5 Is the MBA sustainable?
Degrees of change
Suzanne Benn and David Bubna-Litic
University of Technology, Sydney, Australia

It is inevitable that sustainability will be the defining issue of this new century, requiring public-sector and private-sector organisations to introduce major changes in management. Successful organisations of the future will define ‘high performance’ as including the fulfilment of human needs and support for the survival and renewal of the planet. For corporations this will mean new ways of doing business (Dunphy et al. 2003). But is our leading business education programme, the MBA, up to the task? If not, then how can it be changed?

5.1 Imperatives for corporate change

Unlike the natural disasters of early industrial society, such as disease and famine, contemporary chemical, nuclear and ecological threats are the result of our own endeavours (Beck 1992). Technological and industrial developments are now seen as a source of risk, insecurity, hazard and uncertainty (Beck 1992; Giddens 1990; Lash 2002; Tsoukas 1999). There are recent indications that companies and governments may become liable for the effects of global warming (Cortese 2002). Other examples, such as the BSE (bovine spongiform encephalopathy) crisis in the United Kingdom the effects of toxic chemicals and genetically modified organisms

In this analysis, we take the term ‘sustainability’ to imply that, at a minimum, ‘activities and behaviours are ecologically sound, socially just and economically viable and that they will continue to be so for future generations’ (Clugston et al. 2002: 547).

5.2 Is the MBA showing the way?

5.2.1 Historical review

Since its inception in 1908, the MBA has proliferated. More than 700 business schools in the USA offer MBA programmes, conferring more than 100,000 degrees annually (US Department of Education, National Centre for Education, quoted in Finlay and Samuelson 1999). The popularity of the MBA with students appears to be its ability to attract a premium in the labour market (Ashenden and Milligan 2001). In turn, employers associate skills gained in an MBA programme with an ability to generate a healthy profit stream (Maxwell and Guanhuang 1998). These

2 Some 13 years on, there are many species of wildlife that still have not recovered from the Exxon Valdez oil spill in Prince William Sound on the coast of Alaska (Eyjofsson 2002).

3 According to these theorists, the conditions of self-confrontation characterise the conditions of reflexive modernisation (Beck 1992, 1999; Giddens 1990).
are values that hark back to earlier periods of industrial growth when social and environmental consequences of corporate activity were ignored and the corporation was judged solely by its ability to make a profit (Dunphy et al. 2003; Ott 1992; Shinivasav 1993). Indeed, the MBA has long been charged with resistance to change. Many critics have noted that its curriculum and teaching methods are reminiscent of 1960s thinking (Mintzberg and Gosling 2002; Neelankavil 1994; Pfeffer and Fong 2002; Ross-Smith et al. 2002).

Prominent management academics have recently fuelled this criticism. Mintzberg and Gosling (2002) argue that the MBA continues to produce functional specialists drilled in analytical decision-making rather than collaborative, worldly and reflective managers needed to provide leadership and foster success in today’s business environment. Pfeffer and Fong (2002) point out that business schools appear to be unable to generate responsive curricula that are sensitive to local issues. They argue that, although the generalist nature of sociology and organisation studies has enabled major theoretical advances in these fields (Weick 1989, cited in Pfeffer and Wong 2002), an over-emphasis on functional specialisation in the MBA has inhibited the research that would translate into relevant teaching practice. Essentially, critics charge that the MBA remains fixed in a modernist paradigm of unitary functionalism and is unable to deal with postmodernist concepts of localism and context.

5.2.2 The MBA and sustainability

Given the recent major advances in environmental sociology (Beck 1999; Dryzek 1997), corporate citizenship (McIntosh 2000; Zadek 2001) and corporate sustainability (Dunphy et al. 2003; Ettenson 2000; Hart 1997; Shinivasav 1993), how has this research been integrated, if at all, into the teaching of the MBA? To what extent has the programme responded to the themes of sustainability and more contemporary perspectives, such as the goal of a sustainable economy (Pearce and Barbier 2002)?

A recent survey reported in Benn et al. (2001) indicates the extent to which sustainability themes are being incorporated in the principal MBA programmes of management schools in Australia. The survey, first conducted in 1999 and updated in 2000 and 2001, was sent to co-ordinators of MBA programmes at 45 institutions. A total of 25 responded. Four of the responding institutions (Monash Mt Eliza, Royal Melbourne Institute of Technology [RMIT] and the University of South Australia) have core subjects in a general MBA programme that deal with sustainability or matters such as corporate, environmental and social responsibility. Seven MBA programmes (James Cook University, University of Central Queensland, University of Tasmania, University of Queensland, Australian Graduate School of Management [AGSM] at University of New South Wales [UNSW], Deakin RMIT, University of Technology [UTS]) have elective subjects in the areas of environmental or social responsibility. Another three of the responding institutions (University of Southern Queensland, Griffith, and Murdoch) have a specialised MBA in environmental management. Six MBA programmes mentioned ethics-based subjects as areas with environment or sustainability themes.

Very few MBA programmes incorporated environmental and social sustainability themes with environmental electives or subjects commonly regarded as ‘stand-alone’ units or as aspects of a specialised degree. Clearly, environmental management has been relegated in the MBA to the technical, as distinct from the social realm of decision-making. Only one respondent (RMIT) said that sustainability is an objective in each subject of its programme. Several others said that student project work is expected to show concern for ethics and sustainability. Only six respondents offered any subject dealing with sustainability from an integrated perspective.

From these results, assuming that co-ordinators of MBA programmes that are concerned about sustainability would be most likely to respond to the survey, fewer than 25% of our managers of the future are given the opportunity to increase their understanding of one of the most important and contested management issues of the day. The results also showed that ethics remains a popular vehicle to introduce environmental or sustainability-related material. We argue, however, that the field of business ethics cannot encompass the issues associated with business management for sustainability either at a strategic or an operational level. The average MBA student is not being confronted with the reality that a significant number of firms are moving down the track of resource efficiency or long-term planning to engage with more sustainable products and processes (Eckington 1997; Hart 1997). Such initiatives reflect a broader-based strategy to develop corporate sustainability by using the full potential of humans for innovation (Dunphy et al. 2003).

The survey also asked respondents how, if at all, environmental, social responsibility or sustainability-related material featured in other areas of their MBA programme. Only two respondents nominated action learning or other teaching and learning activities in their programme, thus indicating limited awareness of the pedagogical advantages of active learning techniques for sustainability.

The Australian findings are similar to those of recent US studies. In a 1999 survey of the leading graduate business schools in the USA, only 20% reported activity on environmental or social topics (Finley and Samuelson 1999). Repeated surveys there show a similar pattern to that in Australia: stand-alone environmental electives, ethics used to introduce concepts of social stewardship, lack of meshing of social and environmental themes into an holistic understanding of sustainability and poor integration of sustainability themes into core curricula (Klucsan 2000; WRI/AISI 2001). The most recent US survey estimated that environment-dedicated courses in MBA programmes number fewer than 20%, and courses dedicated to social impact management numbered about 38% (WRI/AISI 2001).

5.3 Integration or new generation?

The research presented here shows limited recognition by business schools of the social, economic and environmental considerations required to incorporate sustainability into management education. It supports the criticism noted in Section 5.2.1: that the MBA is resistant to change.
5.4 Integration across curricula: business education for sustainability

The first approach, based on the argument that ‘average’ managers and their corporations must be targeted if sustainability is to be achieved, is to integrate sustainability into the existing curriculum of the MBA. Pedagogically, it recognises the need to reposition sustainability issues into the mainstream curriculum if student interest is to be piqued. Emphasis is also placed on using teaching and learning techniques that foster active engagement (CREFIE 1999). This approach derives from the premise that interdisciplinary inquiry is essential to address issues such as social and environmental sustainability and racial and gender inequality (Bartlett and Eisen 2002; Cortese 2003; Orr 1992).

Educat ing for sustainability is quite distinct pedagogically from education about sustainability (Fien and Tilbury 1996). Education for sustainability aims to promote explanation and understanding of sustainability across the curriculum. If the whole MBA programme is approached as a means of developing personal and professional responsibility, sustainability should be considered relevant across all subjects. Each subject area should use examples and activities that raise sustainability issues. Holistic integration encourages active learning, using, for example, Kolb’s learning cycle. Kolb’s steps include concrete experience, reflective observation, abstract conceptualisation and experimentation (Kolb 1978, cited in Benn 1999). An active learning environment would encourage the development of generic skills such as systems thinking, teamwork, ability to manage change, oral and written communication, negotiation and time management (Benn 1999).

5.4.1 Ideas for integration

Traditional accounting is limited to descriptions of financial transactions taking place within and between organisations. A first step towards sustainability is to incorporate measures of social and environmental impact such as triple-bottom line accounting (Eckington 1997). Concepts from environmental accounting could also be introduced into other aspects of the curriculum, if environmental impact is taken as a factor to be considered in corporate decision-making.

Sustainability concepts could be integrated into organisational analysis and design subjects—core curricula in many MBAs. Reframing exercises could examine the implications of ecologically resonant metaphors, such as the ‘organisation as organism’ metaphor for organisational change and leadership strategies (Bolman and Deal 1997; Morgan 1997).

Dematerialisation concepts could also be introduced into operations management, organisational analysis and design curricula. These concepts focus on decoupling profit-making from materials use. Students could be introduced to a range of sustainable business strategies, such as leasing rather than selling goods, or sharing various goods and services by companies on a network basis. For example, Fujixerox leases rather than sells photocopiers. It also has introduced eco-manufacturing as a highly profitable venture. Thus, faulty photocopier parts are refurbished to be better than new, which greatly reduces materials use and lowers operating costs (Benn et al. 2002). The shift from quantity to quality and the principles of industrial ecology could be introduced to students as themes that require new organisational structures based on collaboration, not competition, and on re-use rather than obsolescence.

Organisational change courses could show a firm moving from compliance to eco-efficiency to strategic sustainability as an example of change processes (Dunphy et al. 2003). In other examples, marketing curricula could focus on the environmental consumer, product stewardship and stakeholder analysis could be introduced into strategic management, and economic assumptions about human nature, such as rational egoism, could be examined as part of a traditional economics course.

5.4.2 Challenges faced by the incremental approach

Integration of environmental literacy and social responsibility across all subjects within degrees, educational programmes and campus provision has been attempted at several institutions of higher education (see Filho 1999). Educators acknowledge the difficulties in dislodging the dominant worldview of exploitation of nature and acceptance of social inequity in existing programmes; this is a
problem the students may confront if aspects of their personal life, such as family or group values, seem contrary to the sustainability agenda. Rowe, for instance, argues that change agent skills, such as optimism, efficacy, futuring and implementation, are essential features of education for sustainability (Rowe 2002: 84-90).

Another challenge with integration is that, unless the examples and subject matter are closely linked to the core curriculum, the course may be perceived as either too generalised or too self-contained. Already-overloaded lecturers may resist having to introduce new examples and unfamiliar teaching methods (Keen 2000). The organisational changes required to incorporate sustainability themes into existing courses may be frustrated by academics who are unwilling or unable to change their ways of thinking and who actively resist changes towards sustainability that they see as impossible and perhaps irrelevant. Exposure to relevant sustainability concepts, such as interdepartmental mentors and campus 'greening' activities, can help in this case.

5.5 The argument for a new-generation degree

Incremental integration may not be enough to achieve the shift to sustainability. A second option is to create a revolutionary new MBA—one designed from the bottom up to address the needs of 21st-century business to transform itself. Such a degree would acknowledge the difficulty of changing established orders. As Kuhn (1970) observed, paradigmatic change tends to be revolutionary. This second, new-generation, approach to change is based on the argument that the design, pedagogic rationality and content of today’s MBA is interwoven with modernist assumptions that engender a 'technocentric' way of thinking. To break out of this world-view, students need to be exposed to an entirely different approach.

5.5.1 Questioning the core assumptions behind an MBA

Baeson has observed that we may continue to function for quite some time even with deeply incorrect premises:

The [erroneous] premises work only up to a certain limit, and, at some stage or under certain circumstances, if you are carrying serious epistemological errors, you find that they don’t work any more. At this point you discover to your horror that it is exceedingly difficult to get rid of the error, that it’s sticky. It is as if you had touched honey. As with honey, the falsification gets around; and each thing you try to wipe it off on gets sticky, and your hands still remain sticky (Bareson 1972: 479).

Reviewing the reasoning behind the structure of the MBA reveals many crucial epistemological errors. One key error is in the basic assumptions that justify the MBA. The four foundational disciplines of accounting, economics, organisational behaviour and quantitative methods on which the MBA is built are based on assumptions that these disciplines are unitary, coherent and uncontested. Embedded in this pragmatic approach is the belief that a simple appreciation of the dominant view of a particular discipline is sufficient for MBA graduates to negotiate the world of business. Similarly, the foundations of the physical sciences remained uncontested until Kuhn and the sociology of science emerged to challenge long-held assumptions.

This approach can be problematic. Such a reductive perspective on subject matter has major limitations. For example, it does not allow for the debates that make up the dynamic of a discipline to be encompassed (Keen 2001). A geography of critiques that falls under the rubric of postmodernism suggests a fundamental questioning of most of the core disciplines of a management education. However, the complex, ambivalent, self-questioning and thus 'subversive' conditions (Beck 1997: 22) engendered by the ecological and social imperatives of sustainability are those that must eventually have the most tangible and powerful impact, presenting philosophical and practical challenges to the managers of the future.

The epistemological error that management is a value-free, functionalist activity is deeply embedded in MBA programmes. MBA courses built on old assumptions are increasingly unable to bridge the gap between managers' beliefs and hopes as human beings and the reality of their working lives. Furthermore, the very structure of an MBA based on a selection of core disciplinary areas has the dangerous consequence of training future managers in a 'technocentric' world-view, an outdated perspective of the knowledge base of the society in which they operate.

This lack of critical reflection has negative implications for society and for business. Perhaps most importantly, it does not foster creativity in management or problem-solving. Nor is it conducive to the introduction of the emergent concepts of cyclical ecological thinking, biomimicry and the social and cultural construction of knowledge.

To illustrate this dilemma with a simple example, many subjects in the MBA programme teach from the paradigmatic perspective that organisations have a unitary purpose or mission. This view is characteristic of a certain school in organisation theory popular in the 1960s. The major reason for this lag is that a significant revision of the entire subject would be required to fully explain the advances. This presents a difficulty because the complexity of the issue brings in a range of other aspects that make up an almost paradigmatic shift in the discipline. This is far beyond the scope of an introductory overview. Sustainability likewise calls for the questioning of numerous assumptions, each of which has substantial implications for each subject in the course. For a coherent and consistent approach to sustainability to be incorporated, a concerted effort to track corresponding changes across the various subjects would need to be instituted. To introduce paradigmatic changes in economics, for example, would mean the complete reconceptualisation of existing subjects. Obviously, this would cut across the interests of significant constituencies in existing MBA programmes. This is particularly problematic where these constituencies do not necessarily share the same paradigmatic assumptions or the same world-views (Gladwin et al. 1995).

This new approach cannot be unilateral. Rather, it must find a middle ground not only in what is taught but also in what is done. The significant opportunity for
a 'green-fields' approach is based on creating a new constituency able to integrate the assumptions and ideas of sustainability into the existing business culture. This requires an entirely different way of conducting business (Harman 1993).

For example, simple formulaic methodologies for strategic thinking (Porter 1980, 1985) could be balanced with more complex approaches that acknowledge how pre-existing mind-sets and interpretive frameworks structure and guide strategic choices (Bate 1995; Chaffee 1985; Stacey 1992). These have an impact at all stages of strategy creation. Organisations that adhere to 'environmentally friendly' values have been found to be more proactive in developing sustainable practices (Hood and Bubna-Litic 2000). This research also shows that less environmentally concerned organisations are unlikely to divert the attention of management to exploring sustainable practices unless the practices coincide with clear and significant cost advantages.

5.5.2 Challenges in the creation of the new degree

It is crucial in dealing with the epistemological errors of the existing MBA, as discussed in this chapter, that such a degree should not fall into the same pit of unreliability and selectivity of subject matter. It must not take just one set of assumptions, discard them for another and create an oppositional degree that ignores graduates' needs for skills relevant to contemporary corporate life. The ecology of modern society will not provide a hospitable habitat for graduates unless they can reframe everyday business problems in ways that are understood and perceived as valuable. This means the need to develop graduates able to span both worlds and who have the ability to think critically and act creatively and reflectively to transform current business practices.

5.5 Conclusions

Today's MBA programme cannot meet the needs of management in an increasingly interconnected information-rich society, in which we are confronted with the effects of ongoing modernisation and industrial development. This chapter has explored the need for sustainability to be incorporated into management education by incrementally integrating sustainability into all aspects of the current curriculum through the inclusion of activities that foster systems thinking and critical thinking. It has also considered a revolutionary design for a new and separate MBA that addresses sustainability by incorporating existing discourses critically and reflectively.

Understanding the argument is the understanding that the MBA is value-laden and contested (Beder 1996; Dryzek 1997; Harding 1998) and that sustainability themes exemplify 'new' knowledge, characterised by transdisciplinarity, heterogeneity, social accountability, reflectivity and issues of legitimation (McDonell 2001). If sustainability is integrated across the curriculum, then active engagement via self-examination and debate may be approached from many sub-disciplinary areas of the MBA. Active engagement enables reflexive assessment of performance now required of our leaders and managers.

The argument for the alternative degree is based on evidence of a new interpretative understanding of reality and the need for new curricula that can incorporate contemporary provisional interpretations of the world. A crucial aspect of sustainability is recognising meaning in its geographical, political, economic and cultural context. A new degree freed from the constraints of determinist and technical understandings of management education would address the needs of a new model of doing business that embraces the temporary and multiple environments of postmodern society (Novo 2002).

Ultimately, both approaches seek the same goal of reflectivity. This pedagogy prepares students for management in a business climate where demands for sustainability will mean a greater emphasis on meaning and values, where knowledge is negotiated and where knowledge claims are significant arenas for competition (Toulon 1999). Hence, the question is not whether it is necessary to make these changes but how to make them. It is possible that both approaches can be used to take students beyond 'reflect' action to an active reflection on the traditional institutions and norms of society, including corporate responsibilities and purpose (Beck 1999).

References


Bartlett, P., and A. Eisen (2002) 'The Pleasant Project at Emory University', in W. Pilio (ed.), Thriving Sustainability at Universities (Frankfort am Main, Germany: Peter Lang), 67-98.


