REFRAMING FOR SUSTAINABILITY

Entrepreneuring and Leading

Social Entrepreneurship

Business Education
Policy Making

Transformational
Leadership

Responsible management
education

Sustainable Business
Strategies

Reframing

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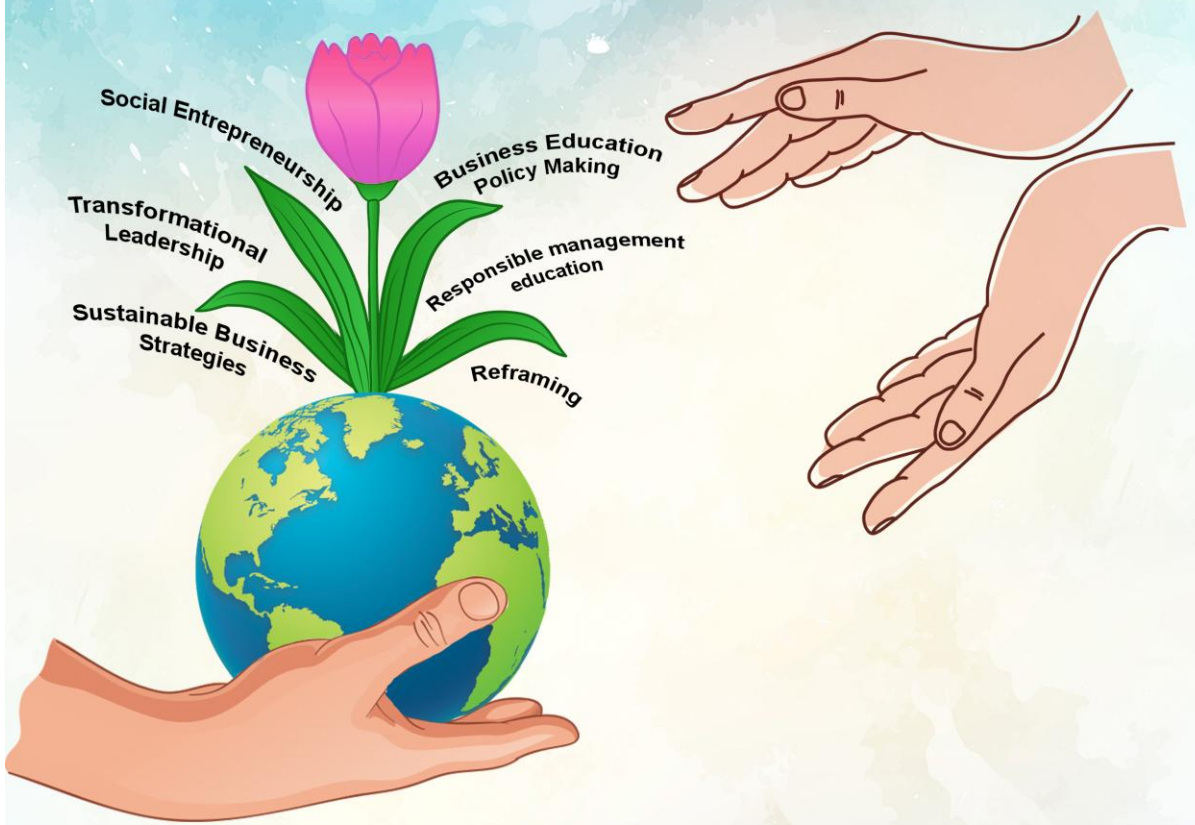# Reframing for Sustainability: Entrepreneuring & Leading

Divya Bhutiani

REFRAMING FOR SUSTAINABILITY: ENTREPRENEURING & LEADING

DISSERTATION

to obtain
the degree of doctor at the University of Twente,
on the authority of the rector magnificus,
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on account of the decision of the graduation committee,
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by

Divya Bhutiani

born on 21st June, 1981
in Chandigarh, India

This dissertation has been approved by:

Prof. dr. A.J. Groen (supervisor)

Prof. dr. P. Nair (supervisor)

This dissertation is dedicated to my husband.
Kuldeep Wadhwa *and my four year old
daughter,* ***Taashvi*** *for their unconditional love,
support and understanding.*

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Acknowledgements

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Dallas and Dr. Derek Lehmberg from University of North Dakota need special mention here. I cannot tell you Prof. Dess how motivating it was for me to hear such encouraging words about my research from a professional of your stature and repute.

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My acknowledgement of my family members would be incomplete if I do not mention Dr. Jalaja Kumari Nair (Jalaja mam,) Krishnan and Bhaskaran here. They have all positively touched me in so many different ways and helped me in transforming into a more practical individual and a true professional. My enormous informal conversations with you Jalaja mam have helped me to see the world differently. The uncountable questions by Krishnan on every possible topic in the world have always made me think and reflect.

CHAPTER 1: BEGINNING OF A RESEARCH JOURNEY…

1.1 CHAPTER 1

1.1.1 Introduction to the Introduction

For writing the introduction to my doctoral thesis, there were several possibilities in front of me: keeping it formal to telling the story of my research journey. I decided to be somewhere in the middle; I am keeping it semi-formal so that I could take you through my research journey as it progressed while informing you the relevance of my research without losing its rigor. I have divided this introduction into six headings. The first heading, as the title says, will introduce you to the rest of this introductory chapter. The following headings from 2 to 5 are each designated to a chapter in my thesis and will describe the evolution of that line of thought, how that research was executed and some of the major findings and contribution of that study. The last section helps to familiarize the reader with the connecting common theme of this thesis which is *Reframing* and the overall goal of my doctoral research which is *Developing Sustainable Organizations and Institutions*. Towards the end, I have also drawn a table that summarizes the research plan of my thesis through the major research questions in each chapter, research methodology adopted, type of data collected and the major contributions of the study.

1.2 CHAPTER 2

1.2.1 Is Social Entrepreneurship Transformational Leadership in Action?

For a very long time, I have been fascinated with the phenomena of entrepreneurship and leadership. But as a research topic for my doctoral degree, I did not come across a pressing research question in this area until I started reading Mahatma Gandhi's autobiography for the second time. When I read the book for the first time during my teen years, I did not wonder whether Mahatma Gandhi is a leader or a social entrepreneur. Instead, I passionately learned about

him and admired his principled approach to life. When I read the book for the second time, I intuitively felt that there is something in common between Gandhi as a leader and Gandhi as a social entrepreneur. Gandhi was an extraordinary man, his legacy has very few parallels in human history. Albert Einstein said this on the 70th birthday of Gandhi: "Generations to come, it may well be, will scarce believe that such a man as this one ever in flesh and blood walked upon this Earth." Scholars consider Gandhi as a charismatic leader (Bligh and Robinson, 2010), social change agent (Moliterno, 2009) and transformational leader (Carey, 1992; Parameshwar, 2006).

I found that the theoretical overlap between the concept of transformational leadership and social entrepreneurship has not been well understood. This prompted me to formulate my first research question for my doctoral study; *Is social entrepreneurship transformational leadership in action?* We answered this question through a qualitative grounded theory approach involving the life histories of three eminent world leaders- Mahatma Gandhi, Mother Teresa, and Wangari Mathai. All these three leaders started their journeys alone as social activists who wanted to serve the people around them. They soon found volunteers who wanted to join them in their social cause making them effective transformational leaders over time.

1.2.2 Social Entrepreneurship and Transformational Leadership: The Commons

Entrepreneurship and transformational leadership are two research fields which are facing similar challenges in terms of lack of a well-accepted definition (Bornstein, 2010; Davidsson, 2004) and a unique measurement scale (Antonakis et al., 2004; Low & MacMillan, 1988; Vecchio, 2003; Wortman, 1987). The

origin of transformational leadership dates back to James McGregor Burns (1978) who introduced the term transforming leadership while researching on the behavior of political leaders. Later, Bass (1985) developed the idea further and noted how transformational leaders enhance follower's maturity level, concern for others beyond self-interests and consideration for the organization and the society. Since, the field of transformational leadership is relatively mature compared to social entrepreneurship which has gained increasing importance in the last few decades, we felt that there are several concepts, tools, and methods used in leadership research in general, and, transformational leadership, in particular, that can be useful for social entrepreneurship as a field. Using the case studies of three eminent leaders from history, we found considerable overlap between the constructs of social entrepreneurship and transformational leadership and developed a framework called the 4-I framework to integrate the two phenomena. We suggest that since these two constructs show considerable overlap, helping students and young professionals participate in social entrepreneurial ventures can be an effective pedagogical tool for instilling transformational leadership mindset in them which they can practice in their careers ahead.

1.3 CHAPTER 3

1.3.1 Reframing for Policy Innovation under Severe Resource Constraints: Case of Business Education Policy Making in India

While I was exploring the overlap between social entrepreneurship and transformational leadership, the extraordinary impact leaders and entrepreneurs have on their organizations and society at large intrigued me. During that time one of the most talked about policy challenges in India was addressing the explosive demand for higher education propelled by the sudden but consistent

economic growth. The major challenge was ensuring accessibility while maintaining acceptable quality defined by faculty qualification, student-to-teacher ratio, and infrastructure for learning. Intuitively I felt a connection between my Ph.D. research topic, then it was broadly described as an actor-centric approach to organizational and social innovation and change and policy making under severe resource constraints. Also, I was convinced that a traditional approach to policy making will not work under severe resource constraints and decided to study in detail by taking business higher education as a case in point. We did an in-depth analysis of the Indian business education system to answer our second research question: *What can we do to save the failing business education system in India while catering to the huge demand?* After scanning the literature related to personality and social psychology, we found that decisions made / solutions found with a pro-social motivation are more creative than the ones made with a pro-self orientation (De Dreu et al., 2008; Miller et al., 2012; Polman and Emich, 2011). We did iterative reframing of the basic assumptions behind the quality challenges facing the business education in India to arrive at more innovative solutions that can help to provide quality education to all degree seekers in India.

1.3.2 Social Entrepreneurial Approach to Addressing Quality Challenges

The most noteworthy facts about Indian business education were that there were more than 3000 business schools in India with more than 300,000 degree seekers at one point of time. While the sector was facing huge demand, there were severe resource constraints that the country is facing affecting the quality of business education delivered. We classified these resource constraints under four categories: Faculty, Fellow students, Finance and Facilitation. There is a huge shortage of well-qualified faculty members in India but the regulatory and

accreditation approach is not consistent with the ground realities that exist. While the stipulated faculty to student ratio for business schools as laid down by the regulatory bodies in India is 1:15, a rough estimate showed that there are less than 5000 Ph.Ds. in management today and therefore the stipulated ratio can't be achieved. This situation forces most business schools to employ MBAs to teach management students which are further deteriorating the quality of education. In an MBA classroom, the quality of education delivered depends not just on the faculty but also the fellow students sitting in the class. Due to poor academic preparation at all levels starting from primary school to under graduation, business schools are finding it hard to select well-prepared students from a large number of available degree seekers. Besides the challenges posed by the severe resource constraints in India, the education system is further paralyzed by corruption and fraud at the level of regulatory officials and business school management. Hence, we propose to move away from a regulatory system which does not take the ground realties into account to a hybrid system where most useful aspects of the regulatory system are maintained while incorporating useful elements of free market and social entrepreneurial approaches. This hybrid approach is the amalgamation of free market approach to have fair competition and transparency in the system; social entrepreneurial approach to bringing innovative ideas for adding social value and preventing rent-seeking tendencies of the free market, and, some degree of regulation to monitor the overall well-being of the business schools. The findings of this research are crucial to any emerging economy of the world that is facing similar resource constraints.

1.4 CHAPTER 4

1.4.1 Developing Responsible Management Education through Reframing Social Issues

The motivation of this research came when I heard the key-note speech by the Dean of a business school in India at the Social Entrepreneurship conference in New Work. It was the story of his personal journey as the head of an institution that was surrounded by more than 400 highly polluting small and medium sized industries. While the Dean was finding the poor quality of air unbearable, for the majority of the stakeholders it was not even a problem. As he explained his journey of involving all the stakeholders of the business school to collectively work towards achieving positive results in the level of pollution in the region, I thought it was a perfect example of reframing of the social issue by the leader to arrive at an innovative prosocial solution. As a result, I decided to spend 3 months at this business school in India to have an ethnographic account of the situation, talk to the various stakeholders and have an in-depth interview with the Dean to understand the various steps that the business school is taking to overcome that situation. Our Third Research Question is *"How can reframing of environmental challenges by the leader help in developing responsible management education?"*

1.4.2 Social Innovation through Reframing

I found that the Dean was initially framing the problem of air quality as one which is harmful to his 300 plus students and staff, the focus was just his business school. The solutions that they could find were ordinary with very little improvement in the air quality but when he reframed his challenge by relooking at the underlying assumptions about who is affected by the poor air quality and expanded the base to the whole village community, he could obtain more positive results. The business school has not just developed a pro-social mindset among the students and staff but also enlightened the community and the industrialists in the region to behave more responsibly and ethically. They have successfully

deployed student teams to work closely with these industrialists to come up with innovative and responsible solutions to tackle the problem. Based on this ethnographic study, the *Reframing Framework* that has been developed can be effectively used for addressing social challenges across any sector. Our Reframing Framework helps the actors to see the problem differently by enlarging the *stakeholder* base; by changing the desired *outcomes* from the problem; by looking at the *history* associated with the problem; by looking at the *resource* availability and not resource desirability in a particular case; and by being open seeing the problem through diverse *world views* in order to arrive at more socially responsible, innovative solutions. *The words in Italics represent the five components of our reframing framework.*

1.5 CHAPTER 5

1.5.1 Organizational Transformation for Sustainability: Leader's Reframing

My next research paper is based on the grounded theory approach to studying organizational transformation for sustainability. While studying about the corporate sustainability, I came across the TED video of Ray Anderson, the founder and chairman of Interface Inc. I was extremely impressed by his story of how he transformed his petro-intensive carpet tile manufacturing company into one of the world's most sustainable organizations. The fascinating aspect of this story for me was the fact that before adopting sustainable business strategies, this organization was the market leader in carpet tile industry which they could effectively maintain even after going through a drastic change in their organizational culture and business model. There was a tremendous amount of data available related to the sustainability story of Interface, including two autobiographies by Ray Anderson, several internal communication videos on the

company website, public speeches, newspaper and magazine articles, annual reports of the company, etc. As a result, I decided to do extensive research on the data to understand the role of the leader in effectuating the culture change and what he did to overcome resistance to change. The research question that this study aims at answering is: *"How did the leader Ray Anderson use reframing as a tool to create successful transformation for sustainability?"*

1.5.2 Use of Economic and Moral Logic for Sustainability Transformation

Our preliminary data analysis showed that Ray Anderson had used reframing as a strategic tool to garner the support of his various stakeholders towards sustainability. Classifying sustainability as a wicked problem (Rittel & Weber, 1973) and drawing on the role expectancy theory, this research paper finds that reframing by considering the role expected from a particular stakeholder can be successfully used to garner support for change towards sustainability. The leader reframed the challenges and solution using moral logic for stakeholders whose role involved non-financial functions to gain their commitment towards sustainable business practices. In contract, he reframed using economic logic (classified non-renewables as waste; waste as money etc.) to gain the support of those stakeholders whose role involved financial function. We confirmed our preliminary findings with interview data from the employees in the European headquarters of Interface along with the observational data by spending more than 50 hours at the research site. Based on the coding of the rich secondary and primary data that we had collected; we came up with the process model of change that Ray Anderson must have adopted to develop a robust culture at Interface which is so deeply imbibed such that employees feel greater commitment towards sustainability goals set by Ray Anderson even after his unfortunate demise. These findings indicate that if in a petro-intensive industry like carpet tile

manufacturing, the leader could successfully develop sustainability mindset, other organizations can also try to use reframing as a tool for change towards sustainability.

1.6 CHAPTER 6

1.6.1 Actor-Centric Approach to Innovation and Change: Power of Reframing

Actor-centric approach to innovation and change for creating ethical and sustainable organizations and institutions is my major area of focus. Developing a prosocial-transformational mindset among students (who are the future managers) and practitioners will help create organizations which are adept at finding innovative solutions which are not only good for the corporation but also good for the society. I realized that majority of the problems that one encounters during the lifetime have certain underlying implicit and explicit assumptions. Reframing by re-examining those assumptions with a prosocial-transformational mindset will help the actors to view the problem or situation differently and hence arrive at innovative sustainable solutions. We name this ***process of redefining a problem or a situation by refining the underlying assumptions as Reframing***. In the extant literature, reframing has been used as a powerful tool for decision making (Bolman & Deal, 2008; Kahneman & Tversky, 1984; Tversky & Kahneman, 1981, Maule & Villejoubert, 2007); for strategic communication (Chapman , 2005; Hallahan, 1999; Lundy, 2006; Reber & Berger, 2005); for strategic change by mobilization of support and gaining legitimacy (Creed et al., 2002); for sensemaking (Weick, 1995; Dewulf et al, 2005), in conflict management (Kaufman et al., 2003) and negotiations (Kaufman & Smith, 1999). We found the use of reframing using the pro-social lens in opportunity

recognition for developing responsible management education, innovative policy making under resource constraints and developing sustainability-driven organizations. In all these three research articles, we have taken an actor-centric approach and, in the process, developed a *Reframing Framework* (as mentioned above under section 4.2) and a step-by-step process of reframing for overcoming the problem or situation at hand:

Step 1: State the problem / situation as it is.

Step 2: Identify the underlying implicit and explicit assumptions behind that problem / situation.

Step 3: Refine the assumption using the Reframing framework

Step 4: Based on the new assumptions, redefine the problem.

1.6.2 Developing Sustainable Organizations and Institutions

While the central theme of this thesis is Reframing, the dream is to ultimately develop sustainable institutions. By sustainable, we do not just mean sustainability-oriented but also being able to sustain themselves by adopting the best innovative practices. Regarding our research on business education policy making, developing a sustainable education system that provides quality education with the opportunity for all is the goal. In the case of our third research that talks about the journey of the Dean, the goal is to develop a sustainable community in and around the business school where every stakeholder is benefitted either in terms of better living conditions, better environmental compliance, and better education that fosters ethical and responsible mindset. In the case of Interface Inc., the aim is to instill sustainability mindset amongst all the stakeholders in such a way that they adopt sustainable business practices in

the entire value chain. Hence, this doctoral dissertation aims to take a critical view on the role of reframing of the social issues by the main actors involved in developing sustainable institutions that create social value in their own unique ways.

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TABLE 1.1

Chapter-Wise Research Questions, Research methodology and Research Contributions

Chapter No.	Research Question	Research Methodology Used	Type of Data Collected	Contributions of the study
1	Introduction			
2	Is social entrepreneurship transformational leadership in action?	Qualitative Case Study	Secondary Qualitative Data	Establishing Social Entrepreneurship as an intervention tool for developing Transformational leadership.
3	How can reframing help policy makers to find innovative solutions to save/ improve the business higher education system in India?	Theory-based Provocative Essay	Secondary Qualitative Data	Establishing reframing as a useful tool for strategy making under resource constrained environments. Linking Pro-social transformational mindset to higher education policy making.
4	How can reframing by the leader help in developing ethical and responsible education in a community?	Ethnographic Study	Interview data, Observational data, Secondary Qualitative Data	Identifying Reframing as an opportunity recognition tool. Developing responsible and ethical management education through reframing social problems. Developing reframing framework with universal applicability.

| 5 | How can today's businesses use reframing as a tool to create successful sustainability driven cultures? | Grounded Theory Approach | Interview data, Observational data, Narratives Other Secondary Qualitative Data | Establishing Reframing as a useful strategy tool for reducing resistance to culture change towards sustainability in corporations. |
| 6 | Conclusion | | | |

CHAPTER 2: IS SOCIAL ENTREPRENEURSHIP TRANSFORMATIONAL LEADERSHIP IN ACTION?

This paper has been published as a book chapter and has 5 citations:

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An earlier version of this paper was also presented at EURAM 2012, Rotterdam, The Netherlands, June 2012.

2.1 EXECUTIVE SUMMARY

As the title indicates we started with this question with a view to understanding how research findings in these two fields of study, social entrepreneurship, and transformational leadership, can help groom transformational leaders. It has been argued persuasively by leadership scholars that transformational leaders are essential to building sustainable organizations which consistently create wealth and contribute to the well-being of its employees. Even though the importance of transformational leadership in organizations is gaining more and more acceptance among both practitioners and scholars, most organizations still practice a transactional work style. These transactional work environments are not conducive for developing transformational leaders and therefore in this paper we suggest that letting aspiring leaders get involved in social entrepreneurial ventures is an effective way to groom future transformational leaders.

2.2 ABSTRACT

In this research, we explore and uncover the relationship between social entrepreneurship and transformational leadership for the following two purposes: 1. Help social entrepreneurship researchers learn from the transformational leadership literature. Compared to social entrepreneurship research, the field of transformational leadership has reached a certain level of maturity so that social entrepreneurship researchers can borrow proven research methodologies and ideas from it. 2. Use this knowledge to develop strategies for instilling transformational leadership skills in students and practitioners aspiring to become transformational leaders. We have developed a framework to compare the conceptual basis of both social entrepreneurship and transformational leadership. We have also tried to explore the similarities between the processes of *social-*

entrepreneuring and *transformational-leading* using this framework. Additionally, we have used the framework to study three of the most famous social entrepreneur turned transformational leaders of our time-Mother Teresa, Mahatma Gandhi and Wangari Maathai. We propose that helping people to experience social entrepreneuring is an effective way to instill transformational leadership skills.

2.3 INTRODUCTION

Leadership and Entrepreneurship are two fields of research that many researchers feel have faced similar conceptual and methodological challenges. Both have faced definitional conflicts in the sense that individual researchers have tried to define each of them differently (Avolio et al., 2003; Yukl, 2002; Shane & Venkataraman, 2000). Both have faced measurement issues in the sense that there are challenges related to scale development and application of analysis tools for performing empirical research (Antonakis et al., 2004b; Low & MacMillan, 1988; Vecchio, 2003; Wortman, 1987).

So far, a considerable amount of research has been completed investigating the relationship between entrepreneurship and leadership (Schumpeter, 1934; Vecchio, 2003; Cogliser & Brigham, 2004). Cogliser and Brigham (2004) published a remarkable piece of research on the intersection between leadership and entrepreneurship by selecting four constructs on which the two fields appear to converge-vision, influence, creativity, and planning. In addition, many other researchers have defined entrepreneurship in terms of leadership. Schumpeter (1934) defined the role of an entrepreneur as, "… another form of individual leadership acting by virtue of personal force and personal responsibility for success." Vecchio (2003) introduced an entrepreneurial leadership model to discuss various stages of firm development.

Literature also shows evidence of research involving transformational leadership and entrepreneurship (Bass, 1985; Conger & Kanungo, 1998; Cogliser & Brigham, 2004; Eyal & Kark, 2004; Ensley et.al., 2006; and Matzler et.al., 2008). Matzler et. al. (2008) in a recent article noted a positive relationship between transformational leadership and innovation as one of the primary characteristics of entrepreneurs (Schumpeter, 1934; Drucker, 1985; McDaniel, 2000; Johnson, 2001) indirectly creating the linkage between transformational leadership and entrepreneurship. Ensley et al. (2006) in a study performed on top management teams of new entrepreneurial ventures investigated the impact of different styles of leadership on the entrepreneurial success of those companies. They found that shared transformational leadership is positively related to entrepreneurial performance in contrast to vertical transformational leadership. Eyel & Kark's study in 2004 showed that transformational leadership plays a great role in radical entrepreneurship for both profit and non-profit organizations. Congo & Kanungo (1998) mentioned transformational leaders to be change oriented and entrepreneurial by nature. Cogliser & Brigham (2004), as mentioned above, discussed the mutual lessons the two fields of leadership and entrepreneurship need to learn from each other stressing that both transformational leadership and entrepreneurship rely on the leader's vision to produce successful results. Bass (1985) in his book, "Leadership and performance beyond expectations" highlights the deep impact transformational leaders leave on the followers through affecting their motivational and performance levels at work.

However, to the best of our knowledge, no research has been conducted highlighting the overlap between social entrepreneurship and transformational leadership. Over the past few decades, social entrepreneurship, as a research domain, has grown in importance. Best exemplified by the plethora of popular and scholarly books written exclusively about social entrepreneurship. With this

observation in mind, we attempt to uncover the relationship between social entrepreneurship and transformational leadership to explore how social entrepreneurship researchers can benefit from the concepts, tools, and methods used in leadership research in general and transformational leadership in particular and to develop strategies for instilling transformational leadership skills in students and practitioners through helping them participate in social entrepreneurial ventures. We use case examples of three highly admired and popular personalities across the globe to exemplify the overlap between social entrepreneurship and transformational leadership.

2.4 TRANSFORMATIONAL LEADERSHIP

The concept of transformational leadership captured the attention of both scholars and practitioners alike with the publication of Burns' famous book on leadership (Burns, 1978). Burns used the term *transforming* leadership to describe the behavior of political leaders to demonstrate how they made transformational changes in societies through extraordinary leadership. Later Bass and others developed the idea further resulting in ample evidence exemplifying the role and importance of transformational leaders in creating effective and sustainable organizations (Bass, 1999; Yukl, 1999; Pillai & Williams, 2003; Roberts, 1985; Zhu, et.al, 2011) and their contribution towards innovative management and leadership practices (Matzler et.al., 2008). Bass (1999) noted how transformational leaders enhance follower's maturity level, concern for others beyond self-interests and consideration for the organization and the society.

Transformational leadership improves organizational performance by increasing group productivity and commitment through enhancing employee self-efficacy and cohesiveness (Pillai & Williams, 2003). Transformational leadership also strongly contributes towards fostering moral behavior in followers as compared

to transactional leadership which has very little long term impact (Zhu, et.al., 2011). According to Roberts (1985), transformational leadership is a collective process in which the transformational leader acts as a skillful change agent and empowers the followers by redefining the organization's mission and vision.

2.5 SOCIAL ENTREPRENEURSHIP

While the scholarly discipline of social entrepreneurship is relatively young, the phenomenon itself is not. As noted by Bornstein, (2004) social entrepreneurs have long existed but only recently has their presence and recognition been on the rise. Over the past few decades, social entrepreneurship, over the past few decades, has gained increasing interest amongst practitioners, academicians and researchers globally (Alvord et al., 2004; Austin et al., 2006; Dees, 1998). Specifically, a close look at the statistics by the national center for charity reveals the number of registered nonprofit organizations has shown an increase of almost 48 percent from 1995 to 2011 in the United States (National Centre for Charitable Statistics, 2011). Additionally, social entrepreneurship is included in the curriculum of almost every leading business school (Peredo & Mc Lean, 2005; Byrne, 2010; US News, 2011) with some schools also offer a master's degree (Guttenplan, 2011) or fellowship in this discipline (Harvard Business School). Almost every leading business school has organized at least one conference related to this in the last five years (Baker, Britt., 2010). The popularity of this research domain is also evidenced due to the Academy of Management's Entrepreneurship division maintaining one award titled, *"Best Social Entrepreneurship Paper" (sponsored by Rowan University)* out of the eleven ENT awards. In addition, the 2012 special issue of Academy of Management Learning and Education is also dedicated to social entrepreneurship (AOM- ENT Division).

Similar to entrepreneurship, the construct of social entrepreneurship has also been defined differently by various researchers. One school of thought associated social entrepreneurship with not-for-profit organizations (Austin et.al., 2003; Boschee, 1998) while others associate it to not-for-profit organizations masquerading as for-profit (Reis, 1999). The third school of thought refers social entrepreneurship to any business venture that wants to contribute towards social wellbeing. Many scholars (Dees, 1998; Sullivan Mort et al., 2003) suggest that social mission is explicit and central to the mission of social entrepreneurial ventures. In addition, Dees (1998) argues that similar to commercial entrepreneur, whose mission is to create economic value, social entrepreneurs create sustainable social value. Austin and co-researchers (2006) have defined "social entrepreneurship as an innovative, social value creating activity that can occur within or across the not-for-profit, business, or government sectors" and have tried to distinguish it from commercial entrepreneurship in terms of four variables-market failure, mission, resource mobilization and performance measurement. According to Mair & Marti (2004), "Social Entrepreneurship is defined as the innovative use of resources to explore and exploit opportunities that meet a social need in a sustainable manner." David Bornstein (2004) in his book titled, 'How to change the world' has described social entrepreneurs as "change agents" who serve large markets with limited resources. Alvord et.al. (2004) defined social entrepreneurs as individuals who are catalysts for social transformation. Additionally, entrepreneurship researchers have attempted to study the personality characteristics of the social entrepreneurs. The prominent researchers being Drayton (2002), who talked about some special traits possessed by social entrepreneurs, while Bornstein (1998) stressed on passionate and strong ethical behavior of social entrepreneurs. Henton, Melville & Walesh (1997) and Thompson et al., (2000) highlighted the special leadership skills possessed by the social entrepreneurs compared to commercial entrepreneurs. The goal of social

entrepreneurs is to effect social change and social transformation; be able to effectively do this with limited resources, and show unique leadership behaviors so that people believe in their vision and follow their passion. The majority of the definitions of social entrepreneurship are at the micro level but in this research article, we attempt to offer a working definition of social entrepreneurship at the macro level. According to us, *social entrepreneurship is the process of effecting sustainable social change through founding new and innovative enterprises under severe resource constraints primarily for the purpose of creating social value.*

2.6 INTERSECTION OF SOCIAL ENTREPRENEURSHIP AND TRANSFORMATIONAL LEADERSHIP

We use a framework, called the 4I, to study the overlap between social entrepreneurship and transformational leadership (refer Figure 2.1). The first "I" stands for inspiration, as defined as, what inspires the social entrepreneur or transformational leader. The second "I" stands for influence, as defined as, how the social entrepreneur or transformational leader influences their stake holders or followers. Third "I" is innovation, as defined as, how the social entrepreneur or transformational leader creates economic or social value. Finally, implementation, as defined as, how the social entrepreneur or transformational leader makes the mission happen. We show that there are great similarities between social entrepreneurs and transformational leaders on these four constructs and this overlap has greater implications on how we develop transformational leadership skills in students and practitioners.

Using this framework, we have tabulated the similarities between the two constructs--- Social entrepreneurship and transformational leadership--- which

will help demonstrate the interrelationships between the two domains of research (Table 2.1).

FIGURE 2.1
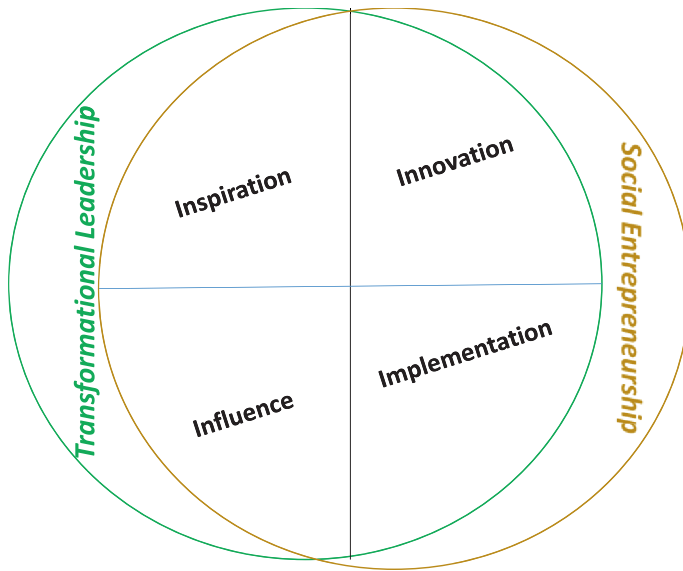
4 I- Framework to study SE & TL

2.6.1 Inspiration

The key question here is what motivates or inspires transformational leaders and social entrepreneurs. Burns (1978) noted that transformational leaders are motivated by a desire to become self-actualized. Bass (1998) also suggested that inspiration to act might be to develop others, which we might extend into doing

good to solve problems. Through a social entrepreneurship lens, we see that what motivates the entrepreneur is a satisfaction to solve social problems while improving the lives of the bottom of the pyramid (Fruchterman, 2011). This creating of something new to the benefit of the social good gives meaning to a poor person's life (Dees, 1998) which could be seen as offering a way to self-actualize to the follower. Similarly, both social entrepreneur and transformational leader are not inherently concerned with profit, although both are aware of the fact that profit is essential for achieving the goal and being sustainable.

2.6.2 Influence

When we look at how social entrepreneurs and/or transformational leaders influence their stakeholders and followers respectively, we observe certain similarities. According to Burns (1978), transformational leaders influence followers by moving them towards self-actualization; by building enthusiasm and creating challenging and meaningful goals that followers aim to transcend. Bass (1998) describes transformational leaders as influencing their followers by instilling pride in the group and gaining trust and respect from the followers. He stressed that transformational leaders greatly value their followers by giving them personal attention, advice and coaching leading to their personal development, yet the leaders strive to be always fair and just with everyone. Social entrepreneurs influence their stakeholders by first making them feel themselves be working towards the bigger goal. Social entrepreneurs draw upon their stakeholder's desires and needs to solve social problems by including the stakeholders as agents of change in the social sector of the issue they address (Dees, 1998). We see that social entrepreneurs provide value to their diverse group of stakeholders (customers, volunteers, donors, investors, and partners) by addressing their individual needs. This way of dealing with each stakeholder individually fosters a reputation of fairness in dealing with individuals, creating

strong networks of key staff and supporters who are convinced in the value of the mission and organization's capacity to deliver (Austin, Stevenson, Wei-Skillern, 2006).

2.6.3 Innovation

Here the question at hand is how the social entrepreneur or transformational leader creates economic or social value. The way transformational leaders innovate is actually the manner in which they encourage followers to pursue their intellectual curiosity by stimulating them intellectually. These leaders tend to expand the follower's ideas, thus enhancing their abilities, skills, intelligence, rationality and problem-solving capacities (Bass, 1998). Similarly, Dees in his working paper on social entrepreneurship defines social entrepreneurs as individuals who recognize opportunities and get engaged in only those processes that serve their mission and help their various stakeholders to innovate, adapt, learn and act boldly even under resource constraints (Dees, 1998).

2.6.4 Implementation

The major study question here is that how the social entrepreneur or the transformational leader making things happen? While a social entrepreneur adopts mission to create and sustain social values among its followers (Dees, 1998); a transformational leader clarifies and articulates the purpose, vision and mission of his organization to the followers (Bass, 1998) ultimately resulting in getting work done. A transformational leader communicates high expectations and important tasks to the followers in simple ways using symbols to focus efforts (Bass, 1998), unlike a transactional leader. Burns in his paper suggests that a transformational leader makes things happen by giving individual consideration, support, mentoring and coaching to the followers (Burns, 1978). When the transformational leader directs the followers out of a crisis, many positive

outcomes are observed; for example, building of trust in the leader and the capabilities of the team (Bass, 1998). Social entrepreneurs are individuals who know their industries and are known by others in the industries for their abilities to perform well (Sahlman, 1996, Hart, Stevenson and Dial, 1996) and be accountable to their constituents that they serve and the outcomes they create (Dees, 1998). Social entrepreneurs are known to build a robust network of contacts that will provide them access to funding, board members, management and staff (Austin, Stevenson, Wei-Skillern, 2006). This strong network is built similar to how transformational leaders influence their followers and once part of the network, the stakeholders of the social entrepreneur are asked to challenge themselves intellectually and adapt to the change (Colby, Stone & Carter, 2004).

2.7 CASES ON SOCIAL ENTREPRENEUR-TURNED-TRANSFORMATIONAL LEADERS

In order to further exemplify the 4I framework, we have selected three famous social entrepreneurs from history across the globe- Mother Teresa, Mahatma Gandhi, and Wangari Maathai. Even though all of these three personalities started their struggle or movement alone but with time they found more and more people supporting their social cause- *social entrepreneurial ventures.* All of them ultimately evolved as great transformational leaders with millions of supporters globally.

2.7.1 Mother Teresa

Mother Teresa, an extraordinary individual, who devoted her entire life spreading the message of love and sacrifice. She sacrificed her entire life for the poor, needy, sick and homeless. In 1989, in an interview with Edward W. Desmond, published in the TIME Magazine, she was quoted as saying, "**The hunger for love is much more difficult to remove than the hunger for bread**" (Desmond,

1989**).** This famous quote is a true depiction of what she stood for. In this paper, we argue that Mother Teresa is one of the most successful social entrepreneurs ever lived on Earth who has shown extraordinary transformational leadership skills by inspiring millions to follow the path of love, care, and sacrifice. The life history of Mother Teresa strongly supports our conviction that Social entrepreneurship is an excellent way to imbibe the qualities of transformational leadership in individuals.

She started her career as a school teacher but soon realized that she wanted to do something for the poor around her by actually living among them for which she took basic medical training in a hospital in Calcutta, India. The first year of her social work was very eventful; she opened a school in the slums and started helping the poor and the starving but had no financial resources, literally begged for clothes and food to feed the poor, exemplifying Dees' (1998) social entrepreneur, and was constantly tempted by the worldly pleasures to go back to the comfortable, convent teaching life. Soon she was joined by her first companion in her effort which then grew to a small group of twelve over the next one year when they officially established themselves as the Missionaries of Charity. According to Mother Teresa, the mission of this social organization was to care for, "the hungry, the naked, the homeless, the crippled, the blind, the lepers, all those who felt unwanted, unloved, uncared for throughout society, people that have become a burden to the society and are shunned by everyone" (Cydebot, 2011) The social entrepreneurial venture that Mother Teresa started kept growing over the years and today it has its branches in over 133 countries with over 5000 nuns and 400 brothers (Missionaries of Charity Brothers).

2.7.1.1 Inspiration

Mother Teresa was deeply inspired by her parents. Her father, Nikola Bojaxhiu was a very social person and always welcomed everybody who visited his home from rich to the poor. He had instructed his wife, Drana Bojaxhiu, to feed every poor that came to their house. A poor old woman used to come regularly to their house for food even after the death of her father. Her mother inspired her the most, as she was brought up seeing her mother feeding the poor; making clothes for less fortunate children; feeding and cleaning the sores of an old alcoholic woman, and taking care of the six kids of a poor widow after she passed away. Mother Teresa used to accompany her mother in her social service activities and learned the lessons of love in action. Her mother always inspired her to do everything for God, and advised her "when you do it, do it silently". It was at this time that Mother Teresa got inspired to do something for the 'poorest of the poor' (Kathryn, 1997).

2.7.1.2 Influence

Mother Teresa was a true social entrepreneur in the sense that she always worked towards social well-being and creating social value. She took the spiritual path, helping the poor, diseased and the needy. She strongly believed that whatever she was doing, it was for God; hence it should be purely selfless and unconditional. She spread the message of love to everyone which made people join her mission of helping the 'poorest of the poor'. There was sincere commitment, spirituality, and selfless devotion to her service for the poor which got quick recognition from the people and the government officials of India who decided to help her in her noble cause of reducing the sufferings of the poor and the sick. She was uniquely charismatic, showed unconditional devotion to the higher cause of helping and loving the poor that inspired others to follow her footsteps. Like a true social

entrepreneur, she improved and gave meaning to the life of the bottom of the pyramid (Dees, 1998; Fruchterman, 2011).

2.7.1.3 Innovation

Mother Teresa was a young girl of 18 years when she left her home to become a missionary and for the next twenty years, she dedicated her life to the act of teaching at a convent school in Calcutta until she was deeply disturbed by the poverty and sufferings surrounding her. It was at this time that she left her teaching job and decided to go and help the poor and the diseased in the slums of Calcutta. She strongly believed that this way she could spread the love of Christ. Soon she was joined by others. Her charisma and message of love spread across the globe, inspired millions of hearts through understanding and trust, motivated her followers to follow her footsteps by giving up worldly pleasures and finding peace and self-actualization in the act of serving the poor, needy, diseased, homeless and dejected- the typical characteristics of a transformational leader (Avolio & Bass, 1994). She adopted a unique way of inspiring others. She valued every individual as a distinct human being who mattered to her and always said, "I believe in person to person contact. Everyone is Christ for me and since there is only one Jesus, the person I am meeting is the one person in the world at that moment" (Kathryn, 1997). She did everything in the name of the God and treated every human being as the gift from the God. She was a true innovator and a social entrepreneur in the sense that she practiced what she preached and was not bothered by resources limitations; took bold steps to help the poor and was always engaging her followers to adapt and learn (Dees, 1998). Through her simplicity, she instilled a deep sense of love, trust, total surrender and cheerfulness to the cause of charity or God's work, as she named it, in every heart, she came across representing Bass's idealized influence (Bass, 1997). As her experience as a social

entrepreneurship grew, her influence as a transformational leader also grew at the same pace.

2.7.1.4 Implementation

Mother Teresa has followers all across the globe. Even those influential people who are not part of her Missionaries of Charity are great admirers of her devotion to helping the poor. This can easily be adjudged from the fact that Mother Teresa's very first effort to care and love the uncared and unloved, started in the year 1948 as an open air school in a slum in Kolkata, has now become a large organization, funded and supported by various governments, organizations and prominent people across the globe and has been running successfully following the very same path of spreading love and smile for more than 60 years with more than 600 missions globally (Slavicek, 2007). Mother Teresa till her last years widely traveled across all the branches of Missionaries of Charity to encourage her followers. "When the telephone calls came in the night from her sisters throughout the world, it was still she who went to answer them" (Kathryn, 1997). This depicted her strong transformational leadership skills which according to Bass (1998) is instilling pride and gaining trust by giving personal attention, advice and coaching to the followers. She influenced every heart with her charismatic personality and inspired them to transcend their self-interests for the social good (Williams, 2003).

2.7.2 Mahatma Gandhi

Probably no one would argue about the fact that Gandhi was one of the most innovative social entrepreneurs ever lived on earth. Einstein said this, "Generations to come, it may well be, will scarce believe that such a man as this one ever in flesh and blood walked upon this Earth," on the occasion of Gandhi's 70th birthday (1939). Gandhi passionately believed in his principles and was

willing to die standing against injustice. He once famously said, "There are many causes I am willing to die for. There is not a single one I am willing to kill for" (Gandhi, 1957) His adherence to nonviolence is second to none.

2.7.2.1 Inspiration

Gandhi was motivated by his deep desire for universal justice and freedom. He was inspired by his belief in his ability to effect social transformation in India. He loved harmony and balance and never took extreme positions on any issues unless it is pertaining to justice and fairness. Even with the British, Gandhi was very fair and balanced; this is exemplified by the fact that he supported Britain in their war efforts during the Second World War. His decisions and actions always took the sufferings of the poor into account. He found inspiration in being able to help the poor and fighting against injustice. His ultimate goal was social development through freedom and justice and his thoughts and actions transcended cast differences, ethnicities, states, and nations. Like a transformational leader, he had always helped his followers focus on larger spiritual goals rather than immediate selfish ones.

2.7.2.2 Influence

Gandhi influenced people through the genuineness of his actions and purity of his thoughts and philosophies. He leads by example and was always willing to take the first blow from the British police or army in a civil disobedience march. Even though Gandhi was not a great speaker he influenced and mobilized the masses through the meaning of his message. Gandhi enjoyed a great degree of referent power through his charisma and ethics of absolute non-violence- like a great transformational leader, he modeled moral values himself and raised the ethical bar of morality for his followers (Bass, 1985; Burns, 1978; Howell & Avolio, 1992; Zhu, et.al., 2011). Bass and Steidlmeier (1999) noted: "it is striking

that out of global diversity, Christian Martin Luther King found inspiration in Hindu Mahatma Gandhi's philosophy of non-violence." Gandhi was definitely a role model to his followers, thus showing idealized influence (Bass, 1998).

2.7.2.3 Innovation

Satyagraha is the best example of Gandhi's innovative approach to solving difficult social problems. During the British occupation of India, many Indian freedom fighters were of the view that armed resistance may be the only way forward to gaining home rule for India. At the same time, most of them were aware of the fact that no armed resistance can stand up against the mighty British army. Gandhi's idea of noncooperation or Satyagraha had overcome multiple problems compared to armed resistance, such as avoidance of violence, being able to operate under severe resource constraints etc. Noncooperation needs almost no funding and moreover, it is forceful and sustainable. According to Dees (1998), Gandhi depicted the true characteristics of a social entrepreneur by adopting some innovative approaches like Satyagraha, non-cooperation, and Khadi movement; by recognizing the right opportunities to serve the mission; by acting as a social change agent (Bornstein, D., 2004); by engaging in innovative processes to adapt and learn, for example, the Khadi movement (Dees, 1998).

2.7.2.4 Implementation

Gandhi was a karma yogi, meaning, he perfected and purified himself through selfless actions, a unique characteristic of a transformational leader. His idealism and perfectionism gave him tremendous courage to fight the mighty British purely through nonviolent means. Gandhi was a master in being diplomatic without compromising his principles. Gandhi consistently and emphatically encouraged his followers to follow his path of nonviolence by pointing them to the spiritual superiority of his approach. This clearly depicted the strong

transformational leadership qualities of Gandhi which kept on strengthening with time as his act of social entrepreneurship gained recognition among the Indian society.

2.7.3 Wangari Maathai

Depending on where you are from you may or may not know the woman that has transformed our planet and its people by planting trees, many people in Kenya know her simply as 'the tree woman,' but her real name is Wangari Maathai. In 2004, she won the Noble Peace Prize for her "contributions to sustainable development, democracy and peace," (Noble Peace Prize, 2004). Dr. Wangari Maathai started, led and managed the Green Belt Movement in 1977 until her death in 2011, working with women to improve their livelihoods by increasing their access to resources like firewood for cooking and clean water. She became a great advocate for better management of natural resources and for sustainability, equity, and justice (Green Belt Movement, 2011).

2.7.3.1 Inspiration

Wangari Maathai was born in the central highlands of the, then British Kingdom colony, Kenya on April 1, 1941. Having a family that depended on agriculture to survive, Maathai was well aware of the interconnectedness of nature and people (Maathai, 2006). She had a thirst for knowledge and a curiosity to search for understanding which made her excel in the classroom. Besides being a good student throughout her academic career, she was also the first woman in East and Central Africa to earn a Ph.D (Maathai, 2006). During the time when her husband was associated with the Kenyan Parliament, she became overwhelmingly aware of the poor living conditions of the rural people. The women had to walk farther distances for firewood and clean water; their children were malnourished and there was severe problem of soil erosion. Her first instinct, as a student of

ecology, was to plant trees for obvious benefits- trees provide shade, prevent soil erosion, supply firewood, building materials, and produce nutritious fruits. Her inspiration was sparked from her own childhood and the bounty of nature which made her realize that how deforestation has changed the landscape of her native place over the years making life of the poor miserable. She felt compelled to offer a better way for these rural people to live and save the environment from destruction. Her vision to save the nature from commercial plantations grew into an innovative social entrepreneurial movement whose actions could be seen and felt around the world; literally transforming the landscape and the lives of the marginalized people of Kenya and the world. Through her transformative leadership, she propelled her followers to stand up for a democracy which valued its people as well as its environment, recognizing that there must be harmony between the two in order to achieve peace in the world. *"The women of the Green Belt Movement have learned about the causes and the symptoms of environmental degradation. They have begun to appreciate that they, rather than their government, ought to be the custodians of the environment,"* she quoted in a speech at Radcliffe College, Harvard University, USA, 1994 (Green Belt Movement, 2011). It is through these moments that she was able to transform a social problem into a value-adding solution for the social good.

2.7.3.2 Influence

Leading by example, Maathai pursued a profession in research and academia. She taught at the University of Nairobi and became the first woman to hold the positions of Senior Lecturer to Chair of Anatomy Department and then Associate Professor (Green Belt Movement, 2011). Throughout her time, Maathai campaigned for equal benefits for women working at the University and became increasingly politically active as she became environmentally and socially aware that environmental degradation and mismanagement of its resources was at the

root of Kenya's problems (Nobel Peace Prize Lecture, 2004). As per Bass (1998) transformational leader's definition; she developed others, however, this development improved the lives of poor through greater emotional meaning and economics, which we know from Dees (1998) and Fruchterman (2011) to be the inspirational drivers to a social entrepreneur. She continued to develop her followers through individualized attention (Bass, 1999) skill training and coaching (Green Belt Movement, 2011) which influenced the followers towards self-actualization (Burns, 1978) and reinforced that all followers are agents of change (Dees, 1998). She created a strong network of key staff and supporters who were convinced of the social value of her mission (Austin, Stevenson, Wei-Skillern, 2006). *"It is evident that many wars are fought over resources which are now becoming increasingly scarce. If we conserved our resources better, fighting over them would not then occur…so, protecting the global environment is directly related to securing peace…those of us who understand the complex concept of the environment have the burden to act. We must not tire, we must not give up, and we must persist",* Maathai quoted after she was nominated for the Nobel peace prize in 2004 (The Green belt movement, 2011). This intellectual stimulation and increased self-worth instilled pride in the followers (Bass, 1998) which further encouraged them to bring on more community support to be successful. She always said, "You cannot protect the environment unless you empower people, you inform them, and you help them understand that these resources are their own, that they must protect them" (Green Belt Movement, 2011). In 2002, Wangari Maathai was elected into the Kenyan parliament and having a legitimate voice in the formal arena of policy making, she was able to widely broadcast the purpose and expectations of her Green Belt Movement. Through her social entrepreneurial innovative venture she demonstrated true qualities of a transformational leader which kept on polishing during the course

of time as more number of women, children and even men started getting associated with her movement.

2.7.3.3 Innovation

The business model of community-based tree planting of the Green Belt Movement was to pay the people for planting trees and they get paid again when they sell the trees. The biggest advantage of this model was that this made the caretaking the responsibility of the people and in the process as the plants grew, the land healed, the water level rose and the people could sell or eat the fruit from their trees, and sell or use the wood for firewood. With this additional revenue stream the profit could be reinvested for more trees, purchasing of honeybees or even goats that would then generate more resources. Maathai's belief that it was necessary to teach the women the skills necessary to plant and nourish the nurseries of native and medicinal trees stimulated the intellectual and reverberated throughout the community and soon men in the families of the women were joining the mission and bringing in their highly valued skills of literacy. This was an extremely innovative process of building local capacity through civic education, increased skill building and through organization that offered self-help to all its members and the community. For Wangari Maathai, every person was seen as someone who could add value to her mission.

2.7.3.4 Implementation

Maathai was able to build a movement that should be seen as a social entrepreneurial empire with a clearly defined purpose of social well-being. The planted trees provided shade, food, and fuel; healed the scarred landscapes of Kenya and acted as means of economic prosperity to the poor. All of these activities were supported by a strong grassroots network (Alvord, Brown, Letts, 2003). Maathai's bold actions have led to over 47 million trees having been

planted to date. According to the Green Belt Movement's website, *"the group seeks to create experiential learning opportunities through the development of an empowerment center for young Africans. Through nurturing a new culture of entrepreneurship, GBMI will unleash the creativity and confidence necessary for our youth to achieve their potential. GBMI aims to: Develop a model empowerment program based on GBM's current civic and environmental programs and conduct research into similar experiential learning programs around the world. Design and build an Empowerment Center for youth, particularly women and girls, in Kenya that uses the model program described above. Increase the impact of our programs through inviting youth from across Africa to participate. Develop institutional partnerships to expand the concept in Kenya and throughout the world.*" (The Green belt Movement, 2011). She exemplifies a transformational leader whose vision reached beyond her own goals and built up those who followed her. She led a successful social entrepreneurial endeavor that innovated and engaged its stakeholders. Her followers were deeply impressed with her persistence; even though she was repeatedly beaten, jailed and harassed, she never gave up and set an example for her followers. Maathai was an exemplar of distinction in creatively mitigating community problems that enacted novel entrepreneurial growth that serve to transform the people of the community and the leaders with a focus on a network of collaborators.

2.8 SOCIAL ENTREPRENEURING AS TRANSFORMATIONAL-LEADING

There is a real need for developing effective leaders in all walks of life. One of the goals of this study is to see how we can use social *entrepreneuring* as a way to develop transformational leaders. Public, private, charitable and religious organizations, all face with the challenge of identifying and developing leaders who are visionaries, ethical and able to build sustainable organizations (George,

2003). Also it is generally expected that good leaders develop followers into leaders. Burns (1979) argued that one of the most important characteristics of a transforming leader is his/her ability to instill leadership qualities in followers. Based on the similarities we have uncovered between social entrepreneurship and transformational leadership, we argue that social entrepreneuring could be an effective way to develop transformational leaders.

According to Bass (1999) "Transformational leadership refers to the leader moving the follower beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration." Unlike for-profit entrepreneurs, social entrepreneurs' ability to influence others is mainly limited to their own charisma because no other sanctions or rewards are available to them. Social entrepreneuring will also help individuals learn how to motivate others to achieve greater good even when materialistic benefits are nonexistent. There could also be situations in the regime of social entrepreneurship when participants have to sacrifice their time, energy and other materialistic resources for social good. Only meaningful return, perhaps the most important one, could be ones opportunity to self-actualize (Bass, 1999). Practicing idealized influence and perfecting the act of using it effectively for achieving superordinate goals is, in fact, learning transformational leadership through the principle of learning by doing (Hilgard, 1956; Anzai and Simon, 1979). The context of social entrepreneurship also affords ample opportunities to learn other transformational leadership skills such as intellectual stimulation and individualized consideration.

2.9 CONCLUSION

We have developed a framework to compare the content and process of social entrepreneurship and transformational leadership. We have validated our

framework by looking at the lives of three social entrepreneur-turned-transformational leaders. We have also indicated the possibility of using social *entrepreneuring* as a transformational leadership development intervention.

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TABLE 2.1

Conceptual Similarity between Social Entrepreneurship and Transformational Leadership

Construct	Social Entrepreneurship	Transformational Leadership
Inspiration (What inspires the social entrepreneur/ transformational leader?)	Satisfaction of solving social problems (Fruchterman, 2011). Giving meaning to poor person's life (Dees, 1998). Improving the lives of the bottom of the pyramid (Fruchterman, 2011). Excitement of creating something new.	Nobler goals than immediate profit (Bass, 1998). Help others (Bass, 1998). Connect to as many followers as possible (Bass, 1998). Develop others. (Bass, 1998) Self-Actualization. (Burns, 1978)
Influence (How is the social entrepreneur/ transformational leader influencing stake holders/followers?)	All are agents of change in the social sector (Dees, 1998) Reputation for fairness and skill in dealing with individual needs (Austin, Stevenson, Wei-Skillern, 2006) Provide value more explicitly to heterogeneous set of stakeholders who look for distinct form of value (Austin, Stevenson, Wei-Skillern, 2006) Strong network of key staff and supporters who are convinced in value of mission and organization's	Instills pride, gains trust and respect (Bass, 1998) Moves followers towards self-actualization; building enthusiasm and challenge and meaning. (Burns, 1978) Individual considerations such as personal attention, advice and coaching allow for development (Bass, 1998) Individual treatment follower, yet fair and just (Bass, 1998)

	capacity to deliver (Austin, Stevenson, Wei-Skillern, 2006)	
Innovation (How is the social entrepreneur/ transformational leader creating social/economic value?)	Engaging in process to innovate, adapt and learn (Dees, 1998) Bold actions, not limited by low resources (Dees, 1998) Recognize and pursue opportunities that serve mission (Dees, 1998)	Intellectual stimulation, expanding the followers use of their ability, intelligence, rationality and problem solving (Bass, 1998)
Implementation (How is the social entrepreneur/ transformational leader making it happen?)	Adopt mission to create and sustain social value (Dees, 1998) Accountability to constituents served and outcomes created (Dees, 1998) Theory of change (Colby, Stone & Carter, 2004) Know the industry and known by others for abilities (Sahlman, 1996; Hart, Stevenson and Dial 1996) Robust network of contacts that will provide access to funding, board members, management and staff (Austin, Stevenson, Wei-Skillern, 2006)	Clarifies purpose and articulates mission and vision Uses symbols to focus efforts (Bass, 1998) Communicates high expectations (Bass, 1998) Expresses important purposes in simple ways (Bass, 1998) Individually considerate, supports, mentors and coaches the follower (Burns, 1978) Direct followers out of crisis (Bass, 1998)

CHAPTER 3: REFRAMING FOR POLICY INNOVATION UNDER SEVERE RESOURCE CONSTRAINTS: CASE OF BUSINESS EDUCATION POLICY MAKING IN INDIA

3.1 ABSTRACT

Demand for business education in India and other emerging economies is experiencing nothing short of explosive growth. Due to severe lack of qualified faculty and financial resources, managing this growth has brought policy makers face to face with the age-old dilemma of 'quality vs. access.' The current system to ensuring quality follows a binary approach to regulating graduate level programs. In this essay, we argue that reframing the quality challenge through multiple perspectives should be the starting point of deciding any approach to improving quality in resource constrained environments. We have reframed it using both free market and social entrepreneurial lenses. Further, we argue that a social entrepreneurial approach, due to its inherent focus on social impact and economic sustainability, will mainly focus on two of the most important determinants of quality of business education, they are namely faculty and fellow students. Finally, we propose an approach which incorporates the efficiency-enhancing mechanisms of the free market and the social good agenda of social entrepreneurial ventures. This will address the major challenges related to quality and access. The ideas discussed in this essay could be useful in other emerging markets facing similar challenges of huge demand and the severe shortage of resources.

3.2 INTRODUCTION

Higher education in business has been undergoing a challenging phase throughout the world, especially in North America and Europe. The major criticism is regarding its relevance in the context of higher education as a whole, its de-professionalization (Trank and Rynes, 2003) and its questionable efficacy in developing practitioners for contemporary organizations (Friga, Bettis & Sullivan, 2003; Ghoshal, 2005; Mintzberg, 2004; Nkomo, 2015; Pfeffer & Fong, 2002; Rubin & Dierdoff, 2003; Waddock & Lozano, 2013). While these

challenges concerning business higher education are prevalent across the world, there exist unique country/region specific challenges in the developing nations that are generally not discussed in North American and European scholarly and practitioner forums (Nkomo, 2015). In India and several other emerging economies, the major challenges faced by business schools are in some sense more critical than the ones provided above. The growth of job opportunities propelled by a booming economy has contributed to the huge demand for MBA education in India (Figure 3.1) (Kalkundrikar, 2001). This demand has encouraged both the federal and state governments and the private sector to invest in the creation of a large number of business schools despite severe resource constraints (University Grants Commission, 2012). These constraints are largely concentrated in four specific areas: *faculty* (shortage of qualified teachers); *finance* (lack of financial resources for developing and maintaining world-class faculty and infrastructure); and *facilitation* (shortage of experienced administrators and accreditation professionals); *fellow student* (shortage of well-prepared students from diverse backgrounds in the classroom) (KPMG –EDGE Forum Report, 2011).

Managing this increasing demand for quality higher education under severe resource constraints has brought policy makers face-to-face with the age-old dilemma of 'quality vs. access.' For example, aggressively enforcing a lower student-to-teacher ratio and faculty qualification norms will improve quality, but will exacerbate the already acute faculty shortage. Furthermore, strict regulatory moves like this increase the scope for corruption and fraud both at the level of regulatory bodies (Chattopadhyay, 2010) and business schools (The Indian Express, 2009). Evidence of quality being affected by corruption and fraud is seen in the coverage of cases that implicated many senior bureaucrats from major regulatory bodies such as All India Council for Technical Education (AICTE),

responsible for technical and business education (The Indian Express, 2009), and Indian Medical Council (IMC) (The Times of India, 2010). Furthermore, the visits of accreditation and regulatory agencies to universities are typically pre-planned and therefore, they provide business schools with opportunities to make temporary arrangements to meet the strict regulatory or accreditation criteria.

In this paper, we argue that in the context of severe resource constraints facing the Indian business education system, a binary regulatory approach to improving quality is unrealistic and a critical reframing of the quality question is inevitable. Moreover, a brief review of the evolution of Indian business education can inform us the challenges that Indian policy makers and business school leaders face due to institutional isomorphism, an issue applicable to other nations too (Rynes and Trank, 1999). It is important to note that the behavioral tendencies leading to isomorphism are prevalent among both policy makers and academicians. Ultimately policy makers copying the West without considering resource limitations indirectly encourages business school operators to misrepresent data to meet the expectations of regulators. It is possible that business school administrators believe that these short-term unethical practices might help them survive and thereby achieve long-term good. To escape/evade this "isomorphic trap" requires courage and leadership, for someone to say 'We don't disrespect or disregard the strictures of established norms of business school academia, but we will tailor them for India.' They need to be confident enough to blaze a slightly different but more useful trail.

FIGURE 3.1

Model of Current State of Business Higher Education System in India
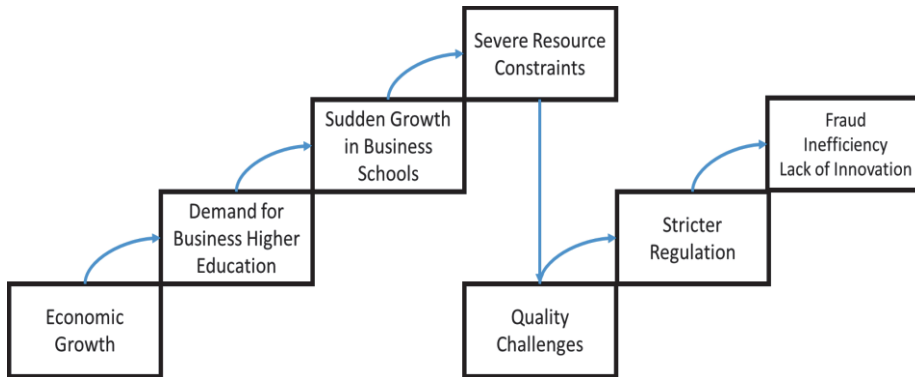
Through repeated reframing achieved by questioning and refining the fundamental assumptions constituting the regulatory approach, we propose a hybrid approach to improving the quality of business education by incorporating useful elements of regulatory, free market and social entrepreneurial principles. This involves introducing a system in which the efficiency-enhancing mechanisms of the free market are preserved without its rent-seeking tendencies. This could be achieved by an approach based on social entrepreneurial principles, incorporating the most interesting aspects of the regulatory and free market approaches. This hybrid approach will better align institutional goals with societal goals, and also temper the rent-seeking and opportunism that might result from the introduction of a rating/ranking system and other free market elements. Furthermore, we argue that this approach will address the challenges of quality and effectively mitigate the issue of severe resource constraints. In the final section, we discuss implications of implementing our hybrid approach for the policy makers to address the challenges facing business education in India and other developing countries facing similar resource constraints.

In our research, we have used the terms accreditation and regulatory approval interchangeably. The regulatory approval provides business schools the legal right to exist and accreditation is supposed to guarantee an acceptable level of quality, both of which provide legitimacy in the eyes of the stakeholders.

3.3 "GOLD RUSH" FOR BUSINESS HIGHER EDUCATION IN INDIA

"The median age of India's 1.3 billion population is about 32 years and a large portion is seeking higher education" (FICCI Higher Education Summit Report, 2013, p.7). Higher education has always been in great demand in India, with the enrolment of students in higher educational institutes being the second highest in the world, next only to China (Federation of Indian Chambers of Commerce and Industry (FICCI) Higher Education Summit Report, 2012). Within the last fifteen years, the culturally-embedded demand for education has witnessed explosive growth, driven by India's robust and sustained economic expansion (See Table 3.1). While there were only 103 Universities and 3604 colleges in 1970-71, today there are 659 Universities and 33,023 colleges (FICCI Higher Education Summit Report, 2012). In the Twelfth five-year plan, the Government of India has allocated INR 1,107 billion (US$ 16 billion) to higher education, which is 1.3 times higher than the planned expenditure in the Eleventh plan, marking it as a priority area for the Ministry of Human Resources Development Department (FICCI Higher Education Summit Report, 2012). This aggressive growth is also paralleled in business higher education: student enrollment in commerce and management alone account for 17% of the total student enrolment in the country, whereas science and medical education account for 14% and 6%, respectively (refer Figure 3.2). The number of students graduating with an MBA degree has increased by 71% in the last ten years, with the number of institutes offering the course increasing by 133% (Singhal, 2010) as seen in Figure 3.3. Although Indian business education is at a nascent stage when compared to Western countries, in

2010 it was estimated to be worth around INR 35 billion (US$ 0.5 billion) (Cygnus Research Report, 2010). There are more than 3000 business schools that offer the MBA degree and the Post Graduate Diploma in Management, with a combined intake capacity of more than 300,000 students (Chhapia, 2012). Furthermore, over half a million students write the five national admission tests to get into good business schools in India (Philip, 2008), which illustrates the draw the field has.

FIGURE 3.2
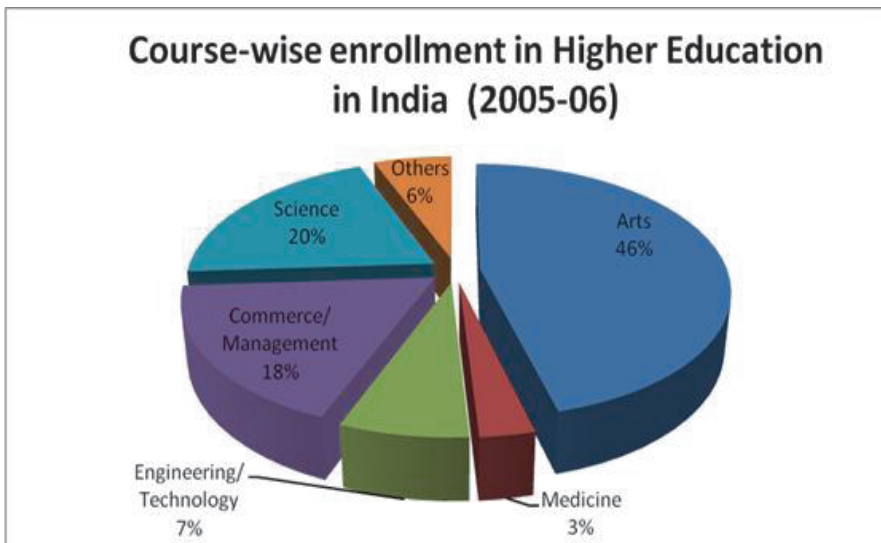
Source: Ernst & Young, EDGE 2009 Report on Private enterprise in Indian higher education

As per a report titled Higher Education in India: Vision 2030 (FICCI Higher Education Summit, 2013):

By 2030, India will be amongst the youngest nations in the world. With nearly 140 million people in the college-going age group, one in every

four graduates in the world will be a product of the Indian higher education system. (p.4).

The Indian higher education system has undergone rapid expansion. In less than 20 years, the country has created additional capacity for a mammoth 40 million students (p.8).

This explosive demand for higher education, in general, and business education, in particular, has resulted in four major challenges impacting the quality of education, categorized as the *four failing grades* of quality, namely, faculty, fellow students, finance, and facilitation. At present, there are 3217 business schools in India with a total government approved intake of 350,161 students (AICTE, 2016-17, p. 14). The minimum student-to-teacher ratio prescribed by the regulatory bodies in India is 15:1 which means that for the smooth running of all approved business schools, there should be at least 23, 344 well-trained management professors available in the country. Even if student enrollment in commerce and management remains constant at 17% of all higher educational enrolment for the next few years, the number of business students will increase by a whopping 4,080,000, which would require that the country produces 272,000 more management professors. This means that the policy makers and regulatory professionals in India will have the challenging task of designing policies regarding ownership, approval, accreditation and student-teacher ratios keeping in mind these huge numbers. FICCI's Higher Education Summit underscored the urgency of the challenge by stating "By 2030, the already existing challenges for Indian higher education – access and quality – will only be greatly exacerbated unless we significantly transform our higher education model" (FICCI Higher Education Summit, 2013).

FIGURE 3.3

Growth of Business Schools In India
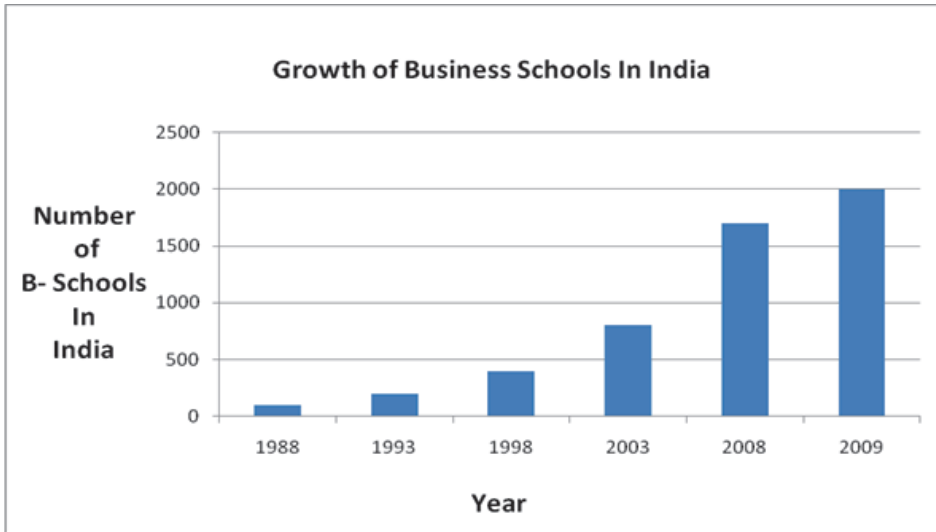
Source: **AICTE, 2009; Philip, 2008**

To meet this explosive demand for higher education while managing budget constraints, many developing countries have allowed the entry of private players into the education sector (Bellary, 2007; Yeravdekar & Tiwari, 2014b). Today in India, the private sector runs more than 64% of all higher education institutions (Powar, 2012; Yeravdekar & Tiwari, 2014b). But one important question that the Indian government and policy makers alike have failed to ask or answer is what motivates a private investor to enter the higher education sector. Even though Indian government regulations do not allow for-profit educational ventures, there is no test of altruistic intent when new private business schools are approved. There are already several examples of private players treating business schools like any other business, where the profit motive overrides student well-being and academic excellence (Ives and Jarvenpaa, 1996; Jain, Trehan & Trehan, 2009). According to Ives and Jarvenpaa, private-sector intrusion is a real risk for

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business schools, especially for traditional classroom education (1996). Moreover, because Indian regulations forbid for-profit business schools, many private players with hidden profit motives engage in questionable practices such as business schools in their control overpaying for consulting or other services rendered by firms in their ownership network (Dhingra & Shah, 2015). In addition, this profit-maximizing mindset of private players leads to overcrowded lecture halls, outdated library holdings, poor support for faculty research (Altbach, 2005), high teaching loads, inferior infrastructure, and high faculty turnover due to the lack of professional growth opportunities (Altbach et al. 2009).

As per Pfeffer and Fong, the motivation of many of these new teaching enterprises—including the so-called "not-for-profits"—is profit. For a majority of the newly founded business schools and their teaching faculty, business education is a lucrative business, with little emphasis placed on the quality of education and students' learning experience (2002). Surprisingly, the naked profiteering of business schools in India has very few parallels elsewhere in the world. Even in the US, the symbol of free-market capitalism, this kind of profiteering behavior is very rare among educational institutions. Because of all these unethical practices and legitimate concerns regarding quality and fairness, Indian regulators and policy makers are instituting even stricter controls and approval processes for business schools. We argue that under severe resource constraints, stricter controls and quality standards will only make the already difficult situation unmanageable.

3.4 THE REGULATORY APPROACH TO BUSINESS EDUCATION IN INDIA

The regulatory approach is marked by establishing a governmental agency to monitor institutional functioning to maintain a certain quality level. Under this approach, only educational institutes that meet a minimum pre-set quality criterion, mainly based on student-teacher ratio, infrastructure and faculty qualifications, are allowed to function. In India, the regulatory approach was adopted in 1945 with the establishment of the All India Council for Technical Education (AICTE) as an apex body "to conduct survey on the facilities on technical education, to promote quality in technical education, to regulate and maintain technical education norms and standards and to promote development in the country in a coordinated and integrated manner" (AICTE Annual Report & Audited Accounts, 2011-12: 17). In addition to the challenges associated with the binary approach of approving business schools, the regulatory approach suffers from other serious deficiencies that have resulted in the poor performance of the Indian higher education system on the global front. First and foremost is the question of the accountability of the regulatory bodies. The decision-making and enforcement processes of these regulatory bodies lack transparency. Internal processes such as the formation of inspection committees or the creation of new rules are bureaucratic and cumbersome (FICCI Higher Education Summit Report, 2009). Furthermore, in the regulatory approach to controlling quality, there is no built-in mechanism in place to improve quality. Therefore, the opportunity for continuous quality improvement is often compromised in order to meet inflexible binary accreditation standards. In addition, these rigid binary standards either lead to fraudulent practices by business schools or the closing down of smaller schools due to their inability to meet these standards.

Typically, the regulatory approach in India involves enforcing or verifying whether institutions meet the pre-set quality criteria without considering the severe resource constraints to meeting this criterion, and these constraints cannot be changed in the short term. For example, maintaining policies such as a certain minimum student-to-teacher ratio has proven very successful in the West where both academically and professionally qualified faculty are available to meet demand. However, most of the policies and practices adopted by regulatory agencies in India are made and enforced without considering the large number of business schools in the country and the prevailing resource constraints that have further exacerbated the challenges in four distinct areas:

3.4.1 Faculty

One of the major areas of concern in developing economies is the shortage of qualified faculty with doctoral degrees (Clinebell & Clinebell, 2008). This problem is acute in India where faculty shortage is a major challenge across all disciplines but is especially severe for business education because of the sudden mushrooming of management institutions in the last two decades (FICCI Higher Education Summit Report, 2012). According to Philip, "Unfortunately, the supply side does not catch up with the massive growth of business schools in India, resulting in a huge demand-supply gap" (Philip, 2008). The number of well-qualified instructors available to fill vacant positions in newly founded Colleges and Universities falls far short of the number needed to maintain stipulated student-to-teacher ratios. Ironically, because of this, the newfound economic prosperity led demand for higher education is indeed resulting in the *lowering* of the average quality of higher education in India (The Indian Express, 2011).

As per the All India Higher Education Survey (AIHES) conducted by the Ministry human resources development of India in 2014-15, Ph. D scholars constitute less than 0.4% of the total students enrolled in higher education (The Indian Express, 2015). The University Grants Commission (2011) report titled, "Higher Education in India: Strategies and Schemes during Eleventh Plan Period (2007-2012) for Universities and Colleges," reveals that the number of Ph. D. degrees awarded in commerce/ management in the year 2006-07 was 882, which slightly declined to 873 in the year 2007-08. However, this number dropped alarmingly in the year 2008-09, to 724 out of the 10,781 Ph.D. degrees granted across all fields (University Grants Commission, 2012). Unlike engineering and science, traditional Indian Universities produce very few PhDs in the area of business / management and Indian Universities generally lack a tradition of excelling in business / management research (AISHE, 2013; Philip, 2008), so this drop in the number of PhDs is a serious concern. As per a UNESCO report on higher education, in 2007 only 43% of faculty members in higher educational institutes in India possessed an M.Phil. or a Ph.D. (UNESCO, 2010). Given the previous statistic about commerce/management PhDs, the percentage of faculty members with rigorous training in business research will likely be much lower than 43%. In order to meet the minimum regulatory requirements, every institution must maintain a student-to-teacher ratio of 15:1, and at least 80% of the faculty members must be full-time (AICTE, 2016-17, p.100). A rough estimate from various sources showed that there are fewer than 5000 academics possessing business Ph.Ds. available to teach at business schools in India today, which means that even though AICTE recommends a student-to-teacher ratio of 15 to 1 a realistically achievable ratio is not less than 50 to 1.

3.4.2 Fellow students

Due to India's sudden economic growth, the demand for graduate-level management education has increased several folds. According to a 2013 study by the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the number of MBA seats in India has increased from 95,000 in 2006-07 to 360,000 in 2011-12 (Mishra, 2013). This huge supply has also affected the quality of education since most private business schools are so eager to fill their seats that they have lowered their selection criteria standards. As a result of this, students' classroom experiences become less enriching, thereby affecting the quality of the graduating students. Collaborative learning and co-creation of knowledge in the classroom is a key part of quality education and is important for knowledge sharing, innovative idea generation, improving communication skills and enhancing critical thinking (Leidner & Jarvenpaa, 1995; Schlechter, 1990).

3.4.3 Finance (infrastructure and operations)

The Gross Enrolment Ratio (GER) in higher education in 2011-12 in India was 17.9%, which is quite low when compared to USA and China, where the GER was 95% and 26% respectively in 2008-09 (FICCI Higher Education Summit Report, 2012). However, by 2020, the anticipated GER in higher education is 30% (Planning Commission, 2013; University Grants Commission, 2012; Times of India, 2013) which means that India needs around one thousand more universities, fifty thousand new colleges and an investment of at least USD 200 billion to accommodate *24 million* additional enrollees (Business Line, 2011). The 2015-16 budget allocates approximately 20 billion US dollars for higher education. This translates to 3.4% of the GDP. In comparison, most developed nations allocate more than 5% of their GDP to higher education (World Bank, 2014; Education, Audio-visual and Culture Executive Agency, 2012). In addition

to transcending this gap, a question remains: where is the remaining investment towards the 200-billion-dollar figure expected to come from? Is the private sector in India in a position to make that large an investment without expecting any profit from it? The large difference between the required minimum investment and the proposed government allocation clearly indicates that a major contribution from the private sector is not only essential but also inevitable. As discussed earlier, private players typically enter this space with profit motives and will somehow find covert ways of profit making while compromising quality (FICCI Higher Education Summit Report, 2011). This profit-seeking tendency also contributes to inadequate investment in infrastructure (Dhingra & Shah, 2015). Moreover, the operating expenses of private colleges and universities in India are mainly funded through student tuition, which contributes more than 95% of the total costs. This is noticeably higher than that of world-class private universities, where student tuition covers anywhere from 20 to 80% of operating expenses. From the 2013 Harvard Business School annual report, one can roughly estimate that student tuition—after deducting the total fellowship grants provided by the MBA program—added up to a mere 7% of the total revenue (HBS Annual Report, 2013:13), far from the ground realities in India.

3.4.4 Facilitation

Another challenge faced by the Indian business education system is the lack of facilitation experience on the part of regulators and policy makers. This inexperience is reflected in the way policies are formulated without considering the ground realities of the country. Two noticeable trends can be observed: blindly following the US model (Altbach & Jayaram, 2008; Vaidhyasubramaniam, 2011; Yeravdekar & Tiwari, 2014a) or sticking to the outdated practices of the British colonial period (Altbach, 2009). Furthermore, when the Indian system does imitate the West it does so without fully appreciating

the context in which Western education operates. The accrediting organizations in the West are not-for-profit, non-governmental organizations whereas Indian accreditation bodies are governmental agencies, which tend to be highly inflexible and bureaucratic in nature. Also, it is important to note that unlike AACSB, which facilitates the work institutions do to attain their stated mission and objectives (Romero, 2008), Indian approval and accreditation agencies such as AICTE and NBA follow a prescriptive approach rather than a facilitative one. Another important consideration is the fact that set quality standards are in many ways unattainable due to resource constraints. Difficulty in achieving goals could lead to unethical behavior on the part of institution administrators, especially when they feel that they are very close to achieving the set goals (Schweitzer, Ordonez & Douma, 2004; Ordonez, Schweitzer, Galinsky & Bazerman, 2009). In other words, business schools which are closer to reaching the approval or accreditation criteria tend to take any available shortcut to meet their goals, leading to fraudulent and corrupt practices. As pointed out by Yeravdekar & Tiwari, "India's expansion is a slapdash reaction to 'massification'. It suffers from gross underinvestment, but much worse is the affliction of policy paralysis" (2014c, p. 371). It is this policy paralysis that has paved the way for unethical practices and underlines the failures of the regulatory system (Apoorva, 2014).

3.5 INSTITUTIONAL ENVIRONMENT

Interestingly, business schools may be considered as stereotypical examples of *institutionalized organizations* as theorized by Meyer and Rowan (1977). It is not surprising to note that almost every business school in the world resembles the others in terms of structure, systems and behavior as also theoretically and empirically shown by institutional theorists and scholars in the case of other organizations and institutions (DiMaggio and Powell, 1983). Rynes and Trank (1999) explained the isomorphic behavior of business schools related to choice

of courses in their curriculum. However, this kind of isomorphic behavior of organizations like business schools is even more prevalent in India because of the unique institutional environment which can be explained based on 'the rules, norms and ideologies of the wider society' as stated by Meyer, Scott & Strang (1987). These institutionalized structures of Indian business schools can be considered the direct result of regulatory policies and professional expectations that evolved out of the need to follow successful Western models. Western-style graduate level business education in India started in 1961 with the founding of the Indian Institute of Management (IIM) at Calcutta with help from MIT Sloan School and Ford Foundation, and every subsequent business school in India, including other IIMs, have copied the IIM systems and processes directly or indirectly. With good and ethical intentions, policymakers and accreditation professionals want to do the right thing, and, significantly, to be seen as doing the right; they want to be, and most of the players deserve to be, respected. The problem is when they adopt less resource-constrained nations' definition of what "the right thing" is, meeting those standards can actually worsen the situation. Remarkably, the accreditation manual for business schools created by the National Board of Accreditation (NBA) highlights that an important benefit of accreditation for Indian business schools is acting as a "catalyst for international accreditation…..All essential prerequisites for international accreditation are included in NBA. Therefore, the NBA acts as a catalyst for business schools applying for international accreditation" (NBA, 2012; p55). All three institutional pillars such as normative, regulative and cultural-cognitive play some role in the isomorphic behavior of Indian business schools (see table 3.2 for the details on elements of institutional isomorphism in business education). The unfortunate outcome of this isomorphism is that both business schools and regulators approach solving important issues such as faculty shortage and student quality with very little innovation or creativity. This lack of innovation could also explain

the current state of Indian management education as out of the 3000 business schools in the country only 3 have made it into the top 100 global MBA ranking list of 2016 (www.ft.com). If Indian regulators design policies keeping in mind the Indian context while avoiding institutional isomorphism, they will be able to design better and more innovative business models for Indian business schools, which could also prove exemplary for other countries facing similar challenges and constraints. In a nutshell, the prescriptive system, mainly evolved through isomorphism, demands every business school to comply with pre-set standards like- a specified student-to-teacher ratio, a specified number of non-teaching staff per faculty and a certain minimum number of book titles and periodicals in the library, to name a few (AICTE, 2016-17). If these pre-set standards are strictly enforced, only a few business schools in India will be able to meet them. However, if the standards are enforced leniently, the quality of education offered to students will suffer. We have described this situation as the quality-opportunity trap of the current regulatory approach in India. Ultimately, potential degree seekers will suffer, since they will either a get low-quality education due to loose regulations or fail to gain admission to the course of their choice because a stricter binary regulatory regime would approve far fewer schools.

3.6 REGULATION-TO-INNOVATION: REFRAMING THE QUALITY CHALLENGE

As highlighted by Lisa Bardwell (1991, p. 604), "When it comes to problem-solving, this commitment plays itself out as a bias towards the familiar. People tend to solve problems in ways that fit into their pre-existing maps; they do what they did before." Table 3.3 summarizes how our assumptions and the questions we ask can influence our policy decisions. In the case of the regulatory approach, especially in the Indian context, the key question is centered on preventing fraud. But very little attention is paid to the problem of severe resource constraints such

as faculty, fellow students, finance, and facilitation expertise. The regulatory approach was less of a challenge in India when there were very few business schools and no private players in the sector. Today, however, that is not the case and one major challenge springs from the fact that there are more than 3000 business schools and even a one-time verification of the mandated quality standard will require more than 3000 campus visits. In addition, in a regulatory approach, there is no mechanism to promote innovation or transformational changes considering the fact that the business school environment is highly discontinuous (Julian & Ofori-Dankwa, 2006). In addition, Julian and Ofori-Dankwa argued that the prescriptive inflexible approach of typical accreditation regimes deter quick and creative decision-making (2006). This argument can help account for the lack of creativity and innovation in business education in India. Taking their arguments further, we argue that this prescriptive approach facilitates isomorphic behavior of Indian business schools (Julian & Ofori-Dankwa, 2006).

In light of the above difficulties, it is time that Indian regulators and policy makers adopt creative problem-framing techniques to develop solutions to the issue of achieving quality education despite severe resource constraints (Chong & Druckman, 2007, p. 104; Pelczer, Singer & Voica, 2013; Bardwell, 1991).

We propose to reframe the quality debate by closely examining current assumptions regarding improving quality of business education in India and the severity of the constraints posed by the shortages of faculty, funding, facilitation experts and well-prepared students (Table 3.3). Following Deming's definition of quality, an actionable question would be, "How can useful education be provided under the current resource constraints in India?" (Table 3.3). Business practitioners and scholars are familiar with questions focusing on finding useful

solutions to problems under resource constraints and the most obvious answer to these questions is an approach based on free market principles.

3.7 A FREE MARKET-BASED APPROACH TO IMPROVING QUALITY: PRACTICING WHAT WE PREACH

The free market-based approach to quality improvement is marked by maintaining complete transparency: healthy competition but limited regulatory interventions. According to the respected quality guru, Edwards Deming (1993), "a product or service possesses quality if it helps somebody and enjoys a good and sustainable market." If we take this idea further and apply it to the quality improvement challenge in India, one could argue that business schools which cannot meet the predetermined quality standard of regulatory bodies like AICTE could still benefit students who may not be able to afford education from a high-quality accredited business school. Deming (1993) linked quality to usefulness and this definition is valuable for emerging economies like India because there is a real disconnect between the demand for essential resources such as qualified faculty and the practical availability of said qualified faculty.

One way of practically linking the quality of business education to its usefulness to students is to follow a free market-based approach to accreditation (refer Table 3.4), which will involve a range of educational institutions with a wide spectrum of faculty quality, student-to-teacher ratio, and infrastructure quality. These can range from bare-bones trade school type arrangements to fully equipped, well-connected institutions with foreign collaborations and strong industry-academia interactions. Such an approach will have the additional advantage of meeting the demands of stakeholders across the entire income spectrum of India, thus making it possible for the entire system to be open and fair. Through self-regulation or government mandate, if business schools strive to maintain a high degree of

transparency by providing all relevant information to degree seekers, businesses, and society at large, they can fulfill the quality requirements defined by Deming. The global education system should try to incorporate free market concepts in the field of education, particularly management education where we teach students the usefulness and superiority of these concepts for creating wealth. The Indian education system at this stage needs an accreditation process that not only focuses on the quality of faculty and infrastructure but also ensures that the main stakeholders—who include students, parents, society, and the government—are well informed about a particular education institution's faculty and their qualifications, infrastructure, industry relationships and alumni networks. Business schools should ensure complete transparency regarding their course content, faculty qualifications, available facilities, tuition and fee structure, and interactions with seniors and alumni. They should even provide an opportunity for potential degree seekers to experience a lecture or a case study session, thereby gaining a deeper understanding of the quality and content of that particular program. If we enable such transparency in the entire education system, it will result in the empowerment of its stakeholders, which will ultimately force institutions to improve their standards and better serve society. In order to address the aforementioned challenges, we suggest a system which follows a continuous scale, where all business schools are assigned points based on the quality of faculty, curriculum and its relevance to business, and infrastructure. Figure 3.4 gives a comparison of the traditional and proposed market-based approach. For the market-based approach to work, the government should simply make sure that all stakeholders have seamless access to relevant information in a comprehensible manner, enabling them to make their own decisions (UNESCO World Conference on Higher Education, 2009). This also signals that the free market approach offers greater accountability than the regulatory approach where lack of transparency is a major concern. This will further strengthen our argument

regarding the role of information access and free market capitalism in upgrading business education in India.

FIGURE 3.4

Comparison of Traditional and Proposed Market-Based approach
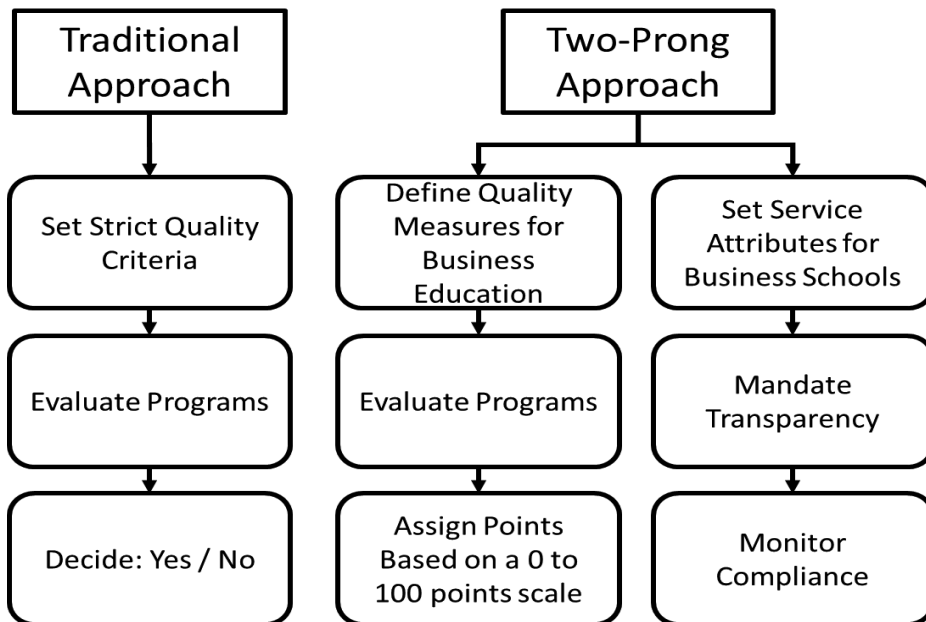
At this point, it is important to recognize that the free market is not entirely free from fraudulent practices driven by greed and profiteering motives. Hence, once again, we propose the reframing of the quality debate by re-examining assumptions in light of the severe resource constraints, rent-seeking tendencies, opportunism and lack of innovation necessary to handle the current situation. Now an actionable question would be "How can quality be achieved, maintained and improved despite severe resource constraints and a need for greater inclusiveness while incorporating useful aspects of both regulatory and free

market approaches?" (Table 3.3). The most pragmatic answer to such a question would be to utilize a hybrid approach that amalgamates the useful elements of both regulatory and free market approaches along with the socially useful intentions of social entrepreneurship.

3.8 THE SOCIAL ENTREPRENEURSHIP APPROACH TO TACKLING PROBLEMS OF REGULATORY APPROACH AND FREE MARKET APPROACH

As discussed above, the current system of solely depending on regulation is problematic and fails to address the exploding demand and resource crunch in the business of business education. Moreover, no inbuilt mechanism is in place to encourage creativity and innovation for improving educational quality. When the free market is considered, one of the key questions related to its limitations is "Is an ideal free market achievable in the area of higher education?" Practically, no free market system is perfect considering the fact that government intervention is necessary to avoid fraud, coercion, and excess profiteering through illegal means by free market players and to ensure a healthy, competitive market environment (Friedman, 2002; Santos, 2012). According to William J. Baumol, author of *The Free Market Innovation Machine: Analysing the Growth Miracle of Capitalism*, one of the features of free market capitalism is to have "productive entrepreneurship encouraged by incentives for entrepreneurs to devote themselves to productive innovation rather than to innovative rent-seeking" (2002: 5) but in reality free market under resource constraints can result in rent-seeking which can be offset using social entrepreneurship

However, if we reframe the quality challenges of business education in emerging economies like India by viewing it from a social entrepreneurial perspective, involving those who think innovatively (Short, Moss & Lumpkin, 2009) beyond

self-interest, aim to maximize social good (Miller, Grimes, McMullen & Vogus, 2012), stimulate social change (Mair & Marti, 2006), possess high reflective thinking skills (Howorth, Smith & Parkinson, 2012), encourage transformational leadership behaviour (Bhutiani et. al, 2012), effectively cope with resource limitations (Dees, 1998), find innovative solutions (Santos, 2012), but do not seek to maximize profit for its own sake (Austin, Stevenson & Wei-Skiller, 2003; Mair & Marti, 2006), we can arrive at a more sustainable solution. Considering the point that social entrepreneurs tend to develop solutions to problems through empowerment and not through control (Santos, 2012), using a social entrepreneurial approach to addressing the challenge of the quality of the business education system in India can prove to be constructive. But the social entrepreneurial approach cannot function seamlessly in isolation in an Indian context marked by demand-led resource constraints since a limited but targeted intervention from the regulatory authorities is vital (Friedman, 2002; Santos, 2012) for achieving quality within these constraints. Hence, we propose a hybrid approach to management and business education in India.

3.9 HYBRID APPROACH TO BUSINESS HIGHER EDUCATION IN INDIA

In light of the above arguments, we propose that the Indian business education system should follow a hybrid approach (Refer Figure 3.5) which merges the positive aspects of the regulatory, free market and social entrepreneurial approaches to maintaining a certain level of quality within the existing challenges and constraints. The social entrepreneurial approach will help design innovative models of business education that will not just help business schools to break free from isomorphism but also ensure that the high institutional efficiency of the free market approach is combined with societal efficiency by avoiding the rent-seeking tendencies of typical free market entities (Table 3.4). In addition,

empowering the stakeholders will ensure transparency in the system and reduce the prevalence of existing corruption and fraudulent practices. As pointed out by Santos (2012: 346), "social entrepreneurs are more likely to seek sustainable solutions than to seek sustainable advantages." Additionally, social entrepreneurs act as change agents by pushing for forms of communal ownership (Partzsch &Ziegler, 2011), further contributing to the reduction of the institutionalized isomorphism of business schools.

FIGURE 3.5

Model of Hybrid Approach to Business Higher Education in India - A Potential Solution
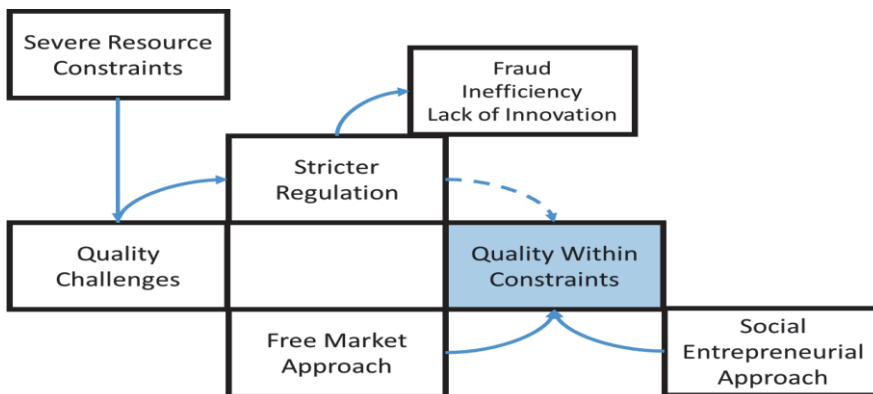
Researchers like De Dreu et.al (2008); Miller et.al (2012); and Polman & Emich (2011) have suggested that decisions made with a prosocial motivation are more creative than the ones made with a pro-self orientation. Hence, social entrepreneurial reframing will lead to innovative designs of institutions which will utilize two seemingly contradictory concepts in one design approach: making use of the efficiency-enhancing mechanisms of free market while refraining from

strategies designed around information asymmetry for seeking extra normal profit.

3.9.1 Innovative models of business education designed with pro-social orientation

We also argue that under the social entrepreneurial approach there are two major determinants of the quality of business education: faculty (*who stands in front of the students*) and fellow students (*who sits next to them*). If these two determinants are given proper consideration, the quality of education delivered can never be poor. This does not mean that the other two factors mentioned above: *facilities* and *facilitation* are insignificant and business schools should not focus on them. However, facilities should be considered an enabler and not an important determinant of the quality of education delivered. The facilitation expertise of policymakers is extremely important to ensure compliance with the other three factors. However, under a realistic social entrepreneurial regime, this becomes less important because social entrepreneurs' primary focus will be on creating social value.

Based on this view and considering the current scenario of the Indian business education system, we propose a flexible model for delivering business education in India. Figure 3.6 describes different possible models of business education classified according to *faculty*— dedicated or distributed—and *facility*—fixed, flexible or virtual/online. India's current regulatory system is mainly aimed at the top-most box on the left side in the figure. Most educators and policy makers would argue for this ideal model. But this model will function well only in an ideal world where well-trained faculty and resources are plentiful. Alternatively, the box in the middle on the right-hand side of the figure would be very interesting in an Indian context, considering the fact that there is an acute faculty shortage.

FIGURE 3.6

Flexible Models of Delivery of Business Education

	Faculty	
	Dedicated	Distributed
Fixed	Traditional Business School Average faculty quality is poor due to acute shortage	High quality faculty Relatively low faculty cost
Flexible	Low infrastructure cost Low barrier to entry	High quality faculty Relatively low faculty cost Low infrastructure cost Low barrier to entry
Virtual	Medium to low infrastructure cost Low barrier to entry Can reach a larger market	High quality faculty Relatively low faculty cost Low barrier to entry Can reach a larger market

This system follows a flexible model that allows the institute to invite guest faculty from across the globe for teaching a specific subject based on their specialization and competencies. This is quite different from the approach followed in the majority of Indian management schools, where a single faculty member is required to teach subjects across multiple domains irrespective of his/ her specialization. We argue that the Indian regulatory system should give a fair chance to all these models to flourish because that is the only way to improve the quality of business education under severe resource constraints and avoid the quality-opportunity trap. In addition, this approach will also provide opportunities for the more than 300,000 degree seekers in management.

3.10 CONCLUSION: HYBRID APPROACH TO REDEFINING THE BUSINESS OF BUSINESS EDUCATION IN INDIA

The goal of this research has been twofold: First and foremost, the aim is to problematize the current regulatory approach to maintaining and improving the quality of business education. The second goal is to discuss useful approaches for developing sustainable solutions to the problems faced by higher education in the field of business in India. We have argued for viewing and approaching the problem of maintaining and improving the quality of business education through a social entrepreneurial lens. This view is not constrained by the availability of resources and can help stakeholders approach the problem innovatively to come up with sustainable solutions, thereby overcoming the institutionalized isomorphism of business schools. We have pointed out that the Indian regulatory system is not working well to address increasing demand, severe faculty shortage and the lack of other essential resources. Therefore, we argue for a rigorous reframing of the quality and resource challenges in the Indian context. A social entrepreneurial approach that utilizes the efficiency-enhancing mechanisms of a free market-based approach but refrains from its rent-seeking tendencies may be best suited to redefine the Indian business education system. Since no free market or entrepreneurial approach can function well without government intervention (Friedman, 2002; Santos, 2012), we are not discounting the importance of limited but targeted intervention from regulatory authorities. Hence, the hybrid approach to business education in India will incorporate the positive points of the regulatory, free market and social entrepreneurship approaches yet refrain from the negativities of each of these approaches. This novel hybrid model of a business school will ensure that business schools find innovative solutions to improve and maintain a certain level of quality in the interest of all stakeholders, including society as a whole, instead of following shortcuts through fraudulent

practices. This would mean that we move away from a binary regulation / accreditation system towards a broader point-based system, supported by the free flow of information. This shift will avoid the quality-opportunity trap, thus allowing the Indian education system to simultaneously maintain quality and broad access to business education, and encourage the introduction and development of new and innovative models of business education. This approach will further ensure better accountability compared to regulatory or free market-based approaches due to the social entrepreneurial need to remain transparent in line with the transparency mandate of a free market. Also in the social entrepreneurial approach, the inclination of a social entrepreneur to pursue social good will further help to ensure openness and fairness in the system which the current regulatory system has systematically failed to achieve.

3.11 THEORETICAL CONTRIBUTIONS

The major theoretical contribution of our research is in establishing the usefulness of iterative reframing as a means of innovation in policy making. While the extant literature discusses reframing as an effective tool for strategic change (Creed, Langstraat, & Scully, 2002), for decision making (Kahneman & Tversky, 1984; Maule & Villejoubert, 2007), for strategic communication (Chapman , 2005; Hallahan, 1999, 2004; Lundy, 2006; Reber & Berger, 2005), for sense-making (Weick, 1995; Dewulf et al, 2005), for conflict resolution (Kaufman, Elliott & Shmueli, 2003) and negotiations (Kaufman & Smith, 1999) it has seldom been viewed as a useful tool for policy makers and leaders working on innovative solutions. While studying the current challenges of the Indian business education system, we discovered that reframing by examining underlying assumptions is an invaluable tool for arriving at more useful solutions for policy makers. After repeated reframing, we propose the adoption of a hybrid approach which amalgamates the efficiency-enhancing elements of a free market approach and

the social value elements of a social entrepreneurial approach with the targeted interventions of a regulatory approach for preventing rent-seeking tendencies, in order to improve the quality of business education in India (refer Table 3.3). This hybrid approach is another theoretical contribution to the literature on higher education.

3.12 IMPLICATIONS FOR POLICYMAKERS IN INDIA AND EMERGING ECONOMIES

The above research findings also offer several useful, practical ideas. These ideas are derived from both the literature review and the findings of our studies. The use of reframing with prosocial mindset can help policy makers to arrive at useful solutions especially in resource-constrained environments. After discussing various approaches, their practical usefulness, and implementation challenges, we recommend the following regulatory changes for business education in India. In India, constitutionally, for-profit degree-granting institutions are illegal. Therefore, it is important to screen new entrants into the educational sphere based on their potential as social entrepreneurs. Even though private higher education institutes in India are legally set up as not-for-profit entities, many of them behave like for-profit ventures. Any policy change should give serious consideration to establishing the intention and to reviewing past examples of socially responsible behavior of the entrants into the educational arena. We do not presuppose that this is going to be easy to achieve but serious efforts should be made in this direction. So far, regulatory approval has been based on the quality of an education provider with respect to faculty and facilities. But in a resource-scarce environment, an outcome-based approval system may be more beneficial. Moreover, an outcome-based evaluation is in line with a hybrid approach, incorporating the efficiency-enhancing features of free market and the societal value creation aspect of social entrepreneurship. In an outcome-based approach,

insisting on a set number of years of program length is logically meaningless. A better approach would be to follow a credit-hour-based system as followed in the West. Well-prepared students who are willing to work hard might be able to complete a two-year MBA program in less than two years, and this incentive will spur students on. Another point to be noted is the need for more out-of-classroom learning through internships, community work, online learning and to a limited extent, self-study. The program should have the flexibility to seamlessly integrate different modes of study and diverse pedagogies in one course of study. A careful design of the pedagogy of business education could also help to alleviate the current challenges with respect to faculty and infrastructure.

Although the focus of this research is in the Indian context, it has practical implications for policy makers in other parts of the world, particularly, the emerging economies of the world which are facing similar challenges in higher education like privatization, corruption, lack of well-qualified faculty, shortage of well-prepared students and huge demand-supply imbalance. The extant literature on higher education shows a plethora of research papers talking about the challenges faced by higher education systems in developing countries. While some of the challenges may be unique to a particular context, most of them resemble one another in one form or the other. For example, in her 2015 article on South African education Nkomo elaborates on the challenges facing management and business education in that country, which resemble those faced by Indian management education to some degree. While race and class have a strong influence on the preparedness of students in South Africa; having sufficient academically qualified faculty is another challenge that South Africa is facing at the moment. We hope that some of our arguments and the use of reframing as a tool for innovative policymaking will help policy makers in arriving at useful solutions catering to the South African context. Likewise, Alam

(2009) in his research on the higher education system in Bangladesh points out that the private players treat education as a business good to the detriment of the country. He further details that "the absolute number of teachers in 21 public universities is 10 times higher than in 55 private universities in Bangladesh." He also points out that authorities of private institutions tend to provide misleading information to safeguard the reputation of their institutions. Both these challenges resemble those facing the Indian higher education system so some of our recommendations can also prove useful to higher education policy makers in Bangladesh. We strongly believe that reframing using the social entrepreneurial lens can help all the emerging economies of the world to arrive at more useful and sustainable solutions to their educational system issues, and this is vitally important since education is directly linked to "national development in terms of both economic and social freedom" (Alam, 2009, p.893; Smith, 2001).

3.13 RESEARCH LIMITATIONS AND PERSPECTIVES FOR FUTURE RESEARCH

Like any other study, the above study also possesses certain limitations which further offer scope for future research. This paper is based on purely theoretical research, and we studied an extensive amount of extant literature to arrive at our results. We can extend this work in future by interviewing policy makers, heads of business schools, faculty members and students to gain a deeper insight into the quality issues affecting the business education sector and also to verify our findings empirically.

Over the course of our research, we have found that reframing the approach using a social entrepreneurial lens can be an effective way to solve the quality issues facing the Indian business education system. As mentioned above, interviewing the various stakeholders of a business school, namely, policy makers, heads,

faculty members, students and parents will help to empirically verify the findings of our theoretical research. This would further help in establishing reframing as a successful problem-solving tool. Another area for future research could be conducting a study contrasting the quality challenges in business education facing developed and developing nations. Finally, this research can also be extended to higher education in general and not just business education.

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TABLE 3.1

Growth of Higher Education Institutions and Enrolment in India

HEI- Higher Education Institution

Year	Universities	Colleges	Total HEIs	Enrolment (in million)
1947-48	20	496	516	0.2
1950-51	28	578	606	0.2
1960-61	45	1819	1864	0.6
1970-71	93	3277	3370	2
1980-81	123	4738	4861	2.8
1990-91	184	5748	5932	4.4
2000-01	266	11146	11412	8.8
2005-06	348	17625	17973	10.5

Source: University Grants Commission (Universities include central, state, private and deemed-to-be universities as also institutions of national importance established both by the central and the state legislatures).

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Table 3.2

Elements of Institutional Isomorphism in Business Education

	Three Pillars of Institutions		
	Normative	*Regulative*	*Cultural-Cognitive*
Examples of institutions relevant to business education	Norms of scholarly community, teachers and accreditation bodies	Governmental regulatory agencies and Government departments. Examples in India are University Grants Commission (UGC) and All India Council for Technical Education (AICTE)	Sociocultural expectations and beliefs about the purpose of business education
Examples of institutionalization	Every business school curriculum and pedagogy look more or less similar	Very little flexibility in introducing new programs or	Expectation that it is the responsibility of the business school to help graduates with finding high-paying jobs make

	Faculty performance norms are also similar	adjusting the intake to meet market conditions.	all business schools to focus mainly on making their graduates job-interview-ready rather than educate them to be responsible managers and citizens.
Mechanism of Institutionalization and isomorphism	Normative pressure comes from various stakeholder's interest in following the norms of professional bodies and other agencies. Some degree of mimicking also happens if major stakeholders find it interesting to follow other leading business school's practices	Coercive pressure from regulators force business schools to conform to rules and regulations.	Both normative and mimetic tendencies contribute to following sociocultural norms.

Table 3.3

Various Ways of Framing the Quality Issues

Assumptions	The key question	Answer
Preventing fraud is critical No one can be trusted Resource availability (faculty, facility and facilitation) is not considered Regulatory expertise is available in plenty	How can quality be achieved, maintained and improved where there is potential for fraud and misuse?	Strict Regulation
Severe resource constraints Regulating is expensive and may not prevent fraud	How can quality be achieved, maintained and improved under severe resource constraints?	Market-based approach

Efficiency and cost saving is key		
Severe resource constraints Regulating is expensive and may not prevent fraud More than efficiency, effectiveness is the key Need to be inclusive Innovation is important	"How can quality be achieved, maintained and improved despite severe resource constraints and a need for greater inclusiveness while incorporating useful aspects of both regulatory and free market approaches?	A hybrid Approach mainly focusing on social entrepreneurship by incorporating useful elements of both regulatory and free-market approaches.

TABLE 3.4

Comparing various Approaches to Improving Quality of Business Education

Approach Dimensions	Regulatory Approach	Market-based Approach	Hybrid Approach
Description	An approach marked by having a regulatory agency to monitor the functioning of institutions for the purpose of maintaining a certain level of quality. Under this approach, only educational institutes that meet a minimum pre-set quality criterion are allowed to function.	An approach based on free market principles with limited regulatory interventions. In this approach transparency could be mandated but effectiveness is achieved through competition.	An approach which fully utilizes the efficiency enhancing mechanism of free market but at the same time refrains from the rent-seeking tendencies of typical free market entities. Only organizations and individuals with demonstrated social entrepreneurial potential are given permission to start educational institutions.

Accountability of the regulatory regimes and institutions	Difficult to guarantee accountability on the part of the regulatory bodies because of lack of transparency in their decision making processes. Enforcement on institutions is cumbersome and costly.	Greater accountability is possible because the market system works well only if transparency is mandated.	Better accountability can be achieved compared to regulatory and free market approach considering the social entrepreneur's view to be more transparent combined with the transparency mandate.
Fairness and openness	Difficult to achieve in a yes/no type of regulation-accreditation system	A fair and open system is possible because it inherently offers a range of educational possibilities over a wide quality spectrum.	In theory this could lead to an effective system with fairness and openness considering the social entrepreneur's inclination for maximizing social good
Efficiency	Low to Medium because no efficiency enhancing mechanisms are built into the system.	High institutional efficiency but societal efficiency could be low due to possible rent-seeking tendencies.	Overall efficiency, both institutional and Societal, is high
Expertise of regulators and policy makers	Considering the fact that the field of business education is dynamic and not matured,	In this system the burden of expertise is distributed amongst the	Same as market approach

		notion of expertize should be considered with caution	stakeholders. Market signalling by the providers and response/feedback from the users will facilitate quality improvement.
Quality implications		No built-in mechanism for improving quality is part of the system. Fraudulent practices are adopted by the business schools to meet inflexible standards. Closing down of small institutes due to severe resource constraints such as faculty, fellow students and funds.	Quality can be continuously improved through market signalling and feedback mechanism of free market. A range of institutes across the entire quality spectrum will be able to exist. Bare-bones trade school type arrangements can still exist to provide opportunity to all	This approach fully utilizes improvement and innovation mechanisms of free market and in addition benefits from the creative capacity of social entrepreneurial approach (Miller et al., 2012).
Implications for Stakeholders	Students / Degree seekers	Rent seekers can exploit students by somehow meeting the minimum	Greater flexibility and more choices available to students	Greater transparency and social entrepreneur's drive for doing social

	standards set by the regulatory authorities	Greater opportunities for innovation. Individual institutional needs can be accommodated because no regulatory pressure other than the transparency mandate.	good will lead to greater inclusiveness and better opportunity.	Main focus is on doing social good than profit making. Good social image of the institute helps attract good faculty. Will be able to handle resource constraints innovatively.
Institutions	No flexibility. Have to strictly follow the rules set by the regulatory authorities. Little scope for innovation. Greater tendency to be unethical to meet the inflexible standards set by the regulatory authorities.	Easy to implement		Easy to implement
Implementation challenges	Inflexible standards which make implementation difficult because of severe resource constraints such as acute faculty shortage, lack of well-prepared students and lack of funds.			

CHAPTER 4: DEVELOPING RESPONSIBLE MANAGEMENT EDUCATION THROUGH REFRAMING SOCIAL ISSUES: AN INTERVIEW AND DISCUSSION

A previous version of this paper is presented at 16th EURAM Conference 2016, June 1-4, 2016 in Paris, France.

A section of this paper is presented as part of the PDW session titled "**Teaching Sustainable Strategies to Managers: Science, Practice and Philosophy"** at 75th Academy of Management Annual Meeting, Vancouver, Canada, August 6-11, 2015.

4.1 ABSTRACT

In this article, we interview Dean of a business school in India on the concept of reframing, and how it can play a role in developing ethical decision-making and delivering responsible management education for business school students. Our questions were largely motivated on a keynote address the Dean gave at the 12th Social Entrepreneurship Conference held at NYU, New York, in which he discussed his endeavors to overcome challenges caused by severe air and water pollution in the area where his business school is located and its surrounding communities. In this interview, the Dean describes his efforts to convert this problem into an opportunity to instilling a responsible management mindset in his students. He believes that reframing of pressing social issues is an effective way of recognizing meaningful opportunities to create sustainable social good through social entrepreneurship. According to him, teaching MBA students the art and science of reframing could potentially address many of the criticisms leveled against contemporary business school curriculum by broadening students' awareness and fostering an entrepreneurial, prosocial, and ethical mindset. In the discussion following the interview, we introduce a framework to facilitate effective usage of reframing based upon the Dean's experience.
Keywords: Ethics, Framing, Stakeholders, Responsible Management Education

4.2 INTRODUCTION

The significance of ethics in education dates back to Dewey (1938) who established the union between universal stages of development and ethical principles as the primary role of education (Kohlberg, 1971). Recently, we have seen increasing expectations that business schools should improve the world we live in by providing responsible management education. These calls have come amidst concerns about the actions and track records of business leaders, many of

whom are MBA holders. Teaching about global warming, pollution, corruption, the bottom of the pyramid and corporate social responsibility can provide background knowledge and literacy to our students, but this alone is insufficient. To have more meaningful and lasting impact on our students, society, and business, management educators need to instill a responsible mindset in students.

The purpose of this article is to contribute to the discussion of teaching business ethics from a broad perspective including the position of business education and business schools in the broader society. Just as the 2014 virtual symposium organized by the teaching business ethics section of Journal of business ethics highlighted the importance of leverage points in achieving ethical learning outcomes in business education (Neesham, 2014), we aim to promote consideration of the role of reframing as another leverage point to develop ethical decision-making and promote responsible management education in business schools. We present an edited transcript of an interview with the Dean of a business school in India. Throughout the manuscript, we have refrained from using the real names of the Dean and the business school in India. Instead, we have used general terms like Dean and business school. Our questions were largely motivated by a keynote address that he gave at the 12th Social Entrepreneurship Conference held at New York University, in which he presented his endeavors to overcome challenges caused by severe air and water pollution on his business school's campus and in the surrounding communities. In our interview, the Dean described his efforts to convert this problem into an opportunity for inculcating responsible management mindset in students. He argues that reframing of pressing social issues provides an effective way to recognize meaningful opportunities for creating sustainable social good through social entrepreneurship. In light of this, teaching the theory and practice of

reframing could play an important role in developing MBA students' entrepreneurial, prosocial and ethical mindset, thereby addressing many of the criticisms leveled against contemporary business school curriculum. Our interview is followed by a critical discussion on the points raised by the Dean.

4.3 BACKGROUND TO THE INTERVIEW

Every organization (including business schools) follows a unique path of development and growth influenced by the challenges posed by both its internal and external environments. In this article, we describe the journey this Indian business school is taking towards developing responsible management education while acting as an agent for socially responsible change in the community. The extant literature presents many ways to promote ethical education among business students (Arce & Gentile, 2015; de los Reyes et al., 2016; Freeman et al., 2015; Gandz & Hayes, 1988; Lampe, 1997; Oddo, 1997; Sims & Brinkmann, 2003), however the potential role of reframing in ethical business education has yet to be highlighted. The Dean used reframing as a problem-solving tool to identify and communicate opportunities for addressing social issues. By incorporating it in the curriculum, he thereby boosted ethical and responsible management education among his business school students.

Ever since the publication of Rittel and Webber's (1973) paper on "wicked" problems, the concept of reframing or redefining has been gaining increasing significance (Benford & Snow, 2000). While many very complex, technically challenging and resource intensive problems – like putting a man on the moon or building the physical infrastructure of modern society – have been solved by humanity, yet, "wicked" problems are more difficult even though they may not entail technological or resource obstacles. Sustainability is one such wicked

problem which, according to Max-Neef (2005), can be resolved using moral and ethical perspectives. Grint strongly supports the role of leadership in solving wicked problems through the use of reframing (2010). A situation or a problem is internally represented by individuals in multiple ways (Maule & Villejoubert, 2007) and these unique representations influence the choices they make (Pinkley, 1990). Framing has found diverse applications in the fields of media (D'Angelo, 2002; Entman, 2003; Johnson-Cartree, 2004), politics (Entman, 1993; Kanner, 2004; McDermott, 2004), policy making (Rhinard, 2010), cognitive psychology (Kahneman & Tversky, 1979), linguistic anthropology (Hymes, 1974), environmental studies (Ihlen & Nitz, 2008), mass communication (Scheufele, 1999) and social movements (Snow et al., 1986; Snow & Benford, 1988, 1992). It has been used as a powerful tool for decision making (Bolman & Deal, 2008; Kahneman & Tversky, 1984; Tversky & Kahneman, 1981, Maule & Villejoubert, 2007); for strategic communication (Chapman , 2005; Hallahan, 1999; Lundy, 2006; Reber & Berger, 2005); for strategic change by mobilization of support and gaining legitimacy (Creed et al., 2002); for sensemaking (Weick, 1995; Dewulf et al, 2005), in conflict management (Kaufman et al., 2003) and negotiations (Kaufman & Smith, 1999). The literature also includes a plethora of studies trying to understand different types of frames and the process of framing and reframing.

In simple terms, a 'frame' provides the context to assign meaning to a situation or understand a phenomenon, and the process involved is called 'framing' (Goffman, 1986; Ihlen & Nitz, 2008; Reese et al., 2003). Framing is defined as the process through which individuals assign meaning to information, disseminate it to others to have selective impacts or reorient their thoughts about an issue (Chong & Druckman, 2007; Friedman, 2007; Pan & Kosicki, 2003). Reframing, on the other hand, is the process that allows an individual to test the

vigor of various options that emerge by looking at a particular problem from multiple perspectives by changing reference points (Fischhoff et al., 1980). Reframing finds significant usage in negotiations (Putnam & Holmer, 1992) and conflict management by facilitating communication and joint decision making (Kaufman & Smith, 1999; Moore, 1986).

Both negotiation and conflict management skills are central to any business transaction. They are highly relevant for practicing managers, so teaching reframing techniques should, logically, be an important part of the business school curriculum. Nevertheless, the idea of reframing is relatively new to business schools, raising further concerns in the critical debate on the relevance and real-world practicality of MBA programs (Bennis & O'Toole, 2005; Clinebell & Clinebell, 2008; Dunne & Martin, 2006; Ghoshal, 2005; Mintzberg, 2004; Pfeffer & Fong, 2004). The Dean's presentation in New York highlighted his use of reframing as an opportunity recognition tool for solving social problems, effectively pushing the boundaries of reframing while exposing the educational benefits, in particular, development of a transformational, prosocial mindset in MBA students. These insights were the basis for choosing him as our interviewee.

The Dean of this rapidly growing business school in India is a former management consultant and academician who took up this leadership position in 2013. After having lived outside India for more than 25 years, he refused to accept the poor air quality around the business school in India that he had recently joined as the Dean. While reframing, in general, involves a deliberate attempt to alter another person's frame (Kaufman & Smith, 1999), in this interview, he discusses his attempts to alter *his own* frame, in order to arrive at more useful

solutions for all the stakeholders involved, rather than the ones focusing only on benefiting his business school alone. As the new Dean, the slogan that he coined for his business school, '*New India starts here',* captures his socially responsible attitude and is emphasized at the school's website and public platforms where he is invited to talk.

4.4 INTERVIEW

4.4.1 Listening to your keynote address at NYU, we could see your strong inclination towards using reframing as a pedagogical tool. How did you realize that reframing could be an effective tool for learning and problem solving?

As someone who is always trying to do things which are non-traditional, I face challenges and resistance (at least initially) from many of my major stakeholders. It is natural to reflect on ways to negotiate and convince the most important stakeholders if not all of them. Reflection helps to identify the multiple ways of seeing and framing an issue. Certain frames make more sense than others. Especially in the last two years, as the dean of this business school, I found reflection and reframing as an invaluable approach in my day-to-day professional life.

One recent experience is worth mentioning. In a faculty meeting, I proposed to introduce a core course entitled "Materials Science for Managers" to first-year MBA students. Before going into the details of what happened then, I must tell you the background of this proposal. Several years ago, while teaching at UT Dallas, I received an unusual request from my administrative assistant. Her ten-year-old son performed a science experiment for his school's science competition. The simple experiment examined how fast warm water will drain through a small

hole at the bottom of a paper cup compared to cold water. His science textbook predicted that warm water will flow faster than cold water, yet what he found was the opposite. His science teacher was not able to give a plausible explanation for what the boy had observed. Based on fundamental laws of physics, warm water should drain faster than cold water. The story aroused my curiosity and asked exactly how the experiment was conducted. To avoid making his mom's kitchen dirty, he had placed the paper cup into another glass, so that the bottom glass collected the drained water. This understanding allowed me to give a possible explanation for his finding. When warm water enters the bottom glass, the air inside the glass will get heated, expand to exert upward pressure, slowing the draining stream of water. On the other hand, cold water produces the opposite effect by cooling the air in the bottom glass. When presented in a school science competition, this explanation was accepted by the school science judges, and the boy's science project placed first in his grade level.

At the time, I had just started teaching a new course on Business Strategies for Sustainability, and this experience encouraged me to challenge my MBA students to explain what the boy had found. Surprisingly, none of them could provide an acceptable explanation. Then, I asked several of my faculty colleagues, and none were able to provide a satisfactory explanation either. The insight I gained from this experience was that while we help our MBA students gain a deeper understanding of the socio-cultural-political and economic environment of the business, our curricula completely ignore the physical environment of the business. This is perhaps even more problematic when you consider a large portion of our MBA graduates work for science and technology intensive companies, and this ratio will only go up in the future. So, how do we help business majors gain a deeper understanding of the physical world around them?

By teaching relevant concepts of scientific disciplines including physics, chemistry and biology. How do we teach basic science to business majors? Through something more practical and actionable. My own training in materials science suggested it might hold the answer. Materials science is unique because integrates multiple fundamental sciences in an actionable way. Unlike basic sciences, materials science is at the interface between pure science and application.

However, when I asked my faculty colleagues whether we should introduce such a course for all MBA students, I received a unanimous "no." The response prompted me to reflect on the fundamental reason for proposing this new course. I then reframed my question to my colleagues as: 'how many of you feel that helping our MBA students gain a deeper understanding of the physical world around us will help them excel in their jobs they peruse after graduation?' Now, none of my faculty colleagues said no. I am very proud to tell you that we have introduced this as a core course, which is probably the first time a course like this is ever attempted in an MBA program. This experience helped me realize the power of reframing in my day-to-day job. I see reframing as a way to communicate, solve problems and identify opportunities. Moreover, in this difficult situation of trying to overcome severe air pollution issues in our area, reframing has personally helped me to find new sources of inspiration.

4.4.2 Before we discuss the details, would you briefly tell us the connection you see between reframing and responsible management education (RME)?
First of all, we must recognize that RME became important because of widespread suffering across the world caused by unethical and unsustainable business practices. As Bolman and Deal point out in their book titled *Reframing*

Organization, "the corporate ethics scandals of recent years reinforced a recurrent suspicion that the morals of the marketplace amount to no morals at all" (2008, p.208). The global financial crisis of 2008, which started in the US and then spread worldwide, is an example. Fraudulent business practices are important, but the problem is bigger than that; the long-term survival of humanity is also under threat. Many of our current resource-intensive business practices are not sustainable because they do not conserve scarce water, energy, essential materials, and other resources. Equally important, we are polluting the air, water, and soil in our environment. Standard economic models of value creation can account for all these externalities from business only when the damages are quantified in monitory terms as costs. However, environmental degradation is rarely quantified or paid for. Under these circumstances, it is important for scholars and educators to seriously consider strategies for redesigning MBA curriculum and pedagogy, to bolster awareness and to train future managers to become adept at dealing with sustainability-related issues. The United Nations global compact and the PRME (Principals of Responsible Management Education) initiative give us an excellent starting point for spearheading this transformation (www.unprme.org; UN Global Compact, 2007). If you look at the six principles of PRME, every one of them needs continuous reframing from multiple angles. For the sake of argument, let us pick principle 1: "We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy." It does not make sense for you to just tell your students that they should create sustainable value for the businesses they are going to lead, or that they should generate sustainable social good. Doing so ignores a lot of important questions. What about competition? What about the shareholder theory we teach in strategy? What about individual performance and short-term

profitability of the businesses they will work for? All these questions can be addressed through reframing the issues in different ways. There are no right or wrong answers, but, in most cases, there are relatively more and less useful answers. As educators, we should do whatever we can to instill a mindset of reframing and redefinition of problems and challenges so that our graduates can find more useful answers to these messy or wicked problems as described by Rittel and Webber in their 1973 paper.

4.4.3 Can you enlighten us on your current challenges related to air quality around your business school?

Let me briefly explain what we have been doing here in the last two and a half years. Our business school is part of a famous sixty-year-old technical university that has been ranked 16th amongst the top technical universities in India. However, the business school only started functioning around nine years ago. About six or seven years ago, several years before I joined the school, our University's board decided to move the business school off of the main campus and into a new location about 50 miles from the main campus and about 15 miles away from the beautiful city of Chandīgarh. The basic idea of moving the business school was two-fold. First, this off-campus location would provide highly needed autonomy to the business school. Second, proximity to a metropolitan city like Chandīgarh would help in attracting good students and faculty members. The move progressed more or less as planned. I joined the business school in June 2013, and we moved to the new location in December 2013. Within a week of arriving at the new campus, I was hit with the painful realization that our location was in the center of a cluster of hundreds of small and medium-sized companies producing chemicals, pesticides, processed meat, bulk pharmaceuticals, and fertilizers. All are highly polluting enterprises with

little or no incentive to adhere to environmental standards, which I realized after having an informal conversation with the heads of some of these companies. As a result, the air quality in the region is very poor. The foul smell made our life difficult when we went outside our air-tight buildings. All the excitement about my new position and the opportunity to create a world-class business school crumbled in front of me and the foul smell in the air made me regret my decision to join the school every time I inhaled!

After my frustration and anger gave way to reason, I started realizing that our business school was posed with an important question: **What can we do to overcome this situation?** The spontaneous, though desperate, the answer was: **Do whatever is in our control**. Today, when I reflect back, I can tell you that our initial assumptions about the predicament we faced were not helpful. These were:

- The current air and water quality are very bad for our 300+ students, faculty and staff.
- However, it is almost impossible to deal with the situation, because of a large number of small and mid-sized enterprises (SMEs) in the area which were the source of the pollution.
- Small companies do not have enough funds available for meeting clean air and water standards.
- Regulators are ineffective.

Based on these assumptions, we could not come up with a better answer than "do whatever is in our control", so we took the following actions:

- We made all buildings airtight with positive air pressure inside.
- We started filtering intake air into our buildings.
- We constructed a bio-wall around the campus.

With time, I realized that all of these changes were only able to make the campus air quality slightly better, maybe about a 10% improvement, at best. The ultimate result was frustration and disappointment. This outcome made me rethink the situation and reframe how I looked at it. Rittel and Webber (1973) was a source of my inspiration. After re-reading the paper, I became convinced that what I was dealing with was a perfect example of a wicked problem.

4.4.4 Then what did you do? How did you reframe?

In the midst of desperation and frustration, I began to rethink the whole purpose of our existence as a business school in the region were now located in. All the investments we had made to solve the air quality problem had only resulted in meager improvements. Revisiting my framing of the issue, I reconsidered and questioned our initial assumptions. Our most important assumption was that the air and water quality was not good for our 300+ students, faculty and staff members. Was that it? Wasn't it also bad for the 20,000+ villagers in the region? This question helped me make a breakthrough. Everything suddenly changed, giving our efforts new meaning and purpose. With this new found motivation we re-examined every possible assumption we have had, implicit or explicit, thus realizing the power of reframing as an opportunity recognition tool for solving social issues. Reframing helped us even change our question. After this, our question became: *How can we engage all the stakeholders to find a useful solution to this problem?*

4.4.5 What did you do after this breakthrough? What answer did you find for your new question?

We decided to partner with *all* our stakeholders, including external stakeholders such as leaders in the local business community, and we made social

entrepreneurship and ethical decision making - a significant part of the business school curriculum. Considering that the behavior of these SMEs around us was highly unsustainable, we also decided to incorporate elements of sustainability in all the subjects we teach. Based on these considerations, we went back and reworked our MBA program goal and we are very proud of our new goal which is **"educating globally sensitive scholarly practitioners with a social entrepreneurial mindset."**

Also, through community engagement, now also part of our curriculum, we are now working to achieve the following:

- Helping companies save money through process improvements, improved strategy, and tactics.
- Helping companies understand and manage trading carbon credits.
- Lobbying with the government to reward good corporate citizens with tax benefits.
- Instilling sustainability practices in the community.

We expect all of this will make the village air quality appreciably better, and have a goal of 80% improvement in the next 5 years. I am happy to say that noticeable improvements are already emerging.

4.4.6 The concept of framing is also about the way messages are constructed and conveyed. Did you frame your message in the same way for different stakeholders, or was it reframed for each one of them?

I do reframe specifically for the stakeholder group I am communicating with, keeping in mind the values shared by that group. So far, I have interacted with at least five different groups of stakeholders on this topic of cleaning and greening the area around our business school. When I talk to my students, I focus on what has been lost, and what good can be brought about. One of my favorite messages

for our students is: "this is a state with beautiful people but dirty land." My students now agree with me. Here, I focus on the goodness of people, but at the same time remind them that we are losing our formerly beautiful land to pollution and environmental degradation. I also tell them that if we fail to act now, we might completely lose our beautiful land, thus focusing on the value of caring for all. When talking with the industrialists, I mainly focus on the value of doing the right thing. To them, my message is "what is good for the corporation should be good for the community and ultimately for the country." To my faculty, I focus on the values of being a true professional and achieving excellence. We rarely rely on rules and regulations when we think about bigger challenges, especially those involving ethical considerations. Rather, I encourage my colleagues to ask two simple questions when challenged with difficult decisions. What would a true professional do? (all my colleagues are aware of David Maister's idea of true professionalism; Maister, 1999). And the other question is "what would a good human being do?" Answers to these two questions guide us in the right direction. Now and then, I also get opportunities to talk to elected representatives (politicians and ministers). To them, I frame the discussion using the values of environmental preservation and dignity. For the villagers, I frame the discussion around the values of healthy living and care for all.

4.4.7 As Kahneman and Tversky found, people tend to take more risk to avoid loss than to gain. That means when a decision scenario is framed as a losing proposition people are more inclined to act to avoid the potential loss. Do you take this into account when using reframing to influence your stakeholders and encouraging them to act?

Prospect theory has important implications, but it is more applicable in situations where people make quick decisions (Kahneman & Tversky, 1979). What we are

trying to achieve here involves multiple decisions by multiple stakeholders, and has ethical implications, which was not the case in prospect theory studies. However, the kinds of situations we are concerned with here are not generally going to involve quick decisions by any of the stakeholders in question. More than thinking about loss and gain frames, framing to emotionally connect the stakeholders to the core issue is the key. Additionally, I also use comprehensive framing, as suggested in Kahneman and Tversky's (1984) discussion about the importance of looking at outcomes as a whole rather than looking at individual outcomes.

4.4.8 So, do you feel that the concept of framing-reframing has been neglected in MBA curricula?

Yes, very much so. Even though framing has been effectively used as a practical tool by politicians and lobbyists for a very long time, business educators have not paid enough attention to it. Techniques of framing are particularly germane to courses in Ethics, Organizational Behaviour, Leadership and Managerial Communication. But unfortunately, most MBA programs do not specifically discuss framing, or do a good job of teaching it. I would argue that every subject taught at our business schools should pay special attention to the idea of reframing and continuous redefinition of problems. This will help students gain a broader perspective, and develop a better understanding of the socio-economic challenges which are closely related to sustainability.

4.4.9 What did you do to bridge this gap at your business school?

Today, reframing has become a catch-phrase on our campus. Now that all of my colleagues are convinced of the value of reframing in developing responsible management education, our approach is to include it in every subject we teach.

Moreover, our experience of dealing with environmental challenges has become one good example of using reframing to recognize social entrepreneurial opportunities.

4.4.10 You've pointed out that reframing is a practitioner's tool. What pedagogical changes were necessary to incorporate it across the curriculum?
Let me clarify this. It is a very useful tool for practitioners. But, the concept of reframing also has a rigorous theoretical footing. A simple Google Scholar search with the keyword "framing" returns more than a million results. Our faculty understands the power and importance of framing for practitioners and scholars, and our own success with the use of reframing in solving our environmental problems helped convince them of its' relevance. In the course of classroom discussion, our faculty now regularly encourage students to reframe problems in multiple ways and understand the implications of different framing. Our biggest pedagogical challenge remaining is to create more opportunities and examples to demonstrate its use for managers in our courses. This is something we continue to work on.

4.4.11 Did you face any initial resistance from your faculty members?
Yes, but reframing the situation helped gain their support. Now, they have seen the power of reframing in boosting academic entrepreneurship through recognizing and solving social problems. Interestingly enough, reframing has even become part of our day-to-day conversation. I have also noticed a change in the way they now approach problems during faculty meetings and weekly discussions.

4.4.12 In your talk at NYU, you mentioned that reframing gave you an opportunity to incorporate a transformational prosocial mindset in the core curriculum of your MBA program. Please tell us more about this.

First of all, reframing helped us to reflect on the plight of the tens of thousands of villagers living in the areas surrounding our campus, who are affected by the problem of polluted air and water just as we are. Let me give you a little more background to help illustrate the impact of this reframing. India is a country of paradoxes with complex social dynamics, now facing all kinds of new challenges that have surfaced in the midst of our sudden economic progress. Our school is located in the northern state of Punjab, an agricultural state considered the "breadbasket" of India. The darker side of Punjab is a story of ground water depletion, pesticide contaminated soil and water, and sadly, the highest per capita incidence of cancer in the country. Unfortunately, it seems that people accept this plight as the price we pay for growth and development. A few weeks back, one of the federal ministers representing this part of the country visited our campus as our guest of honor to take part in an inaugural ceremony. I used that opportunity to highlight the pollution issue during a short speech I gave about the state of our business school. Surprisingly, the minister downplayed the pollution issue, noting only a "few chimneys around." This comment made me reframe the issue, from "air pollution" to "slow-killing poisonous emissions."

I do recognize that improving our environment is hard work, and we have to be realistic about the potential to achieve anything meaningful in the short term. But, incorporating the development of social entrepreneurial mindset as one of our MBA program goals increases our focus on this, and helps us sustain our efforts, which need to continue over the long haul. I strongly believe that once the students develop an understanding and appreciation for a prosocial mindset, they

will make decisions that are good not just for them, but also for the society and the world at large.

4.4.13 How did your experience with this dilemma affected the way you think about MBA education overall?

Mintzberg, Ghoshal, Pfeffer, and others have criticized MBA education in terms of its relevance, rigor, and track record of developing socially responsible managers. While I agree with them to a large extent, I would add that MBA education can be a very positive and transformational experience for the student. I started my MBA after I had already completed two PhDs in engineering. My doctoral degrees were from universities in two different continents, the first from the University of Twente in the Netherlands on Nanotechnology and the second from the University of Tokyo's faculty of Chemical System Engineering. My MBA changed me as a person and as a professional more than both engineering PhDs combined. Reflecting on my own experience, I feel that MBA programs can provide an excellent venue for helping students explore themselves and ultimately achieve intellectual freedom. If we do this well while helping them understand various aspects of business, management, innovation and entrepreneurship, we can be certain that meaningful value will be created and delivered. MBA graduates finding excellent employment opportunities should be the natural result of a job well done. The self-knowledge and intellectual freedom that we promise to deliver through responsible management education will lead to openness, creativity, problem-solving skills, humility, and a prosocial mindset. However, the problem is that MBA programs all too frequently over promise and under deliver. There are great opportunities to do, but we have to do the work to harness them for our students and for society.

4.4.14 One last question, what are your final thoughts on this topic of educating ethical managers?

As I have mentioned at various places, the biggest challenge of a business educator is to address the paradox of calling for corporate social responsibility and responsible management practices while teaching shareholder value maximization throughout the MBA program. For most managers what is legal is what is responsible. Unfortunately, we now know very well that many legal practices could result in unsustainable and unhealthy outcomes. Selling cigarettes are legal in most parts of the world but one could argue that it is not responsible. Releasing carbon dioxide is legal but its effect on climate change can cause unexpected damages to both current and future generations to come. Ethical managers must learn to see situations beyond what is legal. This could be made possible by training them to use the technic of reframing to see situations from multiple angles. The cigarette example is a straightforward one. On the other hand, global warming induced by carbon dioxide emission is trickier. Many would argue that the scientific evidence connecting emission to warming is insufficient. Even if that is accepted, the question of our responsibility to future generations becomes the point of discussion. This could be further complicated by people's ideologies and political orientations. Giacalone and Thompson (2006) explain this as a faulty worldview underpinning the management education system. Under these circumstances, reframing can become an invaluable tool. Reframing helps us ask multiple questions about the same problem. For example, take the question of future generations, reframing can lead to many relevant questions such as; who should take care of them? Who makes our future generations? How important are our children and grandchildren to us? Who owns the earth's natural resources? Can one or two generations exploit all of them? Answers to these questions help us generate much deeper and more nuanced

discussions around topics which are fundamental to the responsible practice of management and, in many cases, even about responsible ways of leading one's own life.

As you can see, the context of today's ethical dilemmas is also changing. It used to be pollution, fraud, excess profiteering, mistreating employees etc. Today, in addition to all these, sustainability has become one of the central themes of ethical management education and practice. Ethical decision making is rarely simple and straightforward. Sustainability concerns make it even more difficult. I would argue that reframing can be one of the most effective tools to promote better solutions to these difficult problems.

4.5 DISCUSSION

The approach used by the Dean to using reframing as an opportunity recognition tool broadens its applicability. The concept has been used widely in negotiation and conflict management where actors reframe the problem to arrive at mutually acceptable solutions but has never been examined as an opportunity recognition tool in management studies. As Bolman and Deal point out, "each frame offers a perspective on the ethical responsibilities of organizations and the moral authority of leaders. Every organization needs to evolve for itself a profound sense of its own ethical and spiritual core" (2008, p.409). In the case of this Indian business school, the wicked problem of unsustainable business practices in the region was reframed using moral frame involving love and care for all stakeholders. After the initial success of his initiative, the Dean has also introduced the technique of reframing in the business school curriculum and teaching approaches in his business school, setting the stage for other management schools to integrate this concept as part of their efforts to deliver responsible management education. In

the following section, we go deeper into the reframing approach used by the Dean and consider the implications for management education.

4.5.1 Significance of Reframing

The Dean explains reframing as the iterative framing of a problem statement to identify opportunities resulting in more useful solutions. Framing and reframing are well established as useful intervention tools (Moore, 1986), our interest centers here on how it is used as an opportunity recognition tool to achieve immediate positive outcomes and play a role in delivering responsible management education. While Burke (1937) and Bateson (1955) first introduced the construct of framing, Erving Goffman can be credited for popularizing the concept in the field of sociology (1974), after which it became a popular research topic with wide applicability within social sciences (Cornellisen & Werner, 2014; Entman, 2003). With the changing nature of the business environment, which according to Hajer and Wagenaar (2003) is marked by uncertainty and instability, reframing has emerged as a powerful tool (Laws and Rein, 2003). Reframing occurs during negotiations (Putnam & Holmer, 1992), usually to facilitate communication and to foster joint agreement (Moore, 1986).

Reframing has also been linked to building ethical organizations (Bolman & Deal, 2008). Laws & Rein (2003: 173) describe the relevance of reframing in their statement: "The scope for reframing is strongest when the ideas, concepts and theories that reframing draws on derive from the experience, understanding and active involvement of actors in concrete social situations." Hence, reframing emerged as a natural choice for the Dean when he needed to negotiate with the diverse set of stakeholders involved – industrialists, governmental environmental regulators, the heads of the local community, and

his own colleagues. In this case, most of the industrialists in the region were intentionally avoiding the usage of antipollution measures to save on their operational costs, suggesting that their perceived interests conflicted with changes needed to improve the air quality. In these conflicts, Dean used reframing to reconcile differences and arrive at innovative solutions to the conflicting points (Kauffman & Smith, 1999). Besides using reframing for communicating, negotiating, and managing conflicts with the various stakeholders involved in this particular social change, the Dean of this business school also used reframing as an opportunity recognition tool. By reframing the questions and the underlying assumptions related to this problem, he uncovered an opportunity for his business school to serve the local community. In addition, he also established reframing as an effective organizational development tool and incorporated it into the management curriculum of the business school, to promote a social entrepreneurial mindset among faculty members and students. After listening to the story of the Dean about framing-reframing at the NYU Social Entrepreneurship conference in early November, 2014, the first author of this paper flew to India to spend three months at the business school from the month of November 2014 to January 2015 to have an ethnographic account of the environmental challenges faced by the school. During this period, the majority of the time was spent in collecting observational data and conducting informal discussions with the faculty, staff members, and students of the business school regarding the issue that the business school was facing and the strategy adopted by their Dean. On the basis of the rich qualitative data that we collected through formal interview with the Dean, informal interviews with the faculty, supporting staff and students of the institution and close observation, we have identified the factors that they considered in the process of reframing for solving the pressing social problem and have come up with a reframing framework, as shown in

Figure 4.1, which captures the five key dimensions of reframing applied in the story.

FIGURE 4.1

Reframing Framework
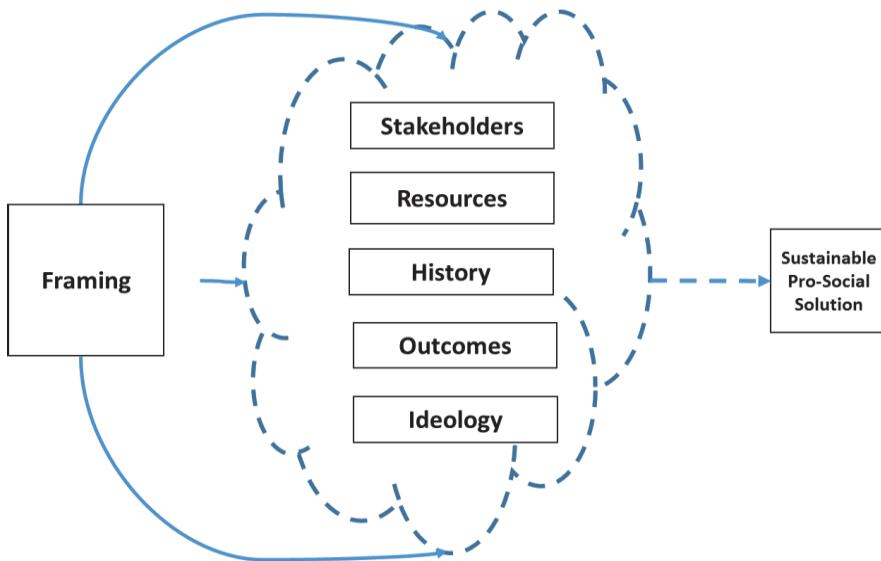
4.5.2 Re-Framing: An Actionable Framework

The reframing framework consists of five components, namely: stakeholders, resources, history, outcomes, and ideology. This framework provides five lenses or dimensions, which facilitate different ways of understanding and representing a situation or a problem, usable by the decision maker, negotiator, or other stakeholders. We will briefly describe each lens using the case discussed above as an exemplar.

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4.5.2.1 The Stakeholder Dimension

The Dean reframed the problem of poor air quality by broadening the stakeholder base after realizing that it was a problem not only for his primary stakeholders such as students, faculty, and staff, but equally bad for more than 20,000 villagers living in the surrounding area. Reframing by broadening the stakeholder base of the problem can uncover novel opportunities and identify new sources of inspiration to act (Alcaraz, & Thiruvattal, 2010). It has been well established that mediation typically begins by an intervener analyzing the stakeholders involved with the issue (Dotson et al., 1989; Kolb, 1994). However, unlike mediation, reframing can also broaden the stakeholder base resulting in a new meaning and purpose for action. Changing the type, number, and relative importance of different stakeholders considered in a situation can result in the identification of additional useful solutions. In this case, the Dean points out that including all the stakeholders affected by a particular social issue may increase the likelihood that the decision maker adopts a moral frame in contrast to a pragmatic frame narrowly considering the interests of the organization alone (Kreps & Monin, 2011). His approach also emphasizes the adoption of a social entrepreneurial mindset. This mindset was nicely summarized in a New York Times article: "Social entrepreneurs tend to believe that problems can be solved for the benefit of all: In their ideal world, money makers make their money, the poor are rescued from poverty, [and] elites find meaning. . ." (Giridharadas, New York Times, 7/15/2011). Therefore, adopting a social entrepreneurial mindset may also encourage individuals to use moral frame while analyzing a social problem. The prosocial mindset has become an important part of the management curriculum and identity at this Indian business school.

4.5.2.2 The Resource Dimension

The Dean considered the resources at hand in the context of the various stakeholders identified. Assessing resources are the first step in any conflict resolution (Dotson et al., 1989). Rather than focusing on resource requirements, he reframed the situation to focus more on resources available, and this facilitated the identification of innovative and useful solutions. In situations where resource constraints are significant, such an approach may be critical to finding breakthrough solutions. The notion that resources in the hands of sponsors are used to manipulate media or political framing has received a lot of attention (Carragee & Roefs, 2004; Gitlin, 1980; Kellner, 1990). In contrast, considering resources more holistically, including the collective resource availability of all major stakeholders involved in the problem, can help uncover mutually useful solutions for all involved. In the case of this school's story, the initial assumptions included one that the small scale industries around the business school did not have sufficient resources to implement environmental protection measures such as the installation of effluent treatment equipment like scrubbers, etc. But, after reframing the problem with a prosocial mindset, the new assumption became that these companies do have the potential to *gain* more resources if given help and necessary education on the topic through student internships and small projects in these companies as part of the courses on entrepreneurship, social entrepreneurship, and sustainable business strategies. In other words, some of the resources of the business school (knowledge, skills) could be used to alleviate some of the resource limitations of other stakeholders. This liaison between the business school and the small scale industries was a win-win situation for the Dean because it also offered opportunities to the school to boost academic entrepreneurship and provide more experiential learning for students. We believe this kind of reframing of the resource dimension offers great

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benefits for practitioners. Reconsidering resource assumptions can result in innovative and impactful changes, which become possible by changing the focus of the discussion from what is not possible to what is. In many cases, these kinds of approaches can diminish or even eliminate resource constraint problems facing the organization. One notable example of this is the idea of microfinancing initiated by Mohammad Yunus, in Bangladesh, to solve the problem of poverty by not seeing money as a limiting resource (2010), unlike all the big banks and financial institutions.

4.5.2.3 The Historical Dimension

The third facet of reframing that the Dean used, analyzing the historical background, is another important part of problem solving and decision-making processes (Kolb, 1994). His experience suggests that understanding the historical background of the problem itself, events related to the problem, and the history of the region where efforts to address the problem are being considered, are all important, and offer insights which may result in better solutions. After understanding the history of industrialization of the region, the Dean realized that pollution was not considered to be a major problem for the local community around the business school. While he was finding it difficult to breathe due to the intense foul smell in the air, nobody around him felt exactly the same way. He first made the faculty members, students, industrialists and the local community aware of the level of pollution in the air. After it was acknowledged by all the major stakeholders, he reframed it as an 'immoral' action by the industrialists and as 'slow poisoning' of the villagers.

Considering the historical dimension of reframing can be useful for strategy makers. Framing plays an important role in the implementation of strategic

change, as has been well reported in the strategic change literature (Gioia & Chittipeddi, 1991; Westphal & Zajac, 1994, 1998). Understanding the relevant organizational history – including the events involved, prior conflicts, the organization's records of successes and failures, and employee behaviors and reactions to prior initiatives – provides important background leaders can use in formulating actionable transformation plans. A deep historical understanding can enable the leader to reframing a particular issue in a more effective way to gain greater support and reduce conflicts. He hopes his school's efforts to introduce reframing across the curriculum will help his students become more adept at leading organizational change in their future careers as entrepreneurs and corporate managers.

4.5.2.4 The Outcomes Dimension

Assessing the consequences or outcomes of a decision in a conflict is a crucial step for any conflict intervener or mediator (Kauffman & Smith, 1999). Almost every situation offers multiple potential outcomes depending on how the problem or a situation is framed and tackled (Kauffman & Smith, 1999). Consideration of different expectations for outcomes can result in the identification of new and useful solutions. According to Kaufman and Smith, "reframing might entail getting parties to focus on outcome features that serve their interests, rather than on specific preferred outcomes, or positions" (1999, p.165). But such an approach need not be self-serving. When a leader with transformational-prosocial mindset reframes a social issue by broadening the expected outcomes, opportunities for innovative solutions with greater social value can result, as we saw in the interview above. The Dean reframed the situation using a long-term timeframe to find beneficial outcomes for all the stakeholders involved including more than 20,000 villagers. He reframed the social problem in such a way that the final

outcome should be useful for not just his business school or the village but also the state of Punjab and broader Indian society. In this vision, not only would the environment and quality of life improve for the local villages, the project could also serve as an example for the broader community.

In order to have a meaningful discussion about outcomes, one also needs to have examined the other dimensions we have introduced. The preferences for different outcomes will depend on the stakeholder group(s) considered, the historical background of the situation, and the resources devoted to the change. Assembling the pieces allows us to see opportunities for reframing and generation of new solutions. At a fundamental level, this holds universal applicability across problems faced by all organizations. For example, a city trying to address growth in road traffic may reframe the problem by changing the outcome expectations. If the city reframes the intended outcome as lower traffic congestion, this may lead to a discussion of solutions focused on building more highways, flyovers and widening existing roads. On the other hand, the city could alternatively reframe the outcome as reduced air pollution and improved health of all city residents. Now, possible solutions could be focused on decreasing the number of cars on the road through the introduction of higher road taxes, promotion of car-pooling, and incentives to replace polluting vehicles with electric cars or other low-pollution vehicles. In both the cases, reframing the desired outcomes will lead to different solutions to tackle the same problem of improving road traffic in the city.

4.5.2.5 The Ideological Dimension

The last or the fifth dimension of the reframing framework is Ideology or the world view of the actor involved. Every actor comes to a situation holding values

and beliefs which they have developed over time, and they revise these values and beliefs based upon experiences (Bartlett, 1932; Stein, 1992). The ideology of the actors involved influences the type of moral framework they adopt, and the ethical choices they make (Forsyth, 1981). For example, a person with a pragmatic moral orientation typically gives greater importance to organizational goals (Kreps & Monin, 2011). In this example, we can see the potential to apply multiple frames, including moral and pragmatic.

Like the other dimensions we discussed above, reconsidering one's ideology or values can offer opportunities to see problems in a new light and consider new solutions. We can also see that the question of ideology may be influenced by the other dimensions, in particular, the stakeholder dimension. Broadening the stakeholder groups we consider, for example, gives us different sets of potential outcomes, and we may be able to apply different ideologies to value these. In the case above, if the Dean would not have reflected on his ideology in light of the broadened set of stakeholders and potential outcomes, he might have taken a very different course, for example stopping at the stage where some improvements were seen in the air quality within the campus.

The reframing literature discusses deliberately changing the frame or point of view of others involved in the discussion in order to settle differences and arrive at more useful and mutually agreeable solutions (Friedman, 2007; Gioia & Chittipeddi, 1991; Kaufman et al., 2003). Kaufman, Elliott, and Shmueli, (2003) have pointed out that "reframing, stemming from stakeholders' understanding of their own as well as others' expressed frames, may pave ways for resolving, or at least better managing, a dispute". The Dean, in this case, suggests that when leaders reframe their own ideology, this can help them to identify alternative

solutions that would find higher acceptability among the various stakeholders. Kauffman and Smith further state that: "Individuals may adopt frames when needed, and shift to other frames in time. In fact, some reach for a handy frame only when queried about their views… ….Frames can be counteracted with information" (1999, p.176). Hence, the frames of an individual are not static and "are built on the underlying structures of beliefs, values, and experiences" (Kaufman et al., 2003). Just as an individual's ideologies or world-views change with education, exposure, experience or discussion, so does the frame (Kauffman & Smith, 1999). This reframing framework suggests rethinking one's ideological stance can help the actor(s) involved in finding alternative, handy and useful frames.

Above, we introduced our framework of the five dimensions of reframing, and how it can be used to promote identification of opportunities and solutions to social problems. We identified these five dimensions based on our interview with the Dean of an Indian business school, and our understanding of the approach he and his school have taken. The potential for more effective reframing appears to us to be higher when all five dimensions are considered together. As a set, we believe they can lead to greater identification and implementation of pro-social, ethical solutions.

4.5.3 Conclusion

The Dean's effective use of reframing as an opportunity recognition tool for social innovation offers other institutions an actionable framework for problem-solving. We hope that the Dean's experience can serve as an exemplar, inspiring leaders in other institutions which are facing similar challenges in various parts of the world to find meaningful opportunities for change. One important point made by the Dean in the interview was the benefit of incorporating reframing in

MBA program curricula. Framing and reframing are considered significant tools for building ethical organizations (Bolman & Deal, 2008), negotiations (Putnam & Holmer, 1992), conflict management (Kaufman et al., 2003), strategic change (Kaplan, 2008), strategic communication (Lundy, 2006; Reber & Berger, 2005), decision making (Kahneman & Tversky, 1984; Maule & Villejoubert, 2007), and above all, finding sources of inspiration and motivation for leaders. All these management skills are frequently practiced in an organizational setting on a day-to-day basis. Interestingly, the extant literature shows evidence of successful use of framing-reframing approaches by practitioners to solve disputes and societal issues (Lounsbury et al., 2003; Shmueli, 2008). Despite this, reframing has not found an important place in the business school curriculum. Effective communication, strategy making, negotiation, conflict management and decision making are discussed as part of organizational behavior and strategic management courses. Reframing is important to all of these managerial skills, and we feel it should be taught alongside with them. The diverse literature on framing and reframing can help students develop a practical understanding of the process of innovation, opportunity recognition, communication, negotiation and strategizing.

In this article, we developed and introduce a reframing framework with five dimensions. When we consider framing using all of the dimensions, it causes us to consider our situations holistically, and this can result in ethical, pro-social, sustainable solutions, which might not otherwise be arrived at. Adopting this mentality forces us to think beyond a simple goal of profit maximization, for the benefit of only a small set of the affected stakeholders. Accordingly, incorporating reframing in our curricula can help us boost ethical decision making and deliver responsible management education to our budding business

managers. From a pedagogical standpoint, our reframing framework can be used as an effective tool for case study discussions, and to facilitate understanding of the broad applicability of reframing. We believe analysis and reconceptualization using these five dimensions – particularly when applied in tandem – can help practitioners identify and implement better, socially responsible solutions to the problems faced by their organizations.

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CHAPTER 5: CREATING A SUSTAINABLE CULTURE THROUGH REFRAMING: CASE OF INTERFACE CARPET

A section of this paper was presented as part of the PDW session titled "**Teaching Sustainability to Managers: Framing as an Effective Pedagogical Tool"** at Academy of Management Annual Meeting, Anaheim, California, USA, August 5-9, 2016.

5.1 ABSTRACT

Reframing has been widely seen as a communication, negotiation, and decision-making tool for leaders and managers but it is seldom seen as a tool for effectuating culture change. Taking the example of the biggest global carpet tiles manufacturer, Interface, we intend to understand the use of reframing in the change process adopted by the founder leader, Ray Anderson to successfully instill sustainability mindset. The reason for choosing this case was the interesting timeline of this change process. Back in 1994, very few businesses actually understood the importance of adopting sustainable business practices. Our study demonstrates how reframing can be effectively used to initiate a process of change focused towards sustainability across the value chain while surpassing all economic downturns and maintaining the position of Interface as a market leader in the carpet industry.

5.2 INTRODUCTION

While researching on sustainability and sustainable organizations, we came across the sustainability story of Interface Inc. It is a global leading manufacturer of floor carpet tiles, founded by Ray Anderson in 1973 and headquartered in Atlanta, USA. While sustainability is a burning topic in today's business world (Stubbs & Cocklin, 2008a) with businesses holding conflicting views on it (Robinson, 2004), it was not a familiar topic back in 1994 when Ray Anderson decided to make his petro-intensive company into a restorative company. We wanted to understand the process of change that has been adopted by him that helped Interface in successfully transforming its organizational culture from profit-centered to sustainability-driven; from ordinary to unique, and from a global company to one big global family. Change is inevitable and resistance by the various stakeholders in the change process is equally inevitable (Higgs and

Rowland, 2000; Weick & Quinn, 1999). Research shows that one-third to four-fifth of the change initiatives in organizations tends to fail (Fisher, 1994; Beer and Nohria, 2000; Hirschhorn, 2002; Knodel, (2004); Kotter, 2008; Whelan-Berry & Somerville, 2010). For all the above reasons, change management has been a central theme of research for academicians and a major area of concern for practitioners for the past several decades. Through this research, we intend to extend our understanding of the leader's role in the creation of sustainable organizational cultures through reframing organizational challenges. There have been a plethora of studies investigating the role of leader in the change process but this research differs from the existing literature in two broad ways: Firstly, we have analyzed the power of iterative reframing used by the leader for implementing successful cultural change towards sustainability in his organization at a time when sustainability was in its infancy. Reframing has been widely seen as a powerful tool for leaders for communication (Bolman & Deal, 2008; Lundy, 2006; Reber & Berger, 2005), negotiations (Kaufman & Smith, 1999), decision making (Kahneman & Tversky, 1984; Maule & Villejoubert, 2007), conflict resolution (Kaufman, Elliott & Shmueli, 2003) but it is seldom seen as an effective tool for effectuating culture change. Secondly, we have followed a unique qualitative research process carried out in two phases for a deeper understanding of the entire change process. We have deliberately refrained in this research paper from distinguishing Ray Anderson on the basis of his style of leadership which some may argue resembles servant leadership, transformational leadership or charismatic leadership. Instead, we have kept our focus on the technique of reframing used by the leader to make the change happen. We conducted a qualitative study of all accessible reports, documents, videos, books and research papers related to Interface and Ray Anderson in the first phase, followed by 16 in-depth, open-ended interviews with the employees

at the manufacturing facility of Interface in the Netherlands. We also draw from supplemental observational data that we collected as a team to gain a deeper understanding of the prevailing culture at the Interface facility.

5.3 THEORETICAL CONTEXT

5.3.1 Organizational Culture Change

Change is inevitable and managing change can be daunting. This is the reason why managing organizational culture change has been a burning topic of research for management thinkers, consultants and research students for a long time (Atkinson, 2012). Organizations are complex entities and cultures are deep-seated, pervasive and rigid (Schein, 2004). "Culture refers to those elements of a group or an organization that is most stable and least malleable" (Schein, 2004: 11) which makes it extremely challenging to get existing employees accept the changes and embrace them for establishing a resilient culture. There have been several change management models proposed over the years to help managers and leaders in successfully implementing changes. The 3-step change model by Kurt Lewin (1947) and Kotter's (1996) 8-step model of change management became increasingly popular among practitioners and are used till date by organizations for managing change. But trying to understand every organizational change only through the pre-existing models is not wise. Wilkins and Dyer argue in their review article that every organizational culture is unique but most change theories and models fail to consider the nature of the culture being changed (1988). Another line of study related to the organizational culture which holds equal importance for organizations is the role of leadership in creating and managing cultures (Ogbonna & Harris, 2000; Schein, 2004; Trice and Beyer, 1993). Schein talks about three sources that lead to culture formation: "1) the beliefs, values, and assumptions of founders of organizations; (2) the learning

experiences of group members as their organization evolves; and (3) new beliefs, values, and assumptions brought in by new members and leaders." Till 1994, Interface Inc. was running successfully with a culture marked by maximization of profits laid down by its founder, Ray Anderson. In 1994 the founder decided to transform the organization to embrace sustainable business practices through making sustainability part of the core values shared at Interface. Our study aims at understanding the process of change adopted by Ray Anderson to change the existing culture of his organization which was established and propagated by him.

5.3.2 Reframing and Organizational Cultural Change

Reframing has been considered a useful tool for managers and leaders in organizations as it allows them to see situations differently. It is defined as the cognitive process of generating multiple perspectives of a given situation by changing the reference points or the underlying assumptions related to it (Fischhoff, Slovic, & Lichtenstein, 1980). In the field of social sciences, framing and reframing have been found to be useful intervention tools with wide applicability (Cornellisen & Werner, 2014; Entman, 2003; Moore, 1986). The introduction of the construct of framing is associated with Burke (1937) and Bateson (1955) but it got popularized with the work of Erving Goffman in the field of sociology (1974). Reframing gained significance after the book, 'Images of Organizations' written by Gareth Morgan in 1986 that highlighted, "situations and/or problems could be framed and reframed in different ways allowing new kinds of solutions to emerge." (p. 337). This was followed by the work of Bolmon and Deal who associated reframing as 'frame-breaking' which they explained as: "Framing involves matching mental maps to circumstances. Reframing requires another skill — the ability to break frames. Why do that?" (2008; p.12). The current business environment marked by hyper competition and uncertainty

(Hajer and Wagenaar, 2003) increases the need for managers and leaders to practice reframing (Laws and Rein, 2003). Reframing has been proven to be one of the significant cognitive processes used by successful leaders while working under complex and ambiguous environments for understanding new and complicated events, promoting their preferred outcomes or changing how actions are perceived. In our research, we learned how Ray Anderson reframed business issues related to sustainability both for his own understanding and for changing the perception of various stakeholders towards sustainability at Interface (Pisapia, Reyes-Guerra & Coukos-Semmel, 2005). "The scope for reframing is strongest when the ideas, concepts, and theories that reframing draws on derive from the experience, understanding and active involvement of actors in concrete social situations" (Laws & Rein, 2003: 173). Interface Inc. is one good example of a for-profit organization that has been successfully redesigning all its processes to achieve sustainability goals and yet maintained its leading position in the carpet tile industry. When we started this research, our aim was to understand the process of culture change that was adopted at Interface and how that change is being sustained after the death of the key change agent, Ray Anderson. "Central to success for any organization is focusing on building and shaping a resilient culture" (Atkinson, 1997). Undoubtedly developing a sustainable culture that is based on shared assumptions and values is difficult but not impossible. Interestingly, before and after the culture change, Interface has been able to successfully maintain its market leader position in floor carpet tiles industry. When we collected our data and started analyzing it, we were amazed to see how Ray Anderson had used iterative reframing as the major strategic tool throughout the process of change. At every step of the change process, different frames were used to gain the commitment towards the sensitive topic of sustainability. Reframing by the leader has been found to be an effective way of introducing and

replacing old values with the new ones in an organization (Snow et al., 1986) but reframing as a strategic tool for realizing effective culture change by the leader has not been well examined before. Issues like resistance to change and culture shock for the new employees have all been handled by the leader, Ray Anderson during the change process through effective use of reframing. For example, our data analysis shows that attending mandatory sustainability training as part of the induction process for a new employee is seen as a distinguishing feature of the organization rather than a culture shock. This is mainly because Ray Anderson reframed the sustainability training program as a step towards climbing the ladder for becoming a sustainability ambassador for Interface. As a result, most employees showed excitement to take the different levels of the program.

This research offers an opportunity to understand the culture change process towards sustainability successfully brought out by the leader, during a period when sustainability was just a buzzword, through reframing for communicating with various stakeholders. The sustainability culture is now so deeply institutionalized at Interface that the employees feel even more committed to achieving the mission of their leader after his demise. We intend to answer the following research question: How can culture change towards sustainability be successfully implemented in modern businesses through leader's reframing? Or How to create successful sustainability-driven cultures in modern businesses using reframing as a tool?

5.4 RESEARCH METHODS
This inductive research was conducted in two phases depending on the type of data collected and analyzed. During the preliminary phase, secondary data from various sources, namely, leader's speeches at various platforms including TED

talk; information available in the form of two books authored by Ray Anderson (1998; 2009) titled, "Mid-Course Correction" and "Business Lessons from a Radical Industrialist"; information from Interface website (www.interfaceglobal.com); communication documents to shareholders; marketing communication to customers; third party reports like journal articles and books (Doppelt, 2003; Dunphy et al., 2003; Elkington, 2001; Rowledge et al., 1999; Stubbs & Cocklin, 2008a, 2008b), newspaper and magazine articles, was collected, read and analyzed to design a tentative model of culture change adopted by Ray Anderson. During the next phase, interviews were conducted with the employees of Interface Inc. in the Netherlands along with observational data to develop a refined model of culture change (See Figure 5.1 for the research methodology followed). Data triangulation is a useful strategy that helped us to authenticate the quality of information used for this research (Patton, 2002; Yin, 2009).

FIGURE 5.1

Research Methodology
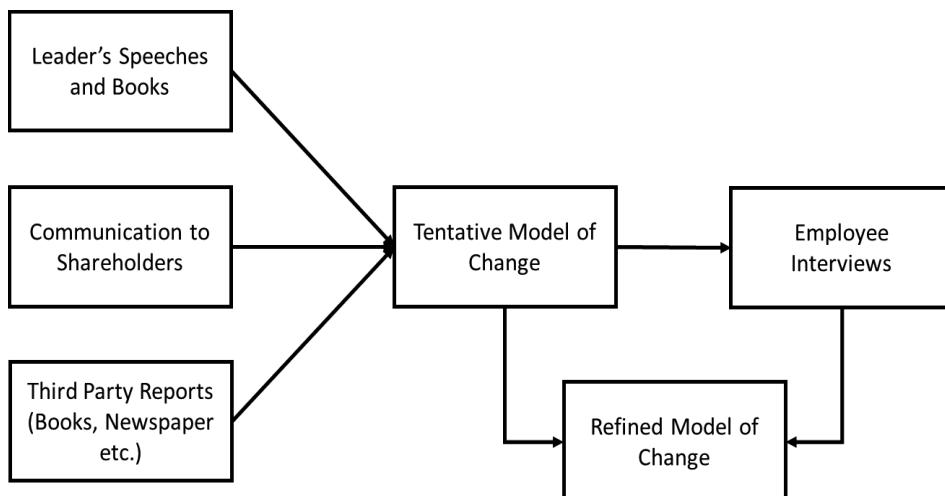
5.4.1 Research Setting: Interface Inc.

As per Dyer and Wilkins, the soul of case study research is "the careful study of a single case that leads researchers to see new theoretical relationships and question old ones" (1991, p. 614). We used a case study method (Yin, 1994) involving a single organization, Interface Inc. to gain a deeper understanding of how leader's repeated reframing of issues related to sustainability can help achieve the support of both internal and external stakeholders of the organization. However, researchers like Blaikie (2000), Lawrence (2002) and several others criticize the effectiveness of a single case study in generalizing to the entire population. To address this criticism, we have carefully conducted the study as per the directives of Dyer and wikins (1991). The reason behind selecting Interface Inc. for conducting this research was that it is considered a pioneer in successfully transforming a highly petroleum based firm into one driven by the sustainability vision of the leader (Doppelt, 2003; Elkington, 2001; Griffiths, 2000; Rowledge et al., 1999; Stubbs & Cocklin, 2008b). Interface Inc. started its operation under the leadership of its founder Ray Anderson in 1973 and by 1996 the company sales exceeded 1 billion making it the market leader in carpet tiles segment. While the company had developed a program called Envirosense to ensure indoor air quality for alleviating several diseases at the workplace, practically nothing was done to reduce their business impact on the environment until 1994. Ray Anderson confesses in his autobiography, "*For the first 21 years of our company's existence, I, for one, never gave one thought to what we were taking from the earth or doing to the earth, except to be sure we were in compliance and keeping ourselves "clean" in a regulatory sense and obeying the law, and to be sure we always had access to enough raw materials, mostly petro chemically derived, to meet our needs. We had very little environmental*

awareness. Until August of 1994 (1998, p.30). Ray Anderson, the founder of Interface and self-proclaimed as a radical industrialist was a visionary who transformed Interface into one of the unique companies in the world which have successfully maintained its market share even after adopting several sustainability practices in its business throughout the globe. Besides receiving several accolades for Interface and himself for adopting the most responsible business practices, Ray Anderson is also featured in popular documentaries like *The Corporation* and *The Eleventh Hour*.

5.4.2 Research Site: Scherpenzeel, the Netherlands

The interviews and the observations were done by a team of two researchers in the manufacturing facility of Interface at Scherpenzeel, in the Netherlands. This particular facility holds special importance in the history of Interface because this facility dates back to the company who invented carpet tiles in 1955 named Heuga Holdings B. V which was later acquired by Interface in 1987. This facility of Interface still has few employees who were working for Heuga at the time of acquisition and were an excellent source of information for this research. There were two major reasons for choosing Interface Netherlands as the research site: First being the proximity of the researchers who are based in the Netherlands and secondly this facility in the Netherlands has reached most of the sustainability milestones envisioned by Ray Anderson including operating on 100% renewable energy; using virtually net zero water and contributing near zero waste to landfill (Stringer, February 2014).

More than 50 hours were spent for observation at this site by two researchers to understand the general work culture of Interface. The Organization follows an open door policy across all levels whereby any employee can walk into the office

of their superiors without taking any prior appointment. They follow an informal system of working and address each other with their first names irrespective of their designations. As expected, the whole facility is laid with beautiful designs of carpet tiles that give a very positive and vibrant feel to the workplace which employees really appreciate. There is also a state-of-the-art ideation room in the building whose design is inspired by biomimicry where employees can relax and read over a cup of coffee. They gave us complete freedom to talk to anybody, hear their conversations, and roam about in the premises as long as we followed the safety guidelines at the production facility. Most of the informal discussions among the employees during lunch and coffee break that we heard were oriented towards sustainability and sustainable practices that they follow at home. In general, the work atmosphere was very friendly, everybody looked happy and satisfied with their work. We asked the interviewees how they will explain this happy work culture at Interface. To this one of the employees answered this way: "*We get paid to do a good job for our planet. We are not doing a stressful job. Ninety percent of Interface knows each other so we have a relationship*." One of the younger employees who joined just a year before explained it in terms of the common goal of Mission zero that binds everyone.

5.4.3 Research Informants:

The primary data was collected in the form of in-depth, semi-structured interviews and direct observation at the European manufacturing facility in Scherpenzeel, in the Netherlands by making several full day visits during the months of February and March 2016 by two researchers to ensure investigator triangulation (Patton, 2002). This process helped in cross verifying the information between the two researchers and hence increase the validity of the data collected (Yin, 1994). The first interview was conducted in February 2016

with the head of sustainable development in the Netherlands who helped us arrange rest of the 15 interviews during the following two months. The interviewees were selected in such a way that they belonged to any of the three categories made on the basis of their tenure with Interface – 16-25 years; 6-15 years and less than 5 years. Table 5.1 gives more details about the demographic characteristics like gender, age and number of years spent at Interface of our research informants. Even though the name and age columns were kept optional, all the interviewees filled their complete information for us. For privacy reasons, we have included only the first names of our interviewees in table 1. The employees belonging to 16-25 years category were the ones who had witnessed the transition phase of Interface from being a profit-driven organization to a sustainability-driven enterprise. All these interviewees had worked with Ray Anderson directly or indirectly and had met him on several occasions. Three of them had also witnessed the acquisition of Heuga Holdings B.V by Interface Inc. in 1987. The employees who belonged to 6-15 years category had not seen the transition period of Interface but had met Ray Anderson personally and some had worked closely with him. Among the rest of the seven interviewees who belonged to the third category of fewer than 5 years, none of them had seen Ray Anderson (as they joined after he passed away) but had heard a lot of stories about Ray and the transition period from their senior colleagues. The purpose of selecting interviewees on the basis of their tenure with Interface was to have a better understanding of how Ray Anderson challenged the status quo through reframing in order to move the organization towards a sustainability-driven business.

The duration of each interview varied between 35-60 minutes and was conducted individually in a private office or a conference room. Even though the research site selected was in the Netherlands, all the interviewees were fluent in English

and hence all the interviews were conducted in English. All the employees were extremely friendly, open to discussing and had no problem with recording their interviews. As expected, employees belonging to 16-25 years category had more information to share with us than the newer employees who finished their interviews in relatively shorter duration. All the interviews were recorded, fully transcribed and coded. The research intention and the research question was not shared with the interviewees prior to the interview in order to avoid biasing their thoughts and answers. The initial coding was done independently by the two interviewers and then discussed to arrive at the next level of coding themes. This process helped to increase the validity and reliability of the data. During coding, either actual terms used by the interviewees or summary of the concepts explained by them were used (Strauss & Corbin, 1998).

FIGURE 5.2

Tentative Model of Change at Interface Inc.

| Critical Events | → | Developing Sustainability Mind-set | → | Developing Sustainability Agenda | → | Institutionalizing the Sustainability Culture |
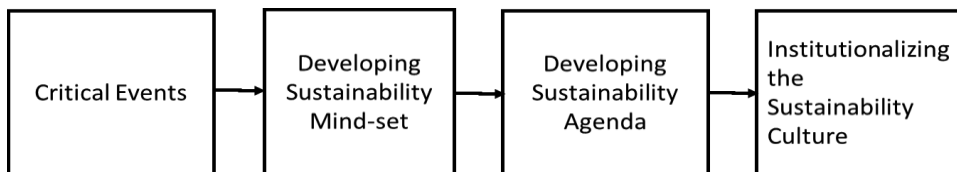
5.5 DATA ANALYSIS

We started our initial analysis with the in-depth study of the secondary data related to Interface Inc. collected from various sources. Table 5.2 gives a detailed account of the various data sources used for analysis and the type of information extracted from each source along with some supporting extracts from the coding. This initial analysis helped us to develop a tentative process model of change (See Figure 5.2). In the year 1994 when the organization was doing well in terms of market share, there were a series of critical events that prompted Ray Anderson

to start thinking about sustainability and sustainable business practices. It all started when one of Interface's customers in California questioned their sales team about what the company was doing for the environment. Almost at the same time, one of Interface's employees has presented Ray Anderson a book titled, 'Ecology of Commerce' by John Hawken. Further, the comment by a famous environmental consultant, John Picard that 'Interface just doesn't get it' added to the impact. These three consequent events acted as eye openers for Ray Anderson who confessed in his book,

"Well, frankly, I didn't have a vision, except "obey the law, comply, comply, comply…. The idea that, while in compliance, we might be hurting the environment simply hadn't occurred to me."

(Anderson, 1998, p.39)

By now he got hooked on to the idea of sustainability and realized how his business was harming the planet. On August 31, 1994, he challenged his sales task force to lead Interface to sustainability. As expected the team responded with incredibility and said, "this sounds like perpetual motion" shared Ray Anderson in one of his videos of internal communication to his employees on the occasion of the anniversary of Interface. His next bigger challenge was to communicate his sustainability vision to all the employees because it is important for the employees to embrace the vision of the leader to implement the sustainable business practices successfully (Bansal, 2002; 2003). Being a global company with manufacturing facilities and sales offices across the world, developing a mindset towards sustainability among all the employees was an important next milestone to be achieved.

"It's not easy to get 7,000 associates to accept a role in a cause to do the right thing, and I doubt that every single one actually has."

(Anderson, 1998, p. 44)

To achieve this, Ray Anderson made several speeches to his people at Interface to make them embrace the idea of sustainability. Ray Anderson repeated his story to all his employees at various occasions to stress the importance of sustainability. He mentioned in one of his interviews,

"I liked it to paddle drop in the pond. The ripple that goes from it that eventually dies on a distance shore but the continual speaking that I did continue to pour energy in the ripple so that the ripple grew instead of diminishing. That was my role."

(www.interfaceglobal.com)

Since Ray Anderson himself had never thought about the need to adopt sustainability, the main goal of those speeches was to make the employees understand the link between adopting sustainable practices and saving cost both at home and at work.

It is clear from our study that Ray Anderson considered a transition towards sustainable business practices is a difficult one. At every step of our data analysis, we could identify the power of reframing used by the leader to gain the support of his followers to deal with the difficult problem of environmental degradation caused by his business at the same time sustain a profitable business. Rittel and Webber (1973) called these kinds of difficult problems as wicked problems. Even though most strategy and public policy problems come under this category of problems, strategists, practitioners and policy makers treat them as 'tame' problems. Wicked problems are neither well defined nor amenable to rigorous scientific scrutiny. We consider institutionalizing a sustainable business model

as a wicked problem in line with the explanation given by Rittel and Webber (1973) that wicked problems are those for which there is no single definition; it is impossible to gather all the necessary information; there are multiple stakeholders involved which mean multiple views towards a problem, making it impossible to have a definite solution. The researchers stress that these problems should be tackled with a solution-focused strategy to arrive at a useful solution to the problem instead of the right solution. Since reframing involves generating further information and new insights that help to look at the problem differently, the design thinking schools at Standford and Potsdam offer to reframe as one of the successful techniques for solving wicked problems (Jobst & Meinel, 2014). "In order to describe a wicked problem in sufficient detail, one has to develop an exhaustive inventory for all conceivable solutions ahead of time" (Rittel & Webber, 1973, p.136). The Interface sustainability story offers a perfect example of the use of iterative reframing by the leader to arrive at the most useful solution of '*doing well by doing good*'. We understood from all Ray's writings, speeches, and reports that he continuously reframed the idea of adopting sustainable business practices on two broad logics- the moral logic and the economic logic which he kept on stressing at every occasion possible.

Right from the beginning of the journey towards sustainability, Ray Anderson (after reading the book by Paul Hawkens) used reframing involving one or both the logics. He addressed himself as a plunderer of Earth and told his employees that 'plundering is illegal and is not allowed'. While on one hand, he was trying to engage his employees on the moral ground, on the other hand, he was hinting at the potential financial gains from replacing non-renewable resources with renewable resources. He boldly mentioned in his writings and speeches that theft is a crime and since he is stealing the opportunity for the future generations to

enjoy all the natural resources of Earth, he could go to jail one day. During his talk at UCLA Anderson School of Management in 2010, he also said:

"Humankind was made for Earth and not the other way around. Earth doesn't belong to us, we belong to it. Human beings must grow as a species. Human beings must grow beyond our trivial self-interests."

(Public Speech, Ray Anderson)

In both these statements, Ray used the power of reframing emphasizing moral connotation to help the employees understand the problem of practicing unsustainable business methods and the urgent need to act to save the planet Earth.

In order to communicate the financial logic which he assumed that most of his employees from the sales and financial departments would find it easier to understand, he reframed the sustainability business model as *Zero Waste*. He meant that Interface will not just reduce the amount of waste that costs money but will also save money on waste disposal. In his book titled, 'Mid-course Correction' Ray explained:

"We have become disciplined and focused in all of the businesses that comprise Interface on what is sometimes called the "low-hanging fruit," the easier savings to realize. We named this effort QUEST, an acronym for Quality Utilizing Employees' Suggestions and Teamwork. In the first three-and-a-half years of this effort, we reduced total waste in our worldwide business by 40 percent, which saved $67 million (hard dollars), and those savings are paying the bills for all the rest of this revolution in our company. We are on our way to saving $80 million or more per year when we reach our goals" (1998, p.11).

The next step in the tentative process model of change that appeared from our initial data analysis was developing sustainability agenda for Interface. Ray stressed that business or corporations are big and hold maximum responsibility towards the destruction of Earth and this needs to change sooner than later. He gave his company a sustainability mission in the form of Mission Zero which says that by 2020, Interface will take nothing from Earth that is not rapidly or readily renewable (www.Interface.com). In order to give a realistic dream to his employees and to stress the need to act immediately, he told his employees that achieving this will be like climbing Mount Sustainability which is higher than Mt. Everest. *"If we could develop a clear meaning of sustainability as a goal for Interface and begin to move in a demonstrable, measurable, transparent, credible way towards that goal, we might influence others to move too"* stressed Ray in one of his internal communications to all the employees of Interface. The last step in the tentative process model of culture change at Interface was institutionalizing the sustainability change for which several initiatives were taken from time to time. Interface made several partnerships such as a public-private partnership between interface and the city of LaGrange; partnering with Zoological Society of London for a project Net-Works and partnering with carpet recycling company in Italy, to name a few, in the following years that helped them in saving cost, reducing waste to landfill, strengthen the brand image in the eyes of their customers, establish Interface as a sustainable company not just in words but also in action and reach closer to the Mt. Sustainability. In one of his public speeches, talking about the advantages of his sustainability business model, Ray Anderson proudly tells his audience:

"Goodwill of the marketplace is greater than any amount of advertisement, no matter how clever, no matter how creative any amount of marketing, no matter

at what cost could possibly have created and believe me we know it is earned by doing and not by talking."

(Ray Anderson, Invited talk)

"So you see decisions made in the round are right and smart. In the new thinking of sustainability, extraneous factors like market presence, reputation, and leadership are every bit as real and positive as the hidden subsidies to fossil fuels are real and negative."

(Anderson, 2009)

Ray Anderson in one of his internal communications extends his gratitude towards his employees in establishing Interface as one of the pioneer companies to adopt the sustainable business model. He mentions that there was a time when he was not connecting with his employees on the topic of sustainability but 10 years later he can see that "*people get it, they see it and can never un-get it. We are changing hearts, changing minds, we are changing the culture of our company and we are changing the culture of our industry and in time we might change the culture of culture"*

By the end of carving out this tentative process model of culture change at Interface through analysis of our secondary data, we further explored the details of how Ray Anderson converted his petroleum intensive company into a prototypical sustainable company of the 21st century. To capture the minute details of this change in organizational culture and the paradigm shift in the mindset of employees at Interface, we decided to conduct face to face interviews with the real actors involved in it. So we collected data from the employees of Interface Europe to know more about the events that occurred during the transition phase of Interface and Ray's contributions as a leader of the

organization in making that happen. The observational and interview data showed perfect compliance with our data collected from secondary sources and gave us valuable deeper insights to construct a more nuanced process model of culture change adopted at Interface. Our next step in data analysis was to carry out an iterative coding process of the entire data which we had collected by now that included the secondary data collected during the first phase and the interview transcripts made during the second phase of data collection in compliance with the recommended qualitative data analysis practices (Gioia, Corley, & Hamilton, 2013; Miles & Huberman, 1994; Strauss & Corbin, 1998). While we were working on our data analysis we got an opportunity to read a research paper by Vaccaro and Pallazo (2015) related to institutional change published in Academy of Management Journal which gave us additional motivation to analyze our data in-depth. The coding process was done independently by the two researchers in order to ensure the quality of data analysis. As the first step in the coding process, we extracted first-order codes addressing the two main topics of our study: the reframing of the wicked problem of dealing with an unstainable business by the founder and leader of Interface and the strategies used by him to establish an organizational culture based on sustainability mindset. The two researchers first coded the secondary data and the primary data separately to arrive at two sets of first-order codes each. The two sets of codes formed by each researcher were then compared to remove redundancy while making sense of some of the concepts that emerged in the coding process and to further refine the codes. The final set of first-order codes formed independently by each researcher were then compared to arrive at 85 first-order codes that were common to both the researchers to continue to the next level of coding into second-order themes and aggregate dimensions, respectively. Figure 5.3 gives a detailed account of the coding process followed for the aggregate data. In the next stage of data analysis, we

used common themes to make clusters of the related first-order codes that emerged in the open coding (Strauss & Corbin, 1998). The new clusters that emerged formed our provisional second-level themes. Codes like "doing what is morally right," "clean air and water is the right of every individual," "preserve for future generations to come," "plundering is illegal," "God's currency," "being restorative," "doing well by doing good" and "being responsible" challenging the moral assumptions emerged constantly throughout our first step of data analysis. Codes challenging the financial assumptions of employees were also emerging simultaneously like "all stakeholders are important," "waste as a potential profit center," "faulty tax system," "focusing on renewables," "minimizing waste," "better way leading to bigger profit," "sustainability is achieving maximum return on investment" and "being ahead of competition". All these codes led us to realize that the leader was constantly "challenging the moral and financial assumptions' of the employees to make them recognize the usefulness of the idea of sustainability.

Once we had a set of second-order themes, the next step in the coding process was to integrate the first -order codes with the second-order themes. For this, we carried out multiple discussions amongst us to refine or drop any of the provisional second-order themes. Any of the themes that did not represent our first-order codes accurately, were simply dropped at this stage. By the end of this iterative exercise, we had finalized seven second-order themes to enter the next level of the coding process: challenging assumptions, orienting, anchoring, reinforcing, inculcating and leveraging. Now the next step was to identify the theoretical dimensions in order to make sense of how these seven themes interacted and were related to each other in the larger context. For example, the second order theme of challenging assumptions of employees using moral and

financial logics by the leader led to our final aggregate dimension called "Value-making" (i.e., making employees understand the concept of sustainability). Table 5.3 gives an account of all the three stages of our coding process: first-order codes, second-order themes, and aggregate dimensions. In addition to "value-making," two other aggregate dimensions emerged in our coding process: "nucleating" (i.e., establishing sustainability in the minds of the followers) and "institutionalizing" (i.e., establishing sustainability in the culture of Interface).

FIGURE 5.3

Coding Process Followed
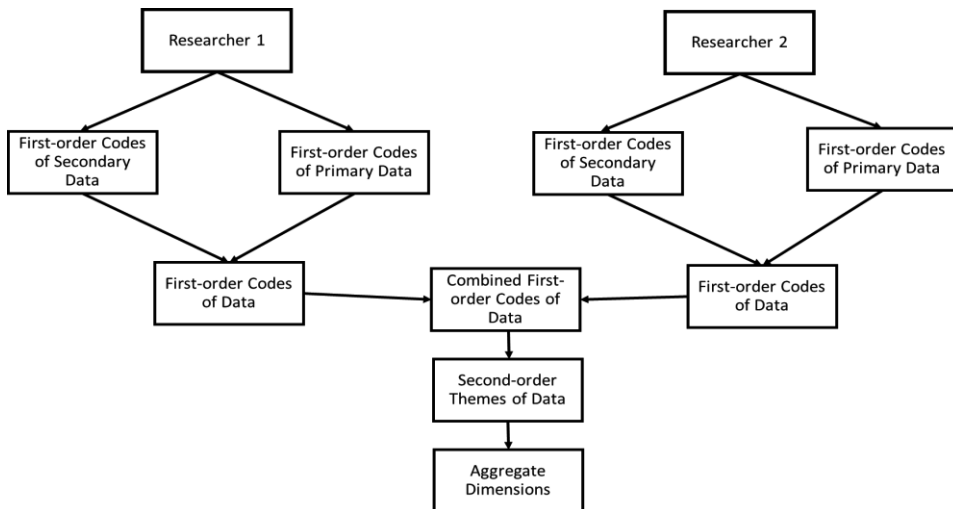
5.6 RESEARCH FINDINGS

In this section, we will describe the refined process model of change that fits with our data on how Ray Anderson adopted change at Interface (See Figure 5.4 for the schematic depiction of the refined process model). We observed that Ray Anderson used each of the seven themes that emerged in the second stage of our

coding process in order to transform the culture of Interface from being profit oriented to sustainability-oriented. Interestingly, the second-order themes emerging from our first-order codes showed a distinct chronological order of events that really helped us in understanding the process of change that Ray Anderson must have adopted in order to establish a sustainability driven organizational culture at Interface. Even though we could carve out a perfect step by step process model of change from our aggregate dimensions that emerged through the coding process, it was not unidirectional considering the entry of new employees, new customer demands and new challenges for a dynamic company like Interface.

FIGURE 5.4

Schematic Depiction of Refined Process Model of Change
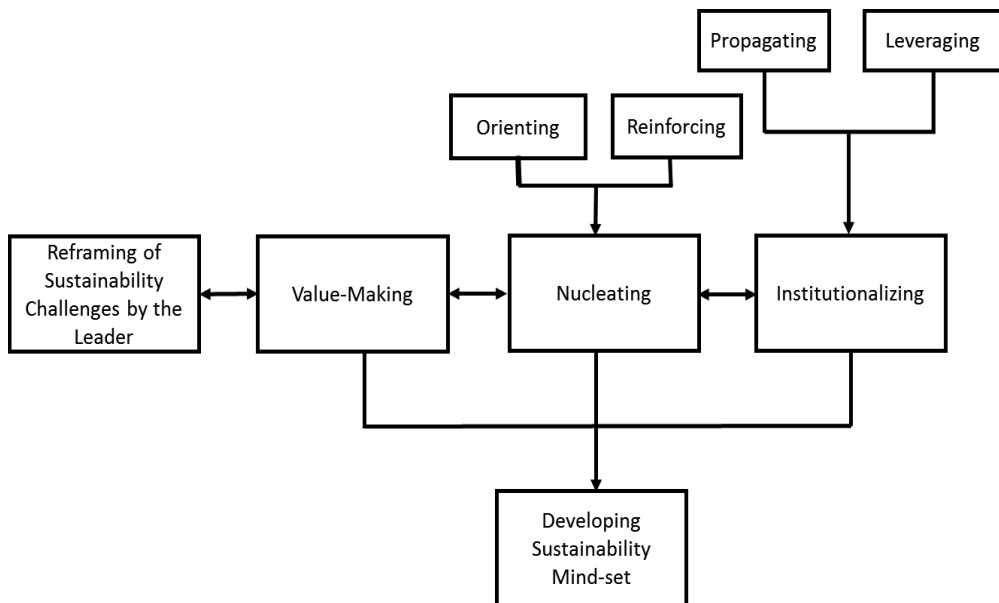
As the first step of the refined process model of change, called the *value-making* step, Ray Anderson used iterative reframing involving both moral and financial logics of business while talking to his employees to invoke their value system and build an early understanding of the concept of sustainability in the minds of his followers. He introduced new ways that the employees must use to analyze the operations at Interface. The use of the term God's Currency to represent "*the nonfinancial costs and benefits that accrue to the living world as a result of everything we do to the land, sea, and air around us*" is one such example (Anderson, 2009). The introduction of a metric like God's currency which involved reframing using both moral and financial logic, helped his employees take the right decisions and be innovative in their operations. He used the power of reframing throughout the process which is considered an important quality that a successful leader must possess. "Leaders fail when they take too narrow a view. Unless they can think flexibly and see organizations from multiple angles, they will be unable to deal with the full range of issues they inevitably encounter" (Bolman & Deal, 2008, p.437). The spirit of reframing lies in its ability to view a situation from multiple perspectives and can be helpful in reaching powerful solutions (Bolman & Deal, 2008) which proved true in the case of sustainability story at Interface. Research shows that organizations fail because their leaders do not understand their business environment; they cannot anticipate the results of their actions and their strategies are limited because their thinking is restricted to a few cognitive frames (Ormerod, 2007). Hence, Ray Anderson started his journey towards sustainability by first understanding the idea of sustainability, the harmful impact of unsustainable business practices which he had never thought about and what can be the contribution of businesses to save Earth for the future generations. He mentioned in his book: *"There was so much to learn that first year! I continued to read"* (Anderson, 1998, p.46). He repeatedly

reframed his messages keeping various stakeholders in mind. For his employees, he successfully reframed the sustainable business practices in terms of reducing waste. He redefined waste for his organization as *"any cost that goes into our product that does not produce value for our customers. Value, of course, embraces product quality, and more aesthetics, utility, durability, resource efficiency. Since in pursuit of maximum value any waste is bad, we're measuring progress against a zero-based waste goal. A revolutionary notion itself, our definition of waste includes not just off-quality and scrap (the traditional notion of waste); it also means anything else we don't do right the first time- a misdirected shipment, a mispriced invoice, a bad debt, and so forth."* (Anderson, 1998, p.15)

The following metaphors are used so often at Interface that it further helped to establish sustainability in the minds of the various stakeholders on a continuous basis.

"Linear must go; cyclical must replace it. Cyclical is nature's way. In nature, there is no waste; one organism's waste is another's food."
*(*Anderson, 1998:11)

"Do good. Not just no harm."

(Anderson, public speech)

"Non-renewable is a waste."

(Head of Engineering, Interview)

Since most of his competitors thought it was not a wise decision to adopt sustainability as it would affect the market share of their companies. Ray Anderson reframed the sustainability message for competitors more as a call to avoid losses rather than an opportunity for more profit. We can make sense of this kind of reframing strategy using Prospect theory (Kahneman and Tversky; 1979, 1984), people typically prefer avoiding potential losses compared to possible gains. He stated:

"To be unsustainable is to engage in business practices that destroy the very conditions upon which the practices depend on". He gave examples of several companies to emphasize his point. He kept emphasizing that our mission zero is being achieved (Anderson, 2009). As a firm it is achievable and we have proved that.

For his shareholders, he reframed sustainability model as:
"It is about a new business model that can generate not just bigger profits, but better, more legitimate ones too."
"Doing well by doing good."

In addition, in each annual report, while addressing the shareholders, a detailed account of the sustainability initiatives and the financial impact on the business of Interface in a particular financial year is given to keep the shareholders committed to the mission of the company.

For the suppliers, the sustainability concept has been reframed as symbiosis or co-innovation, which means the two parties work in mutually benefiting association to arrive at breakthrough solutions.

"Our yarn supplier was able to depolarize nylon and we could immediately use that to recycle nylon fishing nets. This lead to our Net-Works."

(Head of Sustainable Development, Interview)

"Initially, the approach was squeezing our suppliers but now it is symbiosis. Aquafil, an Italian company has grown in symbiosis with Interface on our Net-Works project."

(Supply Chain Manager, Interview)

Once the employees started understanding the concept of sustainability and its significance for the survival of the business and the civilization, the next step that was followed was *Orienting*, aimed at making people interested in the idea of sustainability so that they start focusing their efforts towards it. During this stage, all the internal communications at Interface highlighted the urgent need to adopt sustainable business practices and how those practices will generate a better business model for them. Ray Anderson pointed out in one of his videos:

"I continued to articulate the vision over and over and over even when people thought I am going around the band."

(Ray Anderson, Internal communication)

Most of his speeches at this stage stressed that adopting sustainability is possible and he began by generating quick wins in the company. Employees were encouraged to identify those steps or processes that could be done differently in order to save money and reduce emissions at the same time. These behaviors were then well acknowledged to generate further interest. An interviewee who has been working for Interface for the last 45 years and had witnessed that transition phase of the company remarked:

"In 1994, we began sustainability measures and it started with counting chimneys and we had to measure, measure and measure. It was strange. In the beginning, it was passive resistance out of laziness. It was so much extra work, we had to measure everything. In the end, we realized it makes sense. For example, the compressor machine was giving a lot of hot air. Initially, we were throwing it out but then we put it back into the system to heat our factory during winters. It was like a game. As a technician at that time it was a game for me, for Interface it was money. They gave us money to play a game to get better. It was challenging. It was fun."

(Product manager, Interview)

Another interviewee who had also been a part of the shift in the leader's vision way back in 1994 had similar opinion about it:

"*In 1994, for a product linked with 95% of oil, I thought he was crazy. It was too much work but in 4 years we were there. I am proud of this company because it is not just a story".*

"Way back in 1994, many people had to get used to it. He added this extra dimension and brought in the concept of EcoSense- measuring impact. He brought in the awareness about what we were doing to how we should and could bring our industry to be less harmful. It was not an easy process but he was persistent about it."

(Product Portfolio Manager, Interview)

Once the employees understood the concept of sustainability and its usefulness to the company, the next step was *anchoring* that behavior. The aim of this step was to tie them to the concept of sustainability at Interface. It was done by initiating several programs at Interface like QUEST, EcoSense and Ambassador

Program. Ray Anderson reframed these programs in such a way that employees felt proud to be a part of them, thus anchoring the sustainability concept in the minds of his people. For example, EcoSense was reframed as *"not just the right thing to do; it's also the smart thing for a manufacturing company that is as dependent as we are on non-renewable resources (petroleum, coal, and natural gas) for its raw materials and its energy-intensive processes"* (Anderson, 1998, p.45). This type of reframing helped to gain the support of all types of employees, those who cared just about nature, those who cared just about the financial position of the company to secure their jobs and those who cared about both.

Through QUEST which is an acronym for Quality Utilizing Employees' Suggestions and Teamwork, Ray intended to target the low hanging fruits to realize quick savings in the business. This initiative helped Interface to gain the support of its employees very quickly who now got a platform to suggest ways to contribute to the company's mission for sustainability.

"In QUEST, any waste is bad, and anything we don't do right the first time is a waste. Against ideal operational standards-zero waste-we identified $70 million in waste, based on 1994 operations-10 percent of sales," wrote Ray Anderson in his first book (1998, p.110).

Ambassador Program is another unique program started by Ray Anderson to anchor the sustainability attitude among the various stakeholders. It is conducted at four levels. The level I is an induction course to ensure that every new employee understands the concept of sustainability and embraces it as part of the culture of Interface.

"It is a way to present the philosophy of sustainability to our employees but how they enforce it depends completely on them."

(HR Advisor, Interview)

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The level II course goes deeper into the sustainability concept and makes the employees relate how Mission Zero at Interface affects them both at work and outside. Level III is a strategic course for senior employees aimed at getting innovative proposals from them on how to reach Mission Zero faster. Level IV is the highest level course for selected spokespeople who are given intensive media training to become more effective sustainability ambassadors for Interface. This four level program has been named as 'Fastforward to 2020.' The whole program is designed in such a way that it anchors the idea of sustainability in the minds of every employee across all levels irrespective of when they joined Interface. During the interviews, we have realized that all employees find this ambassador program very unique and feel proud to be associated with it. Some of the new employees who had taken the level I course were very excited to tell us that they were going to take the next level course soon. Ray Anderson highlights the success of his ambassador program in his book:

"Through our sustainability ambassador program and our PR efforts, we reached out to more than two hundred million people last year" (2009).

After employees and other stakeholders of an organization get tied to the idea of sustainability and the corporate mission, it becomes important to reinforce that vision from time to time to keep the employees at the task. *Reinforcing* of the sustainability mindset was done through repeating the success stories of Interface by the leader Ray Anderson at every platform possible; by the senior employees to the juniors; by the ambassadors to outside stakeholders including suppliers and customers.

"While selecting any new suppliers, we always ensure that they share our sustainability philosophy and have the willingness to work with us on

sustainability issues. Every two years, we invite all our suppliers and brainstorm on the topic of sustainability amongst each other. We also arrange a quarterly meeting to resolve any sustainability issues and find scope for improvement."

<div align="right">(Purchasing Manager, Interview)</div>

All the employees whom we interviewed consider the sustainability story of Interface as the strength of the company. They told us that the story is repeated at every occasion possible and it is one of the unique selling proposition for the company.

"I heard the sustainability story and I got curious. If there was no sustainability story, I would not have been here. Otherwise what innovation can happen in carpet tiles?"

"We love the interface story of Ray Anderson and we love to share it."

"I do not say I work for Interface, carpet tile manufacturing company. I tell the sustainability story."

<div align="right">(Project leader, Interview)</div>

Ray Anderson loved to share his success story with others so that others could also benefit from it. He did not hesitate in sharing his sustainable strategies and policies with his competitors as he believed it is One World and we all had the common goal of saving Mother Nature which he mentions in the prolog of his book titled, Mid-Course Correction as:

"One aspect of my new role is being a spokesperson to a growing audience that is hungry to hear the Interface story. Trying to satisfy that hunger, I make a lot of public speeches. This little book expresses the beliefs I have embraced and the convictions I have formed as I have prepared those many speeches, all about this

urgent calling I refer to as my third life and the vision it has produced for my company and, I fervently hope, will foster for others as well" (Anderson, 1998).

As part of the interview, when we asked the Sales Director of Interface Europe about what he feels about Ray Anderson and his story, we got the following remarks:

"This guy is like a guru for us. Sometimes we feel that he is alive because we continuously listen to his stories. He was constantly repeating the examples."

"I tell my sales team do not sell the product. You need to make the call and you need to tell the story."

"Ray was a great story teller. He once told us, I don't have any talent but I just tell stories."

<div align="right">(Sales Director, Interview)</div>

All these three themes: *orienting*, *anchoring* and *reinforcing* elaborated above lead to the aggregate dimension of ***nucleating*** which is the second step that appeared in our refined model of culture change at Interface. In order to nucleate the idea of sustainability among all the stakeholders of Interface, Ray Anderson followed the three steps of orienting, anchoring and reinforcing on a continuous basis. A similar approach is being practiced for all the new hires to gain their commitment towards sustainability model.

"I thought sustainability is hypothetical. I learned at Interface that there is a strong relationship between sustainability and economics. This link I never joined before. If you do not try you will never succeed."

<div align="right">(Systems Engineer, Interview)</div>

We realized from our data analysis that there was significant overlap between these themes and it is possible that Ray Anderson preferred having that overlap so that employees never lost focus on sustainability.

The next step in the process of change was *institutionalizing* the sustainability mindset at Interface in such a way that it becomes a way of living for all its stakeholders to gain their commitment for life. Once the culture of sustainability gets institutionalized in an organization, attracting good talent that already understands the concept becomes extremely easy thus further contributing towards achieving sustainability goals faster. From the employee interviews and our observational data, we felt that Interface has been successful to a large extent in this endeavor. His legacy is practiced religiously at Interface and most of the employees we interviewed expressed the feeling that for them, Ray Anderson is still alive and they have a moral responsibility to fulfill what he dreamt for Interface.

"Even operators are busy with his ideas and they think about it in every activity. His Ideas are living on the shop floor."

(Health Safety Environment Manager, Interview)

"It is a heritage that we have. It gives us responsibility."

(Copy writer, Interview)

The employees feel proud that they know the bigger purpose of the company which dictates the behavior of each one of them. The fact that the mission of Interface is so well defined and known to everyone also contributes towards institutionalizing sustainability at Interface.

The two micro processes or themes that appeared during our coding process that helped Interface in institutionalizing the sustainability mindset are: *propagating* and *leveraging*.

Being a multinational company with footprints all over the world, in the step called propagating, Interface makes sure that all the sustainability-related ideas and processes that proved successful in one facility of Interface are replicated in the other facilities as well to achieve the mission of the company as a whole. The processes or the systems could need re-contextualizing but the core purpose is kept the same in order to reach Mt. Sustainability. For example, Ray Anderson in his book 'confessions of a radical industrialist' talks about how the same goal of reducing their carbon footprint during transportation of carpet tiles from the manufacturing sites to sales offices or customers was propagated to every facility of Interface across the globe but it was realized differently by each of them keeping in mind the contextual realities and challenges. While it was possible to replace air transport of carpet tiles by rail transport or by ship in Europe and Asia, that option was not feasible in the United States. Hence carpet tiles were transported through trucks within the United States which was not always possible as some customers would have immediate demand and air transport could be the only possibility. But Ray Anderson wanted his business to avoid air transport of carpet tiles due to the fact that it contributes to higher carbon dioxide emissions and asked his research team to come up with some alternative solution to align it with the mission of their company. This led his research team to find lighter raw materials to make carpet tiles thus reducing the load of air freight which is directly related to a lowering carbon dioxide emission. Now the success of using a lighter material for manufacturing carpet tiles is propagated to all the facilities which has further reduced the emission levels in shipping, rail transport

or road transport. Hence a culture that promotes propagation of sustainability within the organization helps Interface in replicating success in other facilities, innovate to find alternative ways to overcome the contextual barriers and achieve the mission as one big family.

The last micro-process that emerged from our data analysis is *leveraging* to institutionalize the sustainability mindset among the various stakeholders. By leveraging we mean how Interface systematically wires the concept of sustainability in its diverse activities. Interface has leveraged the idea of sustainability by systematizing all its processes around its Mission Zero which are also used as a branding and selling proposition.

"Sometimes a type of business is being underestimated. I think sustainability for Interface didn't only mean growing a different organization but also physically reducing our costs, grew our reputation, and made our people more engaged."

"There are also far more models which you can still make your business try. Although still, people get surprised when we tell them we do two projects where 80% of the previous carpet is being reused. We did a project with carpets which were there for 15 years and we were able to reuse 30% of the old carpets in new projects. People say but you are selling less. Yes, we are selling less, we get a particular project. We are saving money for the clients. The client is making a more sustainable choice which also affects us. That also makes us more sustainable and actually this client becomes an ambassador for life. I think people underestimate the power of word of mouth, just doing business in a good way."

(Head of Sustainable Development, Interview)

Besides, the concept of sustainability is also leveraged for attracting and retaining good employees at Interface.

"Good reputation in sustainability also helps us to attract good talent".

(Customer Service Director, Interview)

What we observed and understood from our research is that every process is carried out keeping Mt. Sustainability in mind which helps them to arrive at innovative solutions that are good not just for their own business, but also the planet as a whole. Ray Anderson considered institutionalizing sustainability as an important step towards achieving mission zero which as per our observation and interview data seems to have been well achieved at Interface. Most employees described sustainability as "part of company's culture", "part of our DNA," "part of our lives," "much more inside than you see from outside", "gateway for creativity," " a synonym for innovation," and "a culture of superiority".

"The culture of Interface is highly motivational and professional. The sustainability agenda is much more inside than you see from outside and it is much deeper than marketing proposition."

(Finance Director, Interview)

5.7 DISCUSSION AND CONCLUSIONS

The aim of this research was to find how the change process was initiated and executed at Interface Inc. to design an organization that is successfully heading towards its mission of being restorative by 2020. Through our data analysis, we found that Ray Anderson used iterative reframing as a tool for creating a sustainability driven business. What makes his story interesting is the fact that he started his journey towards sustainability at a time when the neoclassical view of profit maximization was dominant (Cotgrove, 1982).

He stated in one of his videos, "Attuned to my customers. When I found a subject that they were interested in, I got interested." This sustainability-driven corporate culture helped Interface in not just maintaining its leading position in the carpet tile industry but also establish itself as one of the exemplary organizations in the entire business fraternity. Ever since 1995, when Interface started its journey towards sustainability, the organization has received several rewards and accolades including the "Fortune 100 Best companies to work for."

Our findings suggest that Ray Anderson used the power of reframing at every stage of the change process keeping in mind the varying interests of his stakeholders. Research shows that practicing a new skill, adopting a different mindset or sharing the vision of others are equally slow and painstaking in the beginning but reframing the problem can help to generate alternative powerful options (Bolman & Deal, 2008). Leadership researchers have attested that leader's integrity helps followers to easily buy into the leader's vision (Bennis and Nanus, 1997; Clawson, 1999, Kerr, 1988; Kouzes &Posner, 1993; Tucker & Russell, 2004; Wenderlich, 1997). We noticed that Ray Anderson reframed all his communications with his employees regarding the sensitive topic of sustainability to highlight his own integrity and integrity has been known to be closely related to ethics (Kerr, 1988). This step in the process where Ray Anderson highlighted his ethical beliefs regarding the topic of sustainability and his vision for Interface to arouse the values of his various stakeholders has been categorized as a value-making step. This step was the most critical step in the process model because either the employees buy the vision of the leader or completely reject it. Once the employees had understood the need for adopting sustainability model at Interface, Ray Anderson nucleated the sustainability idea in the minds of his stakeholders by generating quick wins, giving training

programs, organizing conferences, regular meetings, contests, rewarding sustainable behavior and repeating success stories. By the end of the second stage, sustainability agenda was settled in the minds of the various stakeholders of Interface. The last step that emerged from our analysis is institutionalizing the sustainability agenda at Interface where Ray Anderson ensured that sustainability becomes an integral part of Interface. He was suffering from life-threatening cancer and wanted to ensure that sustainability remains as the essence of his business even after his death. Interestingly, Ray Anderson advocated stretching goals as an essential way to keeping his task force motivated and engaged with the idea of sustainability. He reframed it as employees always having something higher to look up to which keeps them motivated:

"Dream Big, Work hard."

(Anderson, Public speech)

Other findings that emerged from our analysis, especially the coding of the interview data was that Ray Anderson is seen as a great leader. Some of the codes that emerged for Ray Anderson as a leader were: Charismatic, visionary, way ahead of his time, people's person, dreamer, inspiring, modest, exemplary, revolutionary, approachable and open-minded.

Another characteristic that emerged as very prominent from our analysis was the sense of pride and accomplishment among the employees of Interface. They consider Interface as a unique company which not only sells good quality carpet tiles with exotic designs but also cares for nature. Most of the employees love to share the Interface sustainability story with their friends and family. They also proudly mentioned that Interface is a unique company with a clear vision and a

well-defined mission of climbing Mt. Sustainability and only those who share that philosophy should join Interface.

"You do not need to work here if you need money."

<div align="right">(Project lead, Interview)</div>

"You can earn salary everywhere but not shared pride."

<div align="right">(Finance Director, Interview)</div>

For the employees, Interface is like one big family with a common mission. Freedom, friendship, clarity of vision, open and innovation-driven emerged as major keywords defining the corporate culture at Interface.

"If a competitor calls me and gives me more money, I will not go. It is a family."

"The strength of Interface is the way we have combined good quality, beautiful designs with an interesting story."

<div align="right">(Finance Director, Interview)</div>

"Everyone is very proud to work for this company and that shows. There is a big sense of community. Everyone is interested in having a small talk to you so we have a very welcoming atmosphere. You almost get the help before you formulate the question."

<div align="right">(Marketing Manager, Interview)</div>

"Interface is always the first to launch those practices and our competitors just follow. This is such a proud feeling."

<div align="right">(Project lead, Interview)</div>

"In meetings, it feels special when people approach you to know how we do it at Interface, especially big companies. They say we want to know about your sustainability mission."

<div align="right">(Systems Engineer, Interview)</div>

Besides all the positive points about the new sustainability culture adopted by Ray Anderson which is now well institutionalized at Interface, some employees also raised concerns about the future of Interface after the death of the founder and wondered what will be the source of inspiration for them after the Mission 2020 is achieved.

"Stepping in his footsteps and realizing his vision is ok but it has to be inspiring."
"What will be the next dream?"

(Supply chain Manager, Interview)

"Sustainability is in the genes or DNA of Interface. I hope new people get that too."

(Project Manager, Interview)

To sum up, results from analyzing the data around the Interface sustainability story show that sustainability has been deeply institutionalized in the culture and general lifestyle of the employees. Reframing is indeed a successful tool for enforcing and managing culture change in an organization yet maintaining the profitability for its shareholders. This research offers useful lessons for leaders of other organizations which can be big or small, for-profit or not-for-profit, old or young to effectively use reframing as a tool for finding better and innovative solutions to manage change while keeping in mind the individual interests of all the stakeholders.

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TABLE 5.1

Interview Data Sheet

Subject Number	Interviewee Name (Optional)	Gender	Age (Optional)	Job Title	Time spent at Interface
1.	Geanne	Female	45	Head of Sustainable Development	13 years
2.	Hans	Male	53	Head of Engineering	9 years
3.	Louise	Female	37	Marketing Manager	4.5 months
4.	Julien	Male	47	Sales Director	17 years
5.	Mark	Male	41	Customer Service Director	9 years
6.	Gert	Male	65	Product Manager	45 years
7.	Ingrid	Female	27	Project Leader Process & Product Innovation	2 years

8.	Danielle	Female	40	Finance Director	5 months
9.	Cees	Male	53	Technical Manager	29 years
10.	Marnix	Male	33	Copy Writer	18 months
11.	Martijn	Male	35	QESH Systems Engineer	2.5 years
12.	Anna	Female	32	Health Safety Environment Manager	1 year
13.	Gert	Male	26	HR Advisor Recruitment & Projects	6 months
14.	Jan	Male	54	Product Portfolio Manager	30 years
15.	Nico	Male	54	Purchasing Manager	10 years
16.	Paul	Male	57	Quality Supply Chain Manager	28 years

TABLE 5.2

Type and Amount of Data collected and Typical Extracts

Source	Number of Documents Accessed	Type of Information Collected	Extract from the Coding
Interface's Annual Reports	14 (1465 pages)	Analysis of the way in which the sustainability mission was reframed to effectively communicate to the shareholders.	*"Ray travels the world persuading leaders that sustainable behavior is incredibly good for business, that it is in fact a better way to make a bigger profit" (Annual Report, 2003:3).* *"Sustainability may very well be the beacon that lights our path through this downturn, because it not only drives us to innovate but also provides us with a unifying sense of higher purpose" (Annual Report, 2008:3).*
Marketing Communication to Customers	15 (350 pages)	Understanding the style in which sustainability mission is communicated to the customers.	*"Because we have a strong social conscience, we believe that transparency is the key to helping customers understand which products have the lowest environmental impacts."*

Articles from Internet including News and Editorial Reviews	12	Analysis of appreciation of Ray Anderson's efforts towards sustainability.	*"Ray Anderson has been known in environmental circles as the most advanced and progressive CEO in the world.......Interface no longer uses a drop of petroleum in the fabrication of its products and is rapidly approaching its goal of having zero environmental impact on the planet" (Zweig, 2005).* *"Back in the mid-1990s, Interface founder Ray Anderson followed his heart and began a crusade to make his carpet company a better environmental citizen -- without compromising profitability" (Clancy, 2011).*
Videos related to Sustainability Story of Interface	Approx. 200 minutes	Understanding the reasons behind the success of sustainability story. Analysis of the strategies and plans adopted to involve employees in the sustainability drive at Interface Initiatives taken to reach the Mount Sustainability Characterization of success stories in various facilities of Interface Communication strategies adopted by Ray Anderson to keep motivation level of his workforce high.	*"NetEffect collection is hopeful, magical, participatory and can change the world." (website video)* *"We have already reached 60% of our targets and we still have ten years to reach our Mission in 2020." (Video of Internal communication)* *"If we could develop a clear meaning of sustainability as a goal for Interface and begin to move in a demonstrable, measurable, transparent and credible way towards that goal, we might influence others to move too." (Video of Internal communication).* *"The most important component of all is the face of sensitizing the stakeholders. This is the culture*

		Understanding the thoughts behind selecting the seven faces of sustainability to achieve Mission zero at Interface.	*shift. This is changing the mind-set that underlies our own production system and not just the mind-set of our own people, but of suppliers, customers and even the communities where we operate" (Talk at UCLA Anderson School of Management).*
Books and Research Papers discussing Interface's Sustainability Story	10 (approx. 1100 pages)	Analysis of the way sustainability researchers view the contributions of Ray Anderson and Interface Inc. Characterization of the achievements of Interface Inc. in the field of sustainability. Characterization of the lessons of sustainable business practices that can be adopted by other corporations.	*"Anderson describes how his company drastically cut his company's dependence on fossil fuels, reduced waste, and created new contracts through which customers lease carpet and later return it for reprocessing. Anderson did all this while making a profit and surviving two recessions." (Stenzel, 2010:1).* *"Interface acknowledges, quite explicitly, that it operates within a capitalist system, but that this does not necessarily imply continuing environmental degradation." (Stubbs & Cocklin, 2008:514).*
Books authored by Ray Anderson	2 (516 pages)	Understanding the circumstances that lead to the transition to a sustainability driven model. Analysis of the activities and style which Ray adopted to make sustainability a part of his corporate culture. Development of the timeline of the Interface journey towards sustainability.	*"The idea that, while in compliance, we might be hurting the environment simply hadn't occurred to me" (1998:39).* *"Then, through what seemed to be pure serendipity, somebody sent me a book: Paul Hawken's The Ecology of Commerce. I read it, and it changed my life. It hit me right between the eyes" (1998:39).*

			"I offered the task force a vision: Interface, the first name in industrial ecology, worldwide, through substance, not words" (1998:43).
Interviews	16 (approx. 200 pages)	Account of the strategies used by the leader to make employees aware of sustainability concept Development of sustainability mindset in employees Insights into the leadership style of Ray Anderson Insights into the culture of Interface	"He inspired me (made me think) that every employee in the company is the same and we need to work for sustainability and quality" (Interview). "Sustainability is synonymous with Innovation and through leadership we can facilitate the process. That's what Ray did" (Interview). "First company where even the engineers think out of the box" (Interview.) "Ray was so enthusiastic about sustainability. That half-an-hour meeting with him was a life time motivation for me" (Interview).
Direct Observation	Approx. 50 hours of direct observation	Insights into the culture of Interface Analysis of the level to which employees embrace the idea of sustainability	"There has to be a better way!" (Poster) "Hey you should consider using Solar panels at home. My electricity bills have drastically dropped" (Lunch conversation).

TABLE 5.3

Overview of Coding Process

Doing what is morally right; Clean air and water is the right of every individual; Preserving for future generations to come; Plundering is illegal; Introducing God's currency; Saving Earth and being restorative; Save the environment; Cannot continue doing the same; Being responsible and minimizing negative societal impact; Doing well by doing good; Developing a human company; All stakeholders are important.	**Challenging Assumptions (Moral)**
Waste as a potential profit center; Challenging the current faulty tax system; Focusing on renewables; Minimizing waste; Better way leading to bigger profit; All stakeholders are important; Non-renewable energy use is wastage.	**Challenging Assumptions (Economic)**

Value-Making

Powerful Sustainability Story; Achieving Mission Zero; Climbing Mt. Sustainability; Generating quick wins; Rewarding sustainable behaviour; Ideas are welcome; Learning from nature and practicing biomimicry; Using waste as the feed; Closing the loop; Freedom at work; Meeting the expectations of enlightened customers; Minimizing pollution; Minimizing waste; Preserving precious resources; Developing a Social company; Waste costs money; Using waste as the feed; Being customer oriented, have a genuine sense of purpose.	**Orienting**
Being repetitive; 100 presentations by Ray every year; Annual meeting with suppliers; Brainstorming sessions; Running of Sustainability story at every meeting; Saving earth; Economic value from sustainability is real; Being Open and fair to the market, Being part of a proud family, Culture of trust and friendship.	**Reinforcing**
Ambassador program; QUEST program; Ecosense; Mistakes are allowed; Provide money to invest in ideas; Employees speaking up; Opportunity for innovation; Being restorative; Fast-forward to 2020; Open door policy; Empowerment with clear direction.	**Anchoring**

Conceiving

Eco-dream; Think Innovatively; One World; One family; Eager to help; Circular economy; Better way to bigger profits; Closing the loop; Share success with other stakeholders; Replicate results in other facilities; Being part of one proud family; Be eager to help.	**Propagating**
Reputation; Branding; Partnering with competitors; New business opportunities; Partnerships; Being ahead of competition; Best way to build value; Better way of doing business; Strong sense of community; Company's survivability; Being able to lead the business world; Sustainability is achieving maximum return on investment; Outperforming competition; Making competitors as partners; Being Open and fair to the market; Being part of a proud family; Culture of trust and friendship.	**Leveraging**

Institutionalizing

192

CHAPTER 6: DISCUSSION AND CONCLUSION

6.1 INTRODUCTION

This thesis research focuses on three distinct contexts, three underlying themes, and one ultimate dream. Three distinct contexts are higher education policy making under severe resource constraints in a large emerging economy, curriculum redesign for responsible management education and an organizational transformation for sustainability of a large multinational corporation. The underlying themes are social entrepreneurship, transformational leadership, and reframing. And the ultimate dream is designing and developing sustainable institutions and organizations.

We have developed two key ideas in this thesis. The first being the overlap between the practice of social entrepreneurship and transformational leadership. The second idea is the use of the concept of reframing using prosocial mindset to create innovative solutions in areas such as policy making, higher education curriculum redesign and organizational transformation (See figure 6.1 to have an outline of the dissertation).

Chapter 1 gives a detailed introduction to the thesis research. In chapter 2 we explored the theoretical overlap between the practice of social entrepreneurship and transformational leadership (Bhutiani et. al., 2012) by studying three eminent leaders/social entrepreneurs from history: Mahatma Gandhi, Mother Teresa and Wangari Mathaai where we have answered our first research question, "Is social entrepreneurship, transformational leadership in action?" In the subsequent three chapters, we have used reframing as an effective tool for communication for change, opportunity recognition and social innovation. Social opportunity recognition and innovation can result from reframing with a social

entrepreneurial mindset (Short, Moss & Lumpkin, 2009; Miller, Grimes, McMullen & Vogus, 2012). While in Chapter 3 we examined the limitations of business higher education policy regime in India and created innovative solutions to overcome current limitations through repeated reframing of policy challenges. In Chapter 4 we discussed how reframing is effectively used for recognizing opportunities for social innovation in the context of a business school's engagement with the surrounding communities. Chapter 5 looked at how Ray Anderson, the founder of Interface carpets transformed his company culture to one with a deep-rooted passion for sustainability. Throughout the thesis, we based our definition of sustainability as defined by the Brundtland Commission report: "development which meets the needs of current generations without compromising the ability of future generations to meet their own needs" (WCED, 1987:383).

FIGURE 6.1

Outline of the Dissertation
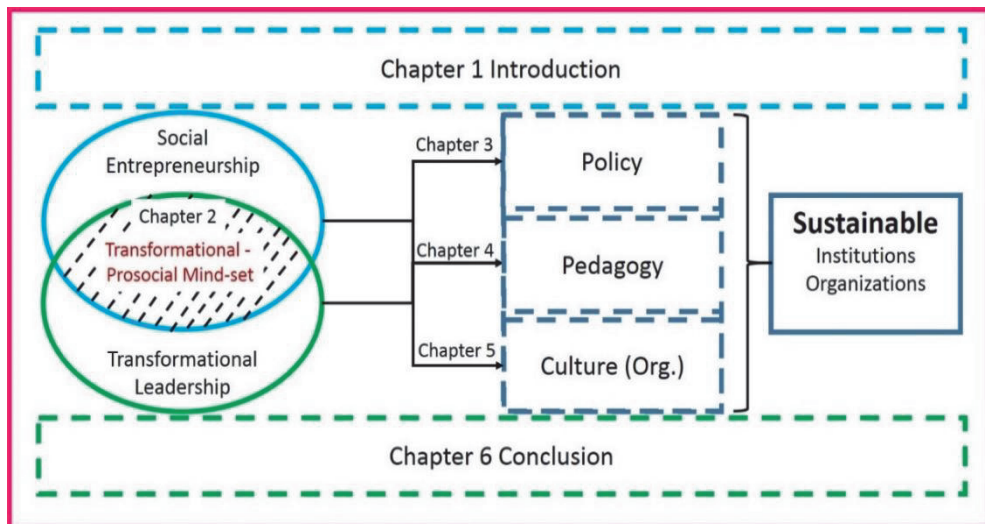
In this concluding chapter, the last chapter of this dissertation, we will discuss the major findings of our four research chapters. Subsequently, we will discuss the theoretical and practical implications of our research findings, the limitations of this dissertation and our agenda for future research.

6.2 SUMMARY OF OUR KEY FINDINGS

In chapter 2 we have established the overlap between social entrepreneurship and transformational leadership. Also, this study revealed that both social entrepreneurs and transformational leaders approach social and organizational challenges with a transformational prosocial mindset. This mindset can be useful in developing sustainable organizations focusing on the social good and innovation for sustainability. In the subsequent three chapters we have used the concept of reframing with this transformational prosocial mindset to improve the business education policy regime in India (chapter 3), develop business education pedagogies aimed at developing responsible management practices (chapter 4) and understand the role of leader in developing sustainability-driven organizational cultures (chapter 5). In this chapter, we throw light on the major findings of the research reported in each chapter and the implications for both theory and practice.

6.2.1 Research Question 1

Both transformational leadership and social entrepreneurship have been well-researched topics in the field of management. While we were researching on these topics, the first similarity we identified in the two was that both concepts lack a universally accepted definition and we started with our working definition of social entrepreneurship:

Social entrepreneurship is the process of effecting sustainable social change through founding new and innovative enterprises under severe resource constraints primarily for the purpose of creating social value.

Our initial literature reviews of both the fields pointed to a significant overlap between the behaviors of social entrepreneurs and transformational leaders. In order to gain a deeper understanding of this overlap and the theoretical and practical implications of it, we have developed a framework consisting of four dimensions called the 4I framework (See Figure 6.2). The first "I" stands for inspiration defined as, what inspires the social entrepreneur or transformational leader? The second "I" stands for influence defined as, how the social entrepreneur or transformational leader influences their stakeholders or followers. The third "I" is innovation defined as, how the social entrepreneur or transformational leader creates economic or social value. Final "I" is implementation, defined as how the social entrepreneur or transformational leader makes the mission happen.

Using this 4I framework, we conducted a detailed study of the lives of three eminent leaders of historical significance- Mahatma Gandhi, Mother Teresa, and Wangari Mathaai. Our research question was *"Is social entrepreneurship transformational leadership in action."* We used our 4 I framework for understanding how the social entrepreneurial inclination of these three leaders eventually turned them into effective transformational leaders. All three of them started their social good activities alone but soon people joined them in their social cause. They were highly respected and unconditionally followed by their followers due to their social mission (Fruchterman, 2011), never micromanaged their followers (Bass, 1998), engaged them in the process to innovate (Dees, 1998), moved them towards higher purpose (Burns, 1978), developed them, and were fair and just (Austin, Stevenson, Wei-Skillern, 2006; Bass, 1998). Another

important outcome of this study was the recognition that social entrepreneurship can be used as an effective tool to instill transformational leadership behavior among managers and students.

FIGURE 6.2
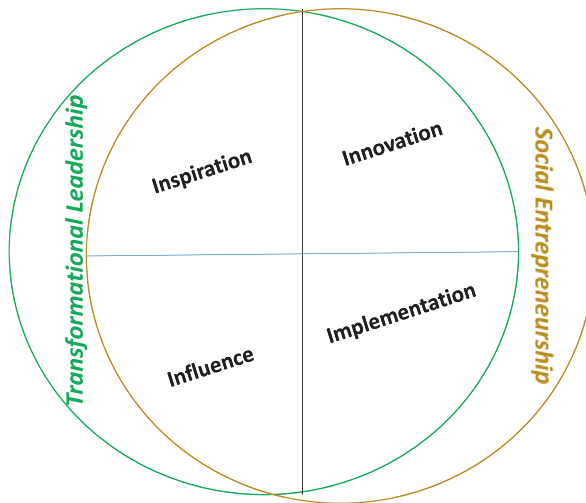
4 I- Framework to study SE & TL

6.2.2 Research Question 2

In chapter 3, through repeated reframing of the business higher education quality debate in India, we have arrived at a solution involving the need for identification of founders and leaders with transformational prosocial mindset. Our research question was *"How can reframing help policy makers to find innovative solutions to save/ improve the business higher education system in India?"* Within the last fifteen years, the culturally-embedded demand for higher education has witnessed explosive growth, driven by India's robust and sustained economic expansion. As a result, more than 3000 business schools were established in the country. This unwarranted rise in business schools has resulted in severe quality issues in India due to severe resource constraints which we broadly classify as 4 Fs: Faculty

shortage, Fellow students with poor preparation at the primary and secondary school level, shortage of sufficient Funding and lack of Facilitation expertise on part of the regulatory agencies of India. In this research, we first argue that the model of regulation followed in the west will not work in India due to severe resource constraints and a large number of institutions. Currently, India is facing severe shortage of well-qualified faculty with good research experience; shortage of students who are well prepared to add to the experience of an MBA classroom; lack of sufficient finance to meet the infrastructural and other operational costs of all the business schools in India; and lack of facilitation experience with the accreditation professionals and regulatory officials. The strict regulatory approach that is followed is doing more harm than good. Besides closing down of few business schools in the last 3-4 years due to their inability to meet the regulatory requirements, there are also several cases of deploying fraudulent and unethical practices. This is because most of these small and medium sized business schools are owned by private players who tend to treat it like any other business. But since, as per Indian legislation, for-profit educational institutions are prohibited, it encourages these private players to attend to corrupt practices to generate monetary benefits. In this research, we argue that this problem can be solved using reframing with a transformational prosocial mindset which will help policy makers to come up with innovative solutions that are focussed towards the social good of all stakeholders involved and handle the huge demand-supply gap in business education in India. Through iterative reframing of the underlying assumptions around handling business education quality in India, we have come up with a hybrid approach to improving the quality of business education in India. This hybrid approach will have efficiency-enhancing mechanisms of the free market, social good and innovation approach of a social entrepreneur and some elements of the regulatory approach to preventing rent-seeking tendencies. The reframing of the issue helped us to see the problem differently and change our

underlying assumptions in the light of severe resource constraints instead of blindly following the western policies. The answer we found after third reframing ensures that there is complete transparency in the system and student welfare holds key importance instead of profit making.

6.2.3 Research Question 3

This question is aimed at developing responsible management education through reframing social issues. This research is a detailed case study of a business school in India that is facing severe environmental issues due to poor air quality owing to the presence of more than 400 small sized highly polluting enterprises in the vicinity of the campus. Most of these enterprises do not follow the quality standards set by the regulatory authorities in order to minimize their operational costs without caring for the health of the villagers. Researchers conducted formal interviews with the Dean of the business school, several informal interviews with the staff and students of the business school and one of the researchers spent two months at the school to observe the conditions and outcome of their approach to solving this social issue at hand. This research shows how reframing of social issues can be a useful tool for developing responsible management education and boosting academic entrepreneurship. Besides talking about the successful reframing of the environmental problem by the Dean to come up with positive innovative solutions that are useful for not just the business school but also the entire community around the school, this research has also resulted in the development of a reframing framework (See Figure 6.3). This reframing framework is our initial attempt to develop a framework which with further refinement will hold broader applicability in solving any pressing social issues and it involves five main components: stakeholders, resources, output, history, and outlook towards life / world-view.

Through this research, the Dean of the business schools sets an example for other institutions to adopt reframing as an effective problem-solving tool as he defines reframing as the iterative framing of a problem statement to arrive at more useful solutions. Initially, when he was looking at the problem of poor air quality just as the Dean of the business school, the focus was to ensure good quality of air for 400+ individuals within the premises of his school campus. Once he reframed the issue by relooking at the underlying assumptions surrounding the problem, he could arrive at more prosocial solutions. Now he was looking at the poor air quality as equally bad for the health of 20000+ villagers which motivated him and the business school due to the recognition of a larger purpose. Now all the students and faculty of this business school are actively involved in responsible management education and are liaising with the managements of polluting industries in the region, local government officials, villagers, and environmental regulators. This social initiative by the Dean has helped to establish a culture of social entrepreneurship and sustainability at the business school who now strongly advocates integrating the idea of reframing in the MBA curriculum to instill responsible management education among budding entrepreneurs and future managers.

In the last step of this research, we elaborate on our reframing framework that has evolved from this case study. Since a problem can be understood and represented in several ways, this reframing framework provides five lenses through which the decision maker or the conflict intervener can view a situation or a problem and make sense of it. In this case, the problem of poor air quality was reframed using five different lenses. Firstly, as discussed above, he reframed by broadening the *stakeholder* base from his own staff, faculty, and students to all the inhabitants of that area.

FIGURE 6.3

Reframing Framework
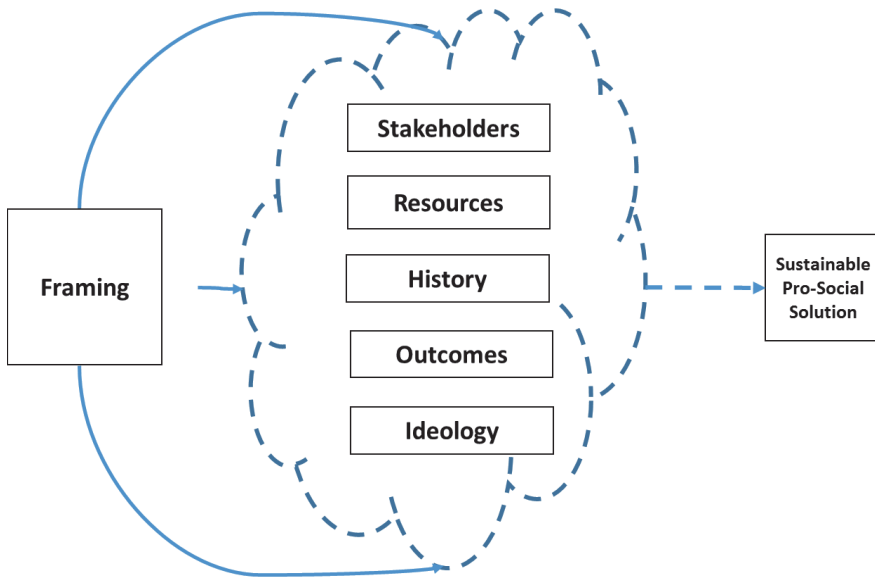
Secondly, he reframed the problem keeping in mind the *resources* at hand with the various stakeholders instead of the resources needed to solve the problem. Initially the problem was handled assuming that the small scale industries around the business school did not have sufficient resources to implement environmental protection measures but after reframing the problem with a prosocial mindset, the new assumption was that these companies do have the potential to gain more resources if given help and necessary education on the topic through student internships and small projects in these companies as part of the courses on entrepreneurship, social entrepreneurship, and sustainable business strategies.

The third facet of reframing that was used to solve this social issue was understanding the *history* of the place and it was discovered that people in the

region never considered pollution a problem and were not aware of the health risks associated with living in an area having poor air quality which was now reframed as immoral and slow poisoning by the business school to enlighten the people around them.

Almost every situation offers multiple outcomes based on the way a problem or a situation is framed and tackled (Kauffman and Smith, 1999). The fourth component of the reframing framework that was used was changing the final outcomes. Reframing based on different outcome expectations for a problem can lead to innovative solutions which can be achieved through an altogether different line of action. In this research, the Dean envisioned the outcomes with respect to changing the way of living of the villagers by giving them a clean environment which could set an example for the neighboring villages. Hence reframing a problem by broadening the stakeholders involved; considering the potential for resource generation instead of resource requirements; understanding the historical context of the situation and modifying the desired outcomes of a problem can result in innovative solutions with long-term positive implications.

The last or the fifth facet of the reframing framework is *Ideology* or the *world view* of the actor involved which plays a very crucial role in the type of moral frames they use and hence the type of choices they make. This case study exemplifies a leader who used both moral and pragmatic frames to solve the social problem to the benefit of the society and his business school. Rethinking one's ideology is an effective way to see problems and solutions in ways which were otherwise never considered. In this case, it was primarily dependent on the ideology of the Dean. If he would not have reflected on his ideology by considering all the stakeholders; available resources; historical developments and expected outcomes in mind, the type of frame that would have been adopted by him in this situation could have been very different. He might have stopped at the

stage where some improvements were seen in the air quality within the campus. After the first round of efforts, he reframed his ideology from entrepreneurial to social entrepreneurial that encouraged him to look at the problem with a long-term focus having the potential to achieve higher societal value.

We conclude that reframing social issues can be used as an effective tool for developing responsible management education which answers our third research question. Additionally, we have developed a reframing framework that can be used by the leaders and strategy-makers to solve many pressing issues in their institutions. Through this research, we also intend to advocate the inclusion of reframing in MBA curriculum as it would help management students to understand a problem from multiple perspectives and arrive at more innovative prosocial useful solutions.

6.2.4 Research Question 4

In this research, we studied how reframing by the leader in creating sustainability-driven organizational cultures. For this, we chose Interface Inc., the world leader in carpet tiles manufacturing, as the case in point. The research question that we intended to answer through this research was: How can culture change towards sustainability be successfully implemented in modern businesses through leader's reframing? Or How to create successful sustainability-driven cultures in modern businesses using reframing as a tool?

While we were studying about sustainable organizations, we came across this organization which has successfully transformed its organizational culture from being just profit-driven to a sustainability driven model where everything which is non-renewable is considered waste for the company and all efforts are taken to minimize or eliminate its usage in their facilities. Another unique aspect of this

case is that despite being in a highly petro-intensive industry, this organization has successfully switched towards renewable resources in more than 60% of its activities and is fast heading towards *Mission Zero* as envisioned by the founder and leader of Interface, Ray Anderson. For this research we collected data in two phases- In the first phase we read all the written material available related to Interface and Ray Anderson including the books written by him, books talking about Interface, internal communication documents, annual reports, newspaper articles, research papers about Interface story etc. and watched several videos available on the internet including the website of the company. At this stage, we were able to develop a tentative model of change to make sense of how Ray Anderson convinced his various stakeholders to buy into his vision and adopt sustainable business practices. In the second phase in order to dig deeper into the process of change, we interviewed 16 employees at the Scherpenzeel facility of Interface in the Netherlands and collected observational data by spending almost 50 hours at this research site. We did iterative coding of the interview data and the secondary data to arrive at 85 first-level codes, 7 second-order themes, and 3 aggregate dimensions respectively to arrive at the refined model of the process of change to get a better understanding of Ray Anderson's successful transformational change for sustainability at Interface. Throughout the data analysis, we observed the use of iterative reframing by him to make the various stakeholders of his company understand the importance of sustainability; the need to adopt it and the ways to incorporate sustainable practices in their lives. He began by challenging the moral and financial assumptions of his employees. He reframed the idea of sustainability differently for different stakeholders. While for his finance employees, he reframed them in such a way that it challenged their financial assumptions while for rest he targeted their moral assumptions. This step we coined as the ***value-making*** step in the change process. The next step in the coding that emerged was ***nucleating*** in which he ensured that the idea of

sustainability was born in the minds of the employees, reinforced it from time to time and anchored it through various programs related to sustainability at Interface. The last step in the model which emerged from our data was *institutionalizing* the idea of sustainability in the company to such an extent that similar successful programs are seamlessly propagated between the various facilities of Interface around the globe and is successfully leveraged to add to the goodwill of the company in the eyes of their customers and the entire business community (See Figure 6.4 for the refined process model of change adopted by the leader).

Based on these findings, we were able to derive an answer to our last research question and we could successfully conclude that reframing by the leader can be used as an effective tool for culture change. Another interesting observation that emerged from this research was that this process of culture change has resulted in establishing such a positive resilient culture of sustainability that the employees felt even more committed to realizing the mission of the leader after his demise.

FIGURE 6.4

Schematic Depiction of Refined Process Model of Change
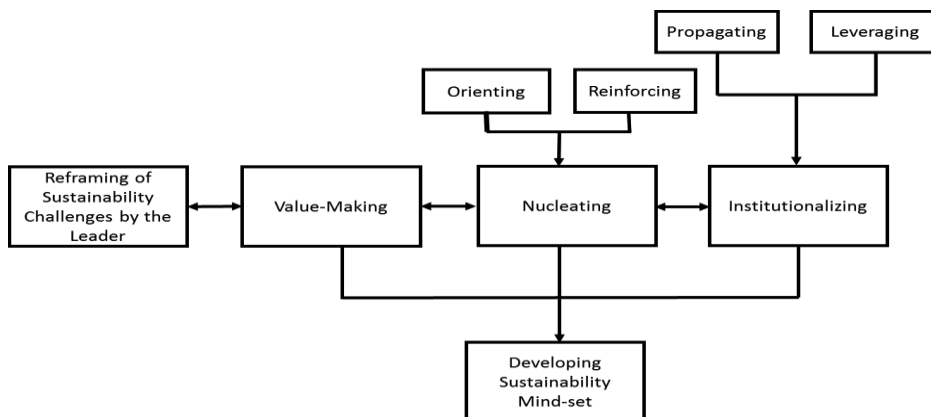
6.3 MAIN THEORETICAL CONTRIBUTIONS

In the previous section, we have summarized the key research findings of the four studies in this dissertation. Based on those findings, we will offer the main theoretical contributions of our research in this section. Our first major theoretical contribution is identifying and establishing the overlap between the act of social entrepreneurship and transformational leadership which has not been done before. While we know from previous research that developing transformational leadership in organizations is gaining significance as it has been argued persuasively by leadership scholars that transformational leaders are essential to building sustainable organizations which consistently create wealth and contribute to the well-being of its employees. Unfortunately, most organizations still practice a transactional work style which is not conducive for developing transformational leaders. We address this gap by suggesting that letting aspiring leaders get involved in social entrepreneurial ventures is an effective way to groom future transformational leaders. We also offer a clear definition of social entrepreneurship that distinguishes social entrepreneurs from entrepreneurs as those who effect sustainable social change through founding new and innovative enterprises under severe resource constraints primarily for the purpose of creating social value.

The second major theoretical contribution of our research is in establishing the usefulness of iterative reframing as a means of innovation in policy making. While the extant literature talks about reframing as a powerful tool for decision making (Kahneman & Tversky, 1984; Tversky & Kahneman, 1981, Maule & Villejoubert, 2007); for strategic communication (Chapman , 2005; Hallahan, 1999, 2004;; Lundy, 2006; Reber & Berger, 2005); for strategic change by mobilization of support and gaining legitimacy (Creed, Langstraat, & Scully,

2002); for sensemaking (Weick, 1995; Dewulf et al, 2005), in conflict management (Kaufman, Elliott & Shmueli, 2003) and negotiations (Kaufman & Smith, 1999) but it has seldom been seen useful for drawing innovative solutions for policy makers and leaders. While studying the current challenges of Indian business education system, we found reframing as an invaluable tool for arriving at more useful solutions for policy makers than when they were not reframing by examining the underlying assumptions. When the policy makers seek answers bearing in mind the following question- How can quality be achieved, maintained and improved where there is potential for fraud and misuse? the answer is generally strict regulation. But when they do iterative reframing by examining the underlying assumptions, the new question becomes- How can quality be achieved, maintained and improved under severe resource constraints? The answer now becomes adopting a free market approach. But free market has its own limitations. To overcome or minimize the limitations of the free market approach, we again reframed the question as: How can quality be achieved, maintained and improved where there are severe resource constraints and a greater need for inclusiveness but at the same time incorporating the useful aspects of both regulatory and free market approaches? The answer now would be adopting a hybrid approach which amalgamates efficiency enhancing elements of a free-market approach, social good elements of social entrepreneurial approach and targeted interventions of regulatory approach for preventing rent-seeking tendencies to improve the quality of business education in India (refer Table 6.1). This hybrid approach is another theoretical contribution to the literature on higher education.

While studying reframing of social issues by the leader for developing responsible management education and innovative pedagogy at his business school, we could extend the theoretical contribution towards reframing literature

in two ways: Firstly, by establishing reframing as an opportunity recognition tool to solve pressing social issues and secondly, promoting responsible management practices.

6.4 IMPLICATIONS FOR PRACTICE

The findings from this research not only contribute towards the theory but also offers several useful practical ideas. These ideas are derived from both the literature review and the empirical findings of our studies. First, we found the act of social entrepreneurship as a successful transformational leadership development tool. We have shown that for social entrepreneurs the values and beliefs about human nature, the kind of society they envision and how they can achieve it are all in line with that of a transformational leader and hence when required, successful social entrepreneurs are well positioned to show transformational leadership skills. For leadership development trainers and senior executives, this finding holds significant practical implications and we have suggested that encouraging young and upcoming managers to participate in social entrepreneurial activities could be an effective way to instill transformational leadership skills. When designing leadership development workshops, it is important to include teaching materials and case studies related to social entrepreneurship to develop transformational leadership skills. Lastly, based on our findings described in this research, students can effectively develop transformational leadership skills by participating in social entrepreneurial ventures, hence, examples of social entrepreneurs should become part of business school curriculum so that every student is exposed to the idea and not just those who study social entrepreneurship as a course. This approach is especially useful to students because finding responsible positions in a social venture is relatively easier than finding it in for profit organization.

Our research findings related to reframing offers far reaching implications for practitioners. As per our research findings, the use of reframing with prosocial mindset can help policy makers to arrive at useful solutions especially in resource constraint environments. This offers useful opportunities for policy makers in the field of higher education in resource constrained countries like India to solve the problem of inclusiveness and opportunity for their degree seekers. From the findings of our research related to the case of Thapar School of Management that deployed reframing as a useful tool for developing responsible management education and new pedagogy, we offer implications for the heads of educational institutions on how to effectively use reframing with a prosocial mindset to come up with innovative solutions to pressing social issues. Besides, the reframing framework that emerged from this research can be used by strategy makers, leaders or managers to solve pressing social problem across any industry.

Lastly, our research on the role of reframing by the leader in changing the culture of his organization holds far-reaching implications for organizations that are struggling with managing organizational change (Schein, 2004). Reframing by keeping the interests of various stakeholders in an organization can be an effective approach for mitigating resistance to change. Further, the research on Interface offers examples for other non-renewable resource intensive organizations to learn from this story for the purpose of transforming their own organizations to be more sustainable. In addition, business schools can incorporate the learning in their curriculum so that it will help towards developing of our future managers, leaders, and entrepreneurs.

6.5 RESEARCH LIMITATIONS
As it is a universal truth that no study can be done perfectly, research reported in this dissertation also has several limitations. These limitations further offer the

scope for future research that we will elaborate in the next section. The first limitation is that in chapter 2, we used all secondary data related to the life stories of the three leaders we selected for establishing the link between social entrepreneurship and transformational leadership. This approach offered two problems. One is that an in-depth analysis of the life of one of the leaders would have helped us "to see new theoretical relationships and question old ones" (Dyer & Wilkins, 1991:614) and secondly, studying the life histories of living social entrepreneurs would have given us an opportunity to interact with them and understand the overlap better.

Chapter 3, which talks about reframing the quality debate in business education in India is a purely theoretical research where we have done extensive literature study to arrive at our results. We can extend this work in the future by interviewing policy makers, heads of business schools, faculty members, and the students to have a deeper insight of the quality issues in the business education sector and also verify our findings empirically.

Third, in chapter 4, we have based our findings mainly on the narration of a single actor, the Dean of the business school. Even though we did conduct some informal interviews with the faculty and the students but getting honest feedback face to face about their Dean's initiative could be questionable which affects the internal validity of this study. Instead, we should have conducted anonymous surveys with the various stakeholders of the business school to receive more honest information. This opens up the scope for a follow-up study evaluating the success of the leader's approach to handling the social issue.

Fourth, in chapter 5 related to organization culture change, we did a qualitative study by conducting interviews, observation and using enormous secondary data.

Even though we did a triangulation of data sources to increase the validity of our study, collecting information through surveys from other facilities, especially from the headquarters of Interface at Georgia, Atlanta in the United States could have given us useful insights on the leader's role in culture change. Also, we could interview only 5 employees from the group that witnessed the change in 1994 in the Scherpenzeel facility of Interface in the Netherlands. By not including other facilities in our research, we lost the opportunity to gather more information from the employees belonging to the older group who worked with Ray Anderson.

6.6 FUTURE RESEARCH AGENDA

This dissertation opens up multiples possibilities on the use of reframing with a prosocial mindset for solving organizational and social issues. First, future research should quantitatively prove our research claim that social entrepreneurship is transformational leadership in action. For this, data must be collected from students who studied social entrepreneurship and those who were never exposed to the idea of social entrepreneurship to understand their idea of leadership. This will offer significant implications for policy makers in higher education.

Secondly, an extension of the same research can be done by interviewing living social entrepreneurs and understanding their style of leadership to manage their organizations. Further, a comparison between social and corporate entrepreneurs can be done to establish the link between the act of social entrepreneurship and transformational leadership skills.

Third, we found in one of our research that reframing using social entrepreneurial lens could be an effective way to solve the quality issues facing Indian business education system. As mentioned in the above section, interviewing the various

stakeholders of a business school, namely, policy makers, heads, faculty members, students and parents will help to empirically verify the findings of our theoretical research. This would further help in establishing reframing as a successful problem-solving tool. Another area for future research could be conducting a contrasting study of the quality challenges in business education facing the developed and the developing nations. Further, this research can also be extended to higher education in general and not just business education.

Fourth, our research related to the Dean's reframing on the environmental problem facing his business school can be extended by collecting survey data from the faculty members and the staff of the business school to understand if the followers actually buy the ideas of the leader on incorporating the idea of reframing, social entrepreneuring and sustainability in the pedagogy and the working style of their business school or are superficially abiding by to avoid negative consequences.

Fifth, our research on Interface can be further extended by studying the impact of contextual factors including national culture across the various facilities of Interface across the globe. This will help us understand the degree to which the context influences sustainability practices of organizations and also how it influences the transformational journey towards sustainability. Further, our research findings in this study can be given further support by designing a questionnaire around leader's reframing for culture change and collecting data from other facilities besides the Netherlands one. This will help in strongly establishing reframing as a successful organizational culture change management tool for leaders.

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TABLE 6.1

Various Ways of Reframing: The Quality Issues

Assumptions	The key question	Answer
Preventing fraud is critical No one can be trusted Resource availability (faculty, facility, and facilitation) is not considered! Regulatory expertise is available in plenty	How can quality be achieved, maintained and improved where there is potential for fraud and misuse?	Strict Regulation

	Market-based approach
Severe resource constraints Regulating is expensive and may not prevent fraud Efficiency and cost saving is key	How can quality be achieved, maintained and improved under severe resource constraints?
Severe resource constraints Regulating is expensive and may not prevent fraud More than efficiency, effectiveness is the key Need to be inclusive Innovation is important	How can quality be achieved, maintained and improved where there are severe resource constraints and a greater need for inclusiveness but at the same time incorporating the useful aspects of both regulatory and free market approaches?	A hybrid Approach mainly focusing on social entrepreneurship by incorporating useful elements of both regulatory and free-market approaches.

Summary in English

Reframing for Sustainability: *Entrepreneuring and Leading*

The key research questions of my thesis lie at the triple point where transformational leadership, social entrepreneurship and strategic change for sustainability meet. Extant literature indicates several potential areas of theoretical and phenomenological overlap amongst these three actor centric approaches to entrepreneurship, policymaking and strategic change. My research focussed on policy making under severe resource constraints, strategic change for sustainability and developing responsible and sustainable management education, all with a view to understanding the process of developing ethical and sustainable organizations and policies.

This research was initiated by examining the overlap between transformational leadership and social entrepreneurship with a view to understand the origins and implications of prosocial- transformational mindset. Recent research by several scholars shows that decisions made (and solutions found) with a pro-social motivation are more creative than the ones made with a pro-self orientation. Hence, developing a prosocial-transformational mindset among students (who are the future managers) and practitioners will help create organizations which are adept at finding innovative solutions which are not only good for the corporation but also good for the society.

Since the theoretical overlap between the concept of transformational leadership and social entrepreneurship has not been well understood, my thesis starts with establishing that overlap through a qualitative grounded theory approach (Bhutiani, Flicker, Nair & Groen, published as a book chapter, Edgar Elgar

Publications, 2012) involving the life histories of three eminent world leaders-Mahatama Gandhi, Mother Teresa, and, Wangari Mathai by answering the question: *Is social entrepreneurship transformational leadership in action?* All these three leaders started their journeys alone as social activists who wanted to serve the people around them. They soon found volunteers who wanted to join them in their social cause making them effective transformational leaders over time.

I further link the prosocial transformational mindset to strategic innovation and strategic change for sustainability by answering the following question: *can prosocial transformational mindset of a leader enable strategic change for sustainable development?*

This idea was initially applied in the context of higher education policy making in the emerging economies. Policy making in these contexts is a herculean task due to the fact that these regions face severe resource constraints with respect to trained faculty and funding. In my second chapter, I studied policy making under severe resource constraints by taking the case of Indian business education. This research points to the importance of prosocial reframing as an innovative approach to policy making under severe resource constraints. In order to establish this, I have reframed the policy challenges through multiple lenses: traditional, free market and social entrepreneurial. Finally, I propose to adopt a hybrid approach to business education that amalgamates the strong points of regulation, free market and social entrepreneurship in order to provide access and quality education to all. This approach will ultimately make policies governing business education more sustainable, thus helping business schools to survive and flourish in resource starved regions of the world.

Leadership and effecting strategic change have been perceived to go hand-in-hand and have been well researched together. Leadership literature points to leader's role in creating the context for creativity and innovation. In my third chapter, I have investigated the relationship between leader's reframing and strategic innovation where prosocial transformational mindset acts as the mediator. In addition, the role of prosocial reframing for opportunity recognition and social innovation has also been investigated. In this regard I have studied strategic change for sustainability of a business school in a remote village of India. This business school is surrounded by more than 400 small and medium sized industries which are highly polluting. As a result, the overall air quality around the business school is extremely poor and intolerable, especially for a Dean who recently joined the school from the US. In this research we describe how the leader (Dean) reframed his challenges in such a way that he was able to find new meaning in his struggle for overcoming the challenges posed by the difficult situation. This way of reframing benefited all the stakeholders of his business school including the local community. As part of this ethnographic research, I have conducted an in-depth interview with the Dean and numerous informal interviews with the faculty, staff and students of the business school during my two and a half months stay on campus. Using the interview data and the observational data, I have designed a strategic framework that the leader has used to develop responsible management education and ethical mindset among the various stakeholders of his business school to effectuate strategic change for sustainability.

In my fourth chapter, I further investigated the link between leadership's reframing and effective organizational transformation for sustainability at a carpet tiles manufacturing company, Interface Inc. This research involved extensive study of narratives, interview data and observational data at the

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In sum, my research establishes the interconnection between social entrepreneurship and transformational leadership. This understanding could form the basis for developing prosocial transformational mindset in students and professionals. Further, I have studied the efficacy of leader centric strategy making through reframing. Reframing with a prosocial transformational mindset can be an effective way for nucleating innovation and propagating strategic change for sustainability. In this process, the reframing framework that has been developed is an effective strategic tool for practitioners and offers a theoretical foundation for academicians studying change strategies for sustainable growth.

Samenvatting in het Nederlands

Herformuleren en voor Duurzaamheid:
Ondernemen en Leiderschap

De belangrijkste onderzoeksvragen van mijn scriptie liggen aan het knooppunt waar transformationeel leiderschap, sociaal ondernemerschap en strategische verandering voor duurzaamheid samenkomen. Bestaande literatuur geeft verscheidene potentiële gebieden van theoretische en fenomenologische overlap tussen deze drie acteur centrische benaderingen van ondernemerschap, beleidsvorming en strategische verandering. Mijn onderzoek richt zich op het beleidsvorming met zeer beperkte middelen, strategische verandering voor duurzaamheid en de ontwikkeling van verantwoordelijk en duurzaam management onderwijs, allemaal met het oog op het begrijpen van het proces van het ontwikkelen van ethische en duurzame organisaties en beleid.

Dit onderzoek is begonnen met het onderzoeken van de overlap tussen transformationeel leiderschap en sociaal ondernemerschap met het oog op het begrijpen van het ontstaan van- en de gevolgen van pro-sociale-transformationele mentaliteit. Recent onderzoek door een aantal wetenschappers toont aan dat gemaakte beslissingen (en gevonden oplossingen) met een pro-sociale motivatie creatiever zijn dan die gemaakt met een pro-zelf oriëntatie. Vandaar dat het ontwikkelen van een pro-sociale-transformationele mentaliteit onder studenten (die de toekomstige managers zijn) en professionals zal helpen organisaties te creëren die bedreven zijn in het vinden van innovatieve oplossingen die niet alleen goed zijn voor het bedrijf, maar ook goed voor de samenleving.

Aangezien de theoretische overlap tussen het concept van transformationeel leiderschap en sociaal ondernemerschap niet goed is begrepen, start mijn proefschrift met het vaststellen van deze overlap door middel van een kwalitatieve gefundeerde theorie benadering (Bhutiani, Flicker, Nair & Groen, gepubliceerd als een boek hoofdstuk, Edgar Elgar Publications , 2012) met betrekking tot de levensgeschiedenissen van drie eminente wereldleiders - Mahatama Gandhi, Moeder Teresa, en Wangari Maathai, door het beantwoorden van de vraag: *Is sociaal ondernemerschap transformationeel leiderschap in actie?* Deze drie leiders begonnen hun reis allen als sociale activisten die de mens om hen heen wilden dienen. Zij vonden al snel vrijwilligers die zich bij hen wilden voegen in hun sociale proces waardoor ze naar verloop van tijd effectief transformationele leiders werden.

Verder verbind ik de pro-sociale transformationele mentaliteit met strategische innovatie en strategische verandering voor duurzaamheid door het beantwoorden van de volgende vraag: *Kan de pro-sociale transformationele mentaliteit van een leider strategische verandering voor duurzame ontwikkeling mogelijk maken?*

Dit idee werd in eerste instantie toegepast in het kader van het hoger onderwijs in de opkomende economieën. Beleidsvorming in deze context is een enorme taak, te wijten aan het feit dat deze regio's geconfronteerd worden met ernstige beperkte middelen met betrekking tot opgeleide docenten en financiering. In mijn tweede hoofdstuk bestudeerde ik beleidsvorming met beperkte middelen op basis van de casus Indiase bedrijfskundige opleidingen. Dit onderzoek wijst op het belang van pro-sociale herformulering als een innovatieve benadering van beleidsvorming met ernstig beperkte middelen. Om dit vast te stellen, heb ik de beleidsuitdagingen vanuit meerdere hoeken bekeken: traditioneel, vrije markt en

sociaal ondernemend. Tot slot stel ik voor om een hybride benadering van het bedrijfskundig onderwijs te adopteren, dat de sterke punten van de regelgeving, de vrije markt en sociaal ondernemerschap samensmelt, om toegang en kwaliteit van het onderwijs voor allen beschikbaar te maken. Deze aanpak zal uiteindelijk beleid met betrekking tot het bedrijfskundig onderwijs duurzamer maken, wat zal bijdragen aan het overleven en gedijen van business schools in gebieden van de wereld waar de middelen beperkt zijn.

Leiderschap en het bewerkstelligen van strategische verandering worden beschouwd als twee zaken die hand-in-hand gaan en zijn goed samen onderzocht. Leiderschap literatuur wijs op de rol van de leider in het creëren van een omgeving voor creativiteit en innovatie. In mijn derde hoofdstuk heb ik de relatie tussen het herformuleren door de leider en strategische innovatie onderzocht, waarbij pro-sociaal transformationele manier van denken optreedt als bemiddelaar. Bovendien is de rol van pro-sociale herformuleren voor gelegenheid herkenning en sociale innovatie ook onderzocht. In dit verband heb ik strategische verandering voor duurzaamheid van een business school bestudeerd in een afgelegen dorp in India. Deze business school is omgeven door meer dan 400 kleine en middelgrote bedrijven die sterk vervuilend zijn. Als gevolg hiervan is de algehele luchtkwaliteit rond de business school zeer slecht en onverdraaglijk, zeker voor een decaan die onlangs is toegetreden tot de school vanuit de Verenigde Staten. In dit onderzoek beschrijven we hoe de leider (decaan) zijn uitdagingen op een zodanige wijze heeft geherformuleerd dat hij in staat was om nieuwe doelen te vinden in zijn strijd voor het overwinnen van de uitdagingen opgeworpen in deze moeilijke situatie. Van deze manier van herformuleren profiteerden alle stakeholders van zijn business school met inbegrip van de lokale gemeenschap. Als onderdeel van dit etnografisch onderzoek heb ik een diepgaand interview met de decaan gehouden, als ook tal

van informele interviews met de docenten, medewerkers en studenten van de business school tijdens mijn twee en een halve maand verblijf op de campus. Met behulp van de interview data en de waarnemingsgegevens, heb ik een strategisch kader ontworpen dat de leider heeft gebruikt om verantwoordelijk bedrijfskundig onderwijs en een ethische manier van denken te ontwikkelen bij de verschillende stakeholders van zijn business school om strategische verandering voor duurzaamheid te bewerkstelligen.

In mijn vierde hoofdstuk heb ik het verband tussen het herformuleren van leiderschap en effectieve organisatorische transformatie voor duurzaamheid bij een tapijttegels productiebedrijf, Interface Inc, verder onderzocht. Dit onderzoek betrof een uitgebreide studie van verhalen, interview gegevens en observatie gegevens op het Europese hoofdkwartier van het bedrijf. Dit onderzoek toont aan hoe reflecties van de medeoprichter en leider van de organisatie om de sociaal goed te doen, hem aanmoedigde om innovatieve duurzame strategieën voor zijn medewerkers en andere belanghebbenden te bedenken. In het laatste decennium zijn woorden als duurzaamheid en groen ondernemen de buzz woorden voor bedrijven, academici en wetenschappelijke onderzoekers over de hele wereld geworden. Interessant is dat de houding ten opzichte van duurzaamheid heel anders was in 1994, toen de leider van Interface Inc., Ray Anderson besloot om duurzaamheid te verankeren in de kernwaarden van zijn organisatie. Zoals hierboven vermeld, benadruk ik in dit onderzoek het verhaal van strategische verandering naar duurzaamheid, bevorderd door de leider, in een tijd waarin Interface de marktleider was in de tapijttegel industrie en de meeste betrokken stakeholders het invoeren van duurzaam ondernemen als een zakelijke last en een suïcidale actie van de leider vonden. Door het gebruiken van de gefundeerde theorie benadering op basis van uitgebreide secundaire gegevens, interview data en waarnemingsgegevens, verkende ik dat de leider herformuleren als een

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strategisch instrument had gebruikt om de steun van zijn verschillende stakeholders te verkrijgen. Het classificeren van duurzaamheid als een ernstig probleem en het referen aan rol verwachting theorie, stelt dit onderzoek vast dat herformuleren door het kijken naar de rol zoals verwacht van individuele belanghebbenden met succes kan worden gebruikt om steun voor verandering naar duurzaamheid te winnen. De leider herformuleerde de uitdagingen en mogelijke oplossingen met behulp van morele logica voor stakeholders van wie de rol niet-financiële functies betreft om hun inzet voor duurzaam ondernemen te verkrijgen. Hiermee in contrast, heeft hij geherformuleerd met behulp van economische logica (geclassificeerd niet-hernieuwbare bronnen als afval, afval als geld etc.) om de steun van de stakeholders te verkrijgen, van wie de rol de financiële functie betrof. Deze bevindingen geven aan, dat als in een petro-intensieve industrie, zoals tapijttegel productie, de leider met succes strategische verandering voor duurzaamheid kon bewerkstelligen, dat andere organisaties ook gebruik kunnen maken van herformulering als een instrument voor verandering naar duurzaamheid.

Kortom, mijn onderzoek legt de verbinding tussen sociaal ondernemerschap en transformationeel leiderschap. Dit inzicht kan de basis voor de ontwikkeling van een pro-sociale transformationele mentaliteit bij studenten en professionals vormen. Verder heb ik de werkzaamheid van leider centrisch strategie maken door middel van herformulering bestudeerd. Herformulering met een pro-sociale transformationele mentaliteit kan een effectieve manier zijn voor kiemvormende innovatie en het uitdragen van strategische verandering voor duurzaamheid. In dit proces is het herformuleringsraamwerk dat is ontwikkeld een effectief strategisch instrument voor beoefenaars en biedt een theoretische basis voor academici voor het bestuderen van veranderingsstrategieën voor duurzame groei.

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Aangezien de theoretische overlap tussen het concept van transformationeel leiderschap en sociaal ondernemerschap niet goed is begrepen, start mijn proefschrift met het vaststellen van deze overlap door middel van een kwalitatieve gefundeerde theorie benadering (Bhutiani, Flicker, Nair & Groen, gepubliceerd als een boek hoofdstuk, Edgar Elgar Publications , 2012) met betrekking tot de levensgeschiedenissen van drie eminente wereldleiders - Mahatama Gandhi, Moeder Teresa, en Wangari Maathai, door het beantwoorden van de vraag: *Is sociaal ondernemerschap transformationeel leiderschap in actie?* Deze drie leiders begonnen hun reis allen als sociale activisten die de mens om hen heen wilden dienen. Zij vonden al snel vrijwilligers die zich bij hen wilden voegen in hun sociale proces waardoor ze naar verloop van tijd effectief transformationele leiders werden.

Verder verbind ik de pro-sociale transformationele mentaliteit met strategische innovatie en strategische verandering voor duurzaamheid door het beantwoorden van de volgende vraag: ***Kan de pro-sociale transformationele mentaliteit van een leider strategische verandering voor duurzame ontwikkeling mogelijk maken?***

Dit idee werd in eerste instantie toegepast in het kader van het hoger onderwijs in de opkomende economieën. Beleidsvorming in deze context is een enorme taak, te wijten aan het feit dat deze regio's geconfronteerd worden met ernstige beperkte middelen met betrekking tot opgeleide docenten en financiering. In mijn tweede hoofdstuk bestudeerde ik beleidsvorming met beperkte middelen op basis van de casus Indiase bedrijfskundige opleidingen. Dit onderzoek wijst op het belang van pro-sociale herformulering als een innovatieve benadering van beleidsvorming met ernstig beperkte middelen. Om dit vast te stellen, heb ik de beleidsuitdagingen vanuit meerdere hoeken bekeken: traditioneel, vrije markt en sociaal ondernemend. Tot slot stel ik voor om een hybride benadering van het bedrijfskundig onderwijs te adopteren, dat de sterke punten van de regelgeving, de vrije markt en sociaal ondernemerschap samensmelt, om toegang en kwaliteit van het onderwijs voor allen

beschikbaar te maken. Deze aanpak zal uiteindelijk beleid met betrekking tot het bedrijfskundig onderwijs duurzamer maken, wat zal bijdragen aan het overleven en gedijen van business schools in gebieden van de wereld waar de middelen beperkt zijn.

Leiderschap en het bewerkstelligen van strategische verandering worden beschouwd als twee zaken die hand-in-hand gaan en zijn goed samen onderzocht. Leiderschap literatuur wijs op de rol van de leider in het creëren van een omgeving voor creativiteit en innovatie. In mijn derde hoofdstuk heb ik de relatie tussen het herformuleren door de leider en strategische innovatie onderzocht, waarbij pro-sociaal transformationele manier van denken optreedt als bemiddelaar. Bovendien is de rol van pro-sociale herformuleren voor gelegenheid herkenning en sociale innovatie ook onderzocht. In dit verband heb ik strategische verandering voor duurzaamheid van een business school bestudeerd in een afgelegen dorp in India. Deze business school is omgeven door meer dan 400 kleine en middelgrote bedrijven die sterk vervuilend zijn. Als gevolg hiervan is de algehele luchtkwaliteit rond de business school zeer slecht en onverdraaglijk, zeker voor een decaan die onlangs is toegetreden tot de school vanuit de Verenigde Staten. In dit onderzoek beschrijven we hoe de

leider (decaan) zijn uitdagingen op een zodanige wijze heeft geherformuleerd dat hij in staat was om nieuwe doelen te vinden in zijn strijd voor het overwinnen van de uitdagingen opgeworpen in deze moeilijke situatie. Van deze manier van herformuleren profiteerden alle stakeholders van zijn business school met inbegrip van de lokale gemeenschap. Als onderdeel van dit etnografisch onderzoek heb ik een diepgaand interview met de decaan gehouden, als ook tal van informele interviews met de docenten, medewerkers en studenten van de business school tijdens mijn twee en een halve maand verblijf op de campus. Met behulp van de interview data en de waarnemingsgegevens, heb ik een strategisch kader ontworpen dat de leider heeft gebruikt om verantwoordelijk bedrijfskundig onderwijs en een ethische manier van denken te ontwikkelen bij de verschillende stakeholders van zijn business school om strategische verandering voor duurzaamheid te bewerkstelligen.

In mijn vierde hoofdstuk heb ik het verband tussen het herformuleren van leiderschap en effectieve organisatorische transformatie voor duurzaamheid bij een tapijttegels productiebedrijf, Interface Inc, verder onderzocht. Dit onderzoek betrof een uitgebreide studie van verhalen, interview gegevens en observatie gegevens op het Europese hoofdkwartier

van het bedrijf. Dit onderzoek toont aan hoe reflecties van de medeoprichter en leider van de organisatie om de sociaal goed te doen, hem aanmoedigde om innovatieve duurzame strategieën voor zijn medewerkers en andere belanghebbenden te bedenken. In het laatste decennium zijn woorden als duurzaamheid en groen ondernemen de buzz woorden voor bedrijven, academici en wetenschappelijke onderzoekers over de hele wereld geworden. Interessant is dat de houding ten opzichte van duurzaamheid heel anders was in 1994, toen de leider van Interface Inc., Ray Anderson besloot om duurzaamheid te verankeren in de kernwaarden van zijn organisatie. Zoals hierboven vermeld, benadruk ik in dit onderzoek het verhaal van strategische verandering naar duurzaamheid, bevorderd door de leider, in een tijd waarin Interface de marktleider was in de tapijttegel industrie en de meeste betrokken stakeholders het invoeren van duurzaam ondernemen als een zakelijke last en een suïcidale actie van de leider vonden. Door het gebruiken van de gefundeerde theorie benadering op basis van uitgebreide secundaire gegevens, interview data en waarnemingsgegevens, verkende ik dat de leider herformuleren als een strategisch instrument had gebruikt om de steun van zijn verschillende stakeholders te verkrijgen. Het classificeren

van duurzaamheid als een ernstig probleem en het refereren aan rol verwachting theorie, stelt dit onderzoek vast dat herformuleren door het kijken naar de rol zoals verwacht van individuele belanghebbenden met succes kan worden gebruikt om steun voor verandering naar duurzaamheid te winnen. De leider herformuleerde de uitdagingen en mogelijke oplossingen met behulp van morele logica voor stakeholders van wie de rol niet-financiële functies betreft om hun inzet voor duurzaam ondernemen te verkrijgen. Hiermee in contrast, heeft hij geherformuleerd met behulp van economische logica (geclassificeerd niet-hernieuwbare bronnen als afval, afval als geld etc.) om de steun van de stakeholders te verkrijgen, van wie de rol de financiële functie betrof. Deze bevindingen geven aan, dat als in een petro-intensieve industrie, zoals tapijttegel productie, de leider met succes strategische verandering voor duurzaamheid kon bewerkstelligen, dat andere organisaties ook gebruik kunnen maken van herformulering als een instrument voor verandering naar duurzaamheid.

Kortom, mijn onderzoek legt de verbinding tussen sociaal ondernemerschap en transformationeel leiderschap. Dit inzicht kan de basis voor de ontwikkeling van een pro-sociale transformationele

mentaliteit bij studenten en professionals vormen. Verder heb ik de werkzaamheid van leider centrisch strategie maken door middel van herformulering bestudeerd. Herformulering met een pro-sociale transformationele mentaliteit kan een effectieve manier zijn voor kiemvormende innovatie en het uitdragen van strategische verandering voor duurzaamheid. In dit proces is het herformuleringsraamwerk dat is ontwikkeld een effectief strategisch instrument voor beoefenaars en biedt een theoretische basis voor academici voor het bestuderen van veranderingsstrategieën voor duurzame groei.

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