

# Thinking about developing business leadership for the post-COVID world

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## Abstract

**Purpose** – The purpose of this paper is to provide an overview of a successful model on how to prepare business students to be successful in a new, post-pandemic world that faces enormous social challenges.

**Design/methodology/approach** – The article discusses the current business and social movements that suggest the relevance of social entrepreneurship and explain the pedagogical model developed at the Center for Nonprofits at Sacred Heart University.

**Findings** – The article suggests how this pedagogical model may provide students with the skills, attitudes and values required for successful social entrepreneurship processes.

**Research limitations/implications** – The article presents the current picture which will undoubtedly change over time. Thus the context is time constrained. The article presents one model to develop leaders' skills. There are many other models and experiences that should be considered and evaluated.

**Practical implications** – The case explains a key initiative that can help universities improve pedagogical tools on building students' social entrepreneurship skills and extend this impact to their success in the post-pandemic environment and impact on surrounding communities.

**Social implications** – There is a growing need for business leaders to have sophisticated business skills and purpose beyond financial profit. The article looks at the dual roles of social entrepreneurs as a model for the leaders and the Nonprofit Center at Sacred Heart University to develop the skills of the future leaders.

**Originality/value** – The article presents a new vision of the skills necessary for a leader in today's environment. It draws from the literature on social entrepreneurship. It also presents one model that has been successful for 15 years and the pedagogical underpinnings of that model.

**Keywords** Post-pandemic, Stakeholders capitalism, Social entrepreneurs, Nonprofit center, Pedagogy

**Paper type** Conceptual paper

## Introduction

Coronavirus disease 2019 (COVID-19) has changed our lives in ways that will have a lasting effect on every one of our institutions. Whole sectors of the economy are fighting for survival. Many of their employees, supply chain partners, customers and investors have gone through and are probably still going through fear for their finances, health, family and general well-being. They have seen whole communities suffer. They have witnessed long lines for food for families, the government's inability to effectively fight the virus and massive and immediate unemployment for millions of Americans. They have also witnessed large private donations,



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acts of bravery by first responders and medical personnel and unbelievable acts of kindness by volunteers. Our country has been divided by protest over institutional racism and the reaction to the demonstrations. Economic justice is an important part of these discussions. The biomedical economic sector has been seen as a savior, and technology became the main way we learned, collaborated, shopped and socialized. It feels like we have reached a moment of disruption where substantial change is about to take place within all of the social institutions.

Although we may be so happy to “return to normal” that we may go about rebuilding as it was, [Kotter \(1996\)](#) one of the change gurus says that the presence of urgency for the change is the first step in creating change. It seems that right now there is some urgency to return to the pre-COVID-19 status quo. A fair question is: will the progress that we have made become part of the COVID-19 response and not be adopted in the post-COVID-19 world? Is the COVID-19 pandemic the disruption that will lead to a major transformation? There are signs of positive changes coming. The use, advances and resulting increased productivity from technology are astounding. After seeing the differences caused by a slowdown in our environment, it appears that there is a rejuvenation of interest in slowing down climate change, and changes in the relationships between companies and their stakeholders have provided more discussion at all levels about stakeholder capitalism. There has also been a forced increase in entrepreneurship in the transformation with 4.4 million businesses in 2020 in the United States, a 24% increase from the year before. It is by far the biggest increase on record. ([Djankov and Zhang, 2021](#)) Start-ups have boomed in the United States during the COVID-19 pandemic. In the transformation, we used the entrepreneurial way of looking at markets, products’ relationships with communities and customers. In the end, it appears that the changes that were in progress before the pandemic, such as stakeholder capitalism, have the best chance of continuing.

Not all changes have exhibited these welcome social benefits. The extreme financial inequities in America have grown worse. [Forbes \(2020\)](#) estimates that the 2,200 billionaires in the world have collectively gotten \$1.9 trillion richer in 2020, and American billionaires gained a total of one trillion dollars during the first nine months of the pandemic. This is in contrast to the evidence of serious financial hardships of a major portion of the population, which is evidenced by long food lines, as many as 30% of American children living with food insecurities and an incredible number of American workers unemployed. An anticorporate sentiment has been growing in the US It is fueled by a growing wealth gap, and an increasing percentage of all wealth held by a smaller number of people. This gap continues to grow.

There are many potent and obvious demonstrations of the potential short shelf life of the changes in our lives, in particular, the uses of communication technology to complete tasks during the COVID-19 lockdown. This included educating our young, keeping in touch with family and friends, and business communications with colleagues, customers and suppliers. For the most part, this mode of communication worked. However, this is one area where there is serious longing for a return to the way it was. Social interaction, human interaction and freedom to move are really missed. The attempt to homeschool has made remote learning more known, but less accepted. It also has revealed holes in our social support such as dependable day care, parental leave, flexibility and the lack of resources for the basics for many full-time workers, and dependency on schools to feed our growing food insecure population. This has been exacerbated by the rapid growth in unemployment. Many people are scared and desperate.

The extreme financial inequality, big business’ hegemony with government and regulators created a mistrust of business and even antigovernment sentiment.

Now there are some questions for companies from their stakeholders: Financial inequality stayed in focus, so what did you do during the pandemic? What did you do to help and/or

protect your stakeholders and the social order? Going forward there is a need to consider resetting the thinking of the purpose of the corporation and/or its relationship with its stakeholders. One can see that there is a sense of these questions in the C-suite. Television commercials talk more about a company's philanthropy and social impact. Preliminary data indicate that philanthropy has increased. (Ho, 2020). Companies now talk everywhere they can about their social impact, values, contributions and purpose.

### Change in business thinking

For a very long time, businesses have been an important source of support for community institutions and the community's issues. There is always someone with a voice in the company, reminding everyone that this is not the reason they are in business. Two big ideas have collided in our universe, and those that have believed in them have been advocates and leaders of a change in the questions on a business' purpose and place in its community. The first one is that businesses were increasingly seen as the opposition to better communities, lives and society. The second idea was that a corporation could do better by doing good. Purpose could result in dedicated and passionate workers, a strategic advantage in recruiting skilled workers, loyal customers, higher profits and faster sustained growth. There is also the thinking that moving toward a corporation that is purpose driven will unleash a new kind of innovation and passion in their employees and loyalty in their customers. Everybody wants to be involved with something bigger than them.

We know from research that purpose enhances our profit and accelerates our growth. It results in less employee turnover and increased employee passion for their work. It can produce more committed and loyal customers. There is mounting evidence that supports a business case for corporate purpose.

A global study by LinkedIn report on purpose at work done by E.Y. Beacon Institute and Harvard Business School Hurst *et al.* (2016) found results supported the assertion that is not Profit or Purpose:

- (1) A total of 42% of companies not driven by purpose saw a drop in revenue.
- (2) A total of 85% of purpose-driven companies experienced growth.
- (3) A total of 58% of these purpose-driven companies had 10% or more growth over three years than a comparison group of companies that were not purpose driven.

In another study done by the Keller (2015) found that 87% of interviewed executives thought being purpose driven would produce even more profits in the long run. A study by McKinsey found 50% of executives predicted being purpose driven increased a company's chance of being in the top decile in shareholders' return.

The Ernst and Young-sponsored study also predicted that purpose drives growth and innovation. It appears that individuals with purpose are creating the new R&D labs. Incredible innovations and inventions such as the portable and inexpensive ultrasound, solar-powered refrigerators and student computers for under \$200 all initiated by purpose-driven, not money-driven, employees in major companies. Executives believe that purpose will make corporate transformation more likely, and it will be fueled by the purpose. (Anthony, 2012)

The pandemic-facilitated changes present some new and basic questions for business education. What should we be teaching, to whom and how? We think successful social entrepreneurs have a lot to add to this conversation. Where are the new models of business education, and who are the role models that look like successful graduates of the new business education? We know the new business leaders will have to be committed to a social impact and purpose. They will have to be able to manage complex technology-enhanced

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businesses that are in global competition for talent: young, tech-savvy, entrepreneurial thinking and purpose-driven talent. So, we want to produce graduates who are dynamic leaders and smart managers, who care about people, understand their stakeholders, expect environmentally friendly processes, care about social issues, respect all people and have purpose and commitment. We could go on, but we believe the reader has the idea. A good model for a committed leader with purpose and passion, who can run an organization, can be found in successful social entrepreneurs.

Successful social entrepreneurs bring expertise to facilitate the resetting of corporations. This is who they are and what they do. Social entrepreneurs can help corporations find and articulate their purpose. A key to success is the believability of the resetting. It is actions, not words, that count. Getting the purpose into the strategy and all actions and thoughts of the company is a process that social entrepreneurs have already had to work through. This is living and surviving working with a purpose, and can include develop passion in the workforce, loyalty in customers, support on the board and entrepreneurial innovative actions among internal constituents. Most importantly, social entrepreneurs know what impact is, and how to put it in the forefront, and lead with passion and commitment [Dhingra et al. \(2020\)](#).

Social entrepreneurs manage social impact of a social issue and running of a business. These are two very complex tasks requiring very different skill sets. [\(Mair and Marty, 2006\)](#). Research shows social entrepreneurs' personalities are not that different from the personalities of people who work in commercial enterprises. [\(Williams and Nadin, 2011\)](#).

When surveyed about competencies needed to be a successful social entrepreneur, social entrepreneurs primarily responded with managerial skills. The top twelve competencies were all basic managerial skills. This result could lead one to surmise that social entrepreneurs build on the foundation of their social mission and then build value to achieve their social objectives. It is true that they are more likely to create value than other entrepreneurs who are more apt at discovering opportunities as a strategy. [\(Korsgaard, 2011; Shaw and Carter, 2007\)](#). [Chandra \(2016\)](#) also found that "the rhetoric of social entrepreneurs is more other, stakeholder engagement and justification-oriented and less self-oriented than the rhetoric of business entrepreneurs."

It has been written that it may be more accurate to think of social entrepreneurs and entrepreneurs as a continuum, whereas both have varying degrees of social and commercial goals. [\(Williams and Nadin, 2011\)](#). This continuum will become more a reality when purpose of companies is more present and articulated. It will become a way of thinking about companies and the strength of their purpose and expectations for social impact.

The standard model used to educate social entrepreneurs has been to teach business skills to students who have a purpose and a commitment to it. It has worked on a limited number of students. The assumption is that we do not teach purpose, you find it, and we will give you skills to make it happen. That is, we develop knowing; you find the heart (being) and experience (doing) which will get you the actions/behaviors. At Sacred Heart University, we have developed a program required for all MBA students that we think accomplishes the development of leaders for the post-pandemic environment.

### **Sacred Heart University's Center for Nonprofits**

Volunteerism and work for community impact is in Sacred Heart University's mission and DNA. As a small- to medium-sized university, we have always produced 100,000 volunteer hours per academic year. The university was originally founded to develop lay leadership for the Catholic Church and to provide higher education opportunities for local people who had traditionally been denied such opportunities. Service learning has always been a respected pedagogy throughout the campus. There is even an annual faculty award for their work with

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service learning. Sacred Heart University is in the county with the second highest per capita income in the US. Yet 20% of children in Fairfield County are food insecure.

The Center for Nonprofits at Sacred Heart University is situated in the Jack Welch College of Business and Technology. It is unusual that a business school is in the forefront of nonprofit work in a university. It was initiated in 2003 to give students a capstone experience in solving a real problem in an organization in which the students have access to organizational data and the leadership. These problems were situated in nonprofit organizations for a few reasons. First, nonprofits were able to meet the stated parameters more. Most importantly, the projects forced MBA students to come in contact with issues of social justice and cultural institutions before their graduation. At the time of the initiation of the Center for Nonprofits, many of the MBA students came to get the skills to move up in their private sector jobs, many of which were in the financial and accounting disciplines.

A total of 925 MBA students have completed 260 consulting projects for 125 nonprofit clients with 65,000 volunteer hours. This program has recorded 60,000 consulting hours assisting nonprofits. Consistently, clients have reported a positive outcome and impact that benefitted their organizations. The nonprofit organizations that comprise the Center's clients potentially impact thousands of individuals. The organizations represent every kind of service area in the nonprofit sector. They comprise both the smallest organizations and internationally known organizations such as the World War II Museum, Doctors Without Borders and the Make a Wish Foundation.

Many of the ideas in this section originally appeared in a paper presented at an academic conference. (Brown and Woodilla, 2017). Following an empirical study based on several primary sources, including interviews with deans and industry leaders, and exploration of existing programs, Datar *et al.* (2011) concluded that the decline in enrollment in MBA programs could be attributed to the increasing lack of relevance of such programs. The degree's core components needed to be rebalanced so as to provide appropriate preparation for professional practice in the ever-changing global economy. The authors identified these core components as what to know, how to act and how to be, or

- (1) the facts, frameworks and theories that make up the core understanding of a professional practice ("knowing");
- (2) the skills, capabilities and techniques that lie at the heart of the practice of management ("doing");
- (3) the values, attitudes and beliefs that form managers' world view and professional identities ("being").

For the Welch College of Business, the center has become a successful way of ensuring a steady stream of worthwhile action learning projects for students that are valued by the nonprofit organizations and contribute to the mission of Sacred Heart University.

The action learning project was designed to have teams of students provide consultation to nonprofit organizations. The consultation focused solely on the management/business side of the nonprofit organizations. This gave the students a real live organization to work within and a real live problem to work on. It gave the organizations some sophisticated, free help with a problem the organization had identified. It gave the university a way to further extend its mission to the community.

The project became a hybrid using the structure of project-based learning, the conceptual framework of action learning and personal development through service learning. While each of these learning frameworks has support for their efficacy based on theory and research, the integration of them strengthened the impact and student learning. This is a particularly

relevant discussion because the Association to Advance Collegiate Schools of Business (AACSB) has begun to use the measure of impact as part of the accreditation process (Brown and Woodilla, 2017).

### Framework for the Welch College MBA capstone course

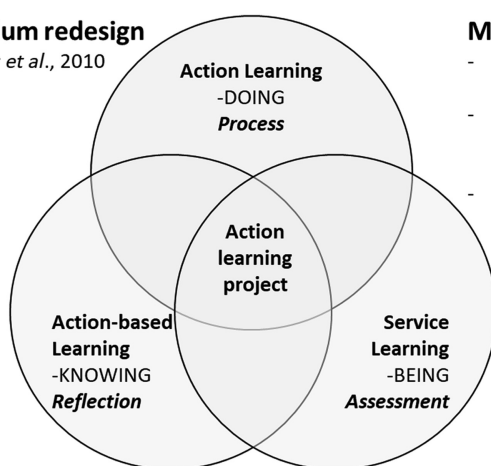
The three theoretical foundations for engaged meaningful curriculum approaches have many similarities. By integrating them, we focus on unique aspects of each and hence enhance the learning experience for students. Figure 1 is a schematic representation of this framework designed by Jill Woodilla.

From action learning (Revans (2011/1983), we emphasize the way in which students enhance their learning or *knowing*. They must recognize what they do not know apropos their project and formulate appropriate questions for “an expert” – a faculty member or practitioner who acts as a facilitator. Project-based learning provides practical guidance for *doing*, particularly through many published examples of other projects in educational settings. In addition, both action learning and project-based learning emphasize forming a “community of practice” (Wegner, 1998) to reflect both in action and on action (Schon, 1983) as an essential attribute for practicing managers. Finally, by proving the problem provided by a not-for-profit organization, service learning allows students to interact with and appreciate the work of professionals engaged in enhancing their community, and thus, we hope, students come to more fully appreciate their moral obligations to others or their ways of *being*. Service learning also provides a framework for assessing the quality of the capstone project (see, for example, Furco, 1999, or the rubric developed in 2009 by the Wisconsin Department of Public Instruction).

The capstone project gives the students an experience of the complexity of applying the business disciplines and functional skills in a live functioning organization. The experience also gives the students a place to practice problem-solving and decision-making skills, fulfilling the MBA program goals which state the following: *our graduates will have a broad understanding of the business disciplines and functional skills critical to their roles as business professionals and, our graduates will be decision-makers and critical thinkers who use analytic and problem-solving skills*. Of equal importance is the opportunity for students to develop an ethical framework and leadership style that is inclusive and considers others with different

#### MBA curriculum redesign

Inspired by Datar et al., 2010



#### MBA Capstone

- Student team Center for Not For Profit Organization
- **Students solve real problem for real organizations**
- **Not-For-Profit organizations gain expert assistance**

Figure 1.  
Framework for the  
MBA capstone course

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circumstances, reflecting the program goal which states that *our graduates will explore ethical standards of behavior and develop their own frames of reference and standards to guide their professional behavior*. It also broadens the repertoire of the students' considerations when identifying factors that affect business practices.

Accordingly, social entrepreneurs have to run a business and work to impact a social issue, literally two big, difficult and complex tasks. The purpose in the Sacred Heart University MBA, and in the center's projects, is to give students the business, analytical and problem solving skills necessary to do the first task of running the business and the experience to influence the values that give passion and purpose needed to work to impact a social issue. Given that we are thinking that all managers need to act more like social entrepreneurs, the model provides a basic blueprint for developing all managers. Nearly all MBA graduates have sophisticated analytical skills and tools. It is the purpose, heart and values needed for the dawning era of capitalism. We want to graduate graduates with enlightened leadership and with values beyond profit. They will be much like successful social entrepreneurs.

### **Sacred Heart University's vision moving forward**

To increase the impact of the Jack Welch College of Business and Technology and its Center for Nonprofits, the college is embarking on a bold new vision that builds on our expertise and experience in educating the whole manager. This vision is to build on our 15 years of experience in developing socially aware business leaders. The Nonprofit Center will be further developed and expanded to become a centerpiece of the Jack Welch College of Business and Technology. There is a new dean who is committed to the support, development and expansion of the center and the integration of its values and methodologies into the college as a whole. The goals are to become a thought leader in managing and leading nonprofit organizations. To do this, we will research issues affecting nonprofits, publish results and practice-based white papers. The center will be a place to bring executives, philanthropists, researchers and nonprofit leaders together. We will develop the current and next generation of nonprofit leaders and expand the social awareness of more of our College of Business students. Our work will develop a resource for Connecticut nonprofits and develop the research, business know-how and development that they need.

It has become apparent that the motivation, skills and commitments of social entrepreneurs are the model for business in the post-COVID-19 economy. Importantly, we push business skills for the nonprofit leaders and values for the business students. It should become impossible to graduate a student without awareness of their social impact as much as business skills. This dynamic of commitment to positive social impact and entrepreneurial drive and skills for business success is the combination that resides in successful social entrepreneurs. To that end, we will replace some of the big business bias found in management education materials with entrepreneurial- and social entrepreneurial-oriented materials. We will also run start-up seminars for nonprofit sector employees as an incubator for social enterprise development. The Center for Nonprofit will continue to sponsor an annual conference. Past conferences have been attended by academics, nonprofit professionals, board members and personnel from foundations. The center has placed interns into nonprofit organizations, organized communities of practice for not for profit organizations (NFP's) executive directors and provides basic organizational skills training for NFP employees.

We will continue to require credited courses for many of the College of Business students and expand to make the methodology. What is important is that the pedagogy is experiential and hands on. The setting is one where the main focus is community impact and purpose. The learners come to this setting with their gifts of managerial and business know-how. It will incorporate action, project and service learning as it has in the past.

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## Summary/conclusion

The pandemic has been a disruptive force and changed how we do almost everything. Some of us thought it had brought the disruption that would lead to a profound transformation in our business, economic, educational, work and social lives. It appears the urgency for change does not exist for all facets of our society. There seems to be some urgency toward returning to the pre-COVID-19 social order. In other parts of the society, there seems to be support for change. These changes in the business sector seem to lean toward support for sustainability and support to halt climate change, a move toward stakeholder capitalism concern for the community and the social impact of businesses, more entrepreneurial thinking and action, and addressing social justice issues within and without businesses.

The pandemic has shined a light on financial inequality. It has also led to a growth in entrepreneurship as an innovation to keep small businesses sustainable and provide for families in financial free fall. During the pandemic, there has been a questioning of the relationship between businesses and their community impact. This question began before the pandemic but was pushed forward in the environment of extreme need. Business leaders need to have keen business skills, a passion for the business, its purpose and role in the social order.

These changes present a number of questions on how we educate the generation of leaders to build, support and lead this new reality. Business schools have done a good job for a long time educating students in business knowledge and analytic tools needed to run businesses and the courage to start them. However, the ability to empathetically work for all stakeholders and impact on social issues and defining business' purpose have not been a focus of our work. It will take some different thinking by educators to develop the next generation of leaders for the new business reality.

It is our belief that we have a preview of a model of the graduates in our current social entrepreneurs. They have business skills focused on leading a business for a bigger purpose. They hopefully will believe it is no longer purpose versus profit, but purpose leads to profit. They begin to answer the question of what the new education model looks like. We believe at Sacred Heart University we have an educational model that we are further developing. What is important here is that the pedagogy is experiential and hands on. The focus must be on developing the whole person, head, heart and commitment for social impact. The setting is one where the main focus is community impact, the learners come to this setting with their gifts of managerial and business know-how. We have plans and commitments to further develop, expand and share the model.

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