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# Implementing sustainability as the new normal: Responsible management education – From a private business school's perspective

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#### ABSTRACT

Globally, societies face enormous social, economic and environmental challenges, such as scarcity of resources, demographic developments, climate change, inequality, etc. The degree of success in coping with these complex issues and fostering sustainable development depends largely on educational standards in society. This paper aims at investigating the relationship between sustainable development goals (SDGs) and education in business schools. Therefore, a case study of a business school in Germany is analysed based on its educational activities (curricula, co-curricula and outside university) in the field of sustainable management education. The methods employed for the analysis are action research and keyword search. The contribution of this work is firstly to outline the implementation practice of sustainable management education in a business school and secondly to propose a conceptual model of how business schools into how to integrate sustainability into their management education. On the policy level the proposed influence of business schools on SDGs is beneficial for educational institutions such as PRME.

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#### 1. Introduction

Non-sustainable developments on a corporate level, caused by scandals such as Enron, Worldcom or Lehman Brothers, or more recently Volkswagen emissions, FIFA corruption and Deutsche Bank labour manipulation, have shocked both the practical as well as the conceptual constituents of management. They all highlight the responsibilities of organisations by indicating multiple failures in various fields, but especially in management theory and practice. Thus, calls for a more sustainable approach to management education have increased, driven also by the debate on the contribution of business schools to the recent financial crisis (Giacalone & Wargo, 2009). Business schools are the primary source of management education and form a link between knowledge generation and knowledge transfer into businesses and society. Thus, they prepare professionals who will lead, manage and work and, as such, influence organisations in the future. As a primary place for future decision-makers, they bear significant responsibility, not only for students, but also for businesses and society as a whole. Numerous initiatives problematise traditional management education and demand that business schools adapt to global challenges. Initiatives such as the UN's Principles of Responsible Management Education (PRME), the Academy of

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Business in Society (ABIS) and CEEMAN, as well as several accreditation agencies, request that business schools integrate responsibility and sustainability into their curricula and co-curricula activities. Thus, embedding sustainable development into business education becomes one of the main requirements for the academic system to remain legitimate. Sustainable development can have the potential to serve as an effective framework to address strategically core structural challenges of the 21st Century (Disterheft, Caeiro, Azeiteiro, & Filho, 2013). In order to foster sustainable development, the UN 2030 Agenda for Sustainable Development was adopted in 2015 and committed countries to reach 17 sustainable development goals by 2030. The goals target action in the areas of people, planet, prosperity, peace and partnership (UN, 2015). The involvement of governments, NGOs and businesses across the world shows the acceptance of sustainable development as a guiding principle and a process to achieve a better type of development (Drexhage & Murphy, 2010). The strong relationship between PRME and the United Nations Global Compact propose SDGs as guiding principles for responsible management education (PRME, 2017). This is based on the Rio Declaration on Environment and Development, which declared it as the only rational way for a society to develop (UN, 1992).

Yet, approaches that enable a new workforce capable of dealing with complexity, situations of uncertainty, vaguely defined norms, values, interests and the construction of reality, which are conflicting or at least divergent (Wals and Jickling, 2002), to transform business and societies might be the most essential resource for successful companies in the future. The requirement is validated by a growing recognition among CEOs that management education in business schools can be an important enabler of sustainability in organisations (Matthew, 2011). These business leaders call increasingly for business managers to understand the numerous challenges linked to globalisation, governance and sustainable development. Thus, from a business perspective, employees who have knowledge and skills regarding sustainable management can help the business grow, save money, increase stakeholder dialogue and reduce the environmental impact of the organisation (OECD, 2007). This notion is supported by Porter & Kramer, who argue that "CSR has emerged as an inescapable priority for business leaders in every country" (2006, p. 78).

Business schools can understand the quest for sustainable development as an opportunity to provide their students with an alternative perspective on management. Matten and Moon (2004) as well as Rasche, Gilbert, and Schedel (2013) found that although business schools increased the number of courses on corporate social responsibility (CSR) and related topics, these mainly remain detached from core management disciplines. The academic debate thus far has focused primarily on the rationale and reasoning behind why sustainable development needs broad adoption (OECD, 2007) in management education. However, the discussion has not yet specified how business schools could contribute to SDGs.

Therefore, the aim of this article is to outline an example of how a business school is mainstreaming sustainable management education not only into its curriculum, but also into other educational activities. On this basis we propose two implications. Firstly, we propose that business schools directly impact is mainly in the field of SDG no. 4 (Quality Education). Secondly, we argue further that business schools – as mediators between business and society – are able to make global goals, such as SDGs for local business, by setting up partnerships within industry and political circles. The following section briefly introduces sustainable management and CSR and discusses the theoretical background of mainstreaming in management education. The next section outlines the methodology employed in this regard. The "Management Education at CBS: sustainability as the new normal" section begins by introducing the case study and outlines it's affords in the field of sustainable management. The next section proposes the impact of business schools on SDGs.

#### 2. Sustainable management education

The financial, economic and political crises of recent years highlight that continuing business as usual, by pursuing a conventional economic growth paradigm, does not bode well for success in the future (WEC, 2016). However, as businesses need to change towards sustainable development, apparently changes in business education become inevitable. This idea is supported by Orr (1992, p. 83), who argues that "the crisis cannot be solved by the same kind of education that helped create the problems". Traditional management education has fostered the development of leaders of many of the world's industrial powerhouses with their immense creation of output that is now understood as being unsustainable. In 'Education for a Sustainable Development World Decade', UNESCO demands a re-examination of educational policy, especially in teaching, learning and assessment approaches, "in order to focus on the development of the knowledge, skills, perspectives and values related to sustainability" (UNESCO, 2004, p. 20). Today, pioneering university leaders understand that the success of higher education in the 21st Century will be judged by the ability to implement sustainability into academic practice (ULSF, 2012).

Next to the term 'sustainable development', the concept of corporate social responsibility (CSR) has also gained popularity in the increasing discussion about sustainability. Often there is no visible differentiation between CSR and SD, which leads to a very broad and non-specific discussion (Ebner & Baumgartner, 2008), due to the large amount of perspectives on CSR definitions which indicate that it has different meanings for different people (Smith & Lenssen, 2009). Moreover, there is also a difference between CSR and perceived CSR, which means that results depend on the perceptions of stakeholders (Lin-hi & Müller, 2013). However, in regard to this work, CSR is described as a proactive management approach oriented towards sustainable growth or prosperity. It is characterised by an economic outlook which takes social, ecological and economic effects into account in decision-making. Consequently, CSR is understood as a business approach, while sustainable development can be understood as a framework for global development. From a CSR perspective, organisations are seen as key drivers in the process of constructing a better world (Friedman & Miles, 2002) and are therefore under increasing pressure to demonstrate responsible and sustainable behaviour (Pinkston & Carroll, 1994). The current discussion on CSR moves from the Download English Version:

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