The role of business education in building business leadership for 21st century responsiveness and environmental stewardship: Should business education be re-developed?

Hélène de Burgh  
*University of Notre Dame Australia, helene.deburgh-woodman@nd.edu.au*

Amitav Saha
Abstract: 21st century business graduates need to be well equipped with skillsets that enable them to apply their commercial knowledge in organisations where profit maximisation is not the sole purpose. However, business students continue to be taught classic commercial business principles that predominately value profit and performance, resulting in a significant skill shortage for businesses embracing ethical responsibility, social justice and environment issues. The aim of this project is to blueprint a cutting-edge commerce degree that fills this skill shortage by developing an Integrated Business Education Model with extensive literature review and consultation with a wide range of stakeholders. Using the Integrated Business Education Model a traditional commerce degree curriculum will be re-designed and piloted in a business school. Findings and implementation materials will be disseminated to all Australian business schools. Eventually, graduates of this contemporary commerce degree will be skilled to contribute and grow in any form of hybrid organisation.

Keywords: Business education; ethical orientation; corporate social responsibility; hybrid organisations; not-for-profit

INTRODUCTION

Corporate social responsibility (CSR) has become an established concept in the business lexicon (Lee, 2008) as the basis for visible corporate response to emergent issues of environmental degradation, growing demands for corporate citizenship and sustainable competitive advantage in an increasingly resource pressured world. Settling at the nexus between strategy, structure and communication, CSR has remained the guiding framework for ethical business conduct. Equally, the accumulation of interest in leadership as the basis for organisational change reflects a deeper concern with how businesses can transform and learn in order to deal with a rapidly changing world.

In this paper, we focus on the connection between business leadership and social responsibility, arguing that in order to achieve a genuinely responsive social responsibility platform, businesses...
require a new form of leadership vision grounded in a commitment to social, environmental and economic contribution. Profit maximisation and growth necessarily follow as outcomes rather than as objectives in their own right. This kind of leadership is essentially driven by seemingly contradictory competencies, (such as profitability and altruism, clear vision and comfort with ambiguity, social and corporate mission), and will unfold across different contexts such as corporate, not-for-profit and hybrid organisations. Therefore, we ask the question of what kind of business leader can achieve the kind of corporate social responsibility platform required for the unique challenges faced in the twenty-first century across different business contexts – an era that faces unprecedented environmental, resource and social risks? In asking this question, we propose the argument that, rather than looking to leadership as emerging from the top of organisations, we should instead focus on the grassroots values, competencies and skills instilled at every tier of the organisation through a transformation of business education itself. If we consider that business leaders over the coming years will largely come from business degree programmes, we suggest that business education itself should be the site at which a new kind of ethical business leader can be made. This consideration is also significant in that it connects to the larger picture of student expectations of their university education experience as a whole where the role of business education come under question as part of a larger re-positioning of education in the twenty-first century (Astin & Antonio, 2012).

In looking at what kind of business leadership is required for the twenty-first century and identifying business education as the grassroots base upon which leaders build their career, this begs the further question of how can business educators develop the requisite skills among business graduates? In response to this question, the present paper opens discussion on the development of an integrated business education model that hybridises commercial and not-for-profit business principles (Boyd et al, 2009; Haigh & Hoffman, 2012) and situates ethical leadership, social mission and industry responsiveness at its core. The model addresses changing industry and student needs by activating a hybrid approach from commercial and NFP principles to develop both technical and social mission competencies among graduates. This approach enables graduates to utilise diverse skill sets relevant to multiple sectors including commercial, NFP and entrepreneurial organisational contexts.

**LITERATURE REVIEW**

The recognition that business leaders have a fundamental role to play in shaping the values, practices and economic survival of their community is reflected in research focused on leadership competency in business education (Bailey & van Acker, 2013; Hancock et al, 2009). However, a scan of commerce degree content across Australia shows that the “commercial model”, or an emphasis on profitability and competitive advantage, remains the dominant thrust of business education – that is to say that business students predominantly continue to be taught via classic commercial business principles to value profit and performance, both of which re underpinned by the enduring logic of infinite growth. However, in an era of increasing resource scarcity, environmental decay and demand for corporate citizenship, the sustainability of the positive growth model underpinning the commercial sector has come under question (Gilding, 2011; Ewing, 2010; Hopkins, 2003; Kurtz, 2005). While sustainability and corporate social responsibility (Aguinis & Glavas, 2012; Lindgreen & Swaen, 2010; McWilliams et al., 2006) highlight the need for performance beyond profit to business education, these initiatives have not challenged profitability
as the core of business practice. In acknowledging the growing call for a more socially/environmentally responsible approach to business, this project situates ethical business practice at the core of business education.

By contrast, the not-for-profit sector has been regarded as distinct from the commercial world both in outlook and intent. Equally, not-for-profit principles have not been a dominant feature of undergraduate business education in Australia. The 2010 Australian Productivity Commission Report suggests that three elements characterise not-for-profit (NFP) in Australia:

1. the behaviour of NFPs is driven mostly by their mission or community purpose. 2. Demonstrated commitment to their community-purpose underpins support for their activities 3. Processes, often highly participatory, matter for NFPs because they provide value to the volunteers and members, and because of their central importance to maintaining trusting relationships that form the basis for effective service delivery (pg.13).

However, as more NFP enterprises enter the market and the evolution of social enterprise (Thompson, 2008; Diochon, 2009; Madill, Brouard, & Hebb, 2010) poses a competitive threat to existing NFP organisations, the need for a stronger commercial orientation within the NFP sector has been identified (Weisbrod, 1998). The needs of these two traditionally disparate sectors prompts the questions of what skills and competencies are needed in across diverse business environments and how do we capture their different contributions to business practice in business education since the fundamental objectives of the NFP sector have much to teach commercial business and vice versa.

The purpose of this project is to develop an integrated business education model that apprehends the demands of the contemporary environment. Building on previous curriculum development work that draws from leadership perspectives (Cohen, 2010; Hancock et al, 2009), the project will hybridise and integrate the approaches taken by commercial/NFP sectors into a business education model. Following Haigh and Hoffman (2012), the integrated business education model developed here captures the essential character of hybrid as “blurring this boundary [between NFP/commercial models] by adopting social and environmental missions, but generating income to accomplish their missions like for-profit [entities]” (pg. 126). This hybrid concept gives rise to a fundamentally different business model that, in turn, has impact on how business education can be undertaken. Drawing from Barnett and Coate’s (2005) emphasis on knowing, acting and being, the model will take a holistic view of business education's social value and better align technical and ethical competencies among Australian business school graduates.

METHOD

The present paper adopts a qualitative approach, using focus group and individual interview data from business school, commercial and NFP sector leaders. Data is also sought from recent business school graduates who work in NFP environments to ascertain the degree to which they consider their commerce degree training developed skills for the NFP sector. The feedback gained from this data identified key competencies, core values and necessary inclusions to which the business education model must respond. The first reference point for this data collection phase will be with industry partners where:
• Focus groups will be undertaken with commercial and NFP leaders. The industry partner organisations will assist in accessing relevant stakeholders/participants. Participants will come from a range of industry sectors and will concentrate on those in senior leadership roles. Participants will be drawn from medium-large organisations in Australian major cities.
• Individual in-depth interviews will be undertaken with commercial and NFP leaders.
• Depth interviews with Business School Deans at least two business schools.
• A survey of recent business school graduates working in NFP or hybrid organisations.
• The collection of the data informs the development of the integrated business education model and the commencement of the curriculum re-design of the Bachelor of Commerce majors of accounting, management and marketing.

PROPOSED FINDINGS

The outcomes of this research and discussion paper are firstly to achieve the development of an integrated business education model supported by evidence for its implementation viability in a curriculum re-design of the Bachelor of Commerce. As the needs of business evolve and a greater emphasis is placed on social, environmental and competitive stewardship among business leaders, this forces the need for a re-evaluation of how business curriculum can work to produce sufficiently responsive practitioners. The development of an integrated business education model represents an important step towards capturing the necessary skillset required by practitioners and enabling the flow-through to curriculum.

Secondly, building on previous work by Freeman et al (2008), a piloted curriculum that balances generic and discipline-specific skills, captures an international outlook and teaches the competencies required by industry as per the feedback from industry participants enables the development of the model (and its subsequent curriculum) to be informed by practical industry needs across sectors such as commercial and not for profit settings. This modeling based on industry feedback brings together academic and practitioner objectives and works to bridge the theory-practice nexus.

Thirdly, the publication of model and supporting online courseware materials for uptake in other institutions as the basis for establishing an ongoing collaboration among institutions. In an era of increased sharing of coursewares among academic institutions, the uptake of MOOCs (or massive online open courses) and a more inclusive approach to education, it is important that access to models as such one proposed here to made available for adaption and use across institutions and industry trainers. It is intended that this new curriculum trigger ongoing development of more diversified, “challenge-ready” curriculum in Australian Bachelor of Commerce degrees to graduate ethically aware, socially responsible business leaders with the necessary technical competencies to enact sustainable business outcomes.

Finally, the establishment of ongoing co-operation with industry to extend the model and curriculum into other majors in the Commerce degree (i.e. finance, human resources, economics etc.) is important for harnessing inter-disciplinary perspectives and achieving cross-disciplinary synthesis. This ongoing participation of industry also provides a feedback loop for the ongoing development and implementation of the model.
DISCUSSION

Starting from the premise that effective business leadership begins with education, this project offers a blueprint for institutions nationwide looking to develop a more engaged, responsive commerce degree that directly apprehends social, environmental and economic challenges in 21st century business practice. Commercial organisations are increasingly looking for ethical/sustainable ways in which to offer their product or services. Graduates should be well equipped to meet these challenges, working from a vantage point of social contribution without ignoring the technical competencies required to lead strong viable businesses. This project blueprints a commerce degree that equips graduates with skill sets that allow them to centre ethical, social and sustainability issues at the core of their decision-making processes. Therefore, the value of this project for commercial industry is the availability of more adaptable, skilled graduates who can bring an ethical orientation while applying profit maximising practice.

Equally, in an increasingly competitive sector, the NFP and social enterprise sectors increasingly require both profit maximising and social orientation competencies in order to survive. The value of this project to these sectors is the integration of these necessary competencies. By hybridising NFP values and commercial business acumen, both sectors can benefit from a more socially responsive form of business leadership that situates ethics, concern for social and environmental imperatives and economic sustainability at its core. The value of this project to students is the diversification of their skill set to enable employment in various sectors. Graduates are technically competent but, more significantly, understand the social/ethical impact they can have as business leaders. Therefore, it is timely that discussion on how business education is re-developed to offer a stronger society/business interaction, a clearer sense of leadership and a responsiveness to emerging social and environmental risks.

CONCLUSION

The objectives presented responds to the recognition that the business environment is constantly evolving and that business education has a place in shaping the future of business practice. While much research has been done on the inclusion of elements such as ethics in business education (in particular, postgraduate business education), this paper seeks to explore the possibility of adopting a hybrid approach at the undergraduate level. The paper proposes the development of an implementation model based on industry, scholarly and student input that draws from NFP, commercial and hybrid business sectors. In doing so, it contributes to the comparatively under-research undergraduate context and thereby suggests further avenues for existing research in business education development.

The present paper poses some concepts and ideas for how such a hybrid model might evolve. However, the research is conceptual in nature and the findings from an implementation are required before further evaluation can be undertaken as to the viability of the proposed approach. Equally, a closer consideration of present models (again, particularly those adopted at the postgraduate level) and their degree of implementation success may also impact on how the implementation of the model proposed here would unfold.
That said, the paper visits some key issues and joins a highly visible canon of research that endeavours to refine and develop business education. It is hoped the present work offers some fruit for consideration.

REFERENCES


