

## ROLE OF THE BUSINESS SCHOOL

### INTRODUCTION:

Consideration of social and environmental impacts of business has become commonplace in the corporate world. A 2007 research study found 49 U.S. companies in the Standard & Poors 100 Index issued sustainability reports on their social, environmental and governance practices for 2005-2006.<sup>1</sup> This was a marked 14 percent increase in reporting from only the year before.<sup>2</sup>

While sustainability monitoring has become prevalent in corporate circles, academic institutions have largely escaped public scrutiny for their environmental and social practices, despite their economic heft. Recently, however, business schools have begun examining not only the environmental footprint of their institution, but also the social footprint of their core products – teaching and research.

The U.N. Global Compact's inaugural Principles for Responsible Management Education (PRME) is a prime example of management programs recommitting their responsibility to society. Inspired by the Global Compact, which issued a social mandate for corporations in July 2000, the PRME seeks to harness the vast potential for business schools to impact social issues, ranging from business ethics instruction to environmental conservation. Angel Cabrera, president of Arizona's Thunderbird School of Global Management and PRME task force leader, highlights this philosophy in a recent *Business Week* article: "Your very mission as an educational institution must ensure that business leaders understand their social responsibilities. You must be committed to integrate that kind of thinking into your subjects."<sup>3</sup>

In light of the increased attention on how universities monitor their own social and environmental practices much like the businesses they examine in the classroom, this *Closer Look* explores some of the unique initiatives taking root in campuses worldwide.

### LESSONS FROM THE TEACHING INNOVATION PROGRAM

This edition is part of a special fall 2007 *Closer Look* series of three articles prompted by the experiences of schools who participated in the first round of the Aspen Institute Center for Business Education's Teaching Innovation Program (TIP). TIP is a forum intended for the exchange of ideas and the testing of new models of MBA curriculum that better integrate social and environmental thinking into core management education. Eleven schools worldwide and a select number of corporations, including GE and 3M, participated in TIP's first round, conducted from 2004-2006. The descriptions of courses and activities in this series are drawn directly from the TIP participants, and complemented by newly-collected 2007 data from *Beyond Grey Pinstripes*, a biennial survey and alternate ranking of MBA programs conducted by the Aspen Institute Center for Business Education. The second round of TIP will be launched with a planning meeting in Bangalore, India in October 2007.<sup>4</sup>

<sup>1</sup> *Sustainability Reporting Moving into the Mainstream*. 25 April 2007. Social Investment Research Analysts Network. 21 May 2007 <<http://www.siran.org/SIRANPR20070427.pdf>>.

<sup>2</sup> The study was conducted jointly by the Social Investment Research Analysts Network (SIRAN) and KLD Research & Analytics, Inc.

<sup>3</sup> Ho, Janie. *Mission: Social Responsibility*. 4 April 2007. *BusinessWeek*. 21 May 2007 <[http://www.businessweek.com/bschools/content/mar2007/bs20070329\\_381532.htm](http://www.businessweek.com/bschools/content/mar2007/bs20070329_381532.htm)>.

<sup>4</sup> The two other *Closer Look* articles in the TIP series feature the topics Action Learning (published, Sept. 2007) and Cross-Sector Partnerships (upcoming, Nov. 2007). The eleven global schools that participated in the 2004-2006 Teaching Innovation Program are: Ashridge Business School; Case Western University, Weatherhead School of Management; Cornell University, The Johnson School; McGill University, Desautels Faculty of Management; Northwestern University, Kellogg School of Management; S.P. Jain Institute of Management and Research; Tecnológico de Monterrey, EGADE; University of Michigan, Stephen M. Ross School of Business; University of Navarra, IESE Business School; University of Stellenbosch Business School; and University of Toronto, Joseph L. Rotman School of Management. To learn more about the TIP program, visit: [www.aspenCBE.org](http://www.aspenCBE.org).

# A Closer Look at Business Education

## THE BOTTOM LINE:

- Academic institutions are tackling their environmental footprint, both individually and collectively. At the collective level, the American College and University Presidents Climate Commitment is a recent instance of higher education institutions taking ownership of their environmental impact. With 407 signatories as of Oct. 2, this popular pledge commits presidents to achieving carbon neutrality on their campuses in two years time, through innovative measures of the institution's choosing.<sup>5</sup> At the local institutional level, as well, there are many examples of campus greening initiatives, which seek "waste free" and "climate friendly" campuses.
- As educational institutions, business schools have an inherently social mission: educating society's future leaders. Many business schools explicitly state this notion in their mission statement, and many schools have revised or reinvigorated their missions in light of recent criticism and debate among respected academics and public intellectuals (Mintzberg, Ghoshal, Bennis, O'Toole, Pfeffer&Fong, Khurana, etc). In light of this socially-minded foundation, an increasing number of schools are rethinking how their institutions can serve society in new and innovative ways through their core products and services.
- Alongside an institution's research and teaching, student initiatives can also have a significant impact on communities "outside the gate" of the business school. Net Impact chapters and Social Enterprise clubs have become staple extracurricular activities at countless established business schools. Among other goals, these associations provide infrastructure and viability to once-scarce opportunities for students to participate in social activities such as non-profit board leadership and small business consulting. Currently, 111 Net Impact chapters flourish globally, and 41 percent of Beyond Grey Pinstripe survey respondents report having an active chapter on their campus.

## FACULTY POINT OF VIEW:

**The Business Accelerator at EGADE**, the Graduate School of Business Administration and Leadership at **Technológico de Monterrey** in Monterrey, Mexico, is leading both regional and national business development efforts in Mexico. The program's objectives are twofold: to accelerate the development of firms involved in technological innovation; and to promote the generation of wealth and sustainable development in Mexico through the cultivation of small and medium-sized business enterprises.

**Dr. Elisa Cobas-Flores** directs the Business Accelerator at EGADE. She shares with us here the dual technological and social-minded orientation of the EGADE institution, which supported the 2005 creation of the Business Accelerator. Notable successes of the Business Accelerator among Mexican businesses include: Ecofreeze, a natural refrigerant for air conditioners that helps reduce global warming, and Pums the New World, an interactive educational company for children that focuses on sustainable development.

**On the mission of EGADE:** "As a school, our responsibility is not only to provide education for our students but also to assume leadership beyond the campus towards our community; the latter is part of our commitment to sustainable development in society. In Mexico, we need to create regional wealth, by actively helping communities. As a business school, we possess a great deal of knowledge useful to Mexican entrepreneurs. We have to learn to effectively transfer this knowledge to those in need of it."

**On the Accelerator Program's community investment model:** "The focus of the Business Accelerator is on new innovation, not necessarily a new product. EGADE's Call for Projects from 2005 to present solicited groups ranging from companies and associations to university research centers and individual

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<sup>5</sup> *Presidents Climate Commitment*. 2007. American College and University Presidents Climate Commitment. 21 May 2007 <<http://www.presidentsclimatecommitment.org/index.php>>.

Vance, Eric. "70 College Presidents Sign Commitment to Limit Carbon Emissions on their Campuses." 16 Feb. 2007. *The Chronicle of Higher Education*. 21 May 2007 <<http://chronicle.com/temp/reprint.php?id=qyq04hjmkl719fg1b4lcpdwydtp3hd>>.

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entrepreneurs; in total, more than 300 projects have undergone EGADE's Business Accelerator. These projects were placed in a three-phase process intended to grow their business for the long-term and guided by coaches, multi-disciplinary experts and MBA students at the university: evaluation of business potential, elaboration of a business plan, and the raising of funds."

**On lessons learned from the Business Accelerator at EGADE:** "One of the greatest challenges we face in trying to help these companies grow is a severe deficit of information on the company-side. At EGADE, our coaches are highly trained in locating key information such as market projections, company reports, investor trends and employee statistics, which are all crucial to company growth. We also found that what Mexican businesses need most is advice from disciplinary experts, people who can coach them on the development of their business goals. We found that while there are many good ideas and projects in Mexico, and all of Latin America for that matter, most of these companies are developed by individuals without a traditional business background. Furthermore, it is very difficult to find seed funding and angel capital in Latin America, as no one is willing to invest easily.

"Our students, who have become involved in these projects as resources to the companies, have also learned a great deal about the real necessities facing companies in Mexico today, and how these companies can be transformed for the better. We as educators need to seriously take into account the needs of these companies to challenge the way we approach our country's development. In Mexico, we need to change traditional paradigms of the business world: from individual to collaboration, from employee to self-employer, from reducing cost to adding value, from a 'made in' to 'created by,' and from maintaining effort and enthusiasm to creating knowledge and skill."

### NOTABLE ACTIVITIES:

Given the growing climate of social innovation in management programs, an increasing number of examples are emerging of business school programs that tout a social benefit beyond building leadership capacity in the for-profit sector. Our list – deliberately eclectic – touches on just a few of these initiatives.

#### ■ Case Western University, Weatherhead School of Management

##### *Global Forum: Business as an Agent of World Benefit*

"Business as an Agent of World Benefit: Management Knowledge Leading Positive Change" was held October 22-25 2006 at Case Western Reserve University. It created a powerful learning and discussion environment for MBA students, executives, and faculty all over the world with over 1000 participants (face to face and online) focusing on businesses leading sustainable and socially conscious practices. The Global Forum is a joint partnership between the Center for Business as an Agent of World Benefit and the UN Global Compact and the Academy of Management."

"The aspirations for the Forum are not meager. Our hope is to connect insights gleaned from a range of exciting dialogues taking place across disciplines, sectors, cultures, and geographic regions. The Forum is designed to galvanize change. It is born of a conviction that the future of human society and the natural world is intimately linked to the future of the world economy, business enterprises, and management education. The forum will offer unparalleled opportunities for new understandings and creative action."<sup>6</sup>

#### ■ McGill University, Desautels Faculty of Management

##### *Various Campus Greening Initiatives<sup>7</sup>*

At McGill, practical solutions – both social and environmental – for the campus and

<sup>6</sup> *Business as an Agent of World Benefit: Management Knowledge Leading Positive Change*. Oct 2006. BAWB. 21 May 2007 < <http://www.bawbglobalforum.org/about/overview> >

<sup>7</sup> Lalonde, Michelle. *A drive for change*. 23 August 2007. The Gazette. 11 August 2007 < <http://www.canada.com/montrealgazette/news/story.html?id=c7034865-2512-454e-b1c9-3813b8f0063c&p=3> >

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community often emerge from the business classroom. BCom, the undergraduate component of the Desautels Faculty of Management, requires all of its students to enroll in a hands-on class called the “Social Context of Business.” A number of the class’s myriad of projects has been adopted by the McGill community including uPool, an online carpooling community developed especially for Management students. For MBA students interested in incorporating campus sustainability into their academic study, they can pursue credit through faculty-supervised independent research projects. These projects can have real implications for McGill at large, as well. The Gorilla Composting project, for example, developed into a full-fledged student volunteer initiative that collects and composts food waste from campus, eventually used by local farmers for fertilizing. At the campus-wide level, Sustainable McGill, a student-faculty research group including representation from the Desautels Faculty of Management explores strategies to making the campus more environmentally friendly.

### ■ Ashridge Business School

#### *Ashridge Best European MBA Essay Award*

“For seven years Ashridge has run an award for the most thought-provoking MBA essay on the changing role of business in society. The award is run in conjunction with the European Academy for Business in Society and Microsoft. The award exists to further debate about the role of business in society and be accessible to a wide audience, particularly business leaders and public policy-makers. It also aims to raise awareness about these issues to mainstream management education. Judges of the award have included Barbara Stocking, Director, Oxfam GB and Margaret Flaherty, Director, World Business Council for Sustainable Development. In 2006, an Ashridge MBA won the award for the first time.”

#### ONGOING QUESTIONS:

- Just as businesses must consider how to manage the social and environmental impacts of their core activities, business schools are facing related issues. Where should business schools begin, and what processes should they use to set priorities for managing their own social and environmental impact? Whose voices should be included in these deliberations?
- What associations and organizations are serving – or could serve – as venues for deliberations around the business school’s societal responsibilities, as well as sharing of lessons learned?
- What is the optimal role for faculty in this agenda?

#### RESOURCES:

[BeyondGreyPinstripes.org](http://BeyondGreyPinstripes.org) – World’s biggest MBA database, including detailed records on thousands of courses and information on extracurriculars, university centers, and more, for 128 schools on six continents.

[CasePlace.org](http://CasePlace.org) – A free and practical on-line resource for up-to-date case studies, syllabi, and innovative teaching materials on business and sustainability. Created for the educators who will shape our next generation of business leaders!

*A Closer Look* is a monthly series of briefing papers on topical issues in MBA education, based on the research and programs of the Aspen Institute. The [Aspen Institute Business and Society Program](http://Aspen Institute Business and Society Program) works with senior corporate executives and MBA educators to prepare business leaders who will effectively manage the financial, social, and environmental impacts of the private sector.

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