

Teaching Strategic Management: Preparing Our students to Better Cope with Disruptions in the Age of Discontinuity

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What guiding principles should inform the curriculum of a course in strategic management at MBA level? In this paper, a team of lecturers discuss their current thinking on this topic.

Introduction

In the seminal book *The Age of Discontinuity* (first published in 1969), Peter Drucker suggests that we are confronted with four types of discontinuities, namely the knowledge technologies (new technologies); changes in the world's economy (globalization); a society of organizations (cultural pluralism); and the knowledge society (knowledge capital). While many of Peter Drucker's scholarly works have had considerable impact on the teaching and practice of management ([Kantrow 2009](#)), an in-depth understanding of these discontinuities is important in teaching and learning strategic management, especially at the time when exploring the future from the past is becoming increasingly becoming difficult (essentially, COVID-19 adds an additional dimension to the *age of discontinuity*). As an academic discipline, strategic management is the management of an organisation's resources to achieve its goals and objectives. The aim of this article is to examine some approaches to teaching strategic management to prepare our students to better cope with the age of discontinuity and become effective strategists.

Strategic Management of New Technologies

A frequent question asked by MBA students engaged in strategic management is whether we can really plan based on conventional strategic planning theory given the speed of today's technological changes. Perhaps, this is not a new question; even 20 years back students did ask the same question thus making it relative to the times that we live in. However, the volatile, uncertain, complex and ambiguous ([VUCA](#))

environment over the last decade, the emergence of transformative business models (such as adopted by Uber, Amazon, Airbnb, Alibaba and Netflix) and the emergence of COVID-19 have prompted us to question some of the very fundamentals we hold dear in the strategic management domain. For example, can we define an industry clearly? How long should our planning be?

Given these challenges, typical strategic management textbooks and conventional strategy development tools (i.e., [five forces analysis](#), [generic competitive strategies](#), [PESTLE](#), etc.) may sound somewhat simplistic and in most cases, contemporary MBA graduates may find it difficult to reconcile with what they read and observe in business news. Most find it difficult to fit it all into a neatly defined and laid out strategic planning process. Easy access to various management thoughts, views, literature, examples, videos, and an array of management tools developed by consultants and academics constantly marketing to industry is also adding to the confusion associated with teaching and learning strategic management.

These changes necessitate academics involved in strategy related subjects to take a paradigm shift in the way they approach teaching and learning. While changes in the business world add to the confusion in the context of theory, they also provide tremendous opportunities to enhance learning. Rather than learning concepts/theory and then trying to fit the world around us into these concepts, modern strategic management teaching approaches can encourage students to explore the business world first and try to make sense by linking this knowledge with an array of concepts/ theories without restricting to a select few as we tend to do with textbooks.

Strategic Management and Globalization

As indicated already, our world is electronically and informationally connected with the increasingly fast flow of information globally. This situation has relevance for the teaching of strategic management and perhaps more importantly strategic thinking and analysis. As discussed by [Ingram \(2021\)](#), [T]he pace of globalisation takes the struggle for competitiveness to a new level with implications for strategic management and our teaching of strategy related aspects of an MBA.

Considering the uncertainty of many aspects of the world such as geopolitical instability, current and potential health crises, and aspects of social wellbeing such as poverty and the increasing wealth gap across our globe, it is important that teaching strategic management also involves encouraging our students to nurture critical thinking as a lifelong practice ([Priem 2018](#)). This will enable them to apply sound judgements relating to strategic issues as no longer can future decisions be necessarily based upon past certainties. Given that the authors' view is that strategy is 60% thinking and analysing and 40% doing and implementing there is a sound case for ensuring we are continually taking a leading-edge approach with the inclusion of a portable and transferable 'toolkit' of theory and best practice that gives students options to face an uncertain and unsighted future globally.

A 'strategic management' subject now needs to ensure some future-oriented key inclusions such as scenario planning; and ethics, particularly the care of the environment which has become a political imperative in many countries. Further, as part of improving students' critical thinking skills, there is a need to re-consider our pedagogical approach involving teaching tools such as case studies, comparison of current and past strategy narratives, and evidence-based management ([Priem 2018](#)).

Strategic Management and Cultural Pluralism

The 33rd session of the UNESCO General Conference (held on 20 October 2005) adopted [the Convention on the Protection and Promotion of the Diversity of Cultural Expressions](#). In this session 148 states of the world voted in the favour of the convention. One of the [key aims](#) of this convention was to support sustainable development policies and international assistance programmes that integrate culture as a strategic dimension.

Australia is generally viewed as a late bloomer in its acceptance of multiculturalism and cultural pluralism. Australia became a signatory to the UNESCO Convention in 2009, which can be considered as a milestone for Australia's recognition of cultural diversity as an asset rather than a liability. This Australian evolution to embrace cultural pluralism holds great pedagogical opportunities for teachers and students to explore further into strategic policies relating to challenging problems in maintaining a diverse workforce (e.g., discrimination, bullying and dissatisfaction) and innovative ways to reap the advantages of diversity.

For strategic management academics, a promising area worth further exploring is the strategic management of creative and cultural industries and institutions. With an estimated global worth of 4.3 trillion USD annually, the cultural and creative industries provide 30 million jobs worldwide and account for 6.1% of the global economy; the culture industry is considered as one of the fastest-growing sectors across the world ([UNESCO: Diversity of Cultural Expressions](#)).

Strategic Management and Knowledge Capital

Knowledge capital can be defined as the intangible value of an organization made up of its knowledge, relationships, learned techniques, procedures, and innovations. Organizations create knowledge by converting tacit knowledge into explicit knowledge. Knowledge capital is also known as intellectual capital and puts a company at a comparative advantage to its competitors.

Conceptually, knowledge capital consists of human capital and structural capital (Virkus 2014). Human capital is a function of the competence, intellectual agility, and attitudes of the organization's members. Structural capital refers to the learning and knowledge that is enacted in processes (process capital); knowledge that is codified as documents, objects, and intellectual property (intellectual assets); and the reputation and relationships the organization has developed over time with customers and partners (relationship capital).

In an increasingly knowledge intensive world, the concepts of knowledge capital, intellectual capital and strategic management are inherently intertwined and very much determine the success of knowledge-based organisations (Vijayasundaram & Sivakoumar 2009). The key issue in managing and capitalising on these concepts lies in the flexibility and adaptability of both the organisations and its leaders. As more and more organisations recognise the benefits of effectively capturing, codifying and using the knowledge gained, increasingly knowledge management is considered as a critical part of their strategic plans. This suggests that the strategic management curriculum should include an in-depth exploration of the strategic and operational roles of knowledge capital in firms, approaches to promoting and sharing knowledge capital and management of intellectual assets.

Conclusion

In closing, teaching and learning (and practice) of strategic management necessitates the introduction of new strategy development tools for knowledge-intensive firms and transformative business models (e.g., Uber, Amazon and Airbnb). At the same time, teaching strategic management should also involve encouraging our students to nurture critical thinking as a lifelong practice using a range of teaching tools such as case studies, comparison of current and past strategy narratives, and evidence-based management. Further, in the context of an increasingly multicultural workplace, as an academic discipline, strategic management should also further explore the strategic management of creative and cultural industries and institutions. Finally, strategic management curriculum should include an enhanced focus on the strategic and operational roles of knowledge capital in organisations, as well as innovative ways to promote, share and manage intellectual assets.



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