EDITORIAL: Introduction and Interviews

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INTRODUCTION

The aim of this special issue of Journal of Management & Organization (ISBN 978-1-921348-76-1) is to explore the role of business schools and institutions of higher education in fostering the individual and organisational capabilities necessary for change for corporate social responsibility (CSR) and sustainability.

Growing awareness in organisations and governments about the need to develop leadership and management skills for sustainability was recognised by the United Nations when it declared a Decade of Education for Sustainable Development (Decade) (2005–2014). The aim of this Decade was to promote a better understanding of the three pillars of sustainability: environmental, social and economic sustainability. At the same time, marked by the emergence of inter-governmental and business networks such as the Global Compact and the World Business Council for Sustainable Development, increasing attention was being paid to the responsibilities of business and corporations.

The term CSR has been used to refer to the broad range of responsibilities that business has towards its many stakeholders. These stakeholders include shareholders, as well as customers, employees, local communities, governments, future generations and the environment. The nature of CSR and the extent of business’s responsibilities are topics for substantial debate. On the one hand, there is support, based on a ‘classical/neoclassical’ view of business, for Friedman’s (1970) well known claim that the only social responsibility of business is to increase its profits by conducting its activities according to the rules. On the other, academics and practitioners who adopt a stakeholder view of the world consider the responsibilities of business to be much broader. For example, when Freeman’s definition of stakeholder is adopted as the basis for considering CSR, the responsibilities of business are located within an explicit pluralist view of the organisation, society and the natural environment. Freeman (1984, p. 46) defines stakeholders as any group or individual that can affect or is affected by the achievement of the organisation’s objectives. According to this broad stakeholder perspective, business has responsibilities to build the total long run value of the organisation to maximize the benefits for society (Jensen 2008, p. 167). On this view, businesses are part of the communities in which they operate and are expected to demonstrate behaviour which does not damage social well-being and that will not destroy the stores of natural capital that will provide for the future of society and the planet.

The terms of the debate are now shifting. Business leaders are increasingly voicing the opinion that CSR and sustainability are strategic lenses through which to view the resilience and future growth capacity of the firm (Jones, 2011). Despite the recent financial crisis, there is evidence that many senior managers continue to perceive good governance, CSR and corporate sustainability as fundamental to the long-term successful operations of any organization. In the recent 13th Annual Global CEO survey by PricewaterhouseCoopers, for example, more CEOs raised climate change investment during the crisis than reduced it.
and more than two-thirds thought such strategies would confer reputational advantages. And according to an Accenture Report for the 2010 UN Global Compact, 93% of 766 CEOs of global companies surveyed in 2010 believed that sustainability issues will be critical to the future success of their organisations and 96% believed that sustainability issues should be fully integrated into strategy and operations (Accenture, 2010). Similarly, research conducted by Boston Consulting Group (2009) involving a global survey of 1500 executives and 50 interviews reported a strong consensus that sustainability is having a material impact on how companies behave and plan to behave. In other words, the topics of sustainability and CSR are now at the forefront of business strategising for the future.

Students in business and management schools are the managers of the future. They will need knowledge and skills to enable them to navigate the arguments about the corporate responsibilities and to stimulate further change for sustainability. Clearly, specific knowledge needs to be built within our business schools around carbon management, for example. But bridges also need to be built across our disciplinary areas if we are to address the challenges that many scientists now argue are threatening the survival of the planet. Education for sustainable management represents a broad, holistic approach which encompasses the three areas of environmental, financial and human/social sustainability (Springett, 2005). It is also very concerned with the development of capabilities for change, such as critical reflection and inquiry and the exploration and management of complexity.

This issue of the Journal of Management & Organization includes seven articles drawn from a number of countries. This is a truly global issue. The manuscripts indicate the diversity of approaches to education for sustainable management in different regions and countries. It also deals with a variety of approaches that can be taken for framing education for sustainable management and some issues associated with developing this education within a business and management school.

The issue provides a rich source of data which demonstrates that attempts to further education for sustainable management are widespread. This issue also indicates that a variety of theoretical perspectives can be adopted to framing this form of education. These approaches include the institutional-comparative perspective, resource dependence, innovation and stakeholder theory and business ethics frameworks. The articles span Europe, North America and Australasia.

The first article by Jeremy Moon and Marc Orlitzky (2011), ‘Corporate social responsibility and sustainability education: A trans-Atlantic comparison’ draws on institutional-comparative perspectives and resource dependence theory to examine CSR and sustainability education in North American and European educational institutions. The comparative study indicates the increasing prominence of CSR and sustainability education in both European and North American business schools, ‘with two-thirds of schools having compulsory student exposure’. The authors suggest that this could be a consequence of the drive of accreditation agencies. Contrary to earlier studies, the study found that religious affiliation, public/private status, and program size did not have a significant impact on the business school’s commitment to education for CSR and sustainability. However, the authors find prestige of the school in terms of The Financial Times Index to be a significant influence. There were also different perceptions about the drivers for education for sustainable management in Europe and North America.

The second article examines the extent to which students in Spanish universities receive education in CSR in their management degrees. It specifically focuses on the case of the Business Administration and Management course offered by 62 universities. Using descriptive analysis to analyse the curricula and subject programmes, Dolors Setó-Pamies, Misericordia Domingo-Vernis, and Noemi Rabassa-Figueras (2011) found more than three quarters of Spanish universities offer either specific CSR subjects or non-specific subjects that explicitly include CSR.
in some of their topics. The study shows that a high proportion of the subjects in which CSR is embedded are compulsory, indicating that many Spanish business students are exposed to CSR concepts. However, less than 20% of universities offer specific or stand-alone CSR subjects. It is noteworthy that these subjects were optional in public universities, but were almost always compulsory in private and Catholic universities.

The third article, ‘Integration of sustainable development in higher education’s curricula of (applied) economics’ by Kim Ceulemans, Marijke De Prins, Valerie Cappuyns, and Wouter De Coninck (2011) examines education for sustainable development in a study of a certain discipline, i.e., applied economics and a specific (part of a) nation, i.e., the Belgian Flemish Community, providing new insights into how sustainable development concepts can be integrated into curricula. The study found academically and professionally oriented programs vary in the extent to which they offer sustainable development subjects and the way in which they integrate these subjects into the programs. Perceived barriers to horizontal and vertical integration approaches included the ‘limited presence of SD and CSR in standard works used in higher education’, the inability of faculty to see links between their subject area and sustainable development and the lack of formal endorsement of sustainable development through the higher education accreditation system. Both top-down and bottom-up approaches to integration are viewed as having their advantages and disadvantages, with the authors concluding that the ‘hybrid form of bottom-up/top-down is therefore the only relevant alternative’.

In the article ‘Business ethics, CSR, sustainability and the MBA’ Norman Wright and Hadyn Bennett (2011) examine the extent of penetration of the three subjects of ethics, CSR and sustainability in global MBA curricula. They do this through an examination of the course content and structure pertaining to The Financial Times Global MBA Rankings Top 100, the Australian Financial Review BOSS top 17 ranked Australian MBAs, and the seven MBA programmes currently offered by universities in New Zealand. Although ethics/CSR is widely available, it is a compulsory subject in only half of the programs. Only 6% of MBA programs incorporate sustainability into their core curriculum. The authors claim that ‘(W)hile some pressure from business associations such as the UN Global Compact UNGC and accrediting bodies like AACSB is being exerted on graduate management educators, the state of play in MBA education regarding ethics, CSR, and sustainability is unclear’. They identify a number of issues relating to curriculum design and pedagogy that could be addressed through further research in order to resolve the appropriate role for ethics, CSR and sustainability in MBA education.

The article by Suzanne Benn and Cathy Rusinko (2011), ‘The technological community as a framework for educating for sustainability in business schools’ focuses on initiatives to develop education for sustainability across seven Australian business schools. Their article addresses the questions: (1) What are the barriers for business schools with respect to integrating sustainability in the curricula; (2) What role do partnerships with other stakeholders play in such initiatives? The authors adapt and extend the technological community perspective (e.g., Van de Ven, 1993) to review and analyze the outcomes of a series of three research projects funded by the Australian Government as they are reported in a number of publicly available documents. The authors propose recommendations to ‘bridge gaps between and among functions in the technology community; these gaps can act as barriers for business schools as they integrate sustainability into their curricula’. They suggest issues which inhibit the integration of sustainability education into business curricula include lack of resources, poor competencies for organisational change on the part of business school faculty and structural impasses to multidisciplinary approaches to curriculum redesign. Support from industry partners can provide the legitimation necessary to overcome these barriers.

The next article, ‘Sustainability in the undergraduate and postgraduate business curriculum
of a regional university: A critical perspective’ provides a case study of the development of sustainability education in the undergraduate and postgraduate business education at an Australian regional university. Tania von der Heidt and Geoff Lamberton (2011) provide an in-depth examination of the provision of sustainability education. It shows the incorporation of this education can be achieved in a number of ways, with the inclusion of a dedicated unit being particularly useful in influencing the behaviour of students in their later roles. This article also raises a number of factors which inhibit education for sustainability. These include scepticism among some students and staff, lack of clarity and understanding of the skills required for sustainable management and lack of clarity about the rationale for the inclusion of particular sustainability content in undergraduate and postgraduate programs.

The final article ‘Human flourishing as a foundation for a new sustainability oriented business school curriculum: open questions and possible answers’ explores the theme of this issue of the journal through a different lens. Bernard McKenna and Roberto Biloslavo (2011) cite Einstein … ‘No problem can be solved from the same consciousness that created it. We have to learn to see the world anew’. This article argues that it is essential business education is rethought. It claims business education needs to be rethought from an environmental sustainability perspective. The article does more than this. It elegantly argues that business schools should develop the whole person and provide the best possible learning so they are able to make the best decisions for the future ‘wellness’ of a variety of stakeholders. It makes the case for an acknowledgement of alternative worldviews and capabilities and for the development of business student capacities to deal with ‘uncertainty, mutability and duality of human life and development’.

This special issue demonstrates the diversity of the initiatives and approaches designed to further the capabilities of business students to make decisions around sustainability. Despite the growing acknowledgement of the need for more responsible corporate behaviour, the various contributions also serve to highlight the factors which persistently limit the expansion and integration of education for sustainable management.

We conclude this introduction with excerpts from brief interviews with change agents working with or within leading business organisations in Australia to implement sustainability. The interviews provide us with insights into the industry perspective on what is required from business schools if we are to provide such education for the managers of the future. They were conducted by Suzanne Benn in Sydney in early 2011.

INTERVIEWS

Caroline Atkinson is Director, Fujitsu Australia Ltd, and has been involved in several change programs around sustainability at Fujitsu.

Turlough Guerin was formerly Group Manager for Environment, Telstra and is currently Chairman of Access Melbourne – Sustainable Transport Forum and Board Member and Advisor, Climate Alliance.

Amanda Keogh is Sustainability Manager, Fuji Xerox Australia.

Patrick Crittenden is an experienced consultant working in the area of sustainable business, specialising in change for sustainability.

Tim Williams is Head of Strategy, Group Sustainability, The Westpac Group.

Interviewer: What do you consider sustainability is in the context of a business?

Caroline: It can be different things dependant on the organisation’s perspective. It can be a cost saving opportunity – both directly, as an ‘opportunity cost’ and as a risk reduction strategy. It can also be a competitive advantage. Organisations can choose to embrace sustainability in order to position themselves, and often new products, in the market place. This positioning also drives internal changes as to be credible an organisation must get – and be seen to get – its own house in order.
As well, the ‘ratings’ agencies, both financial and industry specific look at sustainability as a factor.

It is part of being a legitimate business – sustainability is gradually being adopted as simply part of good business practice, in a similar manner to that seen for OH&S.

**Turlough:** Sustainability means different things to different businesses with different leaders. Language is very important – for example, the mining industry talks about sustainable development and is very concrete about what that means to them. Many organisations are now choosing to refer to corporate citizenship, CSR or corporate responsibility in order to give meaning to the concept. In my view, environmental sustainability gives a more specific context. Board members want preciseness around tangible issues – particular aspects of sustainability such as impact of rising sea levels on infrastructure needs for the company etc.

**Amanda:** It’s about bringing the future into decision-making. Sustainability is fundamental to strategy, it asks organisations to consider a broader range of stakeholder needs over a longer time span than traditional strategic approaches.

**Patrick:** In my experience sustainability is interpreted in many different ways within different businesses. In some sectors the collective perception of sustainability is stronger than others. At the highest level there appears to be general consensus that sustainability is about adopting an integrated approach to social, environmental and economic issues (e.g., Triple Bottom Line). This has been useful but implementation remains a challenge to many in business and TBL often leads to compartmentalisation and separation of the three areas rather than integration. At the broadest level sustainability is about a business positioning itself for success in the short term and the longer term.

**Tim:** It’s clear that whatever it is, it is no one thing. It’s critical to acknowledge that people will have different concepts and frameworks in mind. There are multiple perspectives, all legitimate but often implicit. If pushed, I’d describe it as an overarching management ethos which means integrating social, environmental and economic logics into all aspects of the organisation and its operations, underpinned by a stakeholder orientation.

**Interviewer:** What are some of the key problems facing Australian organisations in implementing sustainability?

**Caroline:** Cost – as very little change is actually forced by regulation any initiatives must be justified on the basis of the bottom line (either reduced costs or increased sales). This does not necessarily mean in pure dollar terms. It can be reputation, or risk reduction for example. Major problems relate to confusion of standards, regulation and law – there are a multitude of standards, regulations and reports. This causes both confusion and cost. Lack of leadership is the issue in Australia. The dithering of the Government and the apparent ambivalence of the community reduces the incentive for business to introduces sustainability. As yet, there is no impending regulatory pressure nor a clear market advantage.

**Turlough:** On the whole, I don’t think Australian companies are taking sustainability seriously. Most Australian businesses are preoccupied with dealing with material issues. But sustainability is fundamental to business continuity and businesses may in fact be doing sustainability ‘things’ but just not labelling them as such. A company may not have sustainability on its website because it does not recognise their own sustainability competence in what they are doing.

**Amanda:** Many businesses are focused on a short term view of financial gain as a measure of success. Our business leaders need to understand that ongoing financial viability is increasingly dependent upon understanding what is happening outside the organisation across the full spectrum of ‘PESTLE’ drivers. They need to understand the
implications of sustainability for their businesses and how to convert challenges to opportunities. Sustainability requires businesses to seek out for themselves the commercial opportunity in doing more with less, or just doing entirely new things, entering new markets. It requires an appreciation of different market and regulatory drivers that may not be in the traditional business comfort zone. Sustainability is a disruptive innovation like any other – it requires organisations to learn and adapt – so of course it’s uncomfortable, but if businesses have problems ‘implementing sustainability’ they will have problems addressing change and leveraging emerging market opportunities full stop.

Patrick: Clearly identifying the strategic value of sustainability is a big challenge. This does, in part, relate to the challenge of defining sustainability for their organisations. Without clarity, action can be thwarted. Negative experiences are another problem. Where projects or business opportunities tagged as ‘sustainability’ haven’t worked out then the concept can be rejected/perceived value can be downgraded. Finally, resourcing – which is required to do sustainability well – can be another issue.

Tim: Partly the problems are as elsewhere. As a business issue, sustainability is unusual in the breadth of the agenda and cross-cutting nature. The proposition above is simply stated but far-reaching. It means acknowledging that macro-issues like climate change or demographic shifts represent material business risks and opportunities through resource efficiency, new business models and other innovation. It extends to the shifting expectations and societal norms towards business generally, accepting accountability for economic, social and environmental impacts and the necessary transparency in doing so.

Even when the fundamental concepts are increasingly accepted, doing so entails a significant challenge to the status quo compounded by overlapping concepts, frameworks and agendas at the operational level. It isn’t necessarily clear how to accelerate this thinking and action – the nature of this change agenda is not resolved. Conversely for progressive organisations it makes less and less sense to think of sustainability as a discrete agenda and over time we need to dismantle the parallel sustainability machinery which has developed over the last decade and resolve these overlaps with existing functional agendas.

In terms of more specific local factors, the policy and market landscape is benign, if not actively encouraging and the GFC certainly derailed some progress in this space. We still lack a critical mass of like-minded organisations, and we are a long way off the required revolution in consumer attitudes and behaviour.

Interviewer: What is your view on whether sustainability should be embedded across the curriculum or is it better taught in specialised courses?

Caroline: Sustainability should be a part of all management courses. Managers need to be aware of the issue as it affects day to day business life. If change for sustainability is to be achieved awareness needs to be created across as broad a cross section as possible. On a practical note, any Senior Manager would expect be involved in discussion on sustainability as part of their role as it involves policy, staff and is often the subject of news stories, marketing etc.

Turlough: I’d like to see sustainability inculcated into all business degrees. Because of the way sustainability plays out it needs to be embedded across the curriculum so that managers can look through the sustainability lens in all their decisions. For example, the sustainable development lens as it is used by Shell is a very useful paradigm. If sustainability is boxed as a course it will be downplayed rather than accepted as a fundamental way in which companies think of delivering their products and services – a way of working which embraces the whole breadth of social, environmental, governance and fiscal management issues.
Amanda: It should be embedded – it’s as much about the process of education developing specific skills as it is about the content. The content will depend on the nature of the sustainability challenge, which can be many and varied.

Patrick: Both are important.

For example, embedding sustainability with practical examples helps to contextualise sustainability within each discipline. This does not mean that the examples are ‘discipline specific’. In effective curriculum development, the examples can demonstrate ‘multidisciplinary thinking’ and provide opportunities to encourage multidisciplinarity and holistic perspectives.

On the other hand, specialist courses with students from different disciplinary backgrounds give students the opportunity to share their perspectives. It is important to acknowledge that getting the right mix of disciplines together can improve the overall benefits/outcomes for students.

Tim: Specialised courses offer the opportunity to explicitly challenge orthodoxies elsewhere in the curriculum. However if we are seeking a profound shift in management thinking and action over time we should explore the sustainability proposition from the multiple perspectives offered by the broad curriculum.

Interviewer: What are the imperatives driving the need for education about sustainability in business schools? What will these imperatives be in the future?

Caroline: Sustainability it is a topic discussed in most organisations even if the implementation is patchy so managers should be aware of the issues – especially if they are undertaking management training of any sort.

Australia will eventually catch up with Europe so sustainability practice, certainly in terms of carbon emissions and other resource issues, will be a factor in day to day business life. In many cases it already is – even if that is as low level as recycling bins, reducing paper usage and turning off the lights/laptops!

Turlough: I think it is important not just for MBAs but for undergraduates to have a working understanding of sustainability. It is almost like the days when we all did Latin or Philosophy. Maybe the ultimate issue is going back to the empirical approach and teaching students to think about sustainability as a core way of thinking.

Amanda: It’s about education FOR sustainability – NOT ABOUT SUSTAINABILITY!

Patrick: Balancing pragmatism (e.g., examples, skills and knowledge needed for students to embed sustainability within existing models) with transformational change – encouraging students to challenge the status quo by acknowledging the limitations of current business and economic systems, exploring alternate systems/futures and developing change management strategies that encourage transformational as well as incremental change.

Interviewer: What are the skills and capabilities business students need if they are to implement and manage sustainability?

Caroline: They need an overall understanding of the topic i.e., what is sustainability for business. They also must have high awareness of the business context – why should business be involved, what is required by legislation and by the community (the concept of legitimacy would be helpful here!). Also they need to have a good grasp of potential effects of sustainability-related issues on investors/shareholders.

In terms of practicalities – they need to know what can be done, examples across organisations, concepts of Environmental Management Systems (EMS) and reporting, change management skills.

Turlough: To be useful as sustainability practitioners, graduates and managers have to be able to take what has been learnt about issues of corporate sustainability and CSR and articulate them in the workplace. It is a matter of letting students move away from theory to the practical world of solving problems and making returns for shareholders. ‘Preaching’ sustainability is not useful but at the...
same time money needs to be made responsibly. A business that lacks integrity and pushes its suppliers too far in one way or the other, for example, will eventually not be sustainable. We want graduates who are aware of margins and who can be innovative for the company but who will take a critical perspective with a sustainability lens.

**Amanda:** They need change management nous, strategic, systemic and critical thinking skills and organisational development nous.

**Patrick:** Change management strategies are really essential, in particular the ability to diagnose the existing business culture, market context etc. and determine short and longer term strategies that improve the contribution of the business to sustainability in society. Planning for change should be complemented by the skills/knowledge associated with continuous change. E.g., Ability to rapidly modify the existing change management strategy to manage previously unforeseen risks and exploit previously unforeseen opportunities.

Ability to work with other disciplines is the other key capability – for example, willingness to ‘get technical’ or for technical people to be open to issues related to ‘people and process’

**Tim:** Beyond the various technical aspects of the agenda, business students need to be able to bring to bear all the perspectives and models they would normally learn but framed through a sustainability lens, that is the context of absolute environmental limits, externalities and so on. Until sustainability becomes the norm, we need reflective managers who are willing to challenge the status quo and recognise the limits of linear, rational logic in tackling these complexities.

**Interviewer:** In what ways can business be involved in the development of sustainability programs for business students?

**Caroline:** Business could provide valuable input on what should be included in business courses, what they would like business students to understand and be able to provide advice on. They also could provide case studies of what they have done or not done in implementing sustainability and what barriers to change they have experienced.

**Turlough:** Students could be brought into the firm but business should not expect too much. The students need to be given small parcels of meaningful work and need to be prepared by a mentor or coach from the Faculty. Students can be useful but can also waste time so they need to be carefully prepared. There are lots of tasks they can do – such as reports, projects that are time-bound, short write-ups that contribute to major reports, market analysis, and new product development advice.

**Amanda:** They can be the subject of case studies, provide key personnel as guest speakers and make input to curriculum development.

**Patrick:** Case study development – preferably in-depth rather than superficial and that acknowledge the challenges of change rather than simply focusing on achievements.

They can provide guest speakers and support placements within organisations.

**Other thoughts:**

**Caroline:** As a doctoral student looking at change models for sustainability in the IT industry what I have found interesting about the PhD (and was missing from the Masters program I did) was a ‘change in thinking’ (for want of a better term) about the role of business in society.

When working in a ‘for profit’ organisation on a daily basis the focus tends to be entirely on the bottom line for the business and the shareholder. Some of society’s values are accepted such as OH&S (and, in some cases, equal opportunity!) but to an extent these are viewed as ‘necessary evils’ which distract from the business of making money. One of the most frequently raised ‘objections’ that I have heard to taking action on the environment, from both managers and staff, is that sustainability is not part of their role, KPIs
etc therefore they do not feel authorised – or motivated – to take action in company time.

Thinking about legitimacy, the place of business within society and its value to the community as whole provides a perspective which most staff or even managers would not encounter in their business lives, with the possible exception of the CXO level manager. The role of business in sustainability is much more easily understood in this context. I think adding this to a business course would be advantageous.

Patrick: In my view it is important to provide skills/knowledge associated with current business needs (e.g., emissions trading/carbon tax, greenhouse and sustainability reporting etc.) along with skills/knowledge to challenge the status quo. We need practitioners who can work pragmatically to achieve both incremental and transformational change rather than one or the other.

References


