

# Is the MBA sustainable? : Degrees of change

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## Abstract:

How appropriate is the MBA as the major vehicle for management education in Australia as we enter this new century? This question is explored from two perspectives the context of the imperative for sustainability and related curriculum design issues. A survey of MBA programs in Australia will be reported on in terms of their relevance to sustainability criteria and the capacity to integrate these concerns with curriculum material in the MBA. The dictates of the 21<sup>st</sup> century call for graduates with an ability to develop reflexivity in action, who can broach both worldviews and have skills that can negotiate the transformations required of corporate Australia. The MBA is at the crossroads - can it regenerate through an incremental path to integration of sustainability by changing curricula, teaching and learning techniques to enable the active engagement of students with sustainability issues? Or do we acknowledge the contested nature of knowledge creation and argue with Gregory Bateson that there is an ecology of ideas in which the simple integration of sustainability to create a holistic and integrated curriculum requires the separation from the fundamental modernism that is reflected in a wide range of assumptions that underpin the MBA and will prevent the move to genuine sustainability? The paper explores both these options.

## Introduction

How appropriate is the MBA as the major vehicle for management education in Australia as we enter this new century? This question will be explored from two perspectives. The first will examine the context by which the MBA has grown to be the premium format for management education and why the same conditions will not continue far into the 21<sup>st</sup> Century. It will be argued that issues of sustainability will dominate the agenda of business over the next hundred or so years and that the future of the MBA is dependent on its ability to integrate these concerns with curriculum material.

The second perspective will look at curriculum design issues. A survey of MBA programs in Australia will be reported on in terms of their relevance to sustainability criteria and the capacity of the content of the MBA to achieve an optimal outcome for a range of stakeholders in view of these dynamic trends explored. The dictates of the next century call for graduates an ability to develop reflexivity in action, who can broach both world views and have skills which would be negotiate the transformations required of corporate Australia.

Two alternative courses of action will be discussed: the first an incremental path to regeneration of the MBA via changing both curricula and teaching and learning techniques to enable the active engagement of students with sustainability issues. It is argued that this holistic integrated approach fosters deep learning and critical reflection in all areas of the curriculum.

The second path of action argues for a new generation degree, acknowledging that the MBA is fundamentally a child of modernism and as such reflects a wide range of assumptions that cannot be simply integrated into the curriculum. This applies to the "hidden curriculum" which is implicit not only in the pedagogic assumptions about how material is taught, but also in the symbolic messages that are written into the very structures of organisation and the material culture of a Graduate Business School. The second approach would assume the contested nature of knowledge creation and argue along with Gregory Bateson that there is an ecology of ideas in which the development of new perspectives needs, at least initially, separate nurturance.

## The Historical Context

The MBA has a relatively long history, the embryonic forms of the MBA first appeared in the United States over 80 years

ago with small enrolments rates until new developments were incorporated over a twenty year period following World War II. The MBA then began a path of rapid growth in the 1960's (Gleeson, 1997; mckenna, in Byrt, 1989), and seems to have followed the classic product life cycle pattern growing from 5,000 graduates in 1965 to 21,000 in 1970, 45,000 in 1977, more than 70,000 in 1989 and around 85,000 in 1995. More than 700 business schools currently offer MBA degrees in the US. Executive education, particularly through the MBA is now a worldwide phenomenon, with new courses being offered across all continents including the formerly communist countries.

In Australia, Master of Business Administration (MBA) programs have been offered since the early 1960s, first at the University of Adelaide, the University of Melbourne and the University of New South Wales. Closely following world trends the MBA has emerged as the standard management education program for Australian university graduates and this is reflected in the massive growth in MBA programs to well over 65 different MBA programs on offer in Australia's 39 universities with about 11,000 students were enrolled in these degree programs. Australia's degree programs have international appeal and more than a quarter of the students from overseas. Australian universities also offer around 20 programs in offshore locations including Hong Kong, Singapore, Kuala Lumpur, Jakarta, Dubai and Fiji. (Maxwell and Guanhuang, 1998).

## Modernism

What is the attraction of the MBA and why has it been so successful? Historian Robert Locke has argued that the growth of the modern American industrial economy was not the result of the contribution of MBA education. Neither did the MBA play a significant role in the global reputation of American managerial competence, since these developments occurred prior to the rise of MBA-educated managers in the profession of management. This observation, whilst initially persuasive, may however underestimate the complex interrelationship between the development of management technologies and their linkages to corporate performance, particularly the transmission of new ideas via undergraduate and specialist programs, consulting organizations and other forms of knowledge diffusion.

The growth of the MBA has paralleled late modernity with an increasing sophistication of the business sector and the need of large corporations for individuals who are trained to deal with the complex interrelationships that are responsible for much productive activity. MBA programs have filled an important market need by preparing graduates for management and leadership roles within large and small organisations, preparing them with a network and common discourse that allowed them to negotiate the business world and mediate the profit motives of the powerful stakeholders. They also provided students with a broad range of analytical skills and an appreciation of contemporary management theory and practice. The training provided in MBA programs is widely considered to be based on a strong theoretical foundations of what constitutes effective management including an understanding of the internal operations of a firm and the firm's interface with its external environment. The benefits of such knowledge are ultimately, assumed to be related to the generation of a healthy profit stream (see Maxwell and Guanhuang, 1998). This perspective fits with the dominant (but not uncontested) political and economic views during the same period that saw this as good for society in general since it is was believed that profitable companies mean a better standard of living. At an individual level the popularity of the MBA was derived from its ability to attract a premium in the labour market place, although this premium varies across universities (The Economist, 1994).

The original design of the MBA program, according to Maxwell and Guanhuang, (1998) was aimed to give students an appreciation of a range of primary and support activities necessary for any business firm to perform successfully. The effective supervision of these functional areas and their interactions are assumed to be the key focus of successful management. External forces impact each of these functional areas and it is considered essential for managers to appreciate the ways in which they can deal with such contingencies.

In a review of the MBA in Australia, Maxwell and Guanhuang, (1998) argue that the outcome of quality MBA programs should be graduates who have developed an appropriate blend of knowledge incorporating an appreciation of "foundation business disciplines", which also allows them then to gain an appreciation of the functioning of organisations. They argue that this blend is not universal and varies over time and different circumstances. They suggest the right blend will differ between nations in line with "the nature of the external business environment that they face and with their relative stage of economic and political development." (1998:2). It follows then that the form of a quality MBA program in a nation such as the USA, serving the needs of US residents, will differ from parallel programs in other countries such as Australia. The responsiveness of the MBA to external pressures does not necessarily seem to be born out in practice as, according to the Karpin report, the traditional form of the MBA in Australia has been strongly influenced by models developed in the United States. A situation amplified at the subject level, in view of the great number of textbooks that are either from the US or local adaptations of a major US text. Given that both external and internal operating environments of business in Australia have dramatically changed over the last three decades, it appears that some differentiation has occurred particularly with the introduction of shorter and more specialised degrees, as well the introduction of international programs. Yet these changes seem only minor variations in the original structure of MBA and the underlying rationale

remains the same. It would not put too great a spin on their data to say that whilst new topics have been introduced and old ones updated and an MBA in 2001 is not unrecognisable from one twenty years ago. Commonly the format of the curriculum of MBA programs is still based on the three tiers:

- foundation subjects;
- functional subjects;
- integrative subjects; and
- specialisations and electives.

A quick perusal of the course rationale for most MBA programs reveals typically foundation subjects which are assumed to provide the disciplinary foundation in the core fields of accounting, economics, organisational behaviour, business statistics (or quantitative methods), and to a lesser extent business ethics. The pedagogical logic is that these subjects provide a platform for students to appreciate more fundamentally an organisation's external environment as well as subsequently to understand the internal functioning of the firm. From this platform students typically move to take a series of so-called functional subjects which explore the specific operational concerns of a business including: finance; marketing; human resource management; management information systems; and in some cases operations (or production) management.

The current logic behind an MBA program assumes that the next stage are integrative subjects which provide the essential linking together of these skills and typically include things such as: business strategy and policy; general management; business policy; and MBA project.

The availability of specialisations and electives varies between programs and in standard two-year full-time equivalent offerings these may make up as much as a half of the courses. Logically it follows that there are fewer options available in shorter programs and this is born out in practice.

Whilst the MBA is still associated with the elite graduate qualification for business managers and it has become an almost ubiquitous award, offered by top-ranking, middle-level and community universities alike. The emergence of this trend has many celebrants, however it has also drawn adverse comment from leaders of other programs in established universities who see the MBA as devaluing tertiary education, pointing out the low entry requirements and its lack of academic depth. In 1995, John H. McArthur, Dean of Harvard Business School for 15 years, announced his resignation and in an interview with *The Wall Street Journal*, McArthur described the current state of business education in the US as a scandal (quoted from Penley, et al., 1995: 4). Whilst its defenders claim the incredible growth has led to healthy competition for its "customers," perhaps the most persuasive argument for MBA is the high financial return they offer their recipients. No other degree can return such a significant improvements in salaries on graduation. It is a simple personal calculation that the investment in terms of fee costs are quickly recovered by increases in salary after graduation.

Maxwell and Guanhuang, (1998) have set out the contribution Finegold and Schecter (1995) to the Karpin report, which compares traditional and "new" models of the MBA. These new models evolved following research, which was critical of the MBA in the US around the time.

<i>PRIVATE The Traditional model</i>	<i>The "New" model</i>
Few courses	Diversity provision
Classroom-based	Apprenticeship
Theoretical	Real-world cases
Finance, quantitative focus	Analytic and soft/people skills
Functional separation	Cross-functional
US centric	International
Individualistic/competitive	Group/ co-operative
Taken early in career	Lifelong learning
Traditional lecture emphasis	Growing use of new technology

Some of the salient criticisms of MBA programs summarized from the literature at that time by Neelankavil, (1994) include:

1. Over- focus on technical skills to the exclusion of communication skills.
2. Inability to teach leadership, creativity, and entrepreneurship.
3. Ignoring the importance of teamwork.
4. Lack of integration and a global perspective.
5. Lack of change in MBA programs which are perceived to have remained the same over the years.

6. Perception of arrogance and lack communication skills in most MBA graduates.
7. MBA graduates are theory-oriented and narrowly focused.
8. Business schools emphasize financial and analytical skills over manufacturing know-how.
9. Business school faculty and perceived as often having little or no business experience and a tendency to be involved in scientific research for its own sake rather than for improvements in application to business practices.

The “ideal MBA” according to Neelankavil, (1994) would be creative, intelligent, hard working, well-organized, socially responsible, ethically oriented, mature, flexible, and able to understand the functional interplay among finance, human resources, marketing, and operations management. In addition, such an individual would have a strong analytical background, extensive business experience, and work well with other people.” It is unlikely that within a two-year period any business school could provide their students with such a grounding in all the necessary tools of management, whilst simultaneously preparing them with the exceptional social and interpersonal skills required for such leadership. So if it is unrealistic for the MBA to achieve “what the customer wants,” what do MBA programs achieve? The consensus answer is that the MBA meets some of this wish list and in Australia as well as the US many new programs have embraced features to meet these criticisms and hopefully, market demand.

#### Powerful forces for change

The rise of the MBA is a phenomenon of late modernity and follows closely the development of theories of business, including marketing, finance, organisation theory and management which have become the discourse of power in the major arenas of large global corporations. The growth of industry as a sub-system of a finite system (the biosphere) is plainly at a crossroads and the increasing extent of environmental and social degradation as a result of contemporary economic practices is now clearly evident. Recent reports from the World Resources Institute indicate that water policies in most of the world are ‘failing to protect the world’s freshwater systems, resulting in growing water scarcity and alarming declines in the numbers of aquatic plants and animals’ (World Resources Institute 2001)

Australia is one of the most ecologically vulnerable continents and with its record on ecological, social, economic and cultural sustainability may be the first to experience significant ecological breakdown. Presently, we confront ecological and related cultural crisis conditions. Ecologically, we degrade more land, consume more water and use energy less efficiently than any other developed country except the US and we have far less to lose (Australian Conservation Foundation 2001). The wrongs done to indigenous Australians and the lack of attention paid to indigenous knowledge systems related to the country’s ecology are evidence of major deficits in cultural sustainability (Yencken and Williamson 2000).

Since the Brundtland Report of 1987 formally linked together for the first time a number of issues previously held to be in opposition such as social justice, development and global environmental issues (World Commission on Environment and Development 1987), sustainable development has emerged as a key discourse of the contemporary era. Many governments have responded by beginning to implement the precautionary principle and action plans for sustainable development, including those based on international consensus such as Agenda 21. Yet it remains a contested concept, hotly disputed at the international, national and local level. The extent to which economic growth, cultural integrity and environmental concerns need to be traded, or one form of capital set off against another, is the issue of debate.

The discourse of ecological modernisation, whose key concept is that ecological principles can be integrated into policies and products, is a leading story line of sustainability (Hajer 1996; Hajer 1993 ). In the ‘weak’ or technical version of ecological modernisation, the capitalist political economy can be reconfigured by taking pollution as a matter of efficiency, anticipation as better than cure and corporate social responsibility as a matter of strategy (Dryzek 1997: 143). The strong or reflexive form of ecological modernisation has cognitive reflectivity, argumentation and the processes of social choice which create discursive realities as its central concerns. In the strong form, the law is no longer seen as a conclusive set of command principles but as a ‘set of normative arguments the meaning and consequences of which should be constantly rethought in the context of concrete cases’ (Hajer 1996: 260). This form of reflexivity has links with theories of societal reflexivity proposed by Beck and Giddens and refers to the self-critical capacity of the ‘risk society’, which is induced by risk and uncertainty and made possible by knowledge (Beck 1992; Giddens 1991).

In the discourse of ecological modernisation, voluntary, co-regulatory or self-regulatory sustainability measures are hailed

as reflexive measures leading to deliberative self-questioning and further improvement (Matten 2001). They are the typical arrangements of governance of the 'risk society' which occur outside the traditional representative arenas and involve new alliances and networks (Beck 1992).

#### Reflexivity in action

By the mid-1980s, adverse publicity associated with the disasters of Minamata Bay, Seveso, Love Canal and Bhopal had prompted the chemicals industry to initiate an industry sector 'first'. The Responsible Care program ushered in a new era of 'compliance plus'; that is, a voluntary commitment going beyond required compliance measures (Roome 1992). Co-regulatory arrangements between business, government and corporation, such as citizen advisory committees and pollutant inventories, are now increasingly common and appear to be the way of providing corporations with both legitimacy and flexibility. There are indications that such collaboration between governments, corporations and community may dramatically increase our capacity as a society to deal with these issues. For instance, environmental reporting and other such self-management tools are steadily increasing in use.

Mainstream political parties and government agencies in Australia are now moving towards a stronger form of ecological modernisation and recognising the importance of institutionalising reflexivity. The Australian Labor Party, for instance, has promised an Environment Commissioner with among other responsibilities, expected to develop a real progress or sustainability indicator (or series of indicators) to be reported alongside GDP ( Environment Institute of Australia 2001). In another example, a recent report on biodiversity from the Productivity Commission has recommended incorporating educational measures into legislation as the key to maintaining biodiversity (Bates 2001).

Corporations are expected to involve themselves in constructive dialogue not just with their own shareholders but with the more established conservation groups such as the Australian Conservation Foundation (ACF). In a new green alliance for example, major business interests such as Southcorp, Macquarie Bank and Amcor have formed a roundtable with the ACF and CSIRO to explore ways of attracting \$2.8 billion a year in private investment to repair land and water degradation in Australia (Miller 2001).

The entry of mainstream fund managers, such as Rothschild and Westpac into the ethical investment market reflects an emergent trend that is likely to see ethical investing tripling in value over the next five years. Recently the major insurance company, AMP, announced a moratorium on land clearing on its large land holdings in Queensland and the establishment of its own ethical investment fund, allowing investors to put their money into projects or activities that would be 'detrimental to the environment (Woodford 2001). Stronger forms of ecological modernisation are evident in the positive screens used by Rothschild and AMP Sustainable Futures Fund. This method of screening seeks out companies which concentrate on product quality, make a positive environmental impact and have positive labour relations and other progressive work practices (Kavanagh 2001).

The Business Council of Australia has now officially responded to this trend, recommending that business voluntarily adopt a range of environmental and social reporting mechanisms, and stating that the 'pursuit of sustainable development is necessary for the future prosperity and well being of the world' (Business Council of Australia 2001).

#### The response from managers

Recent research indicates the need for more deliberative integration of sustainability into company culture if self-regulation is to be adopted more widely in Australia (Gribble, Dingle, and Annandale 1999). Management has not developed the capacity to establish either the culture, or the collaborative relationships that would enable the shift toward human or ecological sustainability (Dunphy and Benveniste 2000).

Defining sustainability criteria in relation to business operations remains an underdeveloped area of management (Clarke 2001). The fact that different techniques of measuring ethical performance often produce different outcomes reflects the difficulty in establishing sustainability indicators and reliable values monitors. A recent report on ethical investment commented on the uncertainty, and questioned the quality of some environmental consultants and their reporting procedures (Kavanagh, 2001). Hence business managers are now challenged by conditions of social reflexivity, finding themselves accountable to increasingly aware and demanding internal and external stakeholders.

They must now address increasing needs in relation to corporate legitimacy as business organisations are placed in the position of needing to compete symbolically as well as economically. They are required to draw upon symbolic capital or their accumulated prestige and legitimacy (Tsoukas 1999). Business managers need to have the capacity to negotiate in this increasingly symbolic realm. They are confronted with uncertain parameters for measuring and benchmarking sustainability while at the same time being required to better manage risk, including the implementation of environmental efficiency measures to reduce costs, minimise liability and produce new markets. Finally, they face demands from the

managed funds for greater accountability.

Is the MBA showing the way? A survey of MBA programs in Australia

Are MBA programs leading the way in the development of such skills? Are this new generation of leaders being introduced to these understandings of the need for a more socially responsible business to foster intergenerational and intragenerational equity?

A recent survey indicates the extent to which sustainability or corporate social responsibility themes are being incorporated in the principal MBA programs of management schools in Australia. The survey, first conducted in 1999 and updated in 2000 and 2001, was sent to 46 institutions of which 54% responded. The survey shows that 12% of the responding institutions (Monash Mt Eliza, RMIT and U of South Australia) have core subjects in a general MBA program which deal with sustainability or such matters as corporate environmental or social responsibility. 31% (James Cook U, U of Central Queensland, U of Tasmania, U of Queensland AGSM, UNSW/ U of Sydney AGSM, Deakin APESMA, RMIT, UTS) have elective subjects in the area. Another 12% of responding institutions (U of Southern Queensland, Griffith and Murdoch) have a specialised MBA in environmental management.

As with a similar survey of MBA programs in the US, very few incorporated both environmental and social, or sustainability, themes (Klusman, 2000). Only 25% of the total respondents offered any subject dealing with sustainability or sustainable development. Clearly then, environmental management, from the perspective of MBA program design, is relegated to the 'technical' as distinct from the social, realm of decision-making. From these results, only 25% of our managers of the future are given the opportunity to encounter the value-laden concepts of sustainability and to increase their understanding of one of the most contested arenas of our time.

The survey also questioned respondents on the extent to which environmental or sustainability related material featured in other areas of the program. 8 % of respondents nominated action learning or other teaching and learning activities in their program, indicating limited awareness of the pedagogical advantages of active learning techniques for sustainability.

Despite the fact that there is little evidence from these results of any systematic incorporation of sustainability themes into MBA programs in Australia, some universities and individual faculty are moving to set in place structures which relate to corporate social responsibility in either a strategic or an ethical sense. For instance, AGSM at UNSW has recently set up a group involved in supporting and developing students in socially responsible business. The group, called Net-Impact Australia, links into the network of other Net-Impact groups overseas. Deakin University has a Corporate Citizenship Unit, RMIT has recently established a Global Sustainability Unit and UTS has funded a Corporate Sustainability Project.

Regeneration or new generation?

The limited recognition of the social, economic and environmental considerations required to incorporate sustainability into management education presents a significant barrier to proactive change in the business community. Educators are faced with two generic paths to incorporate issues of sustainability into management education.

The first approach is based on the argument that the 'average' manager and their corporation must be targeted if sustainability is to be achieved. As the MBA becomes an increasing source of revenue from overseas students this approach has positive implications for global sustainability. It recognises the need to contextualise sustainability issues into mainstream curriculum if these issues are to hold student interest and to use teaching and learning techniques which foster active engagement.

The second is to begin anew, acknowledging that the design, pedagogic rationality and content of the MBA is based on modernist assumptions and engenders a particular way of thinking that impedes sustainability.

## THE ARGUMENT FOR INTEGRATION

### Business education for sustainability

Educating *for* sustainability is quite distinct pedagogically from education *about* sustainability. It is education which sets out to promote explanation and understanding of sustainability and is done across the curriculum (Benn 1999). In the business context it encourages students into an active engagement with the triple bottom line of social, environmental and economic sustainability (Elkington 1997). Debating sustainability claims can be approached from many of the sub-disciplinary areas of the MBA. It prepares students for management in the arena where knowledge is negotiated, and where understanding and winning the argument is a source of power and knowledge claims are a significant arena of

competition. Sustainability themes exemplify the 'new' knowledge, which is characterised by transdisciplinarity, heterogeneity, social accountability, reflexivity and issues of legitimation (McDonnell 2001)

The holistic integrated approach, whereby all areas of the teaching program are required to facilitate the development of activities that sustain human skills and capability as well as the natural environment, =ensure deep learning through active involvement and critical thinking in all areas. Other generic skills that such an active learning environment would encourage include systems thinking, team work, ability to manage change, oral and written communication and negotiation or time management (Benn 1999)

At a practical level, the emerging importance of the precautionary principle in national and international agreements requires a new emphasis on prudent management (Harding 1998). Hence for management theorists the task is to 'reconceive their domain as one of organisation-in-full community, both social and ecological' (T. Gladwin, 1995) If rethought this area of theory could contribute to MBAs benefiting from a pedagogy which engenders social reflexivity, and favours the inductive mode of inquiry in order to encourage reframing and the use of more open thinking (R. Dunbar, 1996).

#### Ideas for integration

If sustainability is to be achieved society must develop measures that 'count the costs'. Concepts from environmental accounting could be introduced into accounting components of the MBA. Traditional accounting is limited to descriptions of financial transactions taking place within and between organizations, as measured through market pricing. Measures not limited to financial descriptions, nor confined to markets, could complement those of traditional accounting to inform environmental decision-making.

Dematerialisation concepts could be introduced into organisational design curriculum. The shift from quantity to quality and the principles of industrial ecology can be introduced as themes requiring new organisational structures, based on collaboration rather than on competition, and on reuse rather than on obsolescence. Organisational change can take a firm moving through the sustainability spectrum from compliance to eco-efficiency to strategic sustainability as an example of change processes (Dunphy and Benveniste 2000).

In other examples, marketing curriculum could take a focus on the environmental consumer, product stewardship and stakeholder analysis could be introduced into strategic management, and various economic assumptions about human nature, such as rational egoism, could be examined.

### THE ARGUMENT FOR A NEW GENERATION DEGREE

The shift to sustainability may not be achieved through incremental integration. A second option is for a revolutionary new MBA – a degree which is designed from the bottom up to address the needs of the 21<sup>st</sup> century business to transform itself. Such a degree would acknowledge the difficulty of changing established orders. As Kuhn observed, paradigmatic change tends to be revolutionary. The incremental steps that are sought through integrating sustainability into existing courses may experience resilient old ways of thinking that seem impossible to change.

#### Questioning the core assumptions behind an MBA

Gregory Bateson observed that we may continue to function for quite some time even with very deep erroneous 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 not work any more, At this point you discover to your horror that 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." Bateson (1972: 479). Reviewing the reasoning behind the structure of the MBA reveals many such a crucial epistemological errors, ones that need to be surfaced.

A key error can be found in the basic assumptions in the rationale of the MBA. The nature of the four different foundational disciplines upon which the MBA is built lie assumptions that view the foundation disciplines as unitary, coherent and uncontested like the foundations of the physical sciences. It is assumed that it is only necessary to gain a simple appreciation of the dominant view of a particular discipline. This pragmatic approach is considered sufficient for MBA graduates to negotiate the world of business despite the erroneous premises, however it does not come without a

cost, as Bateson suggests, epistemological errors are sticky. Simplification has major limitations and does not encompass nor make sense the debates that make up its dynamic of a discipline. As Steve Keen (2001: 5) points out: "Most introductory economics textbooks present a sanitised, uncritical rendition of conventional economic theory, and the courses in which these textbooks are used do little to counter this mendacious presentation... many students... go on to careers in accountancy, finance or management – in which, nonetheless, many continue to harbour the simplistic notions they were taught many years earlier." New directions and initiatives often take place outside of the mainstream journals and critical perspectives are often relegated to the periphery.

In the context of late modernity the MBA has been rather robust, however the major paradigmatic changes that are confronting many disciplines in recent years present major stumbling blocks. A geography of critiques that fall under the rubric of postmodernism suggest a fundamental questioning of most of the core disciplines of a management education. Since many of these are reflective philosophic debates their impacts on the status quo have been slight, however the ecological imperative of sustainability is one that will eventually have a tangible and powerful impact.

In the mature phase of their "product life-cycle" management programmes continue to treat "management" as if it were a value-free activity, unconnected to the social and environmental consequences of business. This epistemological error is deeply acculturated and even when the foundational disciplines of an MBA are changing, the "dominant view" is increasingly represented in ways that seem out of step with the changing social and political context. New movements are drawing attention to the increasing power of corporations, and many businesses are themselves becoming concerned about the impact of their decisions on communities and environments, both locally and globally. MBA courses built on old assumptions are, however, increasingly unable to bridge the gaps between managers' beliefs and hopes as human beings, and the reality of their working lives. Furthermore, the very structure of the MBA has dangerous consequences of training future manager's in a conservative "modernist" worldview that may no longer an appropriate perspective of the knowledge base of the society in which they operate.

The standard format MBA programs still predominate in Australia even though in the past decade many executive programs have commenced as well as programs that stress international business. The introduction of executive MBA's are popular among potential entrants because are less demanding of a manager's time, however they greatly increase the problems associated with the epistemological errors of a simple and coherent disciplinary foundation. Executive MBA's trade on the complex trust relationship between a university and society, executive MBA's draw on the legitimacy conferred by a longer degree, however exacerbate the limitations of an MBA in its lack of critical compass. Universities with limited academic standing such as those that have been established since the breakdown of the so-called binary system of Universities and Colleges of Advanced Education (caes) in 1987 may be the most vulnerable to a break down of that trust relationship.

Arguably the MBA is becoming more and more a prisoner of a particular paradigmatic focus with more and more graduates unaware of the debates that constitute the core disciplines that make up the rationale for the techniques that they practice. This lack of critical reflection is dangerous to society as well as business, because it does not engender management creativity or higher learning through the ability to creatively reframe problems. Revolution may be what is required as in the past two decades more Academics have lived than in the entire history of humankind. It is not surprising that our collective understanding and even the very foundations of what is thought of as knowledge has changed. There are however three main areas in which change is most apparent:

1. Ecological thinking which is a shift from linear growth-oriented and human-centred values to cyclical development-oriented eco-centred values.
2. Changing understanding of science
3. Awareness of the social and cultural assumptions in the building of knowledge

These changes have powerful implications for how we think about business, its role in society and the ways that business can be done. They are fundamentally about how we think about the world and in order overcome the stickiness of errors as Bateson suggests. The MBA is also a self-reinforcing system that carries many mechanisms for conservatism as change in one area "rocks the boat." This particularly pertinent to sustainability which must inevitably have some impact on traditional ways of acting. The stickiness of ideas in this context may be difficult to overcome.

To illustrate this dilemma with a simple example, many subjects in the MBA teach a particular paradigmatic view that is "organisation's have a purpose," this view is characteristic of a certain school in organisation theory (popular in the 60's). It is a view that would be considered alarmingly out of date in a Sociology department, however it persists in numerous Management textbooks as though it has never been questioned. There are many reasons that can account for this drag, but the main one is that would also require a significant revision of the entire subject to fully explain the advances on this view and this in itself presents a difficulty because the complexity of issue brings in a whole range of other arguments which 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 throughout the course. In order 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 this would mean a virtual total rethink of existing subjects. Obviously, this is would cut across the interests of significant constituencies, particularly in an existing MBA program, this particularly problematic where these constituencies do not necessarily share the same paradigmatic assumptions or even the same



worldview.

Another sticky aspect of the MBA is the implicit promotion of the very worldview that sustainability is trying change, particularly in their promotional materials, the organisational culture and material culture expressed in the facilities. In order to engender appropriate change new and distinctive symbolic organisational structures are required. In other words, a sustainability organisational unit needs to be able to “walk its talk.” If the course is about the essential processes for social transformation, and then these need to coherently incorporated in new ways organising faculty staff, at least to some degree. For example, new eco-technologies should be used in the offices of staff and reporting should include environmental measures. This means setting out a middle ground not only in what we say but also in what we do. There is significant opportunity for a green fields approach, based on the creation of a new constituency that is able to integrate the assumptions and ideas of sustainability not just a set of techniques that can be grafted onto an MBA, but an entirely different way of approaching the problems of Business.

The crux of dealing with the epistemological errors discussed above is that it would be essential, for such a degree not to fall in the same pit of unreflective selectivity. By taking one set of assumptions and discarding them for another the degree would not overcome the limitations discussed above. It would also ignore the need for graduates to have skills that would enable them to function in corporate life, as the ecology of modern society does not provide a habitat for graduates unless they can reframe normal business problems in ways that are valuable. The ability for creative and critical reflection in traditional areas would need to be developed as an adjunct to sustainability and its associated areas this is perhaps the greatest challenge.

## CONCLUSION

The MBA as it is currently structured and conceived is not likely meet the needs of management in the 21st century. This paper has explored the need for sustainability to be incorporated into management education and the need for this to be integrated across the curriculum. This can be done by incrementally integrating sustainability into all aspects of the current curriculum or by a revolutionary design for a new and separate MBA that approaches the topic of sustainability in a way that incorporates existing discourses in a critical and reflexive way. Ultimately both approaches seek the same goal of reflexivity. Hence the question is not whether it is necessary to achieve these changes, but how.

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### Sustainability checklist Evaluating courses for sustainability.

(Adapted Benn 1999)

Sustainability checklist	In my course or in my teaching I ...
	0=not at all 5=continuously
<b>1 Provide opportunities for students to explore the principles of sustainability</b>	
A. Use and define terms such as sustainability, appropriate technology, intergenerational equity, renewable and non-renewable resources	0 1 2 3 4 5
B. Emphasise that the effects of many activities extend in time beyond the current generation of humans	0 1 2 3 4 5
C. Advance the precautionary principle as a basis for decision-making	0 1 2 3 4 5
D. Promote the concept of qualitative as well as quantitative indicators of development	0 1 2 3 4 5
<b>2 Provide opportunities for students to explore and justify their own beliefs concerning sustainability</b>	
A. Include role plays or other exercises which high-light the different ways people value the environment and community, and the different attitudes they may hold	0 1 2 3 4 5
B. Debate or discuss specific areas of environmental/ social concern	0 1 2 3 4 5
<b>3. Explore global and local interconnections between the environment and other systems</b>	
A. Examine global social, economic and environmental effects of human activities on sustainable development	0 1 2 3 4 5
B. Emphasise that the prime goals of civilisation are equity, justice, cultural development and environmental sustainability	0 1 2 3 4 5
C. Stress individual and community improvement as the central goal of development	0 1 2 3 4 5
D. Examine local environmental/ cultural/ social issues in terms of human and ecological sustainability	0 1 2 3 4 5
<b>4. Provide opportunities for students to explore the implications for sustainability of their own behaviour</b>	
A. Explore impacts of personal lifestyle such as choice/ use of energy, food, clothes, cleaning materials, household appliances, transport, holidays	0 1 2 3 4 5
B. Examine resource use and waste generation/disposal at work and at university as an aspect of effective management	0 1 2 3 4 5
<b>5 Encourage students to make personal decisions which take account of the environment</b>	
A. Incorporate values and ethics into assignments, seminar and lecture procedures	0 1 2 3 4 5
B. Foster sustainability values and attitudes, and a commitment to sustainable practice	0 1 2 3 4 5
C. Encourage the development of relevant personal skills, such as the ability to think creatively, make critical choices, and participate in local decision-making.	0 1 2 3 4 5
<b>6 Utilise active, experiential and community service learning</b>	0 1 2 3 4 5
<b>7. Connect theories discussed in class with conditions and situations in the real world</b>	0 1 2 3 4 5

8 Take a transdisciplinary approach, where the issue comes before the discipline 0 1 2 3 4 5



## ABOUT ANZAM

(AUSTRALIAN AND NEW ZEALAND ACADEMY OF MANAGEMENT)

ANZAM is the peak professional body for management educators and researchers, with about 300 individual members from Australia, New Zealand and other Asian/Pacific countries. It now has over 30 institutional members, representing almost every Australian university and increasingly is playing a leading role in presenting a common view to government and industry bodies on strategic issues relevant to management education. The basic objective of the Academy is to advance scholarship in management research and education and related disciplines by:

- (a) furthering the development of management education and associated disciplines in universities and colleges in Australia and New Zealand
- (b) encouraging scholarship and research
- (c) holding conferences and publishing material as a means for disseminating ideas and information and promoting their discussion
- (d) promoting closer relations between management educators, researchers and practising managers or others who may be interested in the advancement of these objects.

Over the years, ANZAM has been involved in various initiatives for the purpose of heightening the status of management research and education in Australia. In 1997, ANZAM co-funded the ARC (Australian Research Council) Report on *Management Research in Australia*. ANZAM was given an ARC Special Research Initiatives grant of \$150,000 in launching a pilot program in management research networking and collaboration in 1998-2001. ANZAM has also helped to raise the recognition of management as an important research discipline in Australia through establishing closer links with the ARC. These efforts culminated in the appointment of Professor Geoff Soutar, one of our ANZAM Executive, to the ARC Social, Behavioural and Economic Sciences Expert Advisory Committee. ANZAM has also grown locally and internationally - ANZAM is a member of the International Federation of Scholarly Associations of Management (IFSAM) and a joint ANZAM/IFSAM Conference will be held at the Gold Coast on 10-13 July 2002. Strategic alliances have also been established with the US Academy of Management, the Asia Academy of Management and the British Academy of Management.

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