

MBA's unprepared for a morally complex future

Print

By Thomas N. Gladwin and David Berdish

Published: February 8 2010 02:00 | Last updated: February 8 2010 02:00

Following Copenhagen, we face a perfect storm of global moral questions: what do we owe future generations, the deprived and the environment? Companies are being challenged to declare and act on their social and moral obligations. But business schools are failing to prepare leaders for this challenging task.

The Aspen Institute's latest Beyond Grey Pinstripes ranking of the world's MBA programmes on environmental and social stewardship reveals that these programmes pay little attention to the social dimensions of sustainability. Of the thousands of "stewardship" courses offered at leading schools, the words "poverty" and "human rights" appear in less than 2 per cent of all course descriptions and in only 14 of all course titles - mostly elective courses that reach a fraction of the students.

Consequently, the typical MBA is not learning why poverty and human rights matter to business.

And they do matter: companies operating globally face tremendous risks if they sidestep the observance of human rights. Conversely, there are enormous opportunities to be uncovered for companies that include poverty alleviation and other social needs within their growth strategies.

Why might business schools be ignoring the need to educate future business leaders about the social dimensions of sustainability? We see three primary reasons:

* Ambivalence from the business world, which transmits itself to business schools. More than 7,000 corporations have rather easily endorsed the United Nations Global Compact, which includes specific language on human rights. But the Business Leaders Initiative on Human Rights estimates that less than 7 per cent of the world's transnational corporations have made public their intentions with regard to human rights and less than 1 per cent of these have acted on these.

* Sustainability has been construed as a matter of attaining harmony with nature, rather than humanity. Traditional business schools' curricula have underscored this unnatural separation by turning sustainability issues into industrial processes rather than the examination of the human impact of business decisions in a global environment. But in rushing to "go green" without understanding the social consequences, we get biofuels production from foodstocks generating global food insecurity and hydropower projects displacing millions of people. Eco-efficiency without humanism will not secure a sustainable human future.

* The drive to transform management into a "value-free" science, based on market fundamentalism and shareholder value maximisation, has divorced business school research and teaching from life-affirming values, collective welfare and ecological limits. Business schools now espouse efficiency rather than equity; moral questions are treated as tangential, rather than fundamental, to business decisions.

Business schools need to think differently about preparing future leaders for a morally complex and sustainable future. In an interdependent world confronting growing environmental scarcity and human deprivation, we will need business leaders who can create social value without increasing energy and material throughput; who can cope with the complexity of interconnected social, ecological, economic systems; who can adapt in the face of uncertainty; who can bring about global change through collaborative and disruptive innovation and who can master multiple alternative futures.

Above all, we need business leaders willing to accept moral duties and obligations to future generations, the deprived and the environment. Leadership for sustainability needs to become the organising principle of management education.

Thomas N. Gladwin is the Max McGraw professor of sustainable enterprise and associate director of the Erb Institute for Global Sustainable Enterprise at the University of Michigan. David Berdish is manager of social sustainability at Ford Motor and adjunct professor at the Ross School of Business at the University of Michigan.

Comment online: www.ft.com/soapboxforum

Copyright The Financial Times Limited 2010. Print a single copy of this article for personal use. [Contact us](#) if you wish to print more to distribute to others.