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TOWARDS AN INTEGRATED, HOLISTIC APPROACH TO TEACHING STRATEGY

Author Info

William M. Donaldson
Christopher Newport University

Abstract

The debate over whether it is best to teach strategy using theory or practical examples such as cases continues to rage in academia. This article seeks to move our discipline beyond the debate. By utilizing a holistic approach including both methods, embracing systems thinking, and adding simulation to drive engagement, a strategic management course can, and should, become a more impactful experience for the student. An integrated, holistic method more closely resembles the leading edge of the discipline proposed by scholars and practiced in leading companies. This paper offers arguments for both approaches to teaching strategy, suggests a more integrated approach, shares an example of how to teach strategy using an integrated approach at an undergraduate-only business school using a current course, and concludes with the challenges of adopting such an approach.

Keywords: strategy, strategic management, pedagogy

Introduction

The debate over whether it is best to teach strategy using theory or practical examples continues to rage in academia. The history of teaching strategy at Harvard discusses how the discipline has followed a succession of new management thought trends derived from academic research in the various disciplines (Bower, 2008). Each new trend is promoted to be the one way to teach strategy at that time (Greiner, Bhambri, & Cummings, 2003). Bennis and O'Toole conclude that business schools have lost their way by succumbing to the lure of strict academic and disciplinary rigor and losing sight of the practical application involved in management as practiced in the real world (Bennis & O'Toole, 2005). This assessment is not new. Long ago systems scientists and theorists warned that managers do not solve easy, linear problems, they managed complex, multi-disciplinary "messes" and argued against a reductionist, disciplinary approach to management (Ackoff, 1971, 1999; Churchman, 1979; Deming, 1986). However, a rarefied, theoretical approach is precisely where the teaching of strategy has ended up (Bennis & O'Toole, 2005; Greiner et al., 2003). This article seeks to close the debate and acknowledge that each method has merit, but even when combined are insufficient and need to be improved.

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George Stoddard famously wrote, “We learn to do neither by thinking nor by doing; we learn to do by thinking about what we are doing” (Stoddard, 1981). I believe it is not a pedagogical question of one method or the other. As teachers, I believe we must adopt a philosophy Roger Martin recommends for leaders and managers, a “both/and” mindset (Martin, 2009). Both theory and practical case study examples are essential to the teaching of strategic management. Both individual thought and team dynamics are critical to learning strategic management. Success in the classroom and the workplace requires both disciplinary and interdisciplinary skills. By combining systems thinking as a unifying discipline, deep immersion in a semester-long simulation, and the two traditional methods, the course becomes an integrated, holistic learning environment. Bower describes the central role a general management course on strategy plays as an integrating force, often as the capstone (Bower, 2008). One would be hard-pressed to find a more appropriate place to bring all of the elements of a classic business school education together, yet we have moved away from this integration towards a more fragmented, theoretical approach (Bennis & O'Toole, 2005; Ghoshal, 2005; Greiner et al., 2003). I believe we must move the discipline to a more integrative stance, and embrace the emerging trend of simulation and augmentation brought about by technology advancements (Lovelace, Eggers, & Dyck, 2016). Khurana offers a proper caution concerning the move away from practice to theory exclusively and the resulting diminution of management as a profession (Khurana, 2007).

I believe the strategy course should reclaim its rightful position as the capstone course in business education. However, to do so, we as teachers must be willing to rethink our approach and adopt a more integrated and immersive pedagogical model.

> *“We continue to believe that the overriding challenge for those of us teaching strategic management is to find ways to integrate with other disciplines, as well as to invent learning methods that require increased practice of both analytical and behavioral skills (Greiner et al., 2003) .”*

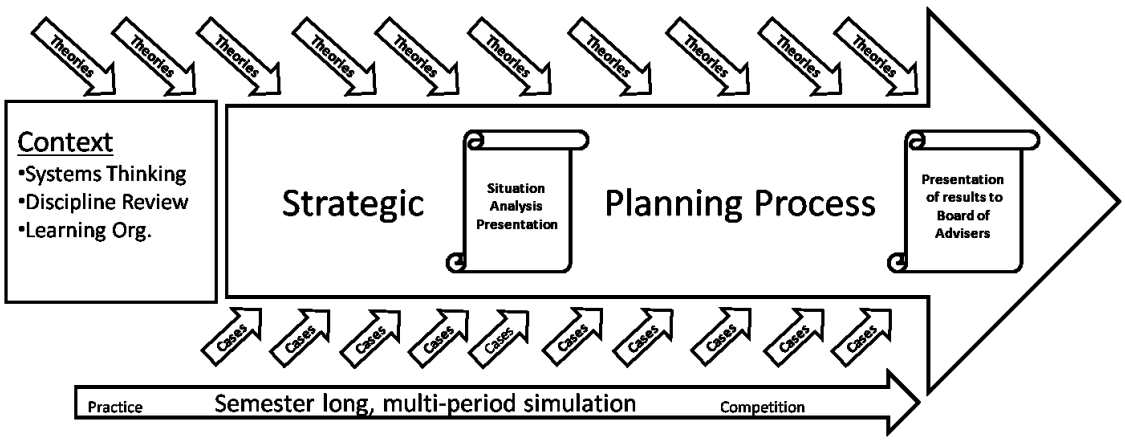
The remainder of this paper will present an integrated model for the teaching of strategy; explore the benefits of such a model and conclude with some challenges to implementation.

The Strategic Management Capstone - Reinvisioned

Perhaps it is because I have extensive experience as both a practitioner and an academic that I already utilize an integrated, holistic model for teaching strategic management. Figure 1 provides a graphical representation of the current course structure and flow. In developing and refining the course, I used the following critical priorities:

1. Introducing systems thinking as the unifying discipline through which students can integrate prior disciplinary knowledge.
2. Providing context as to why both theory and practice are critical to an understanding of strategic management.
3. Teaching the course using tools and techniques the students will use in their careers to enforce concepts and enhance learning.
4. Employ multiple learning modalities for assurance of learning.

Figure 1: Graphical View of Integrated Course



Key building blocks of the course are as follows:

Introduction to strategic management – Giving context

This portion of the course is designed to refresh learning from the individual disciplines, introduce the concept of strategic management, and integrate team learning and experience as a holistic approach centered on Senge's concept of using strategy as the tool to build the learning organization (Senge, 1990a, 1990b). In this phase, students are introduced to the concept of the enterprise as a unified whole, a system, not a collection of disciplines. Coverage of this important unifying discipline is an area lacking in most business curricula (Ackoff, Addison, & Carey, 2010; Bardoel & Haslett, 2004; Donaldson, 2017; Gharajedaghi, 2006; Senge, 1990b). This lack is succinctly captured by Bennis and O'Toole, "the integration of discipline-based knowledge with the requirements of business practice is left to the student (Bennis & O'Toole, 2005)."

During this phase, I remind students from the various discipline areas of the importance of the other disciplines to the enterprise as a whole and get the students to acknowledge, often grudgingly, that importance. Systems thinking is introduced as "the discipline that integrates the discipline" (Senge, 1990a). We explore the enterprise as a whole, not a collection of disciplines, using a set of systems lenses. This approach carries through the entire semester and I expect students to demonstrate a willingness to take a holistic approach. I address the issue of theory versus practice head on. I tell students they will need to be able to use both theory and practice to be able to analyze complex environments like the one they will face in the simulation used later in the class. Importantly, we discuss the timing and proper use of each approach, and we revisit the duality throughout the semester.

Theoretical constructs applicable to strategy assessment and formulation

Theories advanced in individual disciplines are reviewed throughout the semester, and those from the realm of strategy are introduced. These include, but are not limited to, industrial organization economics (IOE), resource-based view (RBV), Porter's Five Forces, cost versus differentiation, agency, corporate social responsibility, network effects, economies of scale and scope, Ansoff matrix, etc. Theories are important as a framing constructs so we cannot ignore their importance and power (Grant, 2008). Students must be able to conceptualize complex, ambiguous environments and theoretical frameworks offer tools to this end (Ackoff et al., 2010; Cajiao &

Burke, 2016; Deming, 1994; Drucker, 2001). However, instead of introducing and exploring the theories in a vacuum, each is paired directly with a case study (or studies) that outlines how the theory played out in at least one case (see next section). Additionally, the theories are explored using the prior systems thinking approach which adds to the nuance and subtlety often missing in theoretical discussions (Feldman & Worline, 2016).

Case studies matched to theory discussions

The course uses case studies as experiential learning tools to give the students context associated with theoretical constructs (Cajiao & Burke, 2016; Feldman & Worline, 2016). Cases are carefully selected or developed to parallel the applicability and use of the matching theory discussed during the class sessions. Students are required to analyze the case individually and submit a written response to questions. Once in class, case discussion occurs in conjunction with the corresponding theory, or theories. Students are encouraged to debate the issues in the case and the theories as a complex whole. Discussion boards are available for ongoing discussion after the class session. Feldman and Worline highlight and promote the benefit of such an approach to learning (Feldman & Worline, 2016).

> *"Practice theory focuses on these unfolding constellations of activity or practices and explores how they emerge through time as connected doings and sayings, as well as how they connect with other practices."*

Use of an actual strategic planning process as the core structure of the course

By using an actual planning process, students become immersed in the rhythm and flow of the very process they will use when they matriculate. Students are first introduced to the general flow of strategic planning—Environmental scanning, strategy formulation, execution, review; Boyd's OODA loop; POIM (Plan, Organize, Implement, Measure), etc.—followed by discussion of a variety of planning processes. The course then follows the flow of one such process. The practical use of the tools they will use in their careers forces students past a superficial knowledge of both the tool and the material associated with it (Cajiao & Burke, 2016; Jarzabkowski, Giulietti, Oliveira, & Amoo, 2013; Jarzabkowski & Kaplan, 2015). Love them or hate them, they come to understand the tools in powerful new ways.

Multi-period, semester-long simulation with progress and results presentations

The students learn, and then compete in, a rigorous, multi-period simulation (Capstone simulation program from Capsim). Student teams must first learn the industry dynamics in Capstone and present a formal Situation Analysis at the conclusion of the practice rounds. The presentation of the situation analysis parallels the completion of the practice rounds of the simulation. At this point, the students should be able to intelligently present on the dynamics of their new industry and propose a strategy for success. After the competition, the student teams must present their results, good or bad, to members of the school's Board of Advisors and invited executives. These activities simulate the environment for which we hope we are preparing our students, real-life business environments. Lovelace et al. in "I Do and I Understand," and others describe the benefits of using

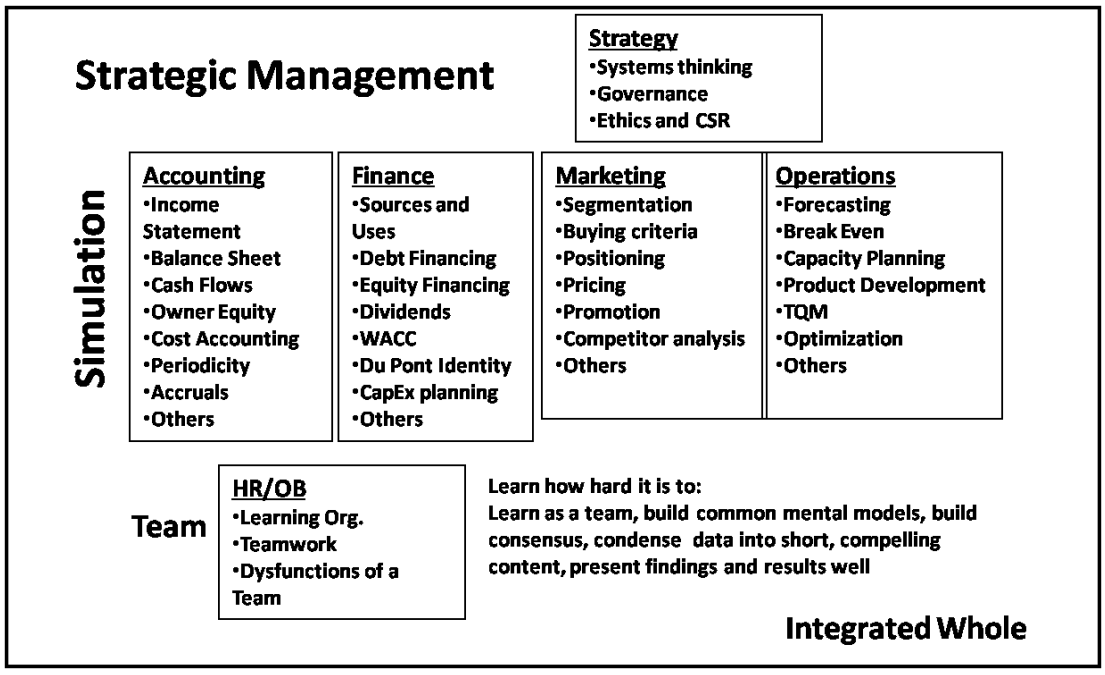
simulations and experiential learning modalities as effective learning tools (Cajiao & Burke, 2016; Feldman & Worline, 2016; Lovelace et al., 2016). I have found engagement, and resulting learning is dramatically improved using the simulation. Students become emotionally invested in the outcome when the results are immediately available and there is a consequence to their learning (Lovelace et al., 2016). Edgar Dale in his now ubiquitous "Cone of Learning" embeds a powerful entreaty for involvement. Dale claimed that as a student progresses through the cone in two-week increments if they are "involved" they will remember and retain upwards of ninety percent of the information and experiences (Wagner, 1970).

The Benefits of a Holistic Approach

In their review of twenty strategy course descriptions, Greiner et al. detected little evidence that "any linkage is being made with surrounding courses" (Greiner et al., 2003).The benefits of a holistic approach cannot be overstated. Our graduates will enter the world that is inter-disciplinary and full of complex, multi-faceted challenges. Our traditional, disciplinary swim lanes and the reductionist approach these engender will be of little use in this environment. In fact, we do our students a disservice by not teaching using an integrated approach (Bardoel & Haslett, 2004; Bennis & O'Toole, 2005; Cajiao & Burke, 2016; Deming, 1994; Drucker, 2001; Senge, 1990b).

Figure 2 demonstrates the full breadth of coverage available utilizing an integrated, holistic approach.

Figure 2: Coverage available utilizing an integrated, holistic approach



This course structure highlights both theory and practical methodologies. The simulation acts as a laboratory for students to interact with the theories they are learning and the implications of applying them (Feldman & Worline, 2016; Jarzabkowski et al., 2013; Schneider & Lieb, 2004).

Add simulation for involvement and engagement

The ancients long ago recognized the power of involvement. The Chinese proverb variously attributed to Xun Zi and Confucius, "I hear, and I forget. I see, and I remember. I do, and I understand", hints at this power (Lovelace et al., 2016). In higher education, the benefits that involvement has on learning outcomes is well documented (Bonwell & Elson, 1991). The use of practical case studies is credited with almost single-handedly raising the teaching of strategy, then called Business Policy, to the pinnacle of our profession (Bennis & O'Toole, 2005; Bower, 2008). However, case studies alone are no longer enough. Our students want more, and technology developments have put rich, engaging simulated experiences at our student's fingertips (Fink, 2013; Salas, Wildman, & Piccolo, 2009).

Benefits of the simulation experience

During the simulation, students must come to grips with several enlightening discoveries:

1. Each situation is different to each viewer and each team. Where strategy can look homogeneous and obvious with the benefit of hindsight, strategy must be formed before the fog lifts. Even one of the greats, Michael Porter, circled back to the uniqueness of each firm and attendant strategy (Porter, 1987). Teams must learn to wrestle with competing views of the environment, risk profiles, management styles, philosophies, and desire for results, enforcing organizational behavior and leadership principles (Feldman & Worline, 2016; Joullie', 2016; Schneider & Lieb, 2004).
2. Team cohesion is critical to team learning which is critical to the generation of a common mental model of the challenge (Senge, 1990a, 1990b).
3. The enterprise is a system, which must be optimized, and this often entails sub-optimizing individual functions or disciplines within the whole. This notion is counter-intuitive to most students and managers (Donaldson, 2017).
4. Synthesizing the vast amount of information into a short, coherent Situation Analysis is a difficult task (Schneider & Lieb, 2004). Even with almost complete information on the industry dynamics and competitors, the students make the same mistakes practitioners make—leaving out critical information, failing to gain a team perspective, failing to consider competitive moves, etc.
5. Even though competitors are all positioned identically, and each team could have the same "view" of the opportunities and threats, each team's view is different.
6. Actions taken and results derived, good or bad, have to be explained to a higher authority at some time in your management career (Bennis & O'Toole, 2005).

These discoveries parallel the ones experienced by practitioners in the real word of strategy and only derive from engagement and involvement in a team-based simulation. They are not available in theory or case study modalities. "We cannot make all of our students CEO for a day," however, we can and must try to simulate that experience as closely as we can (Greiner et al., 2003). Lack of interest on the part of our students is not the impediment; it is our lack of flexibility and creativity. The very traits we preach to our students as critical for outbound success are our undoing. The same authors report more favorable views of all the disciplines when students are shown the inter-dependent nature of the disciplines in practice (Greiner et al., 2003). I witness a dramatic increase

in appreciation of and engagement with the other disciplines when the students become aware of the importance and are required to confront it in the simulation portion of the course.

The use of multiple modalities for assurance of learning

All of the elements of the course are designed to assess the arc of learning experienced by the student. The major elements are as follows:

- Written case study submissions and discussion board posts allow for assessing individual and group understanding as well as writing and analytical skills.
- Traditional quizzes and testing provide assessments of individual knowledge of theories, concepts, and critical terms.
- Presentations provide assessment of analytical, verbal, and presentation skills.
- Peer assessments throughout the team-based portion of the class and a peer-grading component at the end of semester allow for assessment of collaboration and communication skills. Peer reviews are available to all team members throughout the semester to aid in team building.

Learning and growth are the basis for individual student and team assessment, not how well they performed in the simulation. Just as in real life, it is possible to be out-smarted in the marketplace. Therefore, student's ability to explain their team's results, even if those results are poor, is the basis for grading. Additionally, extra credit is available for exceptional performance in the simulation or the presentation of results.

Challenges to implementation

Much has been written about the challenges of teaching strategic management (Bennis & O'Toole, 2005; Grant, 2008; Jarzabkowski & Paul Spee, 2009; Schneider & Lieb, 2004). Specific challenges advanced in previous articles include:

- Independence of experienced faculty and the tendency to teach strategy as an extension of their discipline leading to very different courses (Greiner et al., 2003).
- Faculty focus on research into theories, not application (Bower, 2008; Greiner et al., 2003).
- Tenure considerations based primarily on theory (Bennis & O'Toole, 2005; Bower, 2008; Greiner et al., 2003).
- The primacy of tenure-track faculty in university hierarchies versus practitioners with the experience to teach strategy (Bennis & O'Toole, 2005; Bower, 2008).

It is ironic that politics and disciplinary swim lanes conspire against effective integration of the disciplines, yet this is precisely a failure mode we advise would-be-managers, our students, to avoid in practice (Greiner et al., 2003). The comprehensive scope and nature of strategic management—the integrating of all the disciplines, the synthesis of all the information needed to make strategic decisions, and the conquering of all the organizational behaviors necessary to forge an actionable strategy—is daunting to even the most seasoned managers. For academics with little real world experience and strong disciplinary ties, it may seem almost impossible. Add to these, incorporating outside evaluators, such as board members, and the challenge is even harder. So what are we to do?

If we were consulting with a client with the same problem, we would encourage them to:

- Revise their job descriptions to capture the requisite skills and experience needed in qualified candidates.
- Modify their search, interviewing, and hiring practices to identify qualified candidates.
- Modify their compensation plans and development processes to attract, develop, and retain successful candidates.
- Review and restructure their service offering(s) to reflect the integrated nature of the delivered product.

The above is sound advice. If it is sound advice for our client, can we afford to ignore it? Will heeding the advice be easy? Nothing worth doing is. Are we as an academy willing to address the issue, or will we let our past constrain our future? Compelling strategic management questions, all.

Conclusion

For too long we have debated which method of teaching strategy is most effective, practice or theory. The debate, while interesting to academics, has taken our focus away from the broader problem of keeping the business curriculum current with emerging technologies, theories, and modalities of teaching. Only by adopting a holistic approach and returning the strategy course to a prominent place as a capstone, integrative experience can we regain the needed focus. Adoption of such an approach will not be easy, and there will be much complaining from within the academy. As business professors, we are all aware how little organizations, and the people in them, like change. However, the fact these proposed changes will be hard and will upset our current equilibrium is not a valid justification for our lack of progress. The business world outside our walls will little care about our struggles. I believe an integrated, holistic approach to strategy is the only way to engage truly and deeply our students. If we do not create compelling academic experiences for them, competitive offerings will rise to meet the demand from outside the academy. There is already evidence of this occurring as popular press authors and consultants have begun to dominate the high-ground of corporate strategy teaching (Bower, 2008).

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