

Lead, respond, partner or ignore: the role of business schools on corporate responsibility

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Abstract A number of recent trends are influencing business schools towards better teaching and accounting for the role of "business in society" (BiS). The following article looks at selected results from the most comprehensive survey ever of BiS teaching and research in European academic institutions – undertaken in 2003 by the European Academy of Business in Society and Nottingham University Business School's International Centre for Corporate Social Responsibility (ICCSR), with the support of the European Foundation for Management Development (efmd). The survey found, among other things, that there is a clear demand from business and students for research, education and training on BiS issues; that teaching on the role of BiS is still far from being "mainstream" to the business curriculum; and that the diversity of European approaches and terms signal both a strength and a challenge for the BiS debate. The article looks at how a wide range of initiatives are being undertaken by both business schools and business, and often in unique partnerships, to address these challenges and move the BiS research and education agenda forward. Finally, the thorny issue of accreditation is tackled. Improving accreditation processes will play an important part in bringing the business education community up to speed with the new roles and responsibilities they are being asked to fulfill by a wide range of stakeholders (students, society, business and government). As both educators and mediators in the debate, business schools have a valuable contribution to make. In turn, they too are increasingly being made accountable for their own social and environmental impact. The article argues that business schools can choose whether they want to lead, respond, or partner with business to meet these challenges. However, it seems they can no longer afford to ignore it as a passing fad.

Keywords Social responsibility, Business schools, Stakeholders

Recent years have seen a welcome increase in constructive engagement by the academic community on the role of business in society (BiS)[1], both from teaching and research, as well as a leadership perspective. At the second colloquium of the European Academy of Business in Society in September last year, important concerns and questions were raised by leading figures in the business education community. Management guru Michael Porter emphasized the need for "the right types and quality of education of future employees" as one of the requirements for business to invest successfully in CSR and, thereby, become more competitive[2]. Similarly, Laura Tyson, Dean of London Business School, and Gabriel Hawawini, Dean of INSEAD, highlighted the need to match supply to demand as far as CSR in executive management programs is concerned. Tyson, in particular, emphasized that business schools should let the market decide to what extent, and in what manner CSR should be incorporated into the business curricula.

Despite these concerns, however, business schools are proving their support for BiS issues on the education agenda. Launched by leading European business schools and businesses in INSEAD in July 2002, the European Academy of Business in Society is designed to address the current “disconnect” between business education and the needs of the corporate world in creating knowledge and skills on BiS. Its membership is growing rapidly, reflecting business school demand for capacity-building in this regard. The question is no longer whether CSR should have a place in the business curricula, but how it should be incorporated, and, perhaps more importantly, what role business schools have to play in the wider BiS debate.

As BiS becomes core business for many business schools around the world, they are rapidly differentiating themselves according to whether they are taking a *leadership role* (determining through research, teaching and dialogue how the debate should develop); simply *responding* to the needs of the market (waiting for students and business to tell them what is needed); *partnering* with business (jointly seeking out the needs and direction of the debate over the role of BiS), or *ignoring* the debate as a passing fashion and continuing with business as usual. Whatever path they choose, the role of business schools on the topic of BiS is evolving. Like that of companies, it now reflects a variety of stakeholders and incorporates new activities and opportunities.

Students, the marketplace, the community, government and civil society are increasingly demanding that business schools rethink their traditional role at three different levels:

1. Content and delivery in shaping and facilitating learning for today’s and tomorrow’s managers.
2. Business schools as organizations in society.
3. The academic community as social platform and mediator in the debate.

In the following sections, we look more closely at how business schools are developing these aspects of their role as stakeholders in the debate on BiS.

Shaping today’s and tomorrow’s managers

To a large extent, business interest in social and environmental responsibility in recent years has been triggered by successive corporate scandals combined with enormous pressure from NGOs, policy-makers, consumers, and the media. However, as the debate has grown, the role of BiS has come to be viewed as an opportunity for business not only to protect itself from risk and reputational damage, but also to strengthen its relationships with its stakeholders, and improve internal strategy and management processes at the same time. Indeed, the focus has shifted from *value preservation* to *value creation*.

As a result, many more businesses are appointing in-house specialists, and creating departments to formulate and communicate their corporate values. In addition, a great number of business networks and consultancies have sprung up to support businesses in better managing their social and environmental impact[3]. However, to move forward and fully benefit from good management of corporate sustainability, the knowledge, skills and tools to effectively manage this integral dimension of a business’ operations need to become part of the education and training of every business manager, at every level of the company.

As the corporate world debates the merits of corporate sustainability specialists versus mainstream generalists, there is a growing need for business educators to grasp this issue by the horns. To date, with a few exceptions, business education at European and international level has failed to answer this demand in a coherent way. This failure is due to a widespread lack of understanding of the debate and its strategic value within the core curricula of business schools, particularly in MBA courses.

Several studies of MBA courses in recent years have found that many still fail to provide essential skills in less tangible areas, such as communications, interpersonal skills, multicultural skills and change management. In contrast, companies are increasingly impatient for managers who can thrive in the changing global marketplace, one in which social and environmental

priorities are increasingly on a level with traditional economic concerns. A 2001 study conducted by CSR Europe, The Copenhagen Centre and the International Business Leaders Forum[4] identified a clear demand for new business models and management skills to help companies respond to the triple bottom line of business: economic, social and environmental.

Transforming business education

The pressure on business schools to transform themselves is being met with a variety of responses. These include a growing number of courses and seminars, in-house consulting, new academic research and teaching networks, and a plethora of tools. However, balancing the demands of the business world for immediate hands-on solutions, with the priorities of the academic world to develop sound research, is proving difficult. While there may be some role for “add-on” or stopgap features in research, education and training – particularly in the early stages of development – ultimately, to be sustainable, the concept will have to be integrated into the mainstream of theory and practice, or it will not have a long-term impact.

In September 2003, EABiS and Nottingham University Business School’s International Centre for Corporate Social Responsibility (ICCSR) presented the results of the most comprehensive assessment to date of BiS teaching and research in European academic institutions[5]. The study gives some idea of the challenges and opportunities that exist in the way European business schools are currently approaching the BiS debate. In particular, it revealed the following insights:

1. There is a clear demand from business and students for research, education and training on BiS issues

Business organizations and students took joint third place as the most demanding current drivers of BiS teaching in business schools. They were topped only by individuals – long accepted as playing a crucial role as agents of change both in business and in academia – followed by leadership of the school, faculty or department. The study backs up results from the 2003 Global Campus Monitor, undertaken by leading market researchers Environics International, which found that a strong majority of students believe BiS issues should be taught more at universities.

2. Teaching on the role of BiS is still far from being “mainstream” to the business curriculum

A total of 80 percent of respondents to the survey stated that they are “undertaking activities of some kind to bring CSR into their business teaching mainstream”. However, a closer analysis finds that what is understood by this description varies greatly. Just under half of the respondents cited optional modules, while only a third, compulsory ones. Some 20 percent said they incorporated seminars, special events and conferences on the role of BiS into their programs. Another 38 percent said they embedded BiS teaching in other modules and courses. However, the great variance in how terms and theory within the debate are understood means that the extent of embeddedness will need to be assessed in much greater depth in future surveys.

Besides tools and role-playing in elective courses, business schools have a duty to give students a solid grounding in the theory underpinning the role of BiS as a preparation for the real world situations that they will ultimately encounter. Indeed, BiS teaching needs to embed sustainability thinking in everyday business decision-making. Optional, and even compulsory stand-alone modules are only a start. Leading MBA providers now recognize that teachers of core courses – such as finance, strategic management, marketing and accounting – need to know where sustainability issues affect their own module content and how to teach this relationship. Likewise, students are realizing that concepts such as corporate sustainability and corporate citizenship are ones that cuts across disciplines, and are helping to increase demand for full integration.

Nevertheless, the challenges of this should not be underestimated and require a shake up, not least in the research that feeds into MBA courses. As INSEAD's Dean, Gabriel Hawawini, argued at the launch of EABiS, "A major stumbling block to improving integrated teaching is the existing faculties. Engaging current professors in interdisciplinary research is one step. But preparing for a new generation of faculties is a second step that needs to be taken seriously."

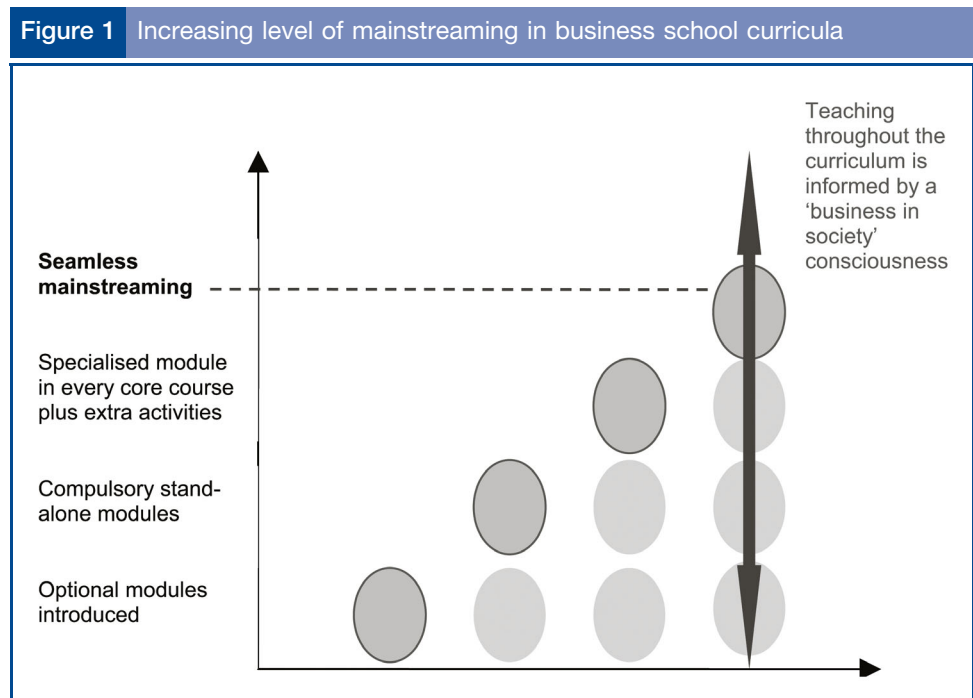
The MBA curriculum, as a whole, has a unique opportunity to encourage an atmosphere for debate and deeper exploration of BiS issues, either through guest lectures, thesis topics or a variety of extra curricular activities. One resource that has yet to be fully tapped is that of bringing in reflective practitioners from business to share their insights and experiences directly from the "coalface". The end goal for business schools should be to merge all these elements into the curriculum in a *seamless way* (see Figure 1).

3. The diversity of European approaches and terms signal both a strength and a challenge for the BiS debate

With responses from 166 European academic institutions in 20 countries (including 95 percent of the 64 European Foundation for Management Development EQUIS accredited business schools), the EABiS/ICCSR study sheds new light on the unique character of European approaches to the topic. In particular, it showed interesting differences in how the various geographic regions of Europe offered courses. The findings highlight a very broad range of terms and definitions used to refer to the wider BiS debate, the term we have favored in this article.

CSR was the most popular label in the Anglo-Saxon countries and, to a lesser extent, in France. However, among the remaining countries, the survey identified over 50 different labels for modules and 40 different labels for programs. Overall, *sustainable development* was the most popular term used by almost a quarter of respondents, followed closely by *business ethics*. Third place was shared by *business and society*, *CSR*, and *environmental/ecological management*.

The widespread recognition and understanding of the topic across different social and cultural contexts should be welcomed. Indeed, preserving the flexibility of terminology and interpretations at different regional, national, sub-national, or even within individual organizations will



be a critical future success factor for the debate. Nevertheless, the multiplicity of terms presents its own challenges when it comes to conducting the debate across cultural and sectoral boundaries, and to forging pan-European research collaboration that can effectively move the debate forward in a coherent way.

Not only are businesses and students struggling with the divide between academic and corporate language, they are increasingly confronted with changing definitions and parameters for their corporate sustainability activities when moving from one country to another. Developing a common understanding of BiS issues, as well as a common language for all stakeholders, will therefore be essential steps in making this debate internationally and, perhaps more importantly, managerially relevant.

However, this should not impoverish the debate at the same time. The survey highlighted the rich heterogeneity in European approaches to CSR. Going forward, integration needs to balance the benefits of diversity with the timeliness of co-operation and better articulation of the CSR debate. As the CSR debate unfolds, important questions need to be asked about:

- the *currency* that is being exchanged (e.g. knowledge and practice);
- the modes of *communication* (i.e. does the current situation foster or create barriers to communication and learning?); and
- the *continuity* of activity (how is knowledge passed from researchers to teachers to students and to business managers, and does this promote growth in the debate and in the tools that are developed?).

The European Academy of Business in Society is one such initiative that aims to produce a shared European vision and strategy for research, education and training development.

Creating partnerships for learning

What emerges clearly is that collaboration is essential if research and teaching on the role of BiS is to have a long-term value and impact. The upsurge in interest in the topic, in recent years, has drawn attention to the fact that a great deal of the research done in preceding decades has not been finding its way to core business curricula. The European Business Ethics Network (EBEN), launched in 1987, hosts annual research conferences on business ethics; and The European Foundation for Management Development (EFMD), launched in 1972 to coordinate management education across Europe, has recently taken on the key issues of global responsibility. However, structures for collaboration and communication on BiS research remain very limited. The result is that work is still being carried out and co-ordinated by isolated pockets of researchers and institutions.

Consequently, much is being done to consolidate existing research and to link this with new evidence from the corporate frontlines. More importantly, businesses are joining forces with business schools to help determine how best to meet the needs of both sides.

After rankings, possibly the most valuable *future driver* identified by the EABiS/ICCSR study was growing approval and support from the corporate sector – and not just in financial terms. Funding for research and scholarships is a vital part of taking the debate forward. However, business participation in teaching and research is just as important. Many companies are already reaping benefits from providing access to case studies, interviews and other business data, as well as opening their doors to action research inside their operations. In return, businesses receive varying forms of support from business schools and universities. This can include the development of tools, consulting activities, applied research collaboration and specialist teaching.

There are a growing number of European examples of business-academic co-operation on these issues. In France, INSEAD has been actively working with companies to develop research and training material on the social and environmental dimension of business performance. Within EABiS, they now lead a consortium of business schools and companies (including

Johnson and Johnson, IBM, Microsoft and Unilever), which is studying the nature and consequences of societal demands on companies' decisions and actions from a business strategy perspective, and exploring ways to raise awareness and skills amongst managers and executives[6].

Similarly, London Business School's "Business in Society Learning Consortium" continues to work closely with the business community. London Business School is leading EABiS's education pillar, which aims to provide mainstream curriculum development and teaching materials for MBA courses on the role of BiS. A key component of the project will be collaboration with business to shape BiS case studies that reflect real world business problems in areas such as strategy, finance and accounting, and organizational behavior.

However, as business schools become more closely aligned with the needs of their constituencies, this learning partnership is having an impact in both directions. Just as the business sector has had to come to terms with its wider impacts and responsibilities, new questions are being asked about how business schools themselves are managed.

The business school as an organization in society

Given that business education is a multi-billion Euro business and that business schools are an important broker in the knowledge economy – how could or should they account for their own role in society? Others have taken this further and asked: how credible and sustainable will education and curriculum development be in the long run among faculty, staff, students, companies and other stakeholders if business schools do not manage the economic, social and environmental impacts of their own operations[7]?

Again these are not new issues. The societal role of universities and educators in society is something that dates back hundreds if not thousands of years. However, the business school – a more recent creation, is in many ways unique, located at the tectonic fault line between the academic and business community. Therefore, its sensitivity to what are often (mistakenly) regarded as "external" pressures and changes in society, is often heightened and more keenly felt. Mary Ellen Boyle argues that beyond the credibility of educational offerings, business school responsibility (BSR) should be regarded as an opportunity to increase the legitimacy of business schools in the eyes of both communities as a bridging agent.

Nevertheless, it seems clear that business schools themselves will in future be subject to growing pressures, both internally and externally, similar to those companies have faced, albeit on a smaller scale. If business schools are to be credible in meeting educational demand, just as companies have had to learn to do, they will need to "walk the talk".

The academic community as social platform and mediator in the debate

In one of its most recent roundtable reports, the European Multi-stakeholder Forum on CSR (EU CSR Forum) highlighted the role of business schools, universities and other education institutions in "building the necessary capacity for relevant CSR strategies"[8]. This involves not only education for the business world, but also for consumers, employees and other stakeholders. Perhaps more importantly, however, the report draws attention to the roles and responsibilities of all stakeholders in this debate as facilitators and catalysts. It also points to the importance of bringing together specialist views and experiences available in the different stakeholder groups through improved dialogue. In both areas, business schools can make a unique contribution to creating an enabling environment for CSR.

Through their engagement in the EU CSR Forum, business schools and leading academics – such as Lutgart Van den Berghe, who acted as *rapporteur* for the Learning Roundtable – have shown that they have an important part to play in the dialogue. The academic world has a rich stock of experience in creating channels for communication, and in capturing and disseminating knowledge so that it can be molded into tangible uses. An example of this is the European

Platform for Excellence in CSR. Set up within EABiS, it aims to facilitate cooperation among academic institutions, businesses and other stakeholders in the setting of research priorities as well as in the use and exploitation of research findings[9].

Supported by the EU's Sixth Framework Programme, and starting in 2004, the project will bring together business schools, companies and other stakeholders to look at how Europe can establish a research area on CSR. The CSR Platform aims to address the fragmentation of research and co-ordination in Europe, not only by creating a single point of reference for the region, by connecting groups of academics internationally, across disciplines and even with more fundamental subjects such as economics, sociology, and psychology, but also by actively engaging CSR researchers with practical end-users. The project will question the idea of CSR "research as usual", and explore ways and means to engage companies and other stakeholders in terms of structuring inputs and outputs from research across Europe.

Ultimately, the greatest value that academics can bring to the debate might not be just as translators between practitioners and theorists, but also by helping to break down the barriers that exist between and within business, academia and other stakeholder groups. This can serve to change the way these constituencies see themselves and others, both with regards to the concept of responsibility and the wider role of BiS.

A future for business school accreditation

Accreditation, alongside rankings[10], continues to be the Holy Grail for business schools. In the near future, it will also come to offer some indication of how well or how poorly the academic community succeeds in meeting the challenges explored above.

Respondents to the EABiS/ICCSR survey cited inclusion in program accreditation and business school ranking criteria as being major drivers in years to come. A seal of approval from bodies such as the European Foundation for Management Development's EQUIS, the Association for the Advancement of Collegiate Schools of Business (AACSB) or the Association of MBAs (AMBA) is much more than just an attractive certificate at reception and a logo on school stationery. Accreditation sends a clear signal of a school's quality and international pedigree to prospective students, faculty, and business customers.

BiS and related concepts such as business ethics, CSR and sustainable development (SD) are relatively new terms in the context of accreditation[11]. EQUIS – Europe's most important and influential accreditation standard – has included consideration of the schools' community relations since its inception, but is now piloting some new standards on business ethics and CSR in the peer review. Internationally, other accreditation bodies such as AACSB and AMBA are beginning to address the issue.

In recent years, widespread public debate on corporate responsibility and even the extent to which business schools might share the blame for a lack of public trust and confidence in business, has raised questions about accreditation procedures[12]. These debates are sometimes also set within the context of more substantive criticism of business schools, and particularly the nature and success of the MBA[13]. While in some cases there might be links, there is a danger of mixing agendas and clouding issues. However, the media[14], companies, students, faculty, and even the deans of major business schools and awarding bodies themselves[15], have argued for accreditation as a critical piece of the jigsaw.

How can accreditation support educational content development?

One key issue is "integration" across the curriculum versus "stand alone" courses. Should accreditation standards support transversal infusion across core subjects such as strategy, finance and accounting, marketing, etc., or should it support separate treatment and consideration with specific modules or courses? This has been fiercely debated in exchanges over the future of the AACSB accreditation standard. Scholars such as Duane Windsor, Diane Swanson and other members of the International Association of Business and Society (IABS), have strongly argued for the idea of a "stand alone" foundation course to complement any

attempts towards integration. In a series of papers and open letters over the last two years, they have challenged the revised 2003 AACSB accreditation standards, which emphasized the importance of infusion across the board over and above the provision of separate courses.

The experience of EABiS practitioners, supported by the survey[16], is that the tendency in Europe in the past has favored “stand alone” approaches. Ultimately, it seems that enlightened thinking on this issue, rather than emphasizing mutual exclusivity, stresses the need for a “blended” approach in schools, where the different approaches to mainstreaming complement and reinforce each other (see Figure 1). As argued in the previous section, this also seems to reflect corporate and student demand for business education to develop leaders and managers across the organization. This can serve not only to raise the bar generally on how managers incorporate BiS considerations into their decision-making, but also, more specifically, shed light on how these issues affect their business function and what skills are needed to manage them[17]. While some might argue that a blended approach equates to a watered down “half-way-house”, it avoids the dangers of an overly prescriptive one-size-fits all solution, which could stifle innovation and faculty buy-in at business schools.

Learning from experiences in the corporate world

There is a lot to be done in developing thinking around how accreditation could, or even should, require schools to integrate BiS aspects into their own management processes. There are also significant dangers of entangling the two issues of educational content and organizational performance at schools and it is far from clear whether at this stage, these are truly interdependent.

Interestingly, corporate experiences on standards in this area might hold valuable learning points for accreditation bodies and schools. A single generally accepted standard on corporate responsibility has not emerged in either category. However, the last five to ten years have seen some significant developments. For instance, on the reporting and accountability front, the Global Reporting Initiative (GRI), Social Accountability 8000 (SA 8000), AccountAbility 1000 (AA1000) and a host of other initiatives have made progress in different areas[18]. The idea of a compulsory standard has had little support and in many cases has met with strong resistance from companies. Many argue that this is a good thing in that it reflects the complex and diverse challenges of the role of BiS across geographies, industries, and corporate cultures.

Some of the most successful initiatives have been those that support and stimulate companies to ask the right questions for their own business. This non-prescriptive approach based on the idea of flexible and voluntary frameworks to help companies develop in this area, is also reflected in the EU’s policy, set out in their 2002 communication, that “CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”[19]. While the standards discussed above are clearly designed with a very different purpose in mind than the support of business education content and management, consideration of activity and lessons from the corporate world could prove valuable in structuring developments in accreditation.

Another interesting development, which could have relevance for accreditation, is the emerging work of organizations such as the European Foundation for Quality Management (EFQM). EFQM has made strong moves towards incorporating CSR into its management framework[20], catering for organizations who want to treat CSR as a “stand alone” issue as well as those who would like to “integrate” or “mainstream”. Although the approach remains untested in all but a few companies, it represents an interesting attempt to support a diversity of approaches within the same framework. Given that EFQM was an important player in the establishment of the EQUIS standard and apparent similarities and parallels with the quality movement, it would be interesting to see how accreditation bodies might explore the possibility of similar measures.

A multi-stakeholder approach to innovation

A number of initiatives and partnerships have emerged in the last two years, whose work has relevance to accreditation. Some of these initiatives bring together business schools to discuss BiS issues. Some go a step further to actively include companies and other stakeholders in recognition of the value and necessity of grounding education on BiS in real world examples and experience.

The European Academy of Business in Society itself was established to bring together the business and academic community in Europe along with other stakeholders to discuss the ways and means to develop high quality knowledge, skills and attitudes among existing and future business leaders. Its programs on curriculum development, led by the London Business School and its partnership agreement with EFMD as one of the lead partners in their GRI, have already proved fruitful. At the invitation of the EQUIS team, EABIS has participated in the business school assessment process in a consultative capacity in order to help support and stimulate thinking on this issue. Some of the early findings illustrate the need to build on existing measures within EQUIS. The focus and steer from deans and assessors has stressed the need to ensure EQUIS leads schools to ask the right questions. There has also been strong recognition of the value of the self-assessment process. Some of the key headings that have emerged so far are[21]:

- Governance of schools.
- Standards of ethical conduct in schools.
- Environmental and social responsibility of the school.
- Research (disciplinary and interdisciplinary).
- Faculty development (PhD, post-doctorate, etc.).
- Leadership by deans and faculty heads.
- Organization (center, department, chair, etc.).
- Specific courses (optional/mandatory).
- Infusion into core courses (strategy, finance and accounting, organization behavior, etc.).
- Extra curricular and experiential learning opportunities.
- Executive education.
- Involvement of business community and other stakeholders in course design/delivery to provide reality check and ongoing relevance.

These initiatives are complementary to the EFMD Action Learning Project for schools and companies, which will take place over the coming 12 months in partnership with the UNs Global Compact. Other organizations making significant steps forward in this area include the pioneering work done by Judy Samuelson and her team at the ASPEN Institute in the USA, who are also planning a two-year action learning project among business schools.

At the national level in Europe, we have begun to see activity in this area. One example is the UK's CSR Academy, to be launched in July 2004. Currently under the wing of the UK's Minister for CSR, Stephen Timms at the Department of Trade and Industry, the initiative has received strong support from the business community and other stakeholders. Clive Mather, chairman of Shell UK has led a multi-stakeholder steering group to shape the academy to raise awareness on the need for knowledge and skills on BiS among UK companies, business schools and small and medium-sized enterprises (SMEs). It promises to be an important development that will hopefully be repeated in other countries across Europe.

As momentum increases on this issue in the business education community, it is important to ensure that a diversity of approaches is supported around the world. However, at the same time it is important to design and implement effective means to promote cross-fertilization and avoid duplication at global, regional and national levels.

Looking to the future

Accreditation standards will need to support business schools to harness the innovation and energy of their staff and faculty to take account of BiS issues in the most appropriate ways for their own organizations. It is unlikely that any attempt towards a one-size-fits-all approach will gain traction or support. Given the diversity of different types of business schools, catering for very different markets[22], not to mention European differences, any attempt at this stage towards that end would seem pointless and doomed to failure. However, this is not to say that stronger measures should be ruled out if change does not come.

Perhaps the most important role of accreditation bodies and standards could be to set the tone and parameters within which innovation can take place. In this sense – as early results from EABIS and EFMD's work on accreditation show – it is often more important to ask the right questions than to give the right answers. In this respect, the peer review process of EQUIS seems to be particularly conducive to a learning approach. But accreditation bodies will need to find ways and means to ensure that conversations go far beyond a five-year review process between senior management and an external assessment team. The aim must be to stimulate ongoing internal reflection, learning and change among a broad base of actors inside and outside schools.

Successfully incorporating BiS issues in educational content and management will increasingly be a critical success factor for individual schools and the business education community at large. In this context, accreditation bodies will play a crucial role in providing the platform to ensure business education remains legitimate and relevant.

Conclusion

The survey and initiatives discussed above clearly indicate a need to rethink the identity, role and responsibilities of business schools in relation to their students, their business constituencies and the wider community. This has the potential to make business schools more competitive, more responsive and more effective as institutions where knowledge is *developed* and not just *reflected*.

BiS as a subject area challenges research and teaching boundaries along traditional disciplinary lines. It also calls for reflection on the *aims* and *means* of business education, just as it does for the business sector. The best way to fuel this revision is through cross-pollination and partnership approaches to engaging with the marketplace. Many CSR specialists, and indeed business people and academics in general, are already doing this by straddling several roles simultaneously. For example, many are combining roles as researchers and teachers with being consultants to the private sector; or that of practitioners and in-house company experts with being educators in the academic environment. While they are having a refreshing, if not pioneering and invaluable, impact on the field, they are only the start of what is needed, as is shown by the results of the EABIS/ICCSR survey. The two-way conduits between the private sector and business schools that have been opened in this way need to be reinforced and expanded to create an environment of ongoing dialogue and learning. We will also need to find better ways and means to engage civil society actors, policy-makers and others. In this framework, business schools have a vital role to play, not only as educators, but also as facilitators, by extending the teaching and research agenda to include all stakeholders.

Business education and research is by nature an academic field that deals with very practical situations and must ultimately produce hands-on solutions, even in the form of theory. Thus, corporate sustainability thinking needs to be built into business education in a way that reflects the real issues that business people have to deal with, in everyday strategic decision-making, not just in times of crisis. If the BiS agenda is to progress to the next stage, new knowledge and skills will be critical. As we have argued above, getting it right can only be achieved through effective collaboration between all parties. However, it remains up to business schools to choose how to go forward, whether to lead, respond or partner depending on their goals, capabilities and organizational context. One thing they can no longer do is ignore this as a passing fad. For companies, business schools, students and society at large, stakes are high.

Notes

- 1 “Business in society” (“BiS”) is the term we have favored in this article to most effectively refer to the wider social and environmental responsibilities of companies, and the debate that this encompasses. It incorporates related concepts such as corporate responsibility, business ethics, corporate social responsibility (CSR), sustainable development, and corporate citizenship.
- 2 Morsing, 2003.
- 3 The increase in volume of organizations working on BiS and CSR has even created what *The Economist* termed a “CSR industry” (*Economist*, 2004). It remains to be seen whether this will, or should be, subject to market consolidation and shake out in the coming years.
- 4 CSR Europe, 2001, “Attitudes and training needs on CSR”.
- 5 ICCSR and EABiS, 2003. The full results of the survey are available online at www.eabis.org/education/Directory
- 6 The RESPONSE project is part of the EU’s Sixth Framework of Research, the first time they have included CSR in the Framework Program. Under the EABIS umbrella, it will shape a new model of research on social responsibility, with business and academic partners shaping the project to combine the need for high academic quality with quick access to business relevant results.
- 7 For a recent example see Boyle, 2004.
- 8 European Multi-stakeholder Forum on CSR, 2004.
- 9 For more information, visit www.eabis.org
- 10 Rankings and accreditation are often seen as serving similar purposes. While accreditation reflects external “market” perception, rankings are the business school community’s own quality mechanism. The *Financial Times*, *Business Week* and *Economist* rankings of business schools raise many of the same issues that emerge from the debate on accreditation and the improvements that are needed to the performance assessment of schools. Although we have chosen, in this instance, not to make rankings the subject of this paper, it is an area that invites future discussion.
- 11 Mahoney, 1990.
- 12 Goshal, 2003.
- 13 For some examples, see Mintzberg, 2004 and Pfeffer and Fong.
- 14 The *Financial Times* raised the issue of accreditation in business education, see Oliva, 2004.
- 15 Samuelson, 2003.
- 16 ICCSR and EABiS, 2003.
- 17 Another closely related issue not covered in this article is that of accreditation in companies for learning programs or corporate academies such as the EFMD CLIP award. Given the blurring of boundaries between formal education and company training towards lifelong learning, this could prove another interesting area for accreditation bodies. Recent internal EABIS research demonstrated that the impact of “in company” learning will be statistically very significant for the BiS knowledge and skills debate in coming years.
- 18 These are not intended to be an exhaustive list of related standards. Nevertheless, for more information visit Global Reporting Initiative – www.globalreporting.org/; SA8000 – www.cepa.org/SA8000/SA8000.htm; AA1000 – www.accountability.org.uk/aa1000/default.asp
- 19 European Commission, 2002.
- 20 For more information visit: www.efqm.org
- 21 Adapted from Lenssen, 2004.
- 22 Lorange, 2003.

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