise other actors to champion those initiatives. In other words, leadership is a social influence process in which leaders try to grasp the views and motivations of others, connecting them with institutional challenges to find the best course of action.

In addition to legitimising issues, power must be used to complete the leadership process by effectively rallying support and commitment to successfully raise and execute an initiative.

Power in business schools is based on personal sources such as expertise, professional reputation, personal

prestige, ability to deliver results, integrity, commitment, interpersonal skills and other traits.

This does not mean that deans have no impact or influence, but positional power is just a starting point – not a “blank cheque”. Indeed, deans need to legitimise themselves, proving their worth, courage and effectiveness, before they can legitimise their initiatives.

In short, deans are responsible for setting their schools’ direction. Indeed, their mission is to shape their schools’ strategy and to make it work in a way that bold breakthrough initiatives, when needed, can be pursued and effectively executed.

Now is clearly a time for boldness, decisiveness and creativity, both to spot opportunities for business school enhancement and to respond to growing, changing management and social demands.

Deans can step up to the plate by playing this manifold role, engaging their schools’ key constituencies –business leaders, leading competitors, board, faculty and staff- in the process, actively heeding their respective needs and interests to drive an effective and well-rounded strategic agenda for their institutions. **gf**



**ABOUT THE AUTHORS**

Fernando Fragueiro is Professor of General Management and Director of ENOVA Thinking, Research Centre on Emerging Markets, at IAE Business School, Austral University, Buenos Aires, Argentina. He was Dean of IAE 1995-2007 and Vice President of Austral University 1998-2007.

Howard Thomas is LKCSB Chair of Strategic Management and Dean of Singapore’s Lee Kong Chiang School of Business and former Dean of Warwick Business School in Britain from 2000 - 2010.

**FURTHER INFORMATION**

***Keeping One Step Ahead: Strategic Leadership in Business Schools*** by Fernando Fragueiro and Howard Thomas is published by Cambridge University Press, 2011.

