

**INTEGRATING SUSTAINABILITY INTO MBA PROGRAMS: A MULTIPLE  
STAKEHOLDER APPROACH**

**Suzanne Benn, Dexter Dunphy, Soochen Low, and Robert Perey**

School of Management  
University of Technology, Sydney

Abstract

This paper reports on an action research project designed to integrate sustainability into the MBA program at an Australian university. We document the methodology and our results and identify the enabling factors and barriers to success. Importantly, like most sustainability change programs for the contemporary organisation, we found this initiative involved addressing the requirements of multiple stakeholders.

# **INTEGRATING SUSTAINABILITY INTO MBA PROGRAMS: A MULTIPLE STAKEHOLDER APPROACH**

## **INTRODUCTION**

This paper reports on an action research project designed to heighten awareness of sustainability in faculty and students of an MBA program in an Australian business school. The project was designed as an aspect of a wider program funded by Australian Research Institute in Education for Sustainability (ARIES) Macquarie University and Arup Sustainability for the Australian Government Department of the Environment and Heritage, which aimed to mainstream sustainability across the major Australian Business Schools. This program was initiated in response to research indicating that MBA programs offer little preparation for graduates to deal with sustainability or CSR issues in their workplace (eg Benn and Bubna-Litic 2004; Tilbury, Crawley and Berry 2005).

In this sense they are out of step with community attitudes and the expectations of many business leaders concerning sustainability and corporate responsibility (Starkey and Welford 2001). In a number of countries, corporations, state and local governments are addressing the lack of action by national governments on climate change. In the US for instance, the mayors of more than 200 cities have signed the US Mayors' Climate Protection Agreement, and nine eastern states have established the Regional Greenhouse Gas Initiative, while California, in a landmark initiative, has passed tough automobile-emissions controls (Bjierklie et al 2006). Emissions trading aimed at achieving environmental outcomes via the international financial markets has been estimated to be worth \$US10 billion-plus in 2005 (EasyBeingGreen ) Business leaders such as the six CEOs of leading Australian companies who have recently formed the Australian Business Roundtable on Climate Change, are demonstrating an increasing sense of responsibility: to future generations and to the health of the planet fully compatible with their company business model. The dramatic increase in the number of practitioner-based and academic publications in this field attests to a

changing perspective on theory and practice of business sustainability that is not being taken up in business school curricula.<sup>1</sup>

Our project addressed the question of how best to heighten awareness of sustainability and thus mainstream sustainability into existing MBA programs. We took action research to mean research that links participation, social action, and knowledge generation and which can promote social change through organizational learning – a process which requires researchers to critically reflect on project goals, methods and findings (Greenwood, Whyte and Harkavy 1993). Our research is linked to a key issue of debate in the academic literature on the methodology of developing sustainability curriculum in business schools. Is the meaningful integration of sustainability into business schools dependent upon the development which challenges the capitalist system of production as well as key assumptions of traditional management learning (Banerjee 2004; Springett 2005)? Or does success depend on the perceived relevance of the sustainability material to the existing business school criteria? Thomas (2005), for instance, has pointed out that if sustainability is to be integrated into managerial decision-making models then it must be perceived by students as legitimately addressing the goals of profit-making in the normalized business context. Or is successful integration dependent upon a context-specific approach, a reliance on systems-thinking skills, and stakeholder engagement as relevant issues and topics for skills development (Roome 2005)? In a sense these differing positions reflect different definitions of success – on the one hand, success is measured in terms of encouragement of ideological critique and reflexivity (eg Springett 2005), while on the other it is measured in terms of perceived legitimacy (eg Roome 2005; Thomas 2005).

In our project, we explore the possibility of bringing these definitions of success together by taking a multiple stakeholder approach that involves lecturers, tutors, course directors, industry

---

<sup>1</sup> We note for instance that the number of abstracts for refereed journal articles that refer to corporate social responsibility has increased by 280% since 2002, while the total number of refereed articles has increased by 120%.

leaders in curriculum development concerning sustainability within the business school. This more holistic approach, we suggest, can lead not only to both ideological shifts and student acceptance but broader organizational changes in the domain of the business school. Taking a multiple stakeholder perspective on organizational change for sustainability is not a novel concept (eg Andriof et al 2003; Dunphy et al 2003 ) – the originality of our research topic lies in our deploying it in the context of the business school.

## **METHODOLOGY**

In our project we specifically aimed to (1) develop a data bank of Australian case studies of what leading Australian organizations are doing to develop more sustainable business practices and (2) to demonstrate how it is possible to work with faculty in an MBA program to have these case studies and associated learning/teaching materials incorporated in core courses in the MBA curriculum.

The case studies were chosen in collaboration with faculty and with student interests in mind and are designed to build student and faculty awareness of sustainable business issues. More specifically the case studies are designed to build staff and student awareness of the need for more sustainable business practices and of the concrete steps Australian organizations are taking and can take to become more sustainable. We also aimed to increase student and teacher motivation, where necessary, to undertake action toward sustainability and to equip them with the skills needed to assist business move to a more sustainable position. We particularly targeted existing core courses in the UTS MBA program but were also prepared to cooperate with interested faculty in optional subjects. We also aimed to involve industry and business faculty leaders to develop wider awareness as well as promote sustainability discourse.

Thus the project has two different but interrelated aspects: (1) the selection and production of a cluster of case studies of sustainable policies and practices in leading-edge Australian organizations and (2) an action research approach centering on learning how to influence MBA faculty to modify their subject matter and teaching/learning approaches to introduce the issue of sustainability to students and to demonstrate its contemporary relevance for managers.

### **The Action Research Approach:**

Action research changes the nature of the traditional research done at universities which is primarily directed to the accumulation and transmission of knowledge. It creates a shift in emphasis to the active use of knowledge for instrumental and ethical purposes. Action Research methodology is appropriate for this research because it involves faculty and senior executives of corporations in an ongoing process in which they develop a sense of ownership of the outcomes. As far as faculty are concerned, they do not experience the process as an attempt to force them to adopt sustainability as part of their course content. Rather they are given control of the agenda and, in most cases, see that the resulting new course material is a substantial enrichment of their course. In particular, the material is developed in collaboration with them and under their direction and is designed to further the educational aims of the course and to provide up-to-date examples relevant to some of its the key principles and concepts. This produces commitment to extend their own knowledge of sustainability principles because the new materials connect directly with their own professional interests.

In our project, we were able to establish collaborative relationships with ten subject coordinators and relevant faculty associated with these subjects. While each of these ten

relationships was developed on an individual basis, the combined impact we believe will influence the MBA as a whole as these courses are core courses in the program. Currently MBA students already have the option of taking an established sustainability sub major. However, in a program with an enrolment of approximately 1500, many students may complete the entire MBA without any exposure to the importance of sustainability for business. Now with the inclusion of some sustainability materials in most of the core subjects in the MBA, we can be sure that all MBA students will encounter sustainability issues several times in their program. Moreover, as these materials are integrated into specific subjects such as Strategic Management or Corporate Finance, the relevance of sustainability to specific fields of expertise will be more apparent than it otherwise might have been.

*Needs Analysis:* Our action research began with undertaking a ‘needs analysis’, that is an inquiry into the present state of interest in sustainability amongst MBA students at our business school, with reference to the current status of sustainability in the MBA curriculum generally. We began by reviewing feedback from existing sustainability courses and to undertake a further set of interviews with selected students to check out our perceptions. One of our researchers and a MBA student acting as an interviewer then interviewed six MBA students. Three were chosen from the recent sustainability elective subject because of their evident interest in the subject, and three students known to the interviewer who had not completed the subject. A number of other students were asked informally for their opinion. The inclusion of a student interviewer was to help offset any response bias that might come about by the impact of our researcher’s faculty status.

Our key recommendation emerging from this needs analysis concerning curriculum development referred to the need for ‘the development of sustainability cases or cases requiring consideration of complex ethical dilemmas involving multiple stakeholders that are suitable for inclusion in capstone MBA subjects’ The other aspect of the needs analysis was to examine the extent to which Australian MBA programs currently include issues relating to sustainability. We referred to several reports which indicated that Australian MBA programs have been remarkably unresponsive to the emerging interest in sustainability of leading businesses in Australia and overseas. (Benn and Bubna-Litic 2003; Tilbury et al 2005).

As a result of the needs analysis, we were able to take our project forward with a better understanding of the range of student interest/disinterest in the general issue of sustainability, of teaching/learning approaches that were most likely to generate and maintain student interest and of subjects within the MBA curriculum that had already provided points of entry for the introduction of sustainability into MBA programs in Australia.

*Approach to faculty:* We then felt prepared to take our action research further by informing faculty of the existence of the ARIES research project and our role in it and inviting their participation. We prepared and circulated an email to all faculty teaching in the MBA. This was followed by an unsolicited supporting letter from the Dean of the Graduate School of Business urging faculty to cooperate. As expected, we received few (2) responses to this communication. In our view, this did not mean that faculty members had not read the email or been influenced by it – we subsequently found in interviews with faculty that some had noted and remembered some of the content of the email but

had not acted on it. Faculty in MBA programs are mostly extremely busy people and deluged with emails from many sources, particularly their own School.

We had already employed a part-time lecturer and MBA student in the UTS program, to follow up with selected faculty on a face-to-face basis. Together our research team selected the MBA subjects to be targeted as opportunities for inclusion of new curriculum materials relating to sustainability. At this point, we were only thinking of providing case studies. Two criteria were used for selection of the subject areas to be targeted: (1) their centrality in the MBA curriculum and (2) potential personal interest of the relevant faculty teachers in sustainability. The latter could only be assessed as approaches with them were pursued.

Equipped with a list of potential target courses, our researcher MBA student then familiarized herself with the existing course content in these subjects and with the names of the relevant course coordinators and teachers, some of whom were known to her as she is an MBA student. (Note that core courses typically involve more than one class and multiple teachers – consequently they are coordinated by a specifically designated faculty member who may or may not teach the course themselves). She then began to organize a series of one-on-one meetings with the coordinators and some individual teachers to determine their interest in being involved and, if they were, to begin a discussion of where in each course there would be the opportunity to include new case material. She also tried to identify what kind of case would be most relevant. Our senior researchers were involved directly or indirectly in these conversations. Altogether these dialogues covered ten subject areas – we discuss this in more detail below and also the “value proposition” we developed to help generate faculty engagement in the project.

The research team also developed a set of questions to use in interviewing faculty and a pro forma for recording responses. This covered: coordinator's teaching/academic background; coordinator's perspective and approach to sustainability; teaching objectives and learning outcomes; student needs; willingness to collaborate; specific criteria for cases; need, if any, for existing cases already in use by ourselves in our teaching, need for new cases; recommended lecturers; development into teaching material; completion timelines.

This approach was time consuming but, we believe, the only effective way to proceed. We were able to win support from a substantial number of relevant faculty members and have developed a detailed understanding of how sustainability can become an integral part of the core MBA.

## **PROJECT OUTCOMES**

Our major learnings from this process have been:

(1) curriculum development in MBA programs is a political process. Changes cannot be imposed – they can only be achieved by involving faculty in ongoing consultation based on a real appreciation of the place and value of any particular subject area in the MBA program as a whole and of the enthusiasms and motivations of individual faculty coordinating and/or teaching the subject area. There must be some benefit to the parties involved for them to spend the time and effort to bring about a change in the curriculum, even when substantial support is provided; (2) it is necessary to work at several levels simultaneously – interventions involved the Dean, Faculty members on the project and mature research assistants with both business and academic experience hired to work on specific parts of the project;

(3) it is important to be open to having one's own assumptions and prejudices challenged.

The principal researchers had assumed that case materials were the most appropriate means to bring sustainability into the curriculum. We discovered that some of the core subjects in the MBA do not use a case approach to teaching and were not interested in Australian cases of ten or more pages. For example, the coordinator of Finance was happy to be involved but wanted numerical data and statistics; the faculty member teaching HR, whose students were mostly from overseas and Asian wanted small (one to two page) cases preferably involving Asian rather than Australian organizations. We could help here but had to revise our thinking and modify our views of the task we had originally set ourselves.

The approach we used in meeting objections by faculty to sustainability as a topic was to provide examples of how each subject area is already incorporating sustainability principles - e.g. Triple Bottom Line measures being used in by the accountancy profession or Michael Porter advocating the incorporation of sustainability into Strategy and to show that it is entirely possible to teach both strategy and sustainability principles at the same time, for example by focusing on organisations such as Lend Lease where sustainability is being adopted as core strategy. Therefore the inclusion of cases with relevance to sustainability does not involve the exclusion of existing course material.

### **The Case Studies:**

We developed or modified from our existing case material six main case studies relating to the following Australian companies: IAG, Fuji Xerox, CUB, Orica, Lendlease, Hewlett Packard. We also developed several smaller case studies ( for example on the Cerebos organisation for use in 'Human Resource Management') and a role play concerning

participation by a chemicals company in multiple stakeholder decision-making over the disposal of toxic wastes.

All case studies have involved negotiating access to each organization, identifying those executives whom we needed to interview to obtain relevant information, as had been requested by faculty during our faculty interviews, arranging interviews, conducting interviews, transcribing interviews, analysing the interviews and using them to develop a coherent case with a specific teaching purpose, discussing this with the relevant faculty members, getting sign off from the company, constructing accompanying teaching materials, testing those materials in classroom situations, involving faculty and students in evaluations of materials, and making subsequent revisions.

The teaching materials were developed to foster both task and process skills in MBA students. Specifically they have been designed to facilitate:

- Critical and futures-based thinking in lecturers and students
- Communication and dialogue concerning contestable sustainability issues
- Innovative and practical change management skills and ideas necessary to promote sustainability
- Acquisition of self development techniques (suitable for the continuous skill development of sustainability change agents) in both teachers and students

An example of how this process of engaging faculty and students proceeds is the core MBA subject Organisation Analysis and Design (OAD). This is the core course for the MBA completed by all MBA students at UTS and it uses Bolman and Deal's (1997) four frameworks as its theoretical orientation. The Carlton United Brewery (CUB) case was

developed as an integrative unit for the course as a whole to which the students apply all four frames in the Bolman and Deal model. Sustainability is particularly suitable here because all four frames are relevant and sustainability requires a paradigm shift in thinking.

Our researcher worked with the subject coordinator and created a complete unit (ie one class session) consisting of a Lecturer's Materials Pack made up of slides and supporting appropriate theory, derived from the course text and other theoretical sources including soft systems methodology, stakeholder management and change management. The CUB case study was modified to emphasise its sustainability initiatives and developed as the focus for student reading and discussion. Tutorial questions based on the CUB case study were also prepared.

The unit was taught in the summer session 2006, evaluated by students, revised, and is currently being taught again, in the Autumn Semester 2006. This evaluation was undertaken by the course coordinator with no input from our project team apart from responding to questions on the suitability of the prepared materials. The feedback was that the sustainability materials were well received by students and lecturers, however, we provided too much material in the lecture slides so much of this was subsequently discarded during revision.

The initial proposal was for the inclusion of sustainability material and concepts into the OAD course and for this to be delivered in a single seminar block, namely lecture and tutorial combined. However this component has been restructured so that the concepts are introduced and discussed early in the course under the umbrella of "Contemporary Organisational Forms", and the CUB case study occupies the whole of the penultimate

seminar block, “Bringing it All Together”, where the students use the CUB case to synthesise all topics covered in the OAD course. This is a far better solution from our point of view than what we originally proposed because it represents a fuller integration of the new material into the whole course. While evaluation is not yet complete, a number of required changes to the subject of sustainability have been identified. There is a desire to see sustainability better integrated into OAD and the key suggestions are outlined below.

These suggestions are not prioritised and should be taken as a whole as they are all interrelated.

- Explicitly state that the sustainability component of the course is examinable.
- In the course reader provide relevant sustainability articles for OAD.
- Link the sustainability components to the stand-alone sustainability units but don't replicate the material.
- Rewrite the lecture material such that each frame of Bolman and Deal has a specific sustainability component.

## **MAJOR LEARNINGS AND REFLECTIONS**

We have learned that engagement by developing value propositions for multiple stakeholders is crucial if sustainability is to be integrated into business school curriculum. For example, engagement of the faculty is vital. We found that we had to have an overall value proposition for faculty to be involved but also customize that for each subject coordinator or lecturer involved. The general value proposition could be expressed as: “Do we have a good deal for you! We have familiarized ourselves with your course outline; we will work with you to find a place in your course where some sustainability materials can be used to support your teaching goals. We will provide you with up-to-date materials, such as an original customized case study, which we will research for you plus related learning/teaching materials which we will design under your direction. We will help you evaluate the unit once it has been delivered and revise it where appropriate.”

As well, as business faculty, we can only gain access to organizations to gather up-to-date case materials if we have built good working relationships with industry partners. This may require building on existing relationships, extending these and developing new industry relationships. Active involvement of key executives from case organizations creates greater faculty and student engagement; this is particularly the case when the executives visit the classroom and make themselves available for questioning about the case. Other ways of involving industry stakeholders on a continuing basis is co-authoring articles that can be developed from the research and invitations to university based events where issues of sustainability are debated or visiting experts are presenting.

We found that we also had to have a value proposition to engage our industry collaborators. The basis of this was the positive contribution, made by its use in the classroom and in forthcoming publications, to the development of the reputation of the organisation and the executives carrying out the sustainability initiative. In addition the selection by academics of the organisation as the subject of a teaching case study was seen as an independent evaluation of the worth of the sustainability initiative.

## **CONCLUSION**

There is a substantial variation in student attitudes to sustainability – and there is no one way to implement it or to look to as an aspiration for such a project as ours. Some students have already developed high levels of interest in the area and actively welcome confronting ideological challenges to accepted ways of practicing business and management learning – supporting Springett’s (2005 ) approach. On the other hand, supporting Thomas’ (2005) argument, other students have very traditional ideas of what an MBA is about and this makes it important to emphasise “the business case” for sustainability. Because so many of the students in MBA programs are from overseas and predominantly from Asian countries, it is important to use South-East Asian case examples of a length that can be covered within class time by ESL speakers. ‘How to’ cases that stress the importance of pragmatic skills are more appealing to pragmatic MBA students than ‘why’ cases that deal with theoretical or ideological issues. The design of teaching/learning materials must take these factors into account.

Finally, we are not certain of the impact that the integration of sustainability across the curriculum will have on the student demand for specialised sustainability courses. In our mind, it could work both ways. Which ever way it goes, we are sure that our students, ourselves and our colleagues have benefited from our multiple stakeholder approach – which has drawn our organisation closer to the reality of a number of leading business organisations and their varied reactions and strategies to deal with the challenge of sustainability.

### References

- Andriof, J, Waddock, S. Husted, B. and Rahman, S. 2003 *Unfolding Stakeholder Thinking 2 Relationships, Communication, Reporting and Performance*, Greenleaf Publishing, Sheffield
- Banerjee, S. B. (2004) 'Teaching sustainability: a critical perspective', in C. Galea (ed), *Teaching Business Sustainability*, Greenleaf Publishing: Sheffield.
- Benn, S. and Bubna-Litic, D (2004), 'Is the MBA Sustainable? Degrees of Change' in C. Galea (ed), *Teaching Business Sustainability*, Greenleaf Publications: Sheffield, UK, pp. 82-94.
- Bolman, L and Deal, T. (1997). *Reframing Organisations*, Jossey Bass Publishers, San Francisco, Ca.
- Bjerklie, A. Dorfman, D. Cray, G. Fulton, A. Gerlin, R. Healy and E. Roston, 'By Any Measure Earth is at the Tipping Point', *Time*, April 3 2006, p. 28.
- EasyBeingGreen, 'A Brief Profile of Carbon Trading in NSW and Beyond', At <http://www.easybeinggreen.com.au> accessed 2 June 2006
- Greenwood, D., Whyte, W. and Harkavy, I. (1993), Participatory Action research as a Process and as a Goal', *Human Relations* ,46, pp. 175-192
- Roome, N. (2005), 'Teaching sustainability in a global MBA: Insights from the OneMBA', *Business Strategy and Environment*, 14, pp 160-171
- Springett, D. (2005) 'Education for sustainability in the business studies curriculum: a call for a critical agenda', *Business Strategy and Environment*, 14, pp 146-159.
- Starkey R. and Welford, R. (2001) 'Conclusion. Win-win revisited: a Buddhist perspective', in R. Starkey and R. Welford (eds) *Business and Sustainable Development*, London: Earthscan Publications, pp. 353-7.
- Thomas, T. (2005), 'Are business students buying it? A theoretical framework for measuring attitudes toward the legitimacy of environmental sustainability' *Business Strategy and Environment*, 14, pp 186-197
- Tilbury, D. Crawley, C and Berry, F. (2005), 'Education about and for sustainability in Australian Business Schools', Report prepared by the Australian Research Institute in Education for Sustainability (ARIES) Macquarie University and Arup sustainability for the Australian

Government Department of the Environment and Heritage.