

Title: The integration of practical business topics and issues with pedagogical overtones for classroom discussions.

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The integration of practical business topics and issues with pedagogical overtones for classroom discussions

This paper is part of an academic project that I and some of my colleagues have been involved in to assess the efficacy of using essays as a tool for teaching business writing and generating discussion for the purpose of demonstrating actual business challenges facing business leaders today.

It is explained about a V.U.C.A. world and the challenges executives face because of it. The acronym stands for **V**olatility, **U**ncertainty, **C**omplexity, and **A**mbiguity. The pace of change caused primarily by technology also plays a big role in creating difficulties. Added to all this is the pandemic and what it did to further disrupt the business environments. Also we examine the idea that globalism is still a potent element in understanding and contending with its challenges. Taken together, this creates a fertile backdrop to helping students learn about business. It aids in bringing the principles and concepts in textbooks to life. It adds to the realism of what to focus on and what to remember in order to fully develop into a mature business professional.

There are 5 essays in this paper. They are taken from a series of blogs written for general consumption. (See <https://gsbhappening.wordpress.com/2020/05/26/blogs/>) Each cover a different topic or issue. The content is used to generate discussion. The form is used to illustrate effective business writing. The discussions are generally weak because of students' reluctance to participate in discussions. Some are very good and many are rather seemingly inconsequential. We think they are worthwhile because it gets students out of their comfort zone and force them to think about and address often new ideas and things about the business world. These ideas are so new, that they tend to remember them in casual discussions and emails after classes are over.

The writing is for extra credit. Every student is required to write 3 essays, each 800-900 words about a business topic of their choice. The first one will be critiqued for content, form, grammar and syntax. They are required to resubmit that paper to earn points toward their final grade. Only the first paper needs to be resubmitted with corrections. The final two will stand on their own and earn points bases on lessons learned from the only resubmission. Students can earn from 0 to 2 points for their efforts. Each point is added to the points earned during the semester to determine a final grade. Students learn how important writing is as a reflection of thinking and formulating an argument or position about ideas, promotions, presentations and business planning. It is an essential part of a professional life and students leave with that understanding regardless of their writing skill level.

There are no results to report on this project. We are still assessing the data. The essays in this paper are offered to my colleagues as an opportunity to consider the models used in this project for your courses to develop students' writing and general business knowledge.

BUSINESS MUSINGS L

By Professor Joe Stasio

I have always been intrigued by the differences between a manager and a leader. At first glance, they seem to be similar. After all, a manager must lead people in order for business activities to be accomplished. But leading people and being a leader are two different things. According to the dictionary, a manager is, *“a person responsible for controlling or administering all or part of a company or organization.”* A leader is defined as, *a person who does the following, Creates an inspiring vision of the future. Motivates and inspires people to engage with that vision. Manages the delivery of that vision.* Clearly, a difference emerges as the issues of what these people are responsible for and what personal qualities are needed to carry out their duties. From these definitions, a manager’s role suggests a more perfunctory behavior, controlling and administering, whereas a leader creates and inspires. One focuses on behavior, the other, on personality. To be a leader, one must have a charismatic personality. So, they old-saying goes. It is the charisma that inspires. We are familiar with those types of leaders. They appear in all walks of life. But are they good leaders? Are they followed for the quality of their vision or the quality of their charisma? Simon Sinek, in one of his Ted talks, explains about this issue. He identifies two leaders and shows why they were good examples of leadership. His first example, is Dr. Martin Luther King Jr. People followed him not because he was a great orator and personality, but because of the quality of his vision. What he believed about racial equality and how to achieve it, resonated with millions of people of all colors. They believed in his vision. The second example was the Wright Brothers. They believed that they could figure out flying technology. The people who worked with them, shared that belief. They too followed the Wright Brothers because of their vision not because of them. They worked tirelessly beside them until they were successful. Sinek’s point is well taken. The quality of good leadership is not in personality but in vision. It is possible and it is seen all the time, that people who believe in a vision because of the charisma of the leader, are inevitably disappointed. Their visions are almost always self-serving rather than in the interests of a greater vision for a greater good.

Mindtools.com identifies 8 characteristics and qualities of a good leader. They are:

- **Integrity**
- **Ability to delegate**
- **Communication**
- **Self-awareness**
- **Gratitude**
- **Learning agility**
- **Influence**
- **Empathy**

This list clearly identifies a wide-range and depth of personality traits and motivations that help establish what is a good leader. Nowhere on this list is charisma. Good leaders understand who they are, continue to strive to become better, and exhibit respect and caring in all their interactions with people.

Opentext.ca defines managerial skills as the following:

- **Technical skills**
- **Conceptual skills**
- **Interpersonal skills**
- **Decision-making skills**
- **Diagnostic and analytical skills**

When discussing a manager, the emphasis is now on skills rather than quality of traits.

Again, a manager's tasks are to manage resources and people in the execution of business activities. Skills and experience become tantamount to success. Is it possible to be a good manager and poor leader and vice-versa?

There is an age-old argument that has puzzled business. Are leaders born or made? There is no definitive answer. Those who believe they are born argue that there are inborn characteristics that predispose people to become leaders. Many of them are listed above. There is a big difference between learning and mastering a skill, and people who are born with musical or athletic talent. Then there are those who argue they can be made, saying that your ability to negotiate, persuade, communicate is indispensable to all that is accomplished in life. There is no agreement and very little, if any, overlap. The point is this. The roles can be interchangeable. A leader can be a good manager and vice-versa. How often it happens, is unclear. What is clear is that each role has different demands made upon individuals who assume these roles. Organizations need both. They also need to know the difference. They must take great care not to confuse the two and assume one person can do them both equally well. A good manager must have mastered much of the above list of skills. A good leader must have a good vision and the ability to inspire people to follow that vision not **for** him but **with** him. If a company is fortunate enough to have many people with both sets of competencies, then success should only be a matter of time.

BUSINESS MUSINGS LXVIII

By Professor Joe Stasio

I, like many others, struggle with trying to understand the world in which we live. Things change very quickly in many respects. People seem more divided along many different fronts. It's as if we are collapsing as a society. Then I read Neil Howe's Book "*The Fourth Turning*," and these issues started to make sense.

In it, Howe explains that history has experienced a series of turnings as far back as the fourteenth century. Each turning lasts about the length of a generation or 20 years. So, one complete cycle lasts about the length of a single lifetime or 80-100 years. He named them based on the series of events that defined the social, political and economic environments of those times. Let's examine the latest set of turning of which we are still experiencing. It is important to remember that Howe has explained this phenomenon dating back to before the renaissance.

The first turning is called the **HIGH**. Our current high ran from 1943 to 1963. It started as WWII was ending and ended with the assassination of JFK. It is called a high because family ties are strong, and institutions are reinforced as pillars of society. The culture is innocent and unified in its outlook of things. A sense of community is very strong.

The next turning is called the **AWAKENING**. Our current awakening ran from 1964 to 1984. It started with the Beatles, and Rolling Stones music ushering in a new social experience for the youth and ended with the strength of the me generation. During this period, families begin to weaken, institutions are attacked. The culture becomes passionate as the social order starts to splinter. Individualism becomes the marker for people.

The third turning is called the **UNRAVELLING**. Our current unravelling ran from about 1988 to 2008. It started with the fall of the Berlin Wall and ended with the economic recession of 2008. This period is characterized by weak families. Institutions start to erode. The culture becomes cynical and the social status is defined by maximum individualism.

The fourth turning, the one we are currently in, is called the **CRISIS**. It began with the recession in 2008 and is expected to end between 2028 to 2030. It is called a crisis because all the social, political and economic problems have finished unravelling and are at a loggerhead, and no one knows what will be the outcome. It could become catastrophic or the beginning of a new positive period in our history. During this period, families are getting stronger again. Institutions are being rebuilt and founded. The culture is considered rather practical and communities are rising because people are starting to gravitate together around common values.

Howe develops the fourth turning into 4 phases. The first phase is the **catalyst**. It was the world recession in 2008. This is when the unravelling started to create problems that could not or would not be addressed effectively. Howe likens it to a fire that needs to clear out the old trees and brush to make way for a new forest. People and institutions are looking for a leader that will lead them out of the morass. This period he calls the **regeneracy**. It explains why populism is such a prevalent cultural force. Will a popular leader like Trump or a more democratic leader like Biden be the one to bring the crisis to a **climax**, which is the next phase of this turning. This is when all the turmoil of the crisis starts to dissipate

and people and institutions settle into a new high. When this happens, then the last phase of this turning called the **resolution** has been reached.

Using this model as a backdrop, it is easier to understand the events of the day. It really helps explain why things and people are the way they are. It is part of the natural rhythm of history. What is most concerning at this point is what Howe points out. Nothing is guaranteed. By 2030, the world will look very differently. But many people might not like the new look. Will our democracy survive or be replaced by another form of a social contract? What might our other institutions look like? How quickly will digital money replace paper? How will our school systems function? What about our transportation systems, our communication systems and our governments? How will the disregard for science affect society's ability to address environmental and health issues? All of these questions will be settled over the next 8 years or so. It will be a tumultuous period, full of strife, but definitely growing pains.

One would have thought that facing the pandemic would serve as a point of reference to bring us together to fight a common enemy. But it has had little impact in that regard. This only illustrates the powerful historical lessons of Howe's Fourth Turning.

His sequel to this book is his writings on generations. He matches each generation to one of the turnings to explain how the turning in which they were born impacts them and then how they impact each turning after that throughout their lifetime. All 4 turning occur during every person's lifetime because they all occur during a span of 80-100 years. Both books are well worth reading.

BUSINESS MUSINGS XC

By Professor Joe Stasio

“Never doubt that a small group of thoughtful, committed citizens can change the world: indeed, it’s the only thing that ever has.”

Margaret Mead

This quote identifies, to some extent, the intersection of social entrepreneurship and marketing. Social entrepreneurs are the people who take-up a cause that they recognize as important to society. Some example in the 20th century include women’s suffrage, labor unions, civil rights and gay rights. All these movements would not have been successful without the leadership of social entrepreneurs. They also would not be successful without the use of smart marketing strategies. The heart of these strategies involved the use of keen marketing communications. The ability to develop creative messages that captured the attention of people and helped them to recognize problems and issues that were important to their lives and then to realize that changes in behavior concerning those problems and issues was the answer. The messages they created, delivered those answers.

Public Service Announcements (PSAs) were born in the 1940s. They began as messages to inform people about the war (WWII) efforts. PSAs are free advertisements donated by radio and television broadcasting companies for non-profit organizations to satisfy their social obligations to society. They are an important tool in the fight to counter attitudes and behavior that are detrimental to individuals and society. The use of drugs, tobacco and alcohol have provided fertile ground for some of these messages. “*Don’t Do Drugs*”, “*Don’t Drink and Drive*”, “*Stop Smoking*” are but a few examples of these campaigns. Today, because of changes in technologies, we need different ones. Recent social issues involve *climate change*, *immigration* and the *pandemic*. These are rather complex problems that require measured solutions from a combination of government and private sector participation if, we as a society, are to successfully address them. There are others to be sure. But these three are the most pressing and need immediate attention. A large part of the problem is **legitimacy**. Elements of these issues lack it.

What is legitimacy? According to the Oxford dictionary’s second definition, **it is the ability to be defended with logic or justification; validity**. This strikes at the heart of the matter. Different sides of these issues fail to grant legitimacy to the others. Without legitimacy, there can be no resolution.

Malcolm Gladwell, the well known author and speaker, provides three elements of legitimacy.

Standing, the recognition of the separate issues by everyone involved.

Neutrality, the fairness by which all sides are treated.

Trustworthiness, the abilities that engender trust in all proceedings.

This first element is the most crucial. If people will not recognize that others have a position on an issue, then people can never hope to move toward legitimacy. There are many ways to view and understand things. For example, a cellphone; a *scientist* may see it as a collection of atoms and chemicals interacting together to make up the physical properties of the phone. An *engineer* may see it as a collection of electronic and other

physical components that constitute the phone. A *user* sees it as a functional device to apply apps and other features to engaging in events. They all are correct in how they view the phone. Each viewpoint has legitimacy because each can understand how the other sees it. The same. However, it seems not true in the three cases identified earlier. Many people deny the standing of climate change. They believe it is a hoax. Many people deny facts concerning Covid-19. Immigration has little standing and more separation about resolutions.

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Neutrality is about equal treatment and fairness. Those in power tend to favor one position over another. Positions may achieve standing, but when they are treated unfairly in exchanges of discourse and in the setting of rules and approaches of how issues will be addressed, the standing that was achieved is disadvantaged in its ability to use leverage in efforts to accomplish its objectives.

It is this lack of neutrality that leads to the absences of trustworthiness. People need to believe that each side is negotiating in good faith. Without it, all that is left is a game of charades where people cannot and will not believe or trust each other.

We see these scenarios play out every day in the media. Depending on which platform or TV station one watches, people get slanted versions of these issues and are often accompanied with the bashing of other positions, thereby denying them legitimacy. Without legitimacy, these and other important social and political issues will never be resolved.

PSAs can play a vital role in this regard. One such message is "*Get the Facts, get the Vax*". Society should strive to understand the truth about these and other issues that impact their lives. This message is an attempt to do just that. It asks people to learn the facts about vaccines and covid-19. Now there is another strain, the delta strain. As things change so will the guidance from government agencies and medical professionals. Facts are not opinions. Facts help people make good decisions. Opinions only serve to reinforce biases and misinformation that can be harmful. People **MUST** learn to understand the difference. We need more PSAs that focus on facts about the pandemic, climate change and immigration. This is the one way we can establish greater levels of legitimacy to positions of facts and truths about them and help people to work together to resolve them.

BUSINESS MUSINGS XCI

By Professor Joe Stasio

Puzzles are solvable, knowable, with clear rules and objective answers. Mysteries are complex, murky, incapable of resolution. The world is full of both: why is it that we so often fail to distinguish between them?

This is a quote taken from the blog, ROBM.ME.UK. I find this idea very interesting because it represents two very different mindsets when it comes to defining and solving problems. Organizations are always faced with myriad problems. They range from simple logistical ones like moving office furniture, redesigning or reconfiguring office space, changes in inventory and others that fit the definition of a puzzle. They are puzzles because they have a solution. They can be solved with some sense of surety that the solution will serve the greater interest of the organization. That solution will allow the organization to move forward in a more cohesive and productive manner provided that the rules and objectives were clear and approved.

The other types of problems companies face fit the definition of mysteries. They should be defined as such because of the VUCA world in which we live and work. VUCA stands for Volatile, Uncertain, Complex, and Ambiguous. This describes much of what happens day-to-day within and outside an organization. The world changes at a very rapid pace. Government policies and regulatory agencies frequently announce new edicts. This can happen at the federal, state or local level and often does by many of them, simultaneously. The economic environment changes daily as it reacts to world events. Changes in the stock market and interest rates impact how companies set priorities. Organizations are always concerned with inflation and its affect of buyer behavior. Technology has a profound impact on all organizations. All the changes that occur affect how we live and work. For example, since 2008, the cell phone has radically altered our lifestyles and work habits. Apple just announced the unveiling of the new iPhone 13. That means there has been one new edition of the phone every year for the past thirteen years. Before 2020, company named Zoom never existed. Since then, several likeminded companies have appeared to compete with them. Companies spend millions of dollars researching and tracking consumer behavior to better understand how to create the right products and services to meet the needs and demands of their customers and to attract new prospects. Finally, companies spend much time and money tracking and understanding the companies they compete against. Hopefully this description illustrates all the elements of a VUCA world. Faced with these scenarios, leaders and manager of all types of organizations face the uncertainty, volatility and complexity which should lead to the ambiguity of their thinking and planning. But does it?

"A mystery cannot be answered; it can only be framed, by identifying the critical factors and applying some sense of how they have interacted in the past and might interact in the future. A mystery is an attempt to define ambiguities." (Treverton)

A veteran US Intelligence analyst and former Chair of the National Intelligence Council, Gregory Treverton, clearly establishes the link between how different and challenging a

mystery is from a puzzle. Today all organizations are faced with many more mysteries than puzzles. Yet many leaders and managers approach them incorrectly. Why?

The answer lies in the notion that more and different information will help in solving problems. Businesses generally have a lot of information. Some are drowning in it. Our information overload consists of many sets of data, complex, contradictory and with varying degrees of quality, that make it difficult to assess. The other issue is that unlike a puzzle, mysteries cannot be resolved. There is no one answer. Circumstances are too fluid to rest on one solution. Rather a series of responses are required to meet the changes as they occur. Solutions should be as fluid as the moment dictates. This is why mysteries cannot be resolved. They keep changing.

This inability of managers and leadership to distinguish between puzzles and mysteries is explained by several factors. First, a combination of hubris, and arrogance blinds people to subtly in assessing circumstances involved in problem-solving situations. This is best explained by the *Dunning-Kruger effect*. It states that as a cognitive bias, people with low ability overestimate their ability at handling tasks and people with high ability underestimate their ability in the same way. Next, the *Peter Principle*, which states that people are promoted to their highest level of incompetence, follows this pattern. The inability to perceive the reality of a situation as it unfolds because of bias and incompetence leads to solutions that cannot help organizational problems. Rather, they create false and misleading expectation about outcomes.

Puzzles can be solved. Often not easily but with the ability to correctly interpret the information on hand, and not seek more, solutions are available. Mysteries are very different. Organizations are always dealing within a state of flux. People come and go, people are promoted because of need and expediency not qualifications (*Peter Principle*), consumer taste change, competitors change course of action, supply chain interruptions (*Pandemic*), new technology updates, new government interventions, advancements in artificial intelligence (AI), ransomware attacks and so on. In the face of all this, management often continues to seek more data to further confuse the mysterious and ambiguous nature of its circumstances.

Organizations need to understand it is a VUCA world and learn the difference between these two types of problems, then develop systems and models to deal with them appropriately. It all starts with first rate leaders and managers. They should always be the top priority for all organizations.

BUSINESS MUSINGS XLVIII

by Professor Joe Stasio

Many people are talking about the GameStop Company phenomenon that happened recently. It is fascinating for several reasons. Not so much for the event itself, but for what it represents. Let's review the event.

A substantial number of *wallstreetbets* trading investors on the social media platform **Reddit** noticed that big hedge funds were shorting the GameStop stock. Like Blockbusters from another time, these hedge funds understood that GameStop, as a brick-and-mortar video game store, was facing the same fate. To short a stock means to bet against it by borrowing it at a high price and, when the value/price of the stock falls, buy it at the lower price, thereby making a profit.

First a note about dark trading. This occurs when stocks are bought and sold outside the public stock exchanges in off-exchange platforms like Robinhood. By some accounts this represents about 40% of all stock trades today and it appears to keep growing. This will become important later.

These dark traders, from their research, discovered that hedge funds and other institutional traders had large short positions in GameStop. Since many of them were game player and had an affinity for the company, they saw an opportunity to make money through buying the stock and pushing the price higher and higher with every new purchase. As the price climbed, it created a "**short squeeze**" (*forcing short holders of the stock to buy at the higher prices to cover their positions*) This resulted in huge losses for many hedge funds and others. But don't be fooled. Not all the Robinhood traders made money either.

It is important to understand that individual stocks are finite. There are only so many shares available for investors. For every seller, there must be a buyer. Therefore, for every share of GameStop sold, someone had to buy it. While the short squeeze was happening, some dark traders were also selling forcing the price of the stock lower. Those who bought at higher prices and sold, ending up losing money too. GameStop share price is currently at \$53. It was as high as \$400/share. With this type of volatility, there are bound to be many types of both, winners and losers.

What can we learn from this story? The single most important lesson is the democratization of the internet and its impact on business. The dark trading businesses have been helped immensely by the pandemic. People, out of work, are home and learning about and engaging in trading stocks. The advent of no fee trading on the internet has fueled these activities. The incentives are too good to pass up. It is well known that Wall Street Investors and their institutions are a closed system. The game is rigged in their favor. Through operational economies of scale and closed information channels, they keep out all other player. What Reddit and Robinhood did was create power in numbers. Hundreds of thousands of small investors banded together through the internet to establish themselves

as formidable players in the stock market. Once learning about the short positions of GameStop, they saw their opportunity and sprung into action.

With this democratization, entrepreneurs can now use it to compete with the bigger, more established companies in many different industries. More importantly, when they band together, they can actually vie with them and in some cases, compete directly with them. There is power in numbers. This realization offers new opportunities for entrepreneurs to establish networks of people, who share similar business goals, to band together to create new economic powers. Entrepreneurship is first and foremost about the creation of new companies and jobs to grow the economy. Here it is. Of course, this is easier said than done. The GameStop event could be just an anomaly. A perfect storm created by unusual circumstances. Or it could be the beginning of a new trend in business.

There is one caveat to the GameStop story. Engaging in day trading is NOT investing. It is gambling. Investing, by definition, is a long-term process where companies are chosen on the basis of their long-term economic prospects. To buy and sell stocks on speculation, can create unusual volatility in the stock price and wreck many people's finances and hurt the stock market and the economy. This is not a good example of entrepreneurship. It should be examined to determine how it should be addressed.

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