

Beyond Grey Pinstripes 2003

PREPARING MBAs for SOCIAL and ENVIRONMENTAL STEWARDSHIP

Introduction



Welcome to *Beyond Grey Pinstripes 2003: Preparing MBAs for Social and Environmental Stewardship*, the fourth in a series of reports by the Aspen Institute and the World Resources Institute spotlighting schools and faculty worldwide at the forefront of incorporating issues of social and environmental stewardship into the fabric of their MBA programs.

If the next generation of business leaders is to excel at managing enterprises for greater competitiveness, it will need the knowledge and skills to tackle not only the financial but also the social and environmental challenges faced by today's corporations.

Business schools provide the foundation for the analytical reasoning, strategic thinking, and decision-making frameworks used by future business leaders the world over. In the United States alone, over 100,000 master's degrees in business are awarded each year.

The scope and reach of business education demands that we understand how business schools are introducing the concepts of social and environmental stewardship to business students. However, most business school rankings, with their narrow emphasis on test scores and outgoing starting salaries, do not capture the ways and degree to which these concepts are being addressed. *Beyond Grey Pinstripes 2003* picks up where conventional rankings leave off.

In October 2002, the *Beyond Grey Pinstripes* survey was mailed to 426 schools accredited by either the Association to Advance Collegiate Schools of Business (AACSB) or the European Foundation for Management Development (EFMD) and to more than 100 other leading MBA programs around the globe. Schools from 20 countries—68 from the United States and 32 from Africa, the Americas, Asia, Australia, and Europe—completed the survey. (See www.BeyondGreyPinstripes.org for detailed information about all 100 schools that participated in the survey.)

Findings from this survey show that business schools have broadened their coverage of social and environmental stewardship. These issues have become part of the business vernacular and are addressed at many schools through classroom and extracurricular activity. However, the depth of coverage of these topics in MBA programs is severely limited in the core courses—including accounting, finance, marketing, operations, and organizational behavior—that most powerfully shape the MBA experience.

Also, only the most innovative schools have elevated the study of social impact management and environmental management from separate disciplines to the level of sustainability. Sustainability refers to the interrelationship of social, environmental, and financial factors – a synthesis often referred to as the triple bottom line. The schools moving in this direction are taking a more systemic look at how these factors intersect over time and are helping students see these factors as an integrated reality for the firm.

In the following pages, *Beyond Grey Pinstripes 2003* identifies the leading schools and faculty that are devoting the deepest attention to social impact and environmental management as well as those that are beginning to weave together this triple bottom line. Ultimately, graduates from such programs will be better equipped to lead competitive businesses that are outstanding performers in terms of financial success, social value, and environmental quality.

Congratulations to the 2003 award-winning schools and Faculty Pioneers!

Leading MBA Programs

Top schools incorporating environmental and social impact management



Beyond Grey Pinstripes 2003 celebrates the achievements of 36 schools around the globe. These MBA programs are infusing environmental **and** social impact management into the classroom, activities and faculty research. This year, to emphasize the importance of preparing students for a more comprehensive approach to social and environmental stewardship, we compared schools on the basis of their accomplishments across both domains, rather than excellence in one or the other.

Six schools are on the **cutting edge** of incorporating social and environmental stewardship into their MBA programs. Although each is unique, all six demonstrate extraordinary commitment to preparing students to manage complex social and environmental challenges. Relative to the other schools in the survey, these **cutting edge** schools demonstrate:

- More significant infusion of social and environmental content into core courses and, on average, three times as many relevant elective courses;
- Extensive faculty research on topics bearing directly on management of social and environmental impacts, accounting for 21 percent of the research identified through the survey;
- More extracurricular and student initiated activities—including conferences, seminars, and speakers—that broaden understanding of social and environmental stewardship.

The next nine schools are not as consistent in their achievements across both social and environmental domains and across teaching, research, and extracurricular activities. Nevertheless, they demonstrate **significant activity** and provide examples of excellence.

We also recognize 21 schools with **moderate activity** that are poised for advancement.

Note: Schools without a country listing are located within the United States.

Schools on the Cutting Edge

Schools are listed in alphabetical order

George Washington	Washington, DC
Michigan	Ann Arbor, MI
North Carolina (<i>Kenan-Flagler</i>)	Chapel Hill, NC
Stanford	Stanford, CA
Yale	New Haven, CT
York (<i>Schulich</i>)	Toronto, Canada

Schools with Significant Activity

Schools are listed in alphabetical order

Calgary (<i>Haskayne</i>)	Calgary, Canada
Cornell (<i>Johnson</i>)	Ithaca, NY
Dartmouth (<i>Tuck</i>)	Hanover, NH
Harvard	Cambridge, MA
ITESM (<i>EGADE</i>)	Monterrey, Mexico
New Mexico (<i>Anderson</i>)	Albuquerque, NM
Pennsylvania (<i>Wharton</i>)	Philadelphia, PA
UC Berkeley (<i>Haas</i>)	Berkeley, CA
Virginia (<i>Darden</i>)	Charlottesville, VA

Schools with Moderate Activity

Schools are listed in alphabetical order

Asian Institute of Management (<i>SyCip</i>)	Makati, The Philippines
Boston College	Chestnut Hill, MA
Boston University	Boston, MA
Case Western (<i>Weatherhead</i>)	Cleveland, OH
Colorado (<i>Leeds</i>)	Boulder, CO
Erasmus (<i>Rotterdam</i>)	Rotterdam, The Netherlands
ESADE	Barcelona, Spain
Illinois	Urbana-Champaign, IL
Illinois Institute of Technology (<i>Stuart</i>)	Chicago, IL
INCAE	Alajuela, Costa Rica
INSEAD	Fontainebleau, France
Jyväskylä	Jyväskylä, Finland
Loyola Marymount	Los Angeles, CA
McGill	Montreal, Canada
Navarra (<i>IESE</i>)	Barcelona, Spain
Northwestern (<i>Kellogg</i>)	Evanston, IL
Notre Dame (<i>Mendoza</i>)	South Bend, IN
UT Austin (<i>McCombs</i>)	Austin, TX
UCLA (<i>Anderson</i>)	Los Angeles, CA
Vanderbilt (<i>Owen</i>)	Nashville, TN
Wake Forest (<i>Babcock</i>)	Winston-Salem, NC

Trends and Highlights in 2003



Evaluating how well schools prepare MBA graduates for social and environmental stewardship requires a close look at what happens inside and outside the classroom and at the content of faculty's academic research. Here is what we learned from the 100 schools that reported data in *Beyond Grey Pinstripes 2003*. For more details, see "Trends and Highlights" under the "Findings" tab at www.BeyondGreyPinstripes.org, including coverage of more than 1,000 courses, 800 extracurricular activities, 150 institutes, and 700 articles from academic journals.

"*Beyond Grey Pinstripes* goes well beyond conventional MBA program rankings - it facilitates meaningful improvements in management education. By highlighting curriculum achievements and innovations in social impact and environmental management, it provides a great service to business schools and society."

DAN R. LeCLAIR
Director of Knowledge Services
Association to Advance of Collegiate Schools of Business (AACSB)

"Participating in the *Beyond Grey Pinstripes 2003* study provided a tremendous opportunity to consolidate our school's strategy in this area. Our commitment to integrating social and environmental topics into our programs - inside and outside the classroom - is more solid than ever before, and allows us to be on the leading edge of emerging business issues."

JAIME ALONSO GOMEZ
Director/Dean
Graduate School of Business Administration and Leadership (EGADE)
Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM)

"I relied on the *Beyond Grey Pinstripes* report to help me find a program that would give me a competitive advantage in managing for the triple bottom line. I ultimately chose Kenan-Flagler because of its stellar rating in the report. I believe that I will serve Johnson & Johnson well for having been trained at a school that has integrated sustainable enterprise management into its core curriculum."

JOY HOWARD
Assistant Product Director, Johnson & Johnson
UNC's Kenan-Flagler Class of 2002

Inside the Classroom

Compared to the previous survey, the number of CORE COURSES with social and environmental content is up, but the improvement is marginal. Infusion of environmental and social impact management into the core curriculum—those courses required of all MBA students—is critical because it ensures that each student examines these issues before graduating. A higher percentage of schools (45 percent in 2003 versus 34 percent in 2001) require one or more courses in ethics, corporate social responsibility, sustainability, or business and society. Integration of social and environmental topics into other required courses—such as accounting, economics, finance, information technology, marketing, operations, and strategy—remains limited.

Integration in Core Curriculum

Asian Institute of Management
ITESM
New Mexico
Stanford

The results of the *Beyond Grey Pinstripes 2003* survey indicate that these four schools reported the most content on social impact and environmental management topics in their core courses. Schools are listed in alphabetical order.

Of the core courses offered by the 100 surveyed schools, only a handful of accounting, economics, marketing, operations, and information technology classes incorporate content on social impact and/or environmental management.

Noteworthy examples:

- *Development of Enterprise* at the **Asian Institute of Management** encourages students to consider their role in society at large, not just within the firm.
- *Financial Accounting* at **Stanford** includes the social impacts of accounting methods and practices.

- *Economic and Financial Decisions in Organizations* at **ITESM** covers the implications of mergers and acquisitions on the well-being of society.
- *Marketing Management* at **New Mexico** incorporates topics such as social and green marketing, consumer protection, and global citizenship.
- *Operations Management* at **Wake Forest** includes a class on the social issues associated with international outsourcing.

Experimentation through ELECTIVES is on the rise. Over 950 elective courses with social and environmental content were reported in the 2003 survey, an increase of nearly 70 percent over the number of qualifying courses reported in the previous survey. This trend bodes well for the future content of core courses; experience suggests that if electives are well received, their content can migrate into the core. The array of electives at some schools is impressive, with dozens of relevant courses on offer. However, half of the surveyed schools report fewer than five electives with any social or environmental content.

Electives with social and/or environmental content are offered across a broad spectrum of departments. Examples:

- *Basics of Environmental Accounting* at **Jyväskylä**
- *Sustainable Venturing* at **Colorado**
- *Accounting Lyceum: Issues Related to Enron* at **Notre Dame**
- *Innovative Strategy and Corporate Governance* at **INSEAD**
- *Business as an Institution of Society* at **Loyola Marymount**
- *Leadership, Ethics, and Theatre* at **Virginia**

Course content featuring a systemic look at the complex interrelationship of financial, social, and environmental factors in business—that is, SUSTAINABILITY in its broadest sense—continues to be relatively rare. There is scant coverage of sustainability in core courses. In addition, although the number of electives that focus on sustainability has increased, there are still only 40 in total across 100 surveyed schools. In many instances, students seeking integration of the triple bottom line throughout their MBA programs must opt for a specialized joint degree or concentration or create a customized course of study to suit their needs.

Examples of MBA programs that offer clusters of electives, joint degrees, or concentrations in sustainability:

- **York's** concentration in *Business and Sustainability*
- **INCAE's** concentration in *Sustainable Development*
- **Michigan's** joint degree called *Corporate Environmental Management Program*
- **North Carolina's** concentration in *Sustainable Enterprise*

II Outside the Classroom

Survey findings indicate that EXTRACURRICULAR ACTIVITIES contribute to a vibrant discussion of topics related to social impact and environmental management. More than 700 conferences, speakers, seminars, or other events were reported, addressing such themes as corporate ethics, sustainability, globalization, and women in business. This total represents a near doubling since the last survey.

Noteworthy events include:

- A *Sustainable Enterprise Symposium* at **Cornell**
- *Corporate Behavior and Financial Markets* conference at **Vanderbilt**
- *Innovating Social Change* conference at **Northwestern**

STUDENT INVOLVEMENT is a significant driver for activities at schools. The number and influence of student clubs and groups is growing. Net Impact chapters, for example, bring together emerging business leaders who are committed to using the power of business to create a better world.

Students make a difference inside and outside the classroom. Examples of student-organized events:

- **George Washington's** GESPA, a student group for social and environmental professionals, co-sponsored a panel discussion on *Sustainable Production and Consumption*.
- At **Yale**, a *Business and Sustainable Transportation* seminar was co-sponsored by the Management and Environment Student Interest Group.
- **Harvard's** *Social Enterprise Club* organizes an annual conference.
- **York** students hosted *Accountability and Transparency in Corporate Canada Conference*.

The presence of CENTERS AND INSTITUTES dedicated to social and environmental topics also is a key factor in the depth of teaching and research on these issues at business schools. Virtually all of the top performing schools have at least one academic center or institute housed in the business school that focuses research and other activities on social impact management, environmental management, or sustainability.

Three centers that illustrate a focus on social and environmental stewardship:

- **Berkeley** has established a new *Center for Responsible Business*.
- **Erasmus** is the coordinating institution for *RevLog*, a pan-European working group on the reuse of products and materials through reverse logistics.
- **Dartmouth** runs the *Allwin Initiative for Corporate Citizenship*.

III Academic Research

The Beyond Grey Pinstripes 2003 REVIEW OF ACADEMIC LITERATURE reveals business faculty's growing interest in research on social impact and/or environmental management.

Classroom teaching is heavily influenced by faculty research interests; thus, this development is a harbinger of increased course content on topics related to social and environmental dimensions of enterprise management. Published research covers a spectrum of relevant topics, including diversity in the workplace, sustainable development, stakeholder theory, globalization, and environmental management strategies. Despite the general increase in such research, there remains a dearth of research addressing sustainability as a systemic issue. Information on all articles identified in the literature review is posted on www.BeyondGreyPinstripes.org where it can be searched by university, faculty name, academic journal and article title.

Academic Research

*Calgary
George Washington
Michigan
North Carolina
Pennsylvania
UC Berkeley
York*

Professors at these seven schools are setting the bar for research activity on social impact and environmental management. Articles published by these faculty represent 30 percent of all relevant research identified for the 100 surveyed schools. The above schools are listed in alphabetical order.

"Citigroup is pleased to support *Beyond Grey Pinstripes* because we think business needs MBA graduates who understand complex global issues and who can, of course, deliver financial results but also positive social and environmental results as well. The *Beyond Grey Pinstripes* report clearly recognizes those MBA programs and professors who provide this type of leadership education."

PAMELA P. FLAHERTY
Senior Vice President, Global Community Relations
Citigroup

"Many of our students who report that our high *Beyond Grey Pinstripes* ratings were instrumental in their choice of the Michigan Business School become the leaders of and graduate at the top of their classes"

EUGENE W. ANDERSON
Associate Dean for Degree Programs
University of Michigan Business School

Beyond Grey Pinstripes At Your School

The survey results summarized in this report (and presented in detail on line at www.BeyondGreyPinstripes.org) provide a unique perspective on innovative MBA programs and courses. The value of these findings will be enhanced if they are viewed not simply as a snapshot of the status quo but also as a dynamic tool for inquiry about how to create the best experiences to help students meet the challenges that lie ahead. We encourage students, faculty, alumni, and administrators to use our survey results to prompt discussion around a number of key questions, such as:

- How do the examples in this report suggest ways your school can better prepare graduates for social and environmental stewardship?
- How does your school measure up against the benchmarks you see described here? Where are you excelling? What areas do you want to expand?
- Which of your faculty are already exploring questions of social and environmental stewardship in their teaching and research? Can you use the examples of innovative course and/or research topics highlighted in this report to spark ideas that will further teaching and research at your school?
- What will be your school's distinctive approach or particular expertise with regard to the teaching of social impact and environmental management? How will your school distinguish itself from the crowd?
- Are you creating a dialogue with your recruiters to test the match between your offerings and business needs for leaders who can manage for the triple bottom line?

Faculty Pioneer Award Winners

The Faculty Pioneer Awards celebrate the contributions of exceptional faculty who demonstrate leadership in integrating social and environmental impact management into MBA programs and significantly influence business education and practice. The commitment of business school faculty is critical to ensuring that social and environmental issues become more fully infused in business education.

Candidates for the Pioneer Awards are nominated by their peers. Winners are selected by a panel of judges drawn from corporations which are committed to bridging academic and business environments.

FACULTY PIONEER JUDGES:

BRAD ALLENBY *AT&T*

PATRICK R. ATKINS *Alcoa, Inc.*

ELENA BONFIGLIOLI *Microsoft*

ILENE FISZEL-BIELER *Citigroup Inc.*

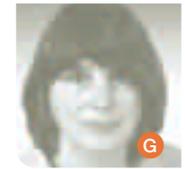
CELIA MOORE *IBM*

GABRIELLA MORRIS *Prudential Foundation*

MARK STOLER *General Electric*

MARK WADE *Shell*

DEBORAH ZEMKE *Ford Motor Company*



A | Lifetime Achievement Award

THOMAS N. GLADWIN
University of Michigan Business School

Professor Gladwin is a thought leader in sustainable business education and practice. He has challenged convention and shown how patterns of human behavior, including globalization, can degrade the integrity and resilience of natural systems. Since his doctoral work in the 1970s, Gladwin has taken a systemic perspective with a keen eye for the social and environmental dimensions of business, thus contributing to a much broader understanding of the complexities of sustainability. He has had a wide impact on academia and business practice around the world, serving on numerous corporate boards and government task forces and editing publications.

B | Institutional Leadership Award

JAMES E. AUSTIN
Harvard Business School

Professor Austin's work on social enterprise focuses on organizations and partnerships created by business and social sector leaders to mobilize their collective capabilities to address social issues and problems facing their communities. Under his skillful leadership, social enterprise topics have been integrated into mainstream research, teaching, and programs at the Harvard Business School. His impact extends far beyond Harvard, as he has encouraged the growth of social enterprise research and teaching at graduate schools around the world, including the establishment of the Social Enterprise Knowledge Network in Latin America.

C | External Impact Award

CHI ANYANSI-ARCHIBONG
School of Business and Economics,
North Carolina A&T State University

Through her visionary efforts, Professor Anyansi-Archibong has leveraged her scholarship to make lasting contributions to communities and business in a global society. For example, she teaches a course with a service learning component that gives business students the opportunity to work with local small businesses and contribute to community development in an inner city area. She also currently leads a movement for teaching socially responsible free enterprise to at-risk youth and business students in the US, Eastern Europe, and six African countries.

D | External Impact Award

S. PRAKASH SETHI
Zicklin School of Business,
Baruch College, CUNY

A prolific researcher and author, Professor Sethi is also recognized as an advocate who applies theory to practice through his work with corporations. In the 1960s, he was among the first to make a strong case for social audits of corporations. Sethi works with multinational corporations to encourage them to be accountable for the impacts of business decisions and investments on workers in developing countries, labor practices, environmental conditions, and human rights.

E | Rising Star Award

ANDREW J. HOFFMAN
School of Management
Boston University

Professor Hoffman's first-rate research, classroom innovations, and ability to stimulate public debate on key social and environmental issues distinguished him as a rising star in the field of environmental management. A notable intellectual contribution is his use of organizational

theory to explain the environmental practices and strategies that affect modern organizations. His coursework and recent textbook examine environmental management as a competitive strategy, rather than an issue of regulatory compliance or social responsibility.

F | Academic Leadership Award

TIMOTHY L. FORT
University of Michigan Business School

Professor Fort is an innovator who has had a significant impact on the field of business ethics through his award-winning research, teaching, and commitment to curriculum development. He has developed popular elective courses, such as "Business Ethics, Science and Technology." Professor Fort is currently conducting research on the subject of corporate governance and sustainable peace and organizing global conferences to explore the contribution business can make to peaceful societies.

G | Academic Leadership Award / European Faculty Pioneer

ALYSON C. WARHURST
Warwick Business School

With an academic career spanning earth and social sciences, Professor Warhurst has contributed to an interdisciplinary understanding of corporate social and environmental responsibility. In her teaching and research, particularly in the field of public policy and corporate strategy in the natural resources industry, she has been a dominant force for embedding environmental and social issues in the business curricula at Warwick and in the business and policy arenas of Europe and various international organizations.

World Resources Institute's Sustainable Enterprise Program (WRI)



World Resources Institute (WRI) is an environmental think tank that goes beyond research to find practical ways to protect the earth and improve people's lives. For more than a decade, WRI's Sustainable Enterprise Program has harnessed the power of business to create profitable solutions to environment and development challenges.

Meghan Chapple, Nicholas Powers, Richard Bunch
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The Aspen Institute's Business and Society Program (Aspen BSP)

The Aspen Institute's Business and Society Program (Aspen BSP) helps business executives integrate financial success and social and environmental progress. Aspen BSP envisions business leaders with the skills and values to consider the long-term impacts of business decisions and who employ social innovation as a key element of business strategy.

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Methodology

Beyond Grey Pinstripes is a biennial survey of Master's Degree programs in Business Administration. The survey assesses to what extent MBA programs prepare graduates for social and environmental stewardship in their careers. The 2003 survey covers the 2001–02 and 2002–03 academic years and includes data from 100 business schools in 20 countries. The survey gathers data in three areas: institutional support, coursework, and faculty research. For the detailed methodology, see the *Beyond Grey Pinstripes* website at www.BeyondGreyPinstripes.org.



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