Beyond the crisis: the role of ESMT Berlin in creating a better tomorrow

The coronavirus pandemic demonstrates a seemingly unending demand for academic expertise and analysis. Number-crunching experts are on television every day, explaining exponential growth to a public that can seemingly not get enough. The effective handling of the crisis has also highlighted the importance of strong and responsible leadership, as such leaders guide countries and organizations successfully through the challenges. The ever-growing importance of digital solutions and innovation has accelerated and become even more apparent during the crisis. Firms and schools have had to “go digital” with little to no warning, and those with expertise, experience, and processes in place have had a distinct advantage.

While governments plan, debate, and implement exit strategies, business schools are continuing their research and teaching in a completely changed environment. Forward-thinking schools should be positioning themselves strategically to emerge stronger and with increased relevance out of the corona crisis. At ESMT Berlin, we are doing just that. We have unified under the auspices of solidarity to examine all areas of our organization and concentrate our academic know-how on areas most essential for the future. The three pillars that have underpinned our academic and organizational development for years—leadership, innovation, and analytics—provide us with the foundation we need not only to meet the acute challenges caused by the corona crisis, but also to thrive in the future.

Responsible leadership has been at the heart of all of ESMT’s activities since our founding in 2002. We were established as a European business school with the Social Market Economy and stakeholder value as a part of our DNA. In our young history, we have focused with utmost priority on our mission of developing responsible leaders. Long before “experiential learning” became a part of top business schools’ curricula, we sent students around the corner and around the world to use the knowledge and skills they have learned to lead and give back to society in Social Impact Projects or as Responsible Leaders Fellow after graduation.

In line with our school’s mission, the Center for Sustainable Business and Leadership brings together the three areas of sustainable business, leadership, and business and society. At its center are the Ingrid and Manfred Gentz Chair in Business and Society and the Sustainable Business Roundtable. The roundtable is a peer-to-peer learning network for international companies who are leading the sustainability revolution. The chair, held by Prof. Gianluca Carnabuci, was established to develop significant and applicable scientific knowledge to help leaders act competently and responsibly. Regarding the chair’s contribution, the words of benefactor Manfred Gentz from 2019 ring even truer in light of the current crisis: “Corporate leaders need a value-based compass for their decisions. This is all the more true in our increasingly knowledge-based, interconnected, and innovation-driven society.”

Not only corporate leaders but also healthcare professionals have to demonstrate great leadership. At ESMT, our academic research and proficiency encompasses leadership and decision-making in the healthcare industry. We already provide leadership training for young physicians from emerging economies and plan to expand this focus with a leadership academy for leaders in the medical sector. ESMT alumna Dr. Kate Gaynor, managing director of the United Family Healthcare hospital in Guangzhou, China, has said she “feels more capable and confident as a general management” because of her time at ESMT.
The coronavirus pandemic has demonstrated the huge need for innovation, on a user-driven and more global level, as many business models and even industries begin to wobble. ESMT is at the frontier of innovation research and teaching, focusing on open innovation, citizen science, and crowdsourcing, as well as harnessing good ideas and good people. Prof. Henry Sauermann, for example, studies individual-level, team-level, and institutional aspects of innovation and entrepreneurship. He looks at how the innovation process can be organized within teams, firms, and industries. Prof. Gianluca Carnabuci investigates why some individuals are more innovative than others, and Prof. Linus Dahlander examines how to find new ideas inside and outside of firms. Innovation in supply chains will also be critical. Identifying potential disruptions and developing advanced contingency plans and mitigation strategies will become even more essential. Prof. Tamer Boyaci’s research on supply chain risk management directly addresses these challenges.

The current pandemic has made evident how crucial analytics is and will be in the future. We recognized this trend early and developed our master’s in management accordingly, with a strong focus on data analytics from its launch in 2014. ESMT professors embrace big data in economics, organizational behavior and decision-making. The Center for Financial Reporting and Auditing and its academic director Prof. Per Olsson are using algorithmic processing to improve financial reporting, for example. At the crossroads between leadership and analytics, Prof. Francis de Véricourt has examined the World Health Organization’s warning policies regarding global pandemics and reputational trade-offs. He has also analyzed the application of data-driven models and methods for managerial decision-making at the WHO. Not only in the coronavirus crisis but also in elections around the world, we have seen the important role of digital platforms in spreading or preventing the spread of false information. Prof. Özlem Bedre-Defolie recently received a prestigious grant of 1.5 million euros. She examines digital markets and the dynamics of platforms.

Building upon our strong foundation in leadership, innovation, and analytics, ESMT is positioned to emerge from the corona crisis as an even stronger player in European and international business education. Having built up competencies in these three areas early, we can now demonstrate needed expertise and expand it in the future.

We also recognized the importance of digitalization in education and society as a whole long before the coronavirus made face-to-face teaching impossible. We inaugurated the Digital Society Institute, a leading think tank for cybersecurity issues, advising companies, governments, and NATO, in 2016. In 2019, we invested heavily in digital learning. This investment, along with our experience as a part of the Future of Management Education Alliance, has given us a tremendous advantage. We have successfully created and run the blended Telekom MBA. Additionally, we have launched the ESMT Part-time MBA in Business Innovation in blended format. Timotheus Höttges, CEO, Deutsche Telekom AG, said, “Digitalization and agile transformation are key for the future success of large organizations. To support us in the development of a new generation of leaders with the required management skills and in the retention of top performers, we decided to offer a tailor-made academic qualification with a recognized degree. ESMT was the clear choice and convinced us with their program design, faculty, digital platform, and price.”

We will continue to build up our academic expertise in our three pillars leadership, innovation, and analytics, as we grow our faculty by filling the Joachim Faber Chair in Business and Technology and the Volkswagen and Audi Chair for Diversity in Leadership. With great foresight, the endowers of these chairs donated funds for research and teaching the application of technologies to tackle business and societal
challenges and in diversity-related leadership issues in organizations. During the current crisis, many women managers have been forced to focus on care duties to a much greater extent than their male counterparts. This once again demonstrates the uphill battle for gender parity in leadership positions and the relevance of diversity in leadership. “Diversity helps us to reach better decisions and become more agile, more innovative, and thus more sustainable during a time when society and the economy are undergoing a profound transformation,” says Hiltrud D. Werner, Member of the Board of Management of Volkswagen AG responsible for Integrity and Legal Affairs. “As one of the leading business schools in Europe, ESMT is the perfect home for such a chair to advance diversity in management education.”

**Outlook**

We do not have a crystal ball, but we are preparing for the role of business schools and ESMT after the crisis. We believe that factual communication and increased internal and external transparency will continue to play a great role in leadership, as will decision-making under pressure. The role of business and the real and perceived trade-offs between social and economic goals will have to be addressed, as will the adaptation of successful business models to increase positive social impact.

Additionally, research on the effects of de-globalization, such as the tendency to move production back to the richer countries of the West, will be essential. This will include how globalization affects the cross-border spread of pandemics and the neglected economic cost of globalization. Data literacy and analytics skills will be even more pronounced in the future, in particular visualization, prediction-detection, and data-driven decision-making.

Still in the midst of the pandemic, we at ESMT are defining our future strategy, and it’s not “fly by the seat of your pants”; instead, it is grounded in areas of expertise we have been building up for years, ones that have only grown and will continue to grow in importance during the corona crisis.

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