

Re-thinking the role of business schools for a better tomorrow

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Summary

UK Business Schools educate 1 in 6 of all students and 1 in 3 of all international students in the UK (CABS, 2023). With this scale in mind, we cannot afford for management education to be focused only on educating tomorrow's business elite neither can its success be measured by graduating students' salaries. Business schools play a pivotal role in ensuring a better tomorrow; a tomorrow that is defined by care, equity and sustainability. As ambitious educators, in pursuit of a better tomorrow, we need to think differently, speak differently and position the educational offer differently. Through a critically engaged, socially orientated curriculum, an innovative pedagogic approach and a culture of inclusivity and respect, business schools can have a transformative impact on the values of students and on the way they do business in the future. This paper reflects on the beginnings of an ambitious approach adopted across one of the largest undergraduate degree providers in the UK. The aim, is to nurture the development of a strong set of pro-social, self-transcendent values within graduates through an embedded entrepreneurial curriculum.

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Introduction

Business schools around the world have been educating economists, bankers, accountants, politicians, entrepreneurs, marketing executives, human resource managers and leaders for decades. Over that same period, we have seen financial crises, economies collapse, corporate scandals, widening gaps in GDP per capita, rising global debt and devastating environmental impacts. Unsurprisingly, then, questions are being asked about the role business schools have to play in this seemingly unsustainable, cavalier and short-term paradigm in which our leaders seem to have been trapped. How should business and management schools rethink their approach to ensure we avoid a myopic focus on shareholder returns and, instead, adopt a holistic, socially orientated view of business, organisation and leadership that ensure returns for the many rather than the few (Maas and Jones, 2019)?

Business education in the UK has always been contentious (Alvesson, 2013), with industry and academia failing to agree on their purpose, function and performance metrics by which they should be evaluated (Ivory et al., 2006). The inception of business schools delivering management education was a response to growing public concern about British productivity in comparison to other industrialised nations, back in the 1940s (Ivory et al., 2006). Later in the 1960s, rapid advancements in technology called for well-educated, competent managers to capitalise on new business opportunities and meet the challenges of a declining economy (Ivory et al., 2006). Fast forward to 2023 and the UK is poised to tumble into a recession. In its latest update, the International Monetary Fund (IMF) downgraded its UK forecast, predicting a contraction of 0.6 per cent, making Britain's economy the worst performing of all G7 economies (Reid, 2023).

The global financial crisis in 2008 and the corporate scandals associated with it, provoked something of an existential crisis in business schools around the world, particularly for those in the Northern Hemisphere. Business Schools were accused of playing a significant role in the crises (Gempesaw, 2009), as many CEOs and senior leaders in the implicated organisations held MBAs and yet behaved in ways that were irresponsible, illegal and unethical (Slater and Dixon-Fowler, 2010). Business and management education fell under the spotlight (Bennis & O'Toole, 2005), questions were raised over the relevance, ethical orientation (Phillips et al, 2016) and sustainability of business school programmes.

Yet, despite their provenance, business schools seem to have failed to fully exercise their pre-assumed role as a change agent in prioritising socio-economic development and developing graduates who possess socio-ethical and responsible mind-sets who can address challenges successfully (Mousa et al., 2022). Instead, for almost a century, Western business schools have sought scientific 'legitimacy' and 'rigour' in the Academy (Bucholz and Rosenthal, 2008) by adopting increasingly positivistic methodologies and a rational reductionist mind-set that frames business and management education as a science (Mintzberg, 2004). An over-reliance on analytical techniques, static models and archetypal markets has meant that management education has 'come to focus on well-defined problems' (Schoemaker, 2008) which might be useful in times of stability but reveal themselves to be rigid and limited in times of complexity and crisis (Painter-Morland, 2015).

A very good example of this, is illustrated by one of the most pressing grand challenges of our time; the climate emergency. The choices made by large organisations and governments worldwide have, for centuries, eroded the earth's natural resources, resulting in huge amounts

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of carbon being released into the atmosphere. Whilst climate change was discovered by the natural sciences, how we respond to those changes needs to be the focus of the social sciences. Deforestation, pollution, unsustainable manufacturing processes and waste management solutions have all contributed towards the climate emergency. Decisions to undertake these activities have been made by leaders of organisations and governments. However, what is stark is that whilst climate change has been caused by business and its effects will have a significant impact on business going forward, the most cited management journals had been very slow to publish articles related to the agenda (Wright and Nyberg, 2017; Whiteman, Walker and Perego, 2013; Goodall, 2008).

Food and water insecurity, extreme weather conditions, virulent diseases and increased morbidity are attributable consequences of climate change (IPCC, 2022) that disproportionately impact those who are responsible for the lowest contributions of carbon emissions. The UN Global Compact PRME (Principles for Responsible Management Education) are keen to highlight the extent to which the consequences of the decisions made in the Global North are experienced by those in the Global South. If business schools are serious about developing the next generation of global leaders, they must embrace a culture and curriculum that is built on a set of values that instils a sense of global social responsibility.

Whether it be financial risk taking or the rate of engagement from the social science to the climate emergency, we need to ask why mainstream business and management education has been slow to react to the changing nature of the world around us and accept a degree of responsibility in the creation and intensification of unsustainable business practices? Goworek et al (2018) propose that the answer lies in one of the influential economic minds of all time, Adam Smith. If, as Smith posits, ‘consumption is the sole and end purpose of all production’ (1993[1776]:376) then decisions are made that are driven by demand. This obfuscates leaders from the necessity of considering alternatives and making other choices. Marketing, then, has become a tool for amplifying that demand, to further justify ‘consumption *per se* as the rationale for decisions regarding resource production, allocation and use.’ (2018:210, *emphasis in original*). What we need, is a paradigm shift that disrupts current norms to consider alternative approaches to business and management education.

Beyond RME

The term ‘responsible management education’ (RME) is defined by Haski-Leventhal et al (2015: 2) as a ‘business education approach and method (including teaching, research and dialogue) purposed to develop the capabilities and perceived values of students to be responsible generators of sustainable value for business and society at large.’ It has been interpreted in a variety of ways, with business schools offering specialist courses with ‘sustainability’ in their title, to ensuring modules on Corporate Social Responsibility are included in programmes. However, many argue that business schools reduce RME, or indeed frame ethics and sustainability as a ‘trouble avoidance strategy’ at best, and a profit-maximiser at worst (Giacalone and Thompson, 2006). Mousa (2021) argues that RME inclusion has been motivated by one of three isomorphic factors, in each of these cases, it can be argued that management education has not embraced a focus on responsibility and sustainability with an ambition to transform societies, economies and the environment but instead because it supports profit-maximisation or a positivistic definition of value.

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Interestingly, Marcus and Roy (2019) find that an individual's propensity to engage in behaviours that contribute to 'environmental sustainability' is to some extent informed by inherent personality traits. Such that the Honesty – Humility personality trait is positively correlated to sustainable behaviour (Marcus and Roy, 2019). Yet, a significant worry here is that Bergman et al, (2010) suggests that not only do students who choose to study business- and business-related degree programmes enter the education setting valuing individualism and self-enhancement over self-transcendent, pro-social values (Schwartz, 1992; Arieli et al, 2016; Haski-Leventhal et al, 2020) but that the curriculum and experience of the business school serves to enhance those values.

According to Haski-Leventhal et al (2020), the goal of RME is to socialize students towards responsible management, which refers to managing 'in the long-term creation of value in the ecological, social and economic dimension in an integrative manner to achieve sustainable development' (Beckmann et al, 2020:124). However, Painter-Morland (2015) proposes that the epistemological and ontological assumptions that underpin mainstream management education make embracing a more responsible approach to management education unrealistic within the current paradigm. She is not alone in suggesting that the current institutionalised system, offers little scope or motivation for real change if deeply-held beliefs about human well-being continues to be defined predominately in monetary terms. These ontological beliefs about how well being is created have epistemological implications for what individuals deem as having value.

Taking an entrepreneurial approach

Adopting a pedagogic practice and a normative environment in which prosocial, self-transcendent values are not only embedded into the curriculum but imbue policy, process, assessment and culture is imperative if we are to change the dial on responsible leadership. This is the challenge that Business Schools must address. We need graduates that can think differently (Guilford and Vaughn 1962), can challenge existing norms and ways of doing things, can work collaboratively and invert the predominant value chain.

Many business schools teach entrepreneurial skills, and many support business start-ups. Indeed 1 in 4 of all graduate start-ups in the UK emanate from business schools (CABS, 2023). However, few, if any, have attempted to adopt entrepreneurialism as a pedagogy through which to embed new ways of thinking about the role of business and organisations in a global drive to grow socio-economic development.

It is time to rethink the role of business schools in delivering a new generation of responsible leaders, who can create sustainable, ethical and scalable business ideas to develop their surrounding communities. At the heart of the Business School strategy there should be a 'philosophy of responsibility' (Nonet et al, 2016). Firstly, a responsibility to ensure **students** are equipped with the knowledge, skills and behaviours that will enable them to ask critically constructive questions of the organisations in which they work. Secondly, encourage **staff** to maintain their professional and academic appetites and social imagination for innovation and change. Thirdly, empower **businesses and organisations** to adopt an inclusive, diverse and sustainable lens through which to view their own practices. Lastly, elevate the value of **society**, in the broadest sense, by nurturing pro-social, sustainable, ethical and socially orientated leaders of tomorrow.

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Coventry University's Faculty of Business and Law finds itself at the dawn of creating a new paradigm for their business school's involvement in transforming societies. The focus will be to steer the business school towards a new paradigm through reconsidering existing pedagogical mechanisms and course content. RME and entrepreneurialism forms the core elements of such an approach.

Next steps

The conceptual framework will be strengthened through engagement with entrepreneurial universities e.g. Stellenbosch in South Africa and through international platforms e.g., South-East Asia Institute for Transformational Entrepreneurship (SEAITE) to gain different perspectives. At the start of the new academic year 2023-24, a questionnaire will be launched to collect data on undergraduate students' pro-social attitudes. A pre and post survey instrument will be designed to measure changes in attitudes before and after enrolling on courses/modules that adopted entrepreneurialism as a pedagogy to embed responsible management education. Once data collection is concluded, a full paper can then be drafted with empirical evidence for presentation at a future BAM conference.

Conclusion

Management and Business education is not just about educating tomorrow's business elite or graduating students who are able to secure jobs with the highest salaries. Our remit and our commitment go much deeper. We, as ambitious educators need to think differently, speak differently, and position our educational offer differently. Through a critically engaged, socially orientated curriculum, an innovative pedagogic approach and a culture of inclusivity and respect, we can have a transformative impact on the values of our students and on the way, they do business in the future. This tripartite approach will ensure we graduate students who have developed a strong set of pro-social, self-transcendent values, who will go on to become responsible future leaders of tomorrow.

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