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Radical change for businesses here to stay



by Clayton Swart: Former senior journalist at Media24 titles Rapport and SakeBurger (now Sake24) in Cape Town. He currently works as an in-house journalist for the University of Stellenbosch Business School (USB).

While business leaders will eventually overcome many of the problems that have occurred over the last two years as a result of the financial crisis, the concept of radical change that has emerged is here to stay.

That was the view presented by Emeritus Professor Michael Osbaldeston, former dean at the UK's Cranfield School of Management and former chairman of the Association of Business Schools, at a talk entitled *Developing Leaders for a Global Business Environment* held at the University of Stellenbosch Business School (USB) on Friday 23 October, as part of the USB's series of Leader's Angle talks.

"Managers of the future will face a radically transforming business world, increasing competitive pressures 'resulting particularly from globalisation' and ever higher levels of personal challenge and stress," said Osbaldeston.

In order to respond more effectively to this changing landscape, businesses are increasingly finding that to become more flexible and market-driven, they have to move towards flatter, decentralised structures, with a growing emphasis on 'horizontal management'.

"These changes are forcing businesses to depend increasingly on people, rather than systems and procedures," said Osbaldeston.

However, he said it is not just down to business leaders to lead the change. He also noted that traditional business school models such as those which originated in the US may not be appropriate anymore. He said that some business schools tend to operate as distanced suppliers, whereby their research is confined to an academic perspective, promoting theory without ever really engaging with business on a practical level.

Osbaldeston applauded the efforts made by some emerging market business schools, such as the USB, to engage in partnerships with clients to find solutions to problems in business. He said that it is necessary for business schools to become even more integrated with the world of business in order to make a practical difference.

His views on this issue were backed up by Prof Eon Smit, director of the USB, who said the business school is working closely with the private sector to achieve practical solutions to the problems currently being faced by business. "By maintaining regular communication with our clients, we are able to assess their changing needs. This also helps to keep the content of our courses relevant to the issues facing business today."

Osbaldeston noted that as businesses operate more and more globally, the national loyalties once brandished by companies are diminishing as they co-ordinate a range of business assets in multiple countries.

"An era is fast approaching where the concept of a company being national or even domestic is beginning to lose its meaning," said Osbaldeston, highlighting the examples of the Swiss confectionary group Nestle®, the Swiss engineering company ABB, and the Anglo-Dutch household products group Unilever, which all coordinate tens of thousands of employees spread across virtually all major countries of the world.

In tandem with the changing identity of businesses, leaders are also finding they have to adapt. Osbaldeston says the days of the 'heroic' leader are on the wane. Instead, companies are increasingly seeking to develop 'managerial leadership' at all levels through a flexible combination of skills and style, where values and ethics are fundamental to success.

For a powerpoint presentation and video of the talk go to the multimedia page of the [USB website](#).

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