Ethics, Responsibility, and Sustainability (ERS) in Business School Accreditation: Peer-Learning Perspectives

By

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Introduction

The topics of ethics, responsibility, and sustainability (ERS) are finding increasing resonance in business school teaching and research worldwide. Responding to a changing business climate, and in conjunction with rising interest from students and other stakeholders, many business school Deans, faculty, and administrators are actively exploring integrating ERS into all aspects of business education. Business school accreditation bodies (including EQUIS and AACSB, among others) have responded to this increase in interest by beginning to include ERS criteria into their accreditation standards and reviews.

There are many fascinating examples of effective implementation of ERS into business schools, but the spread of awareness of these practices is nascent. Indeed to date no systematic examination of how business schools define ERS activities or how they include ERS in their strategy, teaching, research, and operations has been conducted. We seek to address this gap by learning from and reporting about how our peer institutions are developing good ERS practice, beginning with our own institutions and expanding our reach to other schools interested in contributing to this knowledge base. Our aim is to stimulate the spread of ERS innovation across interested business schools.

We are a group of business school faculty and senior university administrators who during 2013-2014 have been participants in a global innovation cohort, a project of the Globally Responsible Leadership Initiative/50+20 Management Education for the World. Over the past nine months, our project group entitled "Values in Action" has examined ERS practices and collected ideas based on experiences in our own eight universities in Canada, France, Ireland, Italy, Spain, Sweden, Switzerland, and the United States. Our aim is to share our own peer learning as a stimulus through which to globally source rich, vibrant ideas about how universities are bringing ERS to life. Our larger purpose is to generate dialogue about the inclusion of ERS standards in various accreditation requirements, and to share learning across peer institutions about how ERS can be advanced, whether institutions are seeking accreditation or not.

Accreditation and ERS: The Case of EQUIS

In this paper, we use the new EQUIS standard as a framework through which to organize our ideas about how ERS can be implemented across business school areas. In 2013 EQUIS revised its accreditation standards and established criteria for integrating ethics, responsibility and sustainability into business schools. The new standards suggest that ethical, responsible, and sustainable behaviour should be an integral part of business school's strategy and governance, as well as be reflected in their regular research, teaching, and service activities. These standards reflect the desire for business schools to contribute to the resolution of societal challenges and to act as 'good citizens' in the environments in which they operate.

The EQUIS standards and the associated criteria are grouped into ten chapters covering the major business school activities that are reviewed. They include seven activities, with context and strategy at its core, plus three transversal elements related to all other activities: corporate connections; internationalization; and, ethics, responsibility and sustainability. These headings and structure

together form a comprehensive frame on which we can build a set of good practices which should be useful to all business schools seeking to improve their performance in ERS.

Our aim is to support business schools in their implementation of ERS practice -- whether or not they are in an accreditation process -- and to inform the wider debate on how ERS might be integrated into business schools globally. We have used a peer-learning methodology for data collection, consultation, and analysis. In this paper we have organized our findings under the headings used in the EQUIS standard. However, our suggestions go beyond what is required or suggested by any standard. In that sense, we use the EQUIS standard as a springboard to produce what we hope will be a wider debate on these important issues. We aim to start a conversation and curate examples of good practice rather than to produce guidelines or give prescriptive recommendations

Our discussion in this paper concentrates on the strategy of clarifying and defining the objectives and the rationales for integrating ERS into the business school and leaves open the further questions related to the operationalization of ERS, in particular, measurements, key indicators, and benchmarks. There are a number of additional sources that may be referenced on these topics by those interested in indicators and measurement, including the Global Reporting Initiative (GRI) that has defined relevant sustainability indicators for business (https://www.globalreporting.org/Pages/default.aspx) and the French Green Plan Framework (http://www.developpement-durable.gouv.fr/Green-Plan.html), among others.

The Road Ahead

As we look ahead, we are situating our work in the larger dialogue about ERS and business education. We are cognizant of the fact that accreditation systems other than EQUIS include ERS criteria in their standards, although in different ways and less elaborated. We hope that the suggested practices outlined here can be used also by schools pursuing other accreditations such as AACSB, AMBA, ACBSP or EPAS, as well as by schools which have not yet become involved in the accreditation process.

We seek your ideas, examples, and feedback. In addition to distribution across peer networks, we are issuing a global call for comments on our work (see Appendix 1). We hope you will engage in dialogue on this very important topic in business education.

EQUIS and other Accreditation Systems

This paper takes the EQUIS standards as a stepping-stone in the direction of systematically integrating ERS across all business school activities. Other accreditation systems have also taken steps in the same direction. Let's have a brief look at these other accreditation systems and how they integrate ERS criteria into their standards.

AACSB: The Association for the Advancement of Collegiate Schools of Business has been accrediting business schools for almost 100 years, first and mostly in the USA, today globally. In their most recent 2013 Business Standards they newly introduced ERS demands in their core values and guiding principles for accreditation. They demand "ethical behavior" ("The school must encourage and support ethical behavior by students, faculty, and professional staff.") and a "commitment to corporate and social responsibility" ("The school must demonstrate a commitment to address, engage, and respond to current and emerging corporate social responsibility issues (e.g. diversity, sustainable development, environmental sustainability, globalization of economic activity across cultures etc.) and challenges through its policies, procedures, curricula, research, and/or outreach activities."). Although the integration of ERS into the new accreditation standards is not as extensive in the case of AACSB, it is obvious that AACSB is moving in the same direction.
See: http://www.aacsb.edu/en/accreditation/standards/2013-business.aspx

ERS Standards in Program Accreditation Schemes

ACBSP: The Accreditation Council for Business Schools & Programs accredits business school programs on all levels with a focus on evaluating teaching excellence. Its standards and criteria are built upon a set of core values and concepts, including public responsibility and citizenship: "Business schools and programs should understand the importance of serving as a role model in their operation as an institution. They should also recognize the need to lead and support publicly important purposes within reasonable limits of their resources."
See: http://www.acbsp.org/?page=home

AMBA: The Association of MBAs accredits MBA, DBA and MBM programs globally. Their current criteria for the accreditation of MBA programs demand among other things that their purpose is to "develop an understanding of responsible risk management and sustainable value creation on the basis of the environmental, social and governance impacts of business". Also all programs should demonstrate that students acquire a significant understanding "of the impact of sustainability, ethics and risk management on business decisions and performance".
See: http://www.mbaworld.com/en/Accreditation.aspx

EPAS: The EFMD Program Accreditation System has introduced ERS criteria broadly into business degree program accreditation, thereby following the lead of EQUIS. The 2014 EPAS Standards contain a special and clear ERS Standard (3.6) demanding: "The Institution should provide students with a perspective of the role of ERS in modern management so that, as future managers, they contribute to societal well-being."
See: http://www.efmd.org/index.php/accreditation-main/epas

It goes on to ask in particular:

"Are institutional or program-level ERS policies in place? How do they affect the program?
How is ERS incorporated into the program in terms of: programme objectives, intended learning outcomes, curriculum and course design (dedicated courses, extent of transversal coverage of ERS), pedagogy (e.g. project work supporting social causes), assessment regime (in particular student thesis writing), and extracurricular student activities in support of social causes."

In addition the EPAS Standards address questions to the:
Whole institution: "To what extent are the concepts of ethics, responsibility and sustainability (ERS) part of the Institution's ethos and activities?"
Faculty: "Do they actively pursue the practice of socially responsible management?" and if "these ideas are incorporated into their teaching and other intellectual activity?"
Intended learning outcomes: Is there an "awareness of the broader trends in society (e.g. social responsibility)".
Curricular design: "How are the broader trends in society, including ERS, incorporated into the design?"

Overview of the Structure and Elements in the following Chapters

In discussing ERS development and integration into Business Schools we use the structure of the EQUIS standards as a guideline. As the ERS demands are specified in the most detail in chapter 9 of the EQUIS standards, our discussion begins with the definitions and demands for ethics, responsibility and sustainability. Then the different topics will be taken up as treated in the different EQUIS chapters, starting with Context, Governance, Strategy (EQUIS chapter 1) and running all the way to Corporate Connections (EQUIS chapter 10).

This paper includes two different elements:
- The EQUIS standard as well as possible further explanations and key questions asked with regard to ERS. These elements are taken directly from the EQUIS standards. They are highlighted in grey.
- Our suggested practices to implement ERS in Business Schools

This paper is designed to be a "living document" that will be used and interpreted in the very different contexts of a school's particular situation and approach to ERS. It is designed also to be an evolving paper that will grow and develop over time, based on the feedback to our Call for Dialogue.

As practical experience develops, we anticipate the creation of a further element resulting from best practice examples from the schools that serve as benchmarks. In order to get the conversations on implementing ERS going as early as possible, we decided to add such best practice examples as we move on and not wait with making this paper available.

Ethics, Responsibility & Sustainability

EQUIS Standard: Chapter 9
The School should have a clear understanding of its role as a "globally responsible citizen" and its contribution to ethics and sustainability. This understanding should be reflected in the School's mission, strategy and activities. There should be evidence that the School's contribution is reflected in its regular activities, covering education, research, interactions with businesses and managers, community outreach and its own operations.

Further explanations provided in the Standard
Ethics *refer to the School's behavior that should be based on the values of honesty, equity and integrity. These values imply a concern for people, society and the environment and the commitment to encourage and promote ethical behavior of its faculty, staff and students by identifying, stating and applying standards of ethical behavior in the School's decisions and activities.*

The essential characteristic of **responsibility** *is the willingness to incorporate broader social and environmental considerations into its decision-making and to be accountable for the impacts of its decisions and activities on society and the environment. Responsibility is closely linked to sustainability.*

Sustainability *is about the social, environmental and economic challenges and goals common to society as a whole and the planet. It refers to issues such as sustainable resource use, sustainable consumption and developing a sustainable society and an economy.*

This implies that responsible and ethical behavior should be an integral part of the School's values and strategy and should be reflected in its regular activities. In particular, it should act as a catalyst for the development of business communities, as a forum for debate, and as a source of dissemination of new ideas and solutions. The School should be actively engaged in promoting business ideas and solutions to sustainability challenges. This implies that faculty, staff and students are encouraged and supported to participate in these activities as an integral part of their professional engagement.

It is important that attention is paid to the issue of responsibility and sustainability in the business world, as a matter of both policy and practice. The concern for responsibility and sustainability must be evidenced not only in the School's approach to management education, but also in its research, its public outreach and its own behavior. Evidence of this commitment to responsible and sustainable business practice is also requested in the other chapters.

Key questions asked in the Standard
   a) *What is the School's strategy for ERS?*
   b) *What is the evidence that ERS are reflected in the School's mission, governance, strategy and current operations?*
   c) *What are the School's formal commitments to ERS?*
   d) *How does the School integrate ERS into its educational offerings?*
   e) *How does the School integrate ERS into its research and development activities?*
   f) *What are the School's overall contributions to the local and global communities in the area of ERS?*
   g) *What is the School's role in serving as a catalyst for fostering the ethical, responsible and sustainable development of business and society?*

h) How does the School integrate ERS into its contributions to the business community and the wider society?

i) What services does the School provide concerning ERS to the management profession?

j) How does the School integrate ERS into its contributions to the academic community?

k) What is the School's policy for faculty and staff involvement in ERS?

l) How does the School integrate ERS into its communications?

m) What are the key changes in the School's activities regarding ERS in the past 5 years?

n) What is the School's overall contribution to the local, national and international environment, its role in developing the community and in acting as a catalyst for debate and dissemination of knowledge?

Suggested practices

Major questions raised here relate to the meaning and interpretation of the school's role as a **"globally responsible citizen"**. What does this concept mean? Responsible to whom? Responsible for what?

- The concept "globally responsible citizen" defines a wider zone of caring than that which is usually found in business management - to include society, nature and, eventually, the planet as a whole
- It goes beyond purely economic goals like income, jobs or wealth creation to also include higher needs such as positively contributing to the resolution of pressing societal challenges and furthering socially and environmentally responsible business conduct
- It asks schools to integrate ERS into its policy and practice, including its values, strategy and operations
- It asks schools to integrate ERS across all its activities and act as role model: education, student activities, research, executive education, interactions with business, community outreach as well as its resources and administration
- It asks schools to act as a catalyst for new ideas and solutions for ERS issues in the business community and the wider public
- It supports public engagement for ERS issues by faculty, staff and students
- It includes a dynamic perspective and a commitment to further raising the existing ERS standards

Context, Governance, Strategy

Suggested practices

- ERS are part of the School's culture and its explicit manifestations (e.g. its values, vision and mission), including a way to measure and report progress in its development
- ERS are reflected in the School's activities (values in action): e.g. programs, research, faculty engagements, student activities, marketing, communications, outreach
- ERS are reflected in the School's governance structures: e.g. boards, committees, policies, codes, positions of responsibility, budgets, finances, decision-making, incentive systems, appointments
- ERS are reflected in the School's overall strategy and plan for implementation
- ERS strategy is reflected in the sub-strategies of the School's units, e.g. faculties, departments, schools, programs, institutes, centers
- ERS strategy is internally known and broadly communicated among key stakeholders

- ERS initiatives are adequately resourced (human, financial, administrative support) to support effective implementation of ERS strategies
- ERS strategies and activities are periodically reviewed, reported upon, and continually improved

Programmes

Suggested practices

- Every student is exposed to ERS challenges and approaches
- ERS themes are integrated across all programs offered by the school
- ERS contents are integrated into general and specialized courses
- Courses are offered that develop critical perspectives on the role of business in society, financial markets, the various schools of economic and management thinking, and the history and evolution of management theory and practice
- Specialized courses and programs are developed and offered in areas related to existing and emerging ERS issues, e.g. new economic models, sustainable finance, societal challenges, responsible leadership, social innovation
- New pedagogical approaches are developed and used for active and reflective learning and for engaging relevant stakeholders
- Resources and support is provided by the school for course development and pedagogical training in the ERS field
- ERS objectives are integrated into the learning outcomes and regular evaluations to cultivate the requisite competencies, commitments, and character of students

Students

Suggested practices
- Changing global demands for greater ERS are recognized and responded to
- Efforts should be made to attract and select students who demonstrate commitment to ERS
- Students' horizons are expanded beyond functional silos and narrow business disciplines, gender, cultural, and geographical boundaries

- Responsible leadership is developed inside and beyond the classroom, through curricular and extra-curricular activities
- Students' insightfulness into global and societal challenges is cultivated as well as the skills to effectively address them (issue driven and solution oriented)
- Students are empowered to deal not only with today's problems, but also with future challenges (e.g. the next 25 years)
- Students are personally challenged and empowered to develop their capacities to become reflective and responsible future leaders
- The capabilities for dialogue, collaboration and serving many different stakeholders are developed

Faculty

EQUIS Standard: Chapter 4

The School should recruit, develop and manage its faculty in accordance with its strategic objectives and have sufficient core faculty to cover the major disciplines and constitute a viable body of distinctive expertise (i.e. a minimum of 25).

Specific to ERS
The School should have an HR strategy, including a faculty development plan, linked to its strategic agenda and supported by an adequate budget. The School's faculty development plan should also reflect the institutional objectives with respect to ERS.

Key questions asked in the Standard

  a) *How does the School integrate ERS into faculty training and development?*
  b) *How does the School recognize and support the community and public engagement of faculty?*

Suggested practices
- Faculty qualifications and expertise in the ERS fields are valued in hiring and promotion
- Adequate competencies of faculty to address ERS issues with students are ensured
- ERS expertise in all areas of the school's activities are demonstrated: in teaching, student engagement, research, consulting, executive education, public engagement
- Initiatives in the ERS field are supported by the school (e.g. awards, centers of excellence)
- Adequate incentives, support and recognition for faculty ERS engagements are ensured
- Faculty development in the ERS field is supported by the school
- ERS engagements of faculty are measured, evaluated, communicated and rewarded
- Risks for junior faculty and their future careers when engaging for ERS are recognized and dealt with (interdisciplinary publications may be of lower standing, research on current and future problems pose particular challenges for availability of empirical data, interactions with societal stakeholders and public engagements are time consuming)

Research & Development

Suggested practices

- Current and future ERS challenges to business, the economy and society are addressed in all fields of research: academic, applied and educational research
- Research is conducted that reflects the societal impact of business in society, the financial markets, the various schools of economic and management thinking, and the history and evolution of management theory and practice
- Critical analyses and theory are included in PhD training
- It is ensured that funders, donors and other key financial contributors do not dominate the research agenda or outcomes
- Contributions and publications to ERS issues are recognized and valued (especially publications in interdisciplinary journals, research and publications on current and future problems, which may pose particular challenges for availability of empirical data, time consuming interactions with societal stakeholders and public engagements)
- The impact of research on business and society is measured and communicated
- Research is made accessible and understandable for the business community, policy makers and the public at large (language, publication outlets, databases)

Executive Education

Suggested practices
- Participant of all executive education programs are exposed to ERS challenges and approaches
- For customized programs, make clear suggestions that include ERS when formulating bids and negotiating
- Specialized ERS programs based on the school's expertise and policy are offered
- Faculty has adequate knowledge and skills to address ERS issues with executives
- Faculty is supported and enabled to develop their skills in the ERS field
- ERS objectives are integrated into the learning outcomes and regular evaluations of the programs

Resources & Administration

Suggested practices

- ERS responsibilities and budgets are defined
- ERS criteria are integrated into hiring, promoting and developing administrative and academic staff
- Being a responsible employer (e.g. employment practices, youth employment, health & safety, support for public transport)
- ERS are integrated into purchasing decisions (e.g. office supply, IT) and into the School's supply chain
- ERS are integrated into infrastructure management and planning (e.g. CO2 footprint, heating and ventilation, energy management, water management, waste management, IT services and centers)
- ERS are integrated into mobility management (e.g. support for public transport)
- ERS are integrated into restaurant and hospitality services (e.g. availability of low carbon food, seasonal and regional food, availability of tap water, support for public transport)
- Library resources and literature data bases support the school's ERS activities
- Student-led ERS programs and initiatives are supported by the School (e.g. resources, recognition, credits)

Internationalization

> *EQUIS Standard: Chapter 8*
>
> *The School should have a clearly articulated strategy and policies for internationalization. It should demonstrate its commitment to educating and preparing students and participants for management in an international environment. This should be underpinned by active collaboration with international partner institutions in fields such as student exchanges, joint programmes, research activity and corporate connections. The School should be able to attract students and faculty from other countries. It should carry out research of international relevance and scope.*

Suggested practices
- Cultural and ethnic differences in the ERS field are recognized and respected (e.g. guidelines, training programs)
- Incoming students are treated in a welcoming and respectful way
- Outgoing students are prepared to engage respectfully
- ERS activities are integrated into international collaborations and networks (academic, professional)
- Active involvement with international organizations in the ERS field (GRLI, EFMD, PRME, AACSB, ABIS etc.) to be up to date/speed on ERS-related matters
- Respectful engagement with less resourced schools

Corporate Connections

Suggested practices

- Relationships and collaborations with business and other organizations are communicated openly and transparently (contractual arrangements, rights and responsibilities, sources of finance, governance systems)
- Relationships with partners, stakeholders and sources of finance are balanced
- Actions and engagements are not driven by donor interests (research agendas, research results, research processes and inclusion of stakeholders, communications)