



Current status of MBA Curricula

This section of the ‘Global Compact Resource Kit’ briefly reviews the current status of social, ethical and sustainability teaching within MBA curricula. It reviews two current studies, ‘Beyond Grey Pinstripes’¹ and ‘Where Will They Lead’², both published by the Aspen Institute.³ The first of these two studies examined the business schools while the latter looked at the attitude of MBA students.

The results of the ‘Beyond Grey Pinstripes’ survey indicate that the teaching of social impact management and environmental management is becoming more prevalent in MBA courses. However, in many of the business schools where these subjects are being taught, ***they are not covered in the core or "required" courses but are relegated to the elective topics.***

For example, social issues tend to be addressed through elective courses in ethics, non-profit management or public policy, rather than in required disciplines such as finance, accounting, marketing or organisational behaviour. This tends to give the MBA student the impression that social issues do not represent a part of the “core business decision-making process”.

While environmental management has made inroads into the core teaching curriculum, for example in operations, strategy, finance, economics and international management, the number of business schools that include required environmental courses remains small. The number of elective courses on environmental issues is increasing rapidly and some business schools offer joint degrees, such as a 3-year MBA with an M.Sc. in

Methodology ‘Beyond Grey Pinstripes’

‘Beyond Grey Pinstripes’ is a biennial survey of Master of Business Administration programs. Undergraduate, doctoral and executive education programs are not included in the survey. The Beyond Grey Pinstripes 2001¹ survey covered the 1999-2000 and 2000-2001 academic years.

In 2000, the survey was mailed to all 403 graduate business schools in the United States accredited by the Association to Advance Collegiate Schools of Business (AACSB) and 100 business schools outside the United States. In total, 122 business schools responded to the survey. Some simply indicated that they had chosen not to participate in this round. 82 schools reported activities and completed the survey. Of these, 58 were from the United States and 24 from other countries.

environmental science, or “environmental

concentrations” (environmental courses that are carried out in parallel with the normal MBA programme). However, as the report of the survey comments – *“The vast majority of MBA students [...] are therefore rarely exposed to environmental management issues.”*

The feeling that comes across when reading the results of the Beyond Grey Pinstripes survey is that social and environmental stewardship issues are still considered by many business schools to be peripheral to the main interests of business ... even if they recognise the necessity to include them in their curriculum. However, having presented the “not-so-good news”, it is important to take our inspiration from the positive in the survey. A small number of business schools are addressing the question of sustainability directly in the teaching curricula as well as in their research, and are using a triple-bottom-line approach. Some of these schools are described in the Box on the following page, along with their activities.

Box: Examples of Business Schools that are rising to the Challenge of Corporate Citizenship.

Asian Institute of Management (AIM), Philippines

www.aim.edu.ph/home.htm

AIM works towards the promotion of corporate social responsibility and environmental management as an intrinsic element of good management. AIM practises what it preaches and has received ISO 14001 certification for its environmental management system. AIM currently offers elective courses addressing State and Society Relationships and a specialist Masters degree course in Development Management.

Hong Kong Polytechnic University, Faculty of Business and Information Systems, China

www.polyu.edu.hk/mgt/acad_dba.htm

Teaching of environmental and social issues at the Faculty is being co-ordinated and delivered through the Centre for Environmental Management Education and Development (CEMED). MBA students can choose electives from Masters-level courses in environmental management. These will be offered in the future as a “Green concentration” within the MBA teaching programme.

INSEAD, France

www.insead.edu/

INSEAD's Centre for the Management of Environmental Resources (CMER), established in 1992, was the first dedicated environmental faculty in a leading international business school. The INSEAD faculty has created a large body of teaching cases in areas such as corporate social responsibility, business ethics and corporate governance. Recent core courses include social and environmental impact management.

ITESM EGADE (Spanish Graduate School of Business Administration and Leadership), Mexico

www.sistema.itesm.mx

EGADE's activities are focused on environmental conservation and addressing complex social issues from an integrated perspective. Issues of corporate environmental management and public policy form a part of the core teaching curriculum for MBA's. Core courses in Strategy address the concerns of "Natural Capitalism" and highlight the interface with the relevant social issues.

Kenan-Flagler Business School, University of North Carolina at Chapel Hill, USA

www.bschool.unc.edu/

In 1998 Kenan-Flagler Business School launched a Sustainable Enterprise Initiative (SEI) to bring environmental and social sustainability concerns to the forefront of teaching throughout the school. Teaching of these issues is integrated into core MBA classes with the aim of developing business leaders who understand how to manage the triple bottom line. The SEI mission is to '...understand and articulate how the challenges of global sustainability change the competitive landscape for enterprises...'

Schulich School of Business, York University, Canada

www.schulich.yorku.ca/

Schulich School of Business has included sustainability as an underlying theme throughout its teaching programme, beginning with its core management modules. Elective courses covering sustainability issues are offered by Osgoode hall Law School and the Environmental Science Faculty, in addition to Schulich itself. In 2000 Schulich started a Sustainable Enterprise Academy that provides a continuing education programme for senior executives.

University of Bath, UK

www.bath.ac.uk/carpp/msc.htm

The Centre for Action Research in the School of Management at the University of Bath runs a specialist part-time M.Sc. degree course for managers and consultants who want to engage in the growing international debate about corporate responsibility and develop their management practice. The course is delivered in association with the New Academy of Business, an independent educational organisation established in 1995 by Anita Roddick of the Body Shop International.

University of Jyväskylä, School of Business and Economics, Finland

www.jyu.fi/economics/

The School of Business and Economics at Jyväskylä was the first in Scandinavia to offer postgraduate teaching and research in environmental management. The school is also integrating social management into its curriculum through courses that address issues such as - Entrepreneurship and Society, and Labour and Regional Economics. Elective courses for MBAs also cover the ethical and social responsibility issues facing international business professionals.

The survey picks out three of these business schools – the Asian Institute of Management, Kenan-Flagler Business School, and Schulich School of Business – for particular mention because they –

- have integrated sustainability completely into the traditional teaching curriculum, research and also into their outreach programmes, and
- illustrate how sustainability varies across different social, environmental, economic and political contexts.

Clearly such an approach is of value to any company engaging in the Global Compact and looking to recruit new MBA graduates.

Continuing to focus on what business schools are doing with respect to sustainability, rather than what they are not doing, we have outlined in the Box below the structure of a typical or “generic” MBA programme. As can be seen, the curriculum is made up of the core and elective courses, as well as additional activities such as research/consultancy and leadership/training. Under the heading “Sample Core Courses” are shown representative core courses that are to be found in

most MBA programmes. What is important to understand is that the more proactive business schools surveyed in Beyond Grey Pinstripes have developed versions of all of these core courses that include sustainability issues. Examples of core teaching course descriptions from two of these business schools are given in the Box on Page 4 to demonstrate how they are addressing sustainability within a business environment.

Components of a typical Masters of Business Administration (MBA) Course

Core courses	è cover the management disciplines
Elective courses	è pursue core disciplines, sub-disciplines and associated knowledge areas in more detail
Project work and/or placement activity	è producing a research and consultancy assignment
Leadership, personal skills and professional development	è to develop areas such as team work, leadership, coaching and training skills
Sample Core Courses	Examples of Elective Courses that are relevant to the Global Compact
<ul style="list-style-type: none"> • Accounting • Decision and Risk Analysis • Economics • Finance • General Management • Global Business Environment • Human Resource Management • Law • Marketing • Operations • Organisational Behaviour <p>Strategy</p>	<ul style="list-style-type: none"> • Business Ethics • Business and Society • Culture and Customs • Development Management • Environmental Strategy and Management • Industrial Ecology • Non-Profit Management • Public Policy • Social Impact Management • Sustainable Development <p>Social Stewardship</p>

<i>Kenan-Flagler Business Schools</i>	<i>Schulich Schools of Business</i>
<p><u>Strategic Innovation:</u></p> <p>Global sustainable development and the mounting environmental crisis are key topics in the Strategic Innovation class. Themes such as triple bottom line accounting are introduced in the class alongside an analytical project that explicitly requires students to consider how sustainable enterprise could impact the industry and firm they are analysing.</p>	<p><u>Managing in a Contemporary Context:</u></p> <p>This course provides an overview of the historical and contemporary socioeconomic events that affect global competitiveness and assesses their impact on topics presented in the other MBA core courses. It integrates and applies this knowledge directly to Canadian industry while emphasising the following themes: international awareness from a Canadian perspective, entrepreneurial spirit, concern for the environment, and business and professional ethics.</p>

Looking at this table, it is not too difficult to imagine an entire MBA programme, based on currently available core courses, that includes social and/or environmental issues associated with the Global Compact Principles. In addition, the right-hand column illustrates that a large number of elective courses described in the survey are also relevant to the Global Compact concept.

The evidence, therefore, points to the gradual development of a more integrated approach to teaching in business schools that embraces some of the key issues being tackled by companies choosing to engage with initiatives in Corporate Citizenship⁴, such as the Global Compact. In the box below are shown the recommendations of a roundtable discussion, organised in March 2001 by Aspen ISIB and WRI, on how MBA education could be made more relevant to business reality.

- ✓ *Develop business school cases with measurable examples of success through sustainability*
- ✓ *Look to international development banks and financial institutions for globalisation programmes, seminars, cases, and course content*
- ✓ *Accelerate integration of stewardship training into the core curriculum through modules within required courses*
- ✓ *Bring consumer activists, institutional shareholders, socially responsible investors, and industry and NGO representatives into the classroom to work on projects with MBA teams*
- ✓ *Provide role-playing opportunities and consulting experiences that require students to make decisions in scenarios where the population is impoverished, the government is corrupt, and there is no electricity or clean water*
- ✓ *Help students learn how to manage human and environmental disasters*
- ✓ *Conduct research on different cultures and customs*

[source: Beyond Grey Pinstripes, 2001]

Of course, such an approach would lead to the next stage, which is to use the Global Compact initiative and its nine principles as a foundation for presenting these core subjects to prospective managers. In this way future managers will grasp that a company is actually operating within a “Global Compact framework” rather than trying to fit the Global Compact into the company’s operations.

Student Attitudes

Beginning in November 2002, the **Aspen** Institute’s Business and Society Program (**Aspen BSP**)⁵ launched a follow-up to a longitudinal survey of MBA student attitudes released in December 2001. (For 2001 survey findings, see <http://www.aspenbsp.org/>.) Like the earlier survey, the current study probes students’ views on the role of the company in society. However, it also seeks to learn how those views may have changed in the midst of a dramatically different political, social and economic landscape. What does the next generation of business leaders think about these issues? What kinds of dilemmas do **they** expect to face in this changed business climate? Do **they** feel prepared to meet the challenges of this new environment?

The main findings of this latest study by the Aspen institute are summarized in the **executive summary**;

ü The primacy of shareholder value seems to be slipping in MBA students' view of what constitutes a well-run company. Satisfying customer needs is now seen as the primary responsibility of a successful business.

ü While attracting and keeping good employees and providing excellent customer service are still considered hallmarks of a well-run company, operating according to corporate values and a strong code of ethics has gained importance for students in 2002.

ü While expressing serious misgivings about the accuracy of companies' financial reporting, many students still feel that personalities, rather than business practices or systemic issues, are to blame for recent cases of corporate fraud.

ü Students expect that companies will pay less attention to their social roles and responsibilities during an economic downturn. Yet ^{they} feel there are important business advantages to be gained by socially responsible behaviour—a better public image, a more satisfied and productive workforce, fewer regulatory and legal problems and long-term viability in the marketplace.

Methodology 'Where will they lead, 2003'

Beginning in November 2002, the **Aspen Institute's** Business and Society Program (**Aspen BSP**) launched a follow-up to a longitudinal survey of MBA student attitudes released in December 2001.

Conducted via the internet by Universum Communications, a global consulting and communications firm, the 2002 survey includes responses from 1700 MBA students **at 12 leading international graduate schools of business**. Of the 1700 students that completed the survey;

ü 65% were male, 35% were female

ü 56% were US Citizens

ü 67% were between 26 and 30

ü An equal number of first and second year MBA students participated

ü MBA students see three key challenges for today's CEOs: lack of investor confidence, the spate of corporate scandals and the economic downturn. They also believe that a breakdown in trust— between management and the public as well as between employees and management—is creating problems for business leaders.

ü Revelations of corporate fraud and misconduct are prompting students to rethink their responsibilities as future business leaders and to place greater emphasis on personal values.

ü In the 2002 survey, fewer students feel that they will have to make business decisions that conflict with their values — perhaps because they have seen the consequences of unethical behaviour.

ü Students do acknowledge that there are a number of business activities where potential values conflicts could develop, especially downsizing, investing in less developed countries and natural resource exploration.

ü Only 22% of students say their schools are doing “a lot” to prepare them to manage value conflicts, while 1 in 5 respondents feel they are not being prepared at all. Half of the students surveyed acknowledge that the priorities communicated during the MBA program may have been a contributing factor incorporate misconduct

Overall, the survey concludes that students would like to see more discussion in core

courses about issues relating to social responsibility.

Conclusion

The studies reviewed are undoubtedly biased towards developed country MBA programmes. Nevertheless, they present a picture that reveals much needs to be done to integrate social and sustainability issues within MBA programmes. This will take time, but efforts to integrate the Global Compact within the existing courses are an important step forward and should be encouraged.

Lastly, it is important to mention that other sources of training for business professionals do exist to fill any gaps being left by MBA programmes. One such source is Net Impact⁶, a network of MBA's that was created in 1993 as "Students for Responsible Business". Net Impact offers programmes, including on social and environmental issues, to help its members "broaden their business education, refine their leadership skills, and pursue their professional goals".

¹ *Beyond Grey Pinstripes 2001: Preparing MBAs for Social and Environmental Stewardship*, published by the Aspen Institute Initiative for Social Innovation Through Business (Aspen ISIB) and the World Resources Institute (WRI). The survey is available as a PDF file from the following website www.beyondgreypinstripes.org

² *Where Will They Lead 2003: MBA students attitudes about business and society*, published by the Aspen Institute Business and Society programme, available in PDF format from the following website: <http://www.aspeninstitute.org/Program2.asp?i=82>

³<http://www.aspeninstitute.org/>

⁴We use here the term Corporate Citizenship here as an umbrella term that includes both corporate social responsibility (CSR) and corporate environmental responsibility.

⁵Full text of summary can be found at www.aspeninst.org, for the exact link please see http://www.aspeninst.org/AspenInstitute/files/CCLIBRARYFILES/FILENAME/0000000404/Aspen_Exec_Sum_Final.pdf

www.net-impact.org/

⁶Net Impact -

UN Global Compact Resource Package