METHODS OVERVIEW ARTICLE

Learning Flow-based Sustainability: Prof. Csikszentmihalyi’s Experiential Learning Approach in Leadership Development

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ABSTRACT

FLIGBY (an abbreviation for “Flow is Good Business for You”) is a simulation-based leadership program developing specific skills for establishing and managing sustainable organizational setups. Its concept is based on Prof. Mihaly Csikszentmihalyi’s “Good Business” ideas and embedded in an online serious game that tests and measures 29 leadership skills essential for sustainability. This paper provides an overview of the current challenges in the leadership development sector and gives a behind a curtain look on the designing process of this scientifically based experiential learning journey.

Keywords: Teaching sustainability, leadership program, sustainable business, game-based leadership profiling, and blended learning

1. Background: Sustainability’s triple scorecard and leadership skills set

Many businesses lost their adaptation ability in today’s VUCA (volatility, uncertainty, complexity, and ambiguity) environment, continuously looking for values, which could offer a solid basis for everyday operation in a sustainable manner. This need encouraged our leadership development team at ALEAS Simulations to find a solution. In 2007, we teamed up with Mihaly Csikszentmihalyi, Distinguished Professor Emeritus of Psychology and Management, and founder of Quality of Life Research Center at Claremont Graduate University, who became world-famous for his Flow theory (Csikszentmihalyi and Lefevre, 1989; Shernoff et al., 2003). Together, we started to define the basics of an experiential learning journey for managers about sustainability. Sustainability is one of the most complex topics of the top management landscape nowadays. Meeting its challenges requires an understanding of high-level theoretical approaches and expertise in
practical stakeholder management at the same time. The “flow-based sustainability” idea was born on crossroads of academia and business based on the cooperation of high skilled and creative individuals represented these different domains.

The Socially, Environmentally, and Ethically Responsible (SEER) Business model focuses on innovating business strategies that incorporate social, ethical, and environmental values in a profitable manner (SEER, 2020). SEER aims to provide leaders an opportunity to strengthen their understanding of the strategic issues facing corporations through four interrelated macro-values: Financial Strength, Product/Service Quality, Social Responsibility and Environmental Stewardship. Michael Crooke’s insights provided valuable inputs for defining our triple scorecard model (Crooke and Mallinger, 2012; Crooke et al., 2015).

As a result of a cooperative project between SEER and Flow, it was considered that a leader’s performance should be judged on the basis of his or her successful balancing of three factors: (i) ability for creating a Flow-promoting learning environment, (ii) profitability, and (iii) the responsibility for the environment.

To highlight the importance and contributions of Flow-promoting leadership – without neglecting the organization’s “profit potential” and its “impact on the environment”, as well, – our program aligned its success indicators with the triple-Scorecard idea (giving unusually high weight to generating Flow). Our version of the Triple Scorecard is in line with Mc’s SEER model to create strategies for true long-term competitive advantage. In this sense our Triple Bottom Line program reflecting John Elkington’s famous framework (Elkington, 1994), as well.

Our Triple Scorecard is a new construct reflecting Csikszentmihalyi’s Flow-based value framework. It’s important to emphasize, that our Triple Scorecard is different from the classical “Balanced Scorecard” and the widely known “Triple Bottom Line” ideas. The major difference lies in the extended flow-orientation, which in our understanding a basic condition of sustainable growth, not just on the individual but on the organizational level at the same time. As Csikszentmihalyi explains, the balance of perceived challenges and skills are important factors in flow. On the one hand, when a challenge is bigger than one’s level of skills, one becomes anxious and stressed. On the other hand, when the level of skill exceeds the size of the challenge, one becomes bored and distracted. Since the experience of this state is just in the middle, the balance is essential. Our sustainability approach reflects this balance as a key task to be fulfilled by C-level executives.

The extension of this balance can be expressed by the weighted sum the management’s decisions’ impacts on (1) generating Flow in individual team members and contributing to a Flow-friendly “corporate atmosphere” (60% combined weight); (2) sustaining or improving the Winery’s profit potential (30%); and (3) making sure that its products and production processes are environmentally sustainable (10%) (Marer et al., 2015).

Beside the triple scorecard one of the first steps during the development of our sustainability-program was to identify the leadership skills that ensure the creation and maintenance of the Good Business oriented culture. Our leadership skillset consists of 29 elements. It contains communication, organizational, leadership, and social skills:


A key conceptual contribution of the Flow is Good Business program’s design to the academic and applied work on leadership is the identification of those leadership skills that are particularly important for helping to generate and maintain sustainability-oriented thinking at the workplace. While there is a substantial overlap between what might be called the mainstream sets of leadership skills and our Good Business skills, our program makes a contribution in this area by introducing or putting greater emphasis on certain types of leadership skills. An example is “feedback”, a leadership skill more comprehensively defined in our program (in terms of specifying what content and delivery will make it effective), where feedback (or its absence) are given greater weight in the skillset than is usually found elsewhere.

2. Csikszentmihalyi’s “Good Business” concept

The Triple Scorecard of Csikszentmihalyi Flow-based approach is a creative implementation of “Good Business”, an extended research project cooperated by three distinguished universities (Stanford, Harvard, and Claremont). Good Business is also the title of Csikszentmihalyi’s bestseller book, published in 2003,
about the major findings of the research (Csikszentmihalyi, 2003). The purpose of the research was to establish what personal values, attitudes, and skills are found among business leaders whose purposes go beyond short-term profit maximization and personal glory.

Good Business is rather a guide for anyone who values the positive contributions of individuals in the changing world of business. Csikszentmihalyi, who introduced the concept of “Flow”, extends its application in his book “Good Business” to the role of business in society. He describes “Good Business” as a guide for a way of conducting business that is both successful and humane, focusing on how leaders, managers, and employees can learn to contribute to the sum of human happiness, to the development of an enjoyable life that provides meaning, and to a society that is just and evolving.

Csikszentmihalyi’s views on what it means to be an all-around good leader can be summed up in three recommended ethical principles of behavior:

• Do no harm for selfish reasons – Everyone is a leader in his or her own way. Within and around us there are countless challenges and opportunities each day. As long as we are guided by “do no harm for selfish reasons”, we can and should learn from our successes and mistakes so that we gradually become better persons and, at the same time, more effective, “value-guided” managers/leaders.

• Help others experience Flow – All of us are part of several “teams” – from our family to our social group, and at the workplace. It is our responsibility to bring out the best in our team members, particularly our co-workers and subordinates, realizing that our decisions affect their professional and personal lives, as well. Extending this to organizations, knowledge-workers (especially) increasingly choose workplaces that offer more than just a paycheck. Organizations that “help others to experience Flow” are proven to be more successful in many performance dimensions than others that do not.

• Contribute to something beyond yourself – As individuals, while we enjoy doing our best, at the same time we should also “contribute to something beyond self”. Examples from the business world would be working toward the real sustainability of our goods and services, our business model, and the environment. In an increasing number of societies such issues are moving from the periphery to the center of concerns; all stakeholders of organizations are expected to be at the forefront of solving problems of the “commons”.

This role definition of leadership is in line with true sustainable thinking and acting. Based on this sustainability approach leadership is a privilege that requires asking tough questions. For example, “What is my business doing to benefit human well-being?” Business is now our most crucial institution, so it has an obligation to the quality of life, not just of its employees, but also of the entire society. Good Business reveals how business leaders, managers, and even employees can find “Flow” and contribute not only to their own happiness, but also to improved organizational performance as well as to a just and evolving society (Csikszentmihalyi, 1999).

After analyzing and understanding Csikszentmihalyi’s findings it was out of the question for our team at ALEAS that our sustainability program’s mission must be the promotion and implementation of the Good Business ideas.

To be able to operationalize this, first, we had to find the logical framework that could serve as a practical bridge between the rather theoretical Good Business concept and the typical corporate KPIs. On the same note, we had to define leadership competencies that can provide a basis for enhanced leadership behavior patterns.

3. Experiential learning as a platform for teaching Good Business

3.1. Using simulations for understanding and modeling complex decisions

Teaching complex topics for managers, like sustainability, and developing reflecting leadership skills require innovative approaches. Educational technology (EdTech) is one of the most innovative sectors nowadays, and online solutions supported by Artificial Intelligence are playing a more decisive role in the learning and development landscape. It was clear from the beginning that besides the unique content we must create an engaging experiential learning environment, as well. Looking for the right benchmark, we were aware that the most powerful and effective examples of high-level experiential learning come from pilot training in the aviation industry. Individual experiential learning using flight simulators is full of the comprehensive and complex digital toolset and is typically combined with instructor-led learning in pilot training programs. One of the most profound benefits of using flight simulation to train pilots is the opportunity to practice handling inflight emergencies and risky situations without the threat of any true danger. In a simulated flight, the trainees have the freedom to make mistakes that may be impossible to survive in the real world.

The real added value of this type of experiential blended learning process comes in the form of feedback on performance and opportunities for reflection on how realistic tasks were solved. One’s personal performance in the virtual environment of the simulation is evaluated by a highly experienced professional in a one-on-one
session and further informed by the game-based assessment of skills, as measured during the simulation. So, we decided to design a blended learning program, which combines realistic online simulation (in our case a serious game in an interactive movie format) of sustainability-related leadership challenges with individual and group briefing/debriefing session conducted by professional coaches and qualified consultants.

3.2. Defining serious games

Serious games are digital applications used for purposes other than mere entertainment. It has the look and feel of a game, while it is simulating real-world events and processes.

What we have created is a scientifically designed educational game (a business simulation), underpinned by the proven theory of positive psychology (Seligman and Csikszentmihalyi, 2000) and the applied theory of what renders certain types of computer games effective instruments of serious learning. These mutually reinforcing scientific foundations are a guarantee that our program generates.

The simulation’s scenario-based approach is a complex structure of branching stories: players make multiple-choice decisions along with an ongoing sequence of events. It means that we offer the player a choice about which direction a given segment may proceed, by providing multiple paths that run parallel to one another. Story branching occurs when the players’ choices determine which levels, objectives, and other choices they will face later in the game and which will be lost. The simulation offers multiple endings, depending on how the player performs at key events within the simulation.

During the game-design process we took this approach further and with the “game restart function” we encourage players to experience all the endings to fully understand the game’s overarching narrative. For example, various endings might give differing perspectives, with the plot elements, which may not make sense in one ending, making sense in another ending; by viewing these differing perspectives; the player thus gains a better understanding of the simulation’s overarching narrative.

We used a branching narrative in which there are many points in the story, where some action or decision made by the user alters the way in which a narrative unfolds or ends. Branching narratives are typically represented as directed graphs in which each node represents a linear, scripted scene followed by a decision point. The degree of engagement by a user within an interactive narrative lies, to a great extent, with the user’s perceived degree of control over his/her character as he/she operates within the environment. The greater the user’s sense of control over his/her character, the greater will be his/her sense of presence – the sense that he/she is part of the story world and free to pursue his/her own goals and desires. We found it important that the players be able to identify with the scenario and the challenges immediately, at the start of the scenario.

3.3. My business is not a winery. Is it a problem?

Our simulations’ player takes on the role of the General Manager (GM) of the imaginary “Turul Winery” in California. As the recently appointed GM of the Turul Estates, the player faces the challenging task of having to achieve a state of harmony and cooperation in a team significantly weakened by internal conflicts. Furthermore, he or she must find ways to free the creative energies of colleagues by applying appropriate methods of leadership. At the same time, decisions concerning strategic questions of Turul’s wine business must be made in accordance with the expectations of the winery’s owners and other important stakeholders. The player should make not only operative and strategic decisions but must also create a working environment, which promotes active participation. As a result of the learning process, participants will improve their skills and become more sustainability-oriented leader.

Why did we choose a Californian winery as the venue of our leadership simulation? First, we needed a good story, which was able to capture people’s imagination of course. But there is more to it. Being good neighbors and good stewards of the land are important business and personal values in the California wine community. This industry has made a strong commitment to sustainability and transparency, as evidenced by the self-assessment and certification programs that have emerged over the past decade. California is the world’s 4th leading wine producer after France, Italy, and Spain; therefore, operating a winery in California is a responsible business. The essential policies of California Wine Community’s sustainable winegrowing program are as follow:

- Producing the best quality wine grapes and wine possible
- Providing leadership in protecting the environment and conserving natural resources
- Supporting the economic and social wellbeing of farm and winery employees
- Respecting neighbors and community members and communicating with them
- Honoring the California wine community’s entrepreneurial spirit
- Supporting research and education to expedite continual improvements.

These considerations provide a wonderful framework for developing sustainability skills for all kinds of businesses, not just wineries. Our fictional winery story
3.4. Game-based leadership profiling: a new way of feedback

In the simulation, each player’s leadership profile is comprised of his or her scores on each of the 29 leadership competencies. The profiles are automatically generated at the end of the simulation for those, who had completed the Game. The continuous recording of every stroke of every player, as well as the complex statistical analysis of the results are done routinely in the automated and pre-programmed algorithm, embedded in the sophisticated Master-Analytics-Profiler (MAP).

How did our team design the game-based profiling? On each of the approximately 90 of over 150 decisions that the GM must make in the game, there are anywhere from two to five choices. On each decision, two independent expert teams ranked the answers from the “most appropriate” (in which case the player gets positive feedback within the game already and the algorithm scores positively certain elements in the player’s skills profile), to the “least appropriate” (in which case, and in all the in-between cases, the skill scores do not change).

On the decisions subject to scoring a player’s skills, the two independent expert groups agreed on what would be the “best” decisions from the sustainability point of view. (In a few cases only, they also scored positively the still acceptable “second best” decision.) Most decisions during the game are assumed to require (and thus reflect) anywhere from one to a half-a-dozen of the 29 leadership skills. In each instance, when a player makes the “most preferred” (“ideal” or “best” choice; however, these labels should not be interpreted literally), he or she earns one point for the decision.

For each particular skill, the maximum number of points that can be earned is standardized at 100%. This makes it possible to determine the percentage score of each player on each skill. This approach facilitates the comparison of a player’s level of skill among the 29 skills and to compare it with the average of the group the player was a member of. The approach also allows making comparative analyses vis-à-vis other cohorts, across industry sectors, by nationality background, by job tasks, and many more.

3.5. Blended learning for long lasting results

Our sustainability program is based largely on this blended learning approach. The classical definition of blended learning describes it as an approach to training and professional leadership development that integrates traditional instructor-led or supervisory interaction methods, generally delivered in person, with a virtual educational program and opportunities for interaction online that include some elements of participants’ control over time, place, path, or pace.

In instances, where experiential learning is required, the combination of these two components of blended learning must be even more of synergy for the learning model to be effective. The blend of online and offline modalities must not only strike a balance between theory and practice but also effectively combine individual and group learning approaches into one cohesive and continuous learning experience. Individual experiential learning must be carefully crafted into a blended approach with just the right amount of expert support.

4. Results and Discussion

In the last five years (from 2015 to 2020) our program was used by more than 22,000 individuals worldwide, partly in corporate, partly in university setup. Based on the comprehensive feedback we are receiving from the client organizations, and from individual players, as well, our program creates the following major benefits:

• Engaging and highly motivational learning environment – High levels of interactions make learning fun and increase retention. Players must navigate their way through interpersonal, organizational, and business complexities, under very real circumstances.

• Analysis of team and group dynamics – One key benefit of the program is that sustainability-related behavior can be measured. Tracking, analyzing, and reporting users’ behavior can be utilized as a part of employee assessment. Simulation creates an environment that offers a new type of platform for observing management behavior. The user gets totally absorbed into the story, and since he/she is completely unaware of how his/her decisions might affect the skill scores, the player unwittingly reveals his or her real self.

• Predictive people analytics: identifying critical organizational issues – Data collected during the simulation-based learning process helps to provide companies with more insights that can be used to identify critical organizational issues. Collected data can predict the management group’s future behavior under different strategic challenges. This kind of sophisticated strategic modeling is becoming an ever-more important part of organizations’ strategic
planning, as it helps to identify leadership skills gaps, one of the frequent causes of an organization's strategic failure.

- Address previously identified leadership challenges – Incorporating the program into organizational development projects have become ever more frequent in recent years, given that effective business simulation games have proven to be operative teaching and learning devices and because participants not only appreciate but also increasingly expect to encounter such games in their programs. Using a leadership simulation can be especially useful when an organization faces a new challenge, and it is willing to smooth out the adoption to the new situation. Facing a new challenge often implies that certain skills are particularly valuable to successfully managing them. When used throughout the organization, simulations build organizational alignment through the development of a common understanding of new business circumstances.

- High return on investment (ROI) – Quantitative benefits are generally easier to recognize and measure. They embrace timesaving, reduction in errors, faster time to competence, reduction in alternative training costs, and procedures performed. Qualitative benefits are hard to measure and transfer into monetary value. Examples of qualitative benefits include the improvement of the unit’s performance, quality of work environment, employee satisfaction, the reputation of the organization, and others.

- Better results faster – A successful learning curve, one that keeps a good ratio between the time spent on learning and knowledge retention, can always be optimized. The process of simulating a scenario to practice different responses and actions to a real-life situation is extremely effective in knowledge retention. This is because knowledge is not in theory – the user needs to apply it in a real-life situation. Our simulation offers a chance to experience real-life scenarios that depict true events. It is a faster, and efficient way for practice and learning that helps people understand how they should act in real-life situations.

The focus of our program is on the practices and benefits of managing/leading a team or an organization in accordance with Flow-promoting values. Based on the participants’ feedback the major result of this approach is that it can summarize and illustrate how managers/leaders create and maintain Flow-friendly workplaces, and why and how such work-environments generate the above kinds of sustainable win-win benefits for employees, for managers, for owners, and for other stakeholders.

In the last couple of years, we had the opportunity to discuss the leadership techniques that are positively associated with the ability to create a Flow-friendly workplace. A key message of the program in this regard is that supporting a Flow-enhancing work environment requires by and large the same kinds of leadership skills as those that a vast body of literature has already identified as desirable and effective management. Generating a Flow-friendly work environment requires only that greater emphasis is given to a few important competencies. For example, of the 29 leadership skills that Csikszentmihalyi and the architects of our program jointly identified as being Flow-compatible, only four (Balancing Skills, Feedback, Personal Strengths, Strategic Thinking) are highlighted as notably important for supporting a Flow-promoting work environment. "Four out of 29" is neither a magic number nor an "iron law" of Flow-based versus general-leadership competencies. The numbers and the ratio can vary, depending on a scholar’s or practitioner’s conceptualization of the types of competencies believed to be important, generally or for a particular organization – in a given industry, cultural context, and situation. The "four out of 29" is only indicative of the approximate orders of magnitude involved in the skills that are particularly important in generating Flow, in the context of a large number of leadership skills that are generally important, for all kinds of reasons.

The key conclusion to be drawn here is that Flow-friendly management/leadership skills are fully compatible with just about any mainstream theory of leadership and its practice implications. The theory of Flow-based leadership does not contradict any other theory; it does not offer itself as an alternative to other conceptualizations of what constitutes effective leadership. The precepts of Flow-based leadership simply add considerations that may not have been stressed – or stressed sufficiently – before Csikszentmihalyi developed the concept of Flow and its implications for a wide range of human activities, including the practice of good management and effective leadership (Csikszentmihalyi and Rathunde, 1993).

4. Conclusions

In A Crisis, Values Matter. But which values? Over the last few years corporates seem to lose their orientation: profit maximization alone is far from enough to succeed. Quick financial results should now go along with responsible behavior, and not just with a sharp focus on the natural environment but being responsible also to the society at large.

It has not been long ago that sustainability was seen by most companies as little more than a peripheral “green” issue. This view is changing now. Sustainability has become a much broader concept, ensuring sensitivity toward the many, in some of the cases hidden stakeholders of the operation. Leadership today is more about finding a balance between opposing social and
economic forces and trends, rather than just ensuring the financial growth of the organization. Of course, the management’s main responsibility is still to stay competitive, fast, and agile, meeting the revenue expectations of the shareholders. That is, however, just the entry-level task. The real added value of the leadership comes right after this: being a useful part of the local and broader communities, helping others to exceed, and building up a network of relations that can ensure the successful operation in the long run. In other words, one should create a sustainable business model. Our Flow-promoting behavior framework provides the chance to find balance within the complex VUCA environment. But is it realistic to give such a high weight to Flow and so much lower weight to profitability? Our answers are two-fold: Most of the 29 skills that our program measures are standard leadership competencies, so that those who do well on them are certainly expected to perform well also on profitability. Let us recall that promoting Flow and profitability are not either/or propositions, but reinforcing ones, with the causation running primarily from Flow to profitability. Second, the main objective of our leadership development program is to measure and to train the ability of a participant to understand and apply the Flow concept, along with Flow-based ethical values and responsibilities. At the same time, this must be done in a business-realistic setting, which means that the organization’s profit potential and the environmental sustainability of operations should not be disregarded. Facing triple – and in some cases contradictory – challenges mean that the executives have to find a good balance between the elements that will determine their performance.

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