Developing leaders in practical wisdom

June 11, 2009

What sets good executives apart? IESE believes it is their capacity to analyze situations and then take action according to a set of criteria.

The shaping of business leaders and executives started in the United States during the Second World War and was extended to Europe through the Marshall Plan, with hundreds of new programs aimed particularly at increasing industrial productivity. That context, back in 1958, gave rise to IESE, "an unprecedented adventure."

Prior to the introduction of IESE's Senior Management Program (PADE), there had never been any lengthy programs for business owners and top executives in Europe. This was followed by the Management Development Program (PDD), the General Management Program (PDG) and the Master in Business Administration (MBA), in three different formats. IESE's offer went beyond solving problems related to business or macroeconomic issues.

To help understand this unique vision of business administration, Carles M. Canals, a finance and economics journalist, has written *Sabiduría práctica. 50 años del IESE (Practical Wisdom: 50 Years of IESE)*, an account of what sets this management school apart, written on the occasion of the school's 50th anniversary.

Based on over 400 testimonials spanning the school's history, the book is written in a style similar to the case study approach used in IESE's classrooms: the various contributors shed light on different aspects of reality, with the help of technical notes. The readers, just like the students themselves, can draw their own conclusions.

The choice of title, *Practical Wisdom*, evokes the rigor and relevance of IESE's programs,

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while also alluding to Aristotle's definition of prudence, which he considered an important virtue of a leader. At the core is the capacity to deliberate well, so as to apply general criteria to each situation effectively and ethically.

The work of a saint

IESE's programs are inspired by Christian notions of the individual, the enterprise and society. They strive to make their students not only better people but better leaders as well, so that, through their free and responsible actions, companies may become more effective, more human and serve society as a whole. In this, IESE was responding to the impulse of St. Josemaría Escrivá, founder of Opus Dei and the University of Navarra, who first suggested the idea of organizing some type of activity to provide business leaders with Christian-oriented training in Barcelona.

After explaining the history leading up to the launch of the MBA in 1964, the story skips forward to 1974, when a steady calendar of programs began to be offered in Madrid. The various programs are described, all of which are taught with university-level rigor, from the strategic perspective of the top executive and geared toward action and decision making. IESE also reinforces such concepts as relevance, professionalism, the case method, teamwork, the close proximity of the professor and ethics, which were present in the curriculum from day one.

The chapter "Héroes anónimos" ("Unsung Heroes") praises the "smiling effectiveness" of the school's non-teaching collaborators and staff. Many recount stories of how they were made to feel right at home at IESE, and they remark on the school's passion for a job well done, its attention to detail, the concern shown for others, and the spirit of generosity and care - ideals and virtues that reflect the ethos of Opus Dei. According to St. Josemaría, work done with professional competence and a spirit of service is an opportunity to find and love God, and to sow peace and joy among peers.

Laboratory of ideas for action

Since the late 1950s, the key criterion for measuring the quality of a given professor was the number of articles he or she had published in refereed scientific journals. Today that criterion is being called into question, especially if these well-researched conclusions prove irrelevant to executives' real working lives.

How does IESE see it? In the early decades, priority was given to research oriented toward

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education and business practices, which was primarily presented in the form of case studies, technical notes and books of general interest. At the beginning of the new millennium, IESE has made it a top priority to improve this facet.

Nevertheless, as rigorous as academic research must be, IESE still puts the practitioner at the center and emphasizes problem-solving approaches. This is more along the lines of "clinical" research, the way doctors use research trials to treat patients at university hospitals. As the management guru Peter Drucker recognized, a balance must be struck between science and art, analysis and experience, theoretical judgment and action.

The best ambassadors

Alumni have played a key role as IESE's best ambassadors. From the outset, they have helped the school by offering suggestions, attracting participants to programs, hiring graduates, and investing time and money in financing new facilities, research and training opportunities for professors. The frequent contact between professors and alumni has also ensured that the education remains relevant and grounded in business realities.

Other chapters focus on the entrepreneurial spirit and help for family-owned businesses, as well as the cooperation with professors from Harvard Business School, the International Advisory Board and other associated business schools around the world.

Taken together, the author presents something more than a historical account. Rather, he uses the history of IESE as a means for delving deeper into the role of business administration and the "practical wisdom" that should inspire all good leaders.

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