



BUSINESS EDUCATION FOR A SUSTAINABLE AND INCLUSIVE FUTURE

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THE B TEAM ▶

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The B Team is a global collective of business and civil society leaders working to create new norms of corporate leadership today, for a better tomorrow. Together, these leaders strive to hold themselves and their peers accountable for measuring business success not only by financial performance, but also for the benefit of future generations.

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INTRODUCTION

The business education sector could be a powerful lever for change in accelerating the transition to an inclusive and sustainable economy. However, a “crisis of conformity” currently exists in the sector, similar to that facing business and politics. This crisis is impeding the development of business leaders who have the capabilities needed to drive this transition.

This report aims to inform the way forward. It provides an overview of the business education landscape — with a focus on business schools, corporate leadership development and board education — and explores the dynamics and incentives for change. It also suggests calls to action and potential initiatives that could catalyze a shift in the approach of business educators and leaders.

METHODOLOGY

The B Team commissioned the authors to provide an illustrative snapshot of an extremely varied and vast field. In July and August 2023, 21 interviews were conducted with business school academics, experts in sustainable business and finance and leadership development practitioners.

Several days of desk research on current and emerging trends complemented these interviews. Based on the findings, the authors wrote an initial report, which they have revised here for wider use. The B Team staff collaborated in the final editing of this report.

The authors have endeavored to give a balanced picture of the business education sector. Due to time limitations and the geography of existing networks, the following analysis focuses mainly on Europe and the United States.

The report cites most interviewees without attribution. It uses the term “sustainability” in its broadest definition. It speaks to the economic, social and political conditions that contribute to, or risk harming, the wellbeing of humanity on a thriving planet. The terms “sustainability” and “ESG” are used interchangeably throughout the report.

“A ‘CRISIS OF CONFORMITY’ EXISTS AMONG BUSINESS EDUCATION PROVIDERS, AS IT DOES IN BUSINESS AND IN POLITICS.”

1. EXISTING INCENTIVES REINFORCE THE STATUS QUO.

A complex web of incentives across the worlds of business and business education influences the decisions of the various stakeholder groups within them. Within many business schools, the interplay between governance structures, the tenure system, commercial imperatives, rankings, student expectations and philosophical and cultural norms conspires to reinforce the status quo. Business schools are also influenced by external incentives, such as who they believe the business world will employ. Interviewees pointed to CEOs, C-suites, boards, deans, faculty, students and shareholders as the best people to engage in change efforts. The interdependence between incentives and stakeholders points to the need for a collective, systemic approach to change.

2. NEW DEFINITIONS OF LEADERSHIP AND BUSINESS SUCCESS ARE NEEDED TO SHIFT INCENTIVES.

A clearly defined set of competencies for leaders, couched in new definitions of business success, would impact a number of levers for change, including curriculum development, rankings and recruitment criteria. However, there's a lack of clarity around the nature of change required in business and the role of leaders in catalyzing this change. For some, it's about redesigning our current economic model and the purpose of business to advance social and environmental goals. For others, it's about making profitable growth inherently sustainable.

3. LEADERS LACK THE KNOWLEDGE AND MOTIVATION TO CHANGE.

The inaction among business leaders and educators has two primary drivers: leaders don't know how to change, and they aren't sufficiently motivated to do so. While many business leaders and educators recognize the importance of sustainability, they simply don't know enough about it to integrate it into their business strategies and teachings, respectively. They also assume that change will lead to loss — either in costs to their business or to their institution in terms of enrollment, rankings and prestige. Business leaders and educators would benefit from a deeper understanding of the competitive advantages of instigating change — and practical steps for doing so — as well as the risks of maintaining “business as usual.”

4. CURRENTS OF POSITIVE CHANGE EXIST BUT LACK CRITICAL MASS.

Many business education programs already incorporate sustainability principles into their approach to teaching. The pace of change appears to be faster in Europe, Africa and Latin America than in the United States, with many players in emerging markets “leap-frogging” the more developed markets despite fewer resources. Still, these pockets of change have yet to reach the critical mass required to bring about a systemic shift. Many elite universities have yet to make significant changes to their core curricula.

“THERE'S A LACK OF CLARITY AROUND THE NATURE OF CHANGE REQUIRED IN BUSINESS AND THE ROLE OF LEADERS IN CATALYZING THIS CHANGE.”

This report focuses on the formal or structured educational experiences that shape leaders' mindsets, capabilities and behaviors *at the organizational level*.

When exploring how to shift leadership norms, it's important to situate these formal learning experiences within the broader landscape of influences that affect leaders in their day-to-day environments.

These influences work at three different levels: beyond-organization, organization and individual.

Historically, business education programs have focused on the organizational level. These programs are seen as the main locus of change, and a leader's role is to improve organizational performance. Today, however, the critical challenges these institutions face go beyond any single organization and require leaders to adopt a more holistic approach.

“TODAY, THE CRITICAL CHALLENGES THESE INSTITUTIONS FACE GO BEYOND ANY SINGLE ORGANIZATION AND REQUIRE LEADERS TO ADOPT A MORE **HOLISTIC APPROACH**.”

Level	Non-educational influences	Formal educational influences
Beyond-organization <i>shaping industries, sectors, the economy and/or society</i>	<ul style="list-style-type: none"> • Societal expectations • National/international laws • Industry regulations • Association standards and accreditations 	<ul style="list-style-type: none"> • Social or environmental leadership programs seeking to create societal impact, such as: <ul style="list-style-type: none"> – Cambridge Institute for Sustainability Leadership – School of System Change – On Purpose
Organization <i>shaping the systems, practices and culture within an organization</i>	<ul style="list-style-type: none"> • Organizational leaders • Competitors • Advisors (e.g., management consultants and accountants) • Success stories and role model companies (e.g., Patagonia) • Stakeholders, including suppliers and customers 	<ul style="list-style-type: none"> • Business schools, including traditional incumbents and challenger models • Corporate learning programs • Board learning and readiness programs • Alternative (e.g., massive open online courses (MOOCs) or specialist providers (e.g., agile)
Individual <i>shaping the knowledge, skills, behaviors and/or mindsets of individual leaders</i>	<ul style="list-style-type: none"> • Friendship networks • Values • Personal worldview 	<ul style="list-style-type: none"> • 1:1 coaching and mentoring • Professional peer networks (e.g., Vistage) • Individual performance management regimes, including individual goals, feedback, etc.

Source: the authors

TRENDS

It is estimated that there are about 13,000 [business schools worldwide](#). In some regions, such as [Asia](#), business schools and their signature Master of Business Administration (MBA) programs continue to grow in number and popularity. But overall global enrollment in MBAs is falling; [applications were down 3.4% last year](#).

Business schools, particularly Ivy league schools, retain enormous influence on the core concepts and practices that shape the business world. In 2021, research shows that [92%](#) of corporate recruiters planned to hire MBA graduates and [nearly 40%](#) of Fortune 500 CEOs have an MBA.

Despite graduating students who are in high demand in the corporate world, business schools face multiple challenges that are likely to prompt significant innovation over the coming years:

Student profiles, preferences and goals are shifting when it comes to business education.

Increasingly, workers are looking for flexible, life-long, interdisciplinary learning that enables them to stay relevant and advance in their chosen field, rather than expensive in-person programs that give them generalist skills.

Technological advances are challenging traditional approaches to learning.

Advances in technology, coupled with the Covid-19 pandemic, have forced universities to change their approach to learning and explore more online offerings that enable remote learning. In addition, online formats like MOOCs have given thousands of students access to the courses of elite universities, challenging the traditional business model of higher education institutions. Exponential developments in artificial intelligence (AI) are fast rendering traditional forms of learning measurement obsolete. AI can now be used to both manufacture and assess written essays. One academic said he was receiving regular emails from companies offering to use the technology to grade his students' assignments. These developments pose serious questions about the format, methods and measurement of learning in academic institutions.

There is increased competition and diversification in the field.

A growing number of alternative MBA programs are now available. [Quantic](#), a fully online accredited business

school, offers a traditional MBA curriculum for a fraction of the price of traditional universities. Other programs, like [ThePowerMBA](#), aim to disrupt traditional MBAs. These programs are not yet seen as having the same prestige as incumbents but could present increasing competition in future.

Enrollment is declining globally.

Although enrollment is down globally, the top 10 business schools have managed to maintain their popularity in recent years (though many saw a [double-digit decline](#) in applications in 2023). In 2019, they accounted for [36% of MBA enrollment](#) in the United States, thanks to their historic brand value. However, schools ranked 21st to 50th have seen their full-time MBA enrollment decline by 36% since 2002.

BARRIERS TO CHANGE

The above trends, coupled with the urgency of today's global challenges, demonstrate that business schools are, in the words of one sustainability leader, facing a "Kodak moment." Social and environmental issues are not only influencing students' expectations, they are directly affecting businesses, whose bottom lines are adversely impacted by the effects of extreme weather and supply chain shortages. The need for specialized expertise in this area is growing, and business schools are in pole position to provide it.

While some business schools, particularly in Europe and Africa, are responding with new thinking around business purpose, models and leadership, this isn't the case with others. According to one academic, curricula in many business schools in the United States are "ossified" and [struggling to integrate sustainability-related content](#). There are a number of reasons for this:

The complexity of power dynamics within business schools hinders change.

Many interviewees said that even if deans and university presidents want to make progressive change in their institutions, they're hampered by internal governance structures. Publicly-owned business schools are run by the "senate," a professorial body that holds much of the decision-making power. It's difficult for a dean to "impose change...against the will of their colleagues," said one former dean.

Faculty lack the incentives and knowledge to change the curriculum.

The tenure system in universities rewards academics

who publish in prestigious journals rather than those who excel at teaching, which means there's little incentive to make changes to curricula. "Teaching is not in the reward system," said one academic. "The effort to redo the curriculum would be enormous and [all] you're going to get is an 'attaboy'" — pointing to the fact that those who make the effort receive nominal recognition rather than meaningful rewards. Academics are therefore unlikely to invest the time revising their teaching approach because doing so takes away from their capacity to pursue research. Another barrier to change, said many interviewees: faculty members aren't integrating sustainability into their curricula because they don't know enough about it. "It would require [faculty] to embrace new skills and disciplines that they're unfamiliar with and rightly nervous about stepping into," said one academic.

A lack of widely agreed alternatives to economic orthodoxy slows progress.

Part of what's driving this reticence among faculty is a lack of agreed alternatives to the current economic and financial orthodoxy. "There isn't a widely agreed alternative to shareholder primacy," said one academic, "[and] the unit of analysis is still the firm rather than the wider world."

Rankings are "a tremendous force that stifles innovation."

Every academic interviewed for this report said rankings are a driver of conservatism and uniformity across business school curricula. "If the school drops in the rankings, [the dean] is going to lose their job, it's that simple," said one academic. The criteria used in rankings, specifically on the percentage increase in graduates' salaries, skews decisions about what to teach and whom to admit. However, it's worth noting that [INSEAD has recently integrated sustainability](#) into its core MBA curriculum — an indication that its leadership sees this as a positive differentiator rather than a threat to their position.

Commercial drivers influence the mindset and choices of both students and business schools.

"Business schools are typically the cash cows of the university," according to one academic; they charge high fees and ensure high enrollment. Correspondingly, many students attend business school — and pay the high fees — with the expectation that they'll land a prestigious and lucrative position afterwards. As one Wharton graduate said, this is what many students set out to do by going to business school. These commercial incentives make

it difficult for students and business schools alike to pursue alternative paths. As one interviewee said, "If part of what constitutes a good business school is how they funnel [students] into high-paying jobs on Wall Street, you can't work on more progressive global change efforts."

OPPORTUNITIES FOR ACTION

While these barriers are significant, they point to clear opportunities for action. As mentioned in the introduction, the interplay between the different incentives driving decision-making in business schools means that engaging a broad coalition of actors to tackle them systemically is crucial. That said, taking action in the following areas could make a sizeable impact in the field:

Facilitate collective learning on how to make sustainable business a reality.

One of the key barriers to progress is simply a lack of knowledge. Academics need to better understand the impact of sustainability challenges on the future of business, the role of business in tackling them and the steps required to transform business models to make them truly sustainable.

More opportunities for collaboration and learning — across academic disciplines and alongside business leaders — are needed to catalyze a change in teaching approaches.

Convene progressive deans, faculty and business leaders to align on the leadership skills and mindsets needed to create a sustainable future.

A robust and regular dialogue between a broad coalition of business leaders and educators is needed to align on an alternative approach to developing business leaders. Taking action in collaboration with other schools would de-risk the change for any individual institution. "If I go to the dean with a new idea," shared one academic, "the first thing they'll ask is 'Are our peer schools doing it?' If the answer is no, the dean is going to say no."

In addition, gaining clarity from the business world about the expertise they require from graduates would equip business school leaders with a clear justification for investing in changes to curriculum. When Katrin Muff became dean of Business School Lausanne (BSL), she interviewed 30 CEOs about their needs. "When I had pushback from the faculty, I would say 'When did you last talk with 30 CEOs?'"

Align rankings of schools, journals and accreditation criteria with impact-driven approaches to education.

While accreditation and rankings have different aims and criteria for assessing schools, they each have a critical role in the assessment of a school's quality and desirability for students. "If you could influence the criteria that are used in the rankings...this changes not just what a few business schools can do but what they all do," said one academic. Some rankings agencies (though not all) have adjusted their rankings to focus more on impact. The *Financial Times* recently reduced its salary rating from 40% to 30% and now includes an impact score for schools. Alternative ranking systems, like the [Positive Impact Rating](#), recognize universities' efforts to take action on social and environmental issues. Accreditation bodies are also [following suit](#). The challenge is in finding impact-related criteria that can be quantitatively assessed and benchmarked.

Fund chairs and institutes with a specific focus on sustainable business.

Private donations, non-profit funding and partnerships with the business world have enabled the creation of alternative tenure tracks and institutions that specialize in sustainable business practice. Examples of this growing trend include the Erb Institute for Global Sustainable Enterprise at the University of Michigan, the FUTURE Institute for Sustainable Transformation at the European School of Management and Technology and the Center for Sustainable Enterprise at the University of North Carolina's Kenan-Flagler Business School.

Define new recruitment criteria that demand new skills from graduates.

Changing recruitment criteria and creating more job opportunities that demand sustainability knowledge and skills could be a powerful lever for change. Creating the demand in the job market could influence rankings and students' choice of MBA — and, ultimately, the curriculum choices of business schools.



“ CREATING MORE JOB OPPORTUNITIES THAT DEMAND SUSTAINABILITY KNOWLEDGE AND SKILLS COULD BE A POWERFUL LEVER FOR CHANGE..

TRENDS

The corporate leadership development space is vast, estimated to be worth about **\$366 billion a year**. It's made up of both in-house teams dedicated to executive and manager development and external providers. Thousands of leadership development providers worldwide take differing approaches, ranging from programs offered by big consultancies (e.g., Accenture) to specialized agencies (e.g., NeuroLeadership Institute) to modular, skills-based platforms (e.g., MindGym). Many business schools also offer executive education courses and executive MBAs targeted at working professionals.

Traditional in-person programs are being challenged by AI-enabled platforms.

AI-powered platforms are designed to provide personalized, just-in-time learning that evolves with the needs of the individual by curating content from existing online resources.

The dawn of the "skills-based" organization is upon us. Employer demand for "agility" and "resilience" skills is rising.

The focus on rigid job descriptions (rather than skills) is hampering the ability of organizations to adapt to ever-shifting market and technological landscapes. Leaders are now **expected** to identify, analyze and assess skills to ensure they hire, upskill and reskill people effectively. Agility and resilience are now **one of the most sought-after skills** in the marketplace, reflecting the increased economic disruption and uncertainty businesses are facing. "Agile is a hot topic," shared one senior consultant. "It's evolved from the need to be agile to enterprise-wide agility."

BARRIERS TO CHANGE

Inclusion, in the form of diversity, equity and inclusion (DEI) initiatives, is high on the agenda of corporate human resources (HR) executives and leadership development practitioners. Companies worldwide have spent an **estimated \$7.5 billion** on DEI-related efforts in 2020 — a figure projected to more than double by 2026.

However, that's not the case with sustainability in leadership development. There are indications of a growth in demand, judging by the increasing number of specialist agencies, like the School of System Change and courses offered by universities (e.g., Cambridge Institute for Sustainability Leadership) and large



LEADERSHIP DEVELOPMENT PROGRAMS AND TEAMS EXIST TO SERVE THE NEEDS OF THE BUSINESS. WITHOUT A CLEAR DEMAND FOR CHANGE FROM BUSINESS LEADERS, IT'S UNLIKELY THEY'LL CHANGE THEIR APPROACH.

consultancies (e.g., Accenture).

While evidence in this area is lacking, it would be reasonable to assume that the majority of leadership development providers are focused on management and leadership skills that drive organizational performance. Leadership development professionals interviewed for this report said that the business leaders with whom they work are not asking for the integration of sustainability principles into their approach to leadership development. "Most leaders I work with don't ever talk about that," said one practitioner. "Leaders are so pressured right now. All they care about is 'How do I survive this and continue to make a profit?'"

Ultimately, leadership development programs and teams exist to serve the needs of the business. Without a clear demand for change from business leaders, it's unlikely they'll change their approach.

This is not yet happening for a number of reasons:

Some leaders still see sustainable and inclusive business practices as a luxury they cannot afford.

An unprecedented number of businesses have made commitments to sustainability and inclusion and perceive these commitments as a brand differentiator

among consumers and potential talent. Still, many leaders, especially in smaller companies, see it as a luxury they cannot afford.

According to one senior HR professional at a tech startup: "We can't do anything in the world if we run out of money. Until we get our series B funding, we have to focus on being efficient and driving revenue. Anything else is a distraction and could sink us."

Economic volatility also lowers leaders' appetite for change. "In the last 6 to 12 months, people have been a lot less bold," said one practitioner. "They're thinking much more about protecting themselves."

Few leaders know how to achieve their sustainability goals.

Although 90% of business leaders say sustainability is important, many fail to back that up with clear strategies and action. According to one sustainability consultant: "Companies are making pledges and commitments but most do not have a viable plan on how to reach them. It's all completely new to them." This makes them afraid of making the changes required to fulfil those pledges. "Business transformation can feel like a warzone," said one business leader. "There can be a lot of casualties."

Strategic efforts are often siloed and don't involve HR.

Responsibility for sustainability efforts is typically given to a sustainability lead who has not had any input into overall company strategy. "I don't think sustainability leaders are awake to the idea that they have to go beyond their targets to bring the whole business along," said one practitioner.

HR could be a powerful enabler of organizational and leadership transformation, but nearly a third of HR leaders don't fully understand their company's strategy. As a result, they're not integrating these strategic shifts into the way they define the role of leaders, the competencies they require and their promotion and recruitment criteria.

OPPORTUNITIES FOR ACTION

Create opportunities for leaders to examine their personal purpose.

Research shows that leaders who make sustainability and inclusion core to their mission have first established an emotional connection and commitment to the work. As evidenced by the efforts of organizations like Leaders' Quest, creating moments of profound personal insight and emotional connection can prompt leaders to re-examine their personal purpose and the mission of their organization.

Clarify the future of business success and the benefits of making a change.

"It's not only about what we can do with our current business to solve the problem but also how we fundamentally rethink what business success looks like," said one sustainability leader. Business leaders (and those that develop them) need to reimagine what success looks like for their organization in a sustainable and inclusive future. At the same time, they need to understand the commercial risks and benefits to their businesses today. As one practitioner said, "It's very difficult to win an argument when you're not connecting it to business performance."

Use compelling stories to demonstrate practical change.

"If an executive team hears from a group of leaders who can talk about what they've done, what they've learned, and the results it's driven, they're much more likely to engage," affirmed one consultant. Leaders need concrete examples of how others have made the change to better understand how to make it happen in their organizations.

Equip business, sustainability and HR leaders with the skills to work in an integrated way within and beyond their organizations.

Sustainability leaders need better tools to make sense of the complexity of the challenges they face and the skills needed to tackle them (both within and beyond their organizations). In particular, they need to work more closely with HR leaders who can help to facilitate the organizational transformation and development of the leadership competencies required.

TRENDS

A company's board can be a crucial enabler of the adoption of sustainable and inclusive business practices. According to one leader: "If you don't change the board, the company can't change. There are plenty of examples of CEOs who were fired for trying to change too much." Overseeing an organization's sustainability commitments and strategy is increasingly recognized as a core part of the board's responsibilities. [Fifty-four percent of FTSE 100 companies](#) now have a sustainability committee at board level; however, many boards still lag behind in their efforts to bring about real change.

An increasing number of board education providers include a focus on sustainability. Examples include [Cambridge Institute for Sustainable Leadership](#), [Trinity Business School](#), [Earth on Board](#) and [Competent Boards](#). According to one academic: "There is a growing break between the approach to governance in Europe and North America. If you look at governance programs in the United States, you'll see the primacy of compensation, profit and financial mastery as skill sets for the board. In Europe, we don't shirk from that, but it's coupled with what we call stewardship."

BARRIERS TO CHANGE

Barriers to change for boards largely mirror the barriers to change for business schools and corporate leadership development. Few board programs focus on sustainability because the demand from business is insufficient. This is due to a number of factors:

Boards don't pay sufficient attention to sustainability issues and are not keeping up with the pace of regulatory change.

Boards are [struggling to keep up](#) with the fast-changing regulatory and compliance landscape and have little time to reflect strategically on how these changes will affect the future of the businesses they oversee. In a recent survey, [71% of executives](#) said their boards didn't spend sufficient time on sustainability issues. The same survey revealed that board members' perspectives on sustainability issues may be misaligned with the priorities of the executives they serve. Only 11% of directors said sustainability expertise is very important to the boards' effectiveness.

Boards lack sustainability knowledge and expertise.

[Research](#) conducted by PwC in 2021 revealed that many boards lack sufficient understanding of sustainability issues. They found that only 12% of executives rated their boards' understanding of ESG-related risks "very well."

Boards lack diversity.

Greater [diversity of thought](#) is needed on boards to help them navigate the disruptive change posed by social and environmental challenges. [Only 20%](#) of executives believe their boards are diverse enough.

“ IF YOU LOOK AT GOVERNANCE PROGRAMS IN THE UNITED STATES, YOU'LL SEE THE PRIMACY OF COMPENSATION, PROFIT AND FINANCIAL MASTERY AS SKILL SETS FOR THE BOARD. IN EUROPE, WE DON'T SHIRK FROM THAT, BUT IT'S COUPLED WITH WHAT WE CALL STEWARDSHIP. ”

OPPORTUNITIES FOR ACTION

Educate boards on sustainability issues and the risks of inaction.

One of the biggest barriers to change is the lack of expertise on boards. Educating board members on sustainability issues is a vital first step in catalyzing wider action.

If board members better understood the risks to the long-term success of the businesses they oversee and their personal liability in mitigating those risks, they would be more likely to change. Equally, they would benefit from greater awareness of the untapped business opportunities in solving sustainability-related problems.

Make boards more aware of regulatory changes on sustainability.

Regulatory frameworks are bringing sustainability reporting in line with financial reporting, with the signing of the 2015 Paris Climate Agreement and the introduction of the [EU Corporate Sustainability Reporting Directive](#) in 2024. "If you look at the legal duties of a board, you will find that it has no choice [but to change]," shared one expert. [Some boards are already being sued](#) for flawed climate strategies, on the basis that they fail to ensure long-term business sustainability.

Build more diverse boards.

Bringing in more diverse board members with sustainability expertise and a genuine commitment to change could help to catalyze action. Some boards now have a sustainability committee, but these bodies have [limited impact](#) if sustainability goals are not integrated into the core business strategy.

Leverage investor pressure to convince boards.

Many boards are responding to moves from investors to take sustainability more seriously in their investing decisions. More than half of investors plan to [increase their ESG-related investments](#) in 2024, according to research from deVere Group. In addition, recent [research](#) by Amazon has shown that more than half of UK investors have declined a startup investment opportunity in the last 12 months due to concerns about a company's sustainability credentials.



Many incentives conspire to prevent change, but three issues stand out as clear obstacles to action: 1) lack of clarity and alignment around the change required; 2) lack of knowledge around the implications of sustainability for business and the steps needed to transform organizations and leadership to support a more sustainable way of doing business; and 3) fear of change due to the assumption that it will result in new costs rather than benefits.

As a result, business educators are not integrating sustainable business practice into their leadership development efforts. The following calls to actions for transforming business education reflect this report's core findings and address aforementioned obstacles:

A. BREAK THE CRISIS OF CONFORMITY BY CATALYZING COLLECTIVE ACTION

Many incentives work together in business and business education to reinforce the status quo. Therefore, it is vital to convene stakeholders from across the system to work collectively to change it. Creating truly diverse coalitions that bring together business leaders and educators with students and experts from other disciplines will be critical for building the alignment, shared commitment and courage necessary to change.

Potential action: *Convene business leaders and educators to commit to developing and recruiting MBA graduates who understand sustainable and inclusive enterprise.*

B. CO-DEFINE NEW VISIONS OF BUSINESS SUCCESS WHILE WORKING WITHIN THE CONSTRAINTS OF BUSINESS TODAY

Without new definitions of business success and the kind of leadership needed to achieve it, many incentives won't shift. A critical mass of business leaders and educators need to work toward new visions of business success and accompanying leadership norms, while taking into account today's business imperatives and constraints. These should be concrete and actionable so leaders can easily integrate them into their organization's mission, strategy and approach to developing leaders.

Creating a process for ongoing collective learning and dialogue among leaders is as important as the outcome. New definitions of success will need to evolve over time and keep up with the pace of change.

Potential action: *Convene business leaders and educators to align around new, concrete visions of business success in a sustainable and inclusive economy and the leadership capabilities needed to deliver them.*

“ **CREATING TRULY DIVERSE COALITIONS THAT BRING TOGETHER BUSINESS LEADERS AND EDUCATORS WITH STUDENTS AND EXPERTS FROM OTHER DISCIPLINES WILL BE CRITICAL FOR BUILDING THE ALIGNMENT, SHARED COMMITMENT AND COURAGE NECESSARY TO CHANGE.** ”

C. HELP LEADERS FIND THE COURAGE TO CHANGE AND BUILD THEIR EXPERTISE IN SUSTAINABILITY

Leaders lack the knowledge and motivation to change. Influencing leaders' motivation can be achieved by appealing to their intrinsic or extrinsic motivation. Academics interviewed for this report pointed to many extrinsic rewards that could incentivize change, including tenure tracks, job opportunities and rankings that reward a focus on sustainability. However, [research on sustainability leadership](#) shows that those who make the biggest change are often motivated by an experience that shifts their intrinsic motivation by engaging them at an emotional level and helping them reflect on their personal purpose. Creating learning experiences that educate leaders and educators on sustainability issues while prompting them to reflect on their personal purpose could be an important way to catalyze action.

Potential action: *Facilitate immersive, small-scale learning experiences with top leaders that facilitate the deeper personal shifts needed to commit to change. Share stories of change at scale.*

D. AMPLIFY THE EFFORTS OF PIONEERS AND SHARE STORIES OF CHANGE

There are currents of positive change, but they lack critical mass. Many initiatives and coalitions are already working toward positive change that can be amplified by supporting, publicizing and directly participating in their efforts.

Potential action: *Generate broader support for existing initiatives that target business schools, for example:*

- AACSB International (AACSB), a global nonprofit association, is hosting conversations with business leaders and educators on how to increase the positive impact of business schools in the coming year. It is also defining leadership competencies for societal impact in its [Accelerator process](#).
- The [Positive Impact Rating](#) is innovating new approaches to business school rankings.
- [Principles for Responsible Management Education \(PRME\)](#), a UN-supported initiative with over 800 signatory schools, aims to facilitate institutional reform in business schools to increase their focus on responsible management.

Beyond this, hundreds of businesses and business schools are already embracing new norms of leadership.

These efforts need to be nurtured and mainstreamed to achieve the change needed across the business education landscape.

CONCLUSION

Business education could be a powerful catalyst for the development and dissemination of new leadership norms that will drive the transition to an inclusive and sustainable economy.

A "crisis of conformity" exists today, but many actors and initiatives are beginning to challenge the status quo.

Coordinated and sustained efforts to accelerate these efforts are possible through significant investment; the building of coalitions for change; and the facilitation of collective commitment, learning and action.

APPENDIX A: INTERVIEWEES

The authors would like to thank all the experts who generously offered their time and insights:

Dr. Manfred Aben, Global Vice President of Science & Technology, Nutrition & Ice Cream, Unilever

Viviana Alvarez, Co-Founder and Executive Director of cDots; Board Advisor, Center for Responsible Business, Haas School of Business, University of California, Berkeley; former Head of Sustainability & Corporate Strategy, Unilever North America

Anna Birney, CEO, School of System Change

Robert Bond, Vice President of Corporate Development, Genesee and Wyoming Inc.

Stephan Chambers, Director, The Marshall Institute for Philanthropy and Social Entrepreneurship, London School of Economics

Will Day, Fellow, Cambridge Institute for Sustainability Leadership (CISL)

Dr. Giana Eckhardt, Professor of Marketing and Vice Dean, Executive Education & External Engagement, King's Business School, King's College London

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Christine Lloyd, Director, Dynamic Systems Associates

Dr. Katrin Muff, Co-Founder, Institute for Business Sustainability; Professor of Practice in Business Sustainability & Transformation, Luiss Business School

Russell Pocock, Principal Director, Leadership & Culture, Accenture

Dagmara Puddick, Former Director of Sustainability Innovation, ?Whatif! (now Accenture)

Dr. Catherine Tilley, Senior Lecturer in Business Ethics & Sustainability and Impact Director, Centre for Sustainable Business, King's College London

Halla Tómasdóttir, CEO, The B Team

Jeff Turner, Director, TFormation; former Director of International Learning & Development, Facebook

Sarah von Landsberg-Sadie, Chief People Officer, BCB Group

APPENDIX B: PRINCIPAL REPORTS REFERENCED

- [Business Schools and the Public Good](#), Chartered Association of Business Schools Taskforce Report (June 2021)
- [Annual Membership Survey 2022: Results](#), Chartered Association of Business School (November 2022)
- [Reimagining Business Education: A World of Ideas](#), Boston University Questrom School of Business (2015)
- [Application Trends Survey 2022: Deans Summary](#), Graduate Management Admission Council (2022)
- [2021 Business School Data Guide](#), Association to Advance Collegiate Schools of Business (October 2021)
- [Emerging Trends in Business School Education](#), Salesforce.org (2022)
- [Business Education Trend Report](#), Barco (November 2022)
- [2021 Corporate Recruiters Survey: Demand of Graduate Management Talent](#), Graduate Management Admission Council (June 2021)
- [The European double up: A twin strategy that will strengthen competitiveness](#), Accenture (2020)
- [L&D Challenges, Life-Centered Solutions: Transforming Business & Unlocking Human Potential](#), Sweetrush (2022)
- [Businesses need to close the gap between ESG sentiment and activity](#), Cognizant (July 2022)
- [Leadership for the Decade of Action](#), United Nations Global Compact-Russell Reynolds Associates (June 2020)
- [HR's role in developing leaders for a sustainable future](#), Professor Matt Gitsham writing for Unleash (July 2023)
- [Board Effectiveness: A Survey of the C-Suite](#), PwC (May 2023)
- [Directors Can Up Their Game on Environmental, Social and Governance Issues: The BCG-INSEAD Board ESG Pulse Check](#), BCG & INSEAD: The Corporate Governance Centre (March 2022)

APPENDIX C:

EXAMPLES OF INNOVATIVE PROGRAMS

1. Antioch University New England (AUNE) School of Management (United States): The MBA in Sustainability is an integrated program that focuses on producing socially conscious business leaders.
2. Yale School of Management (United States): The MBA curriculum includes sustainability and social impact across all aspects of business education. The Program on Social Enterprise and Business & Environment Club offer opportunities for students interested in these areas.
3. Presidio Graduate School (United States): The MBA in Sustainable Solutions integrates sustainability and social justice practices.
4. King's College London (United Kingdom): The MBA and Executive MBA place an emphasis on responsible business. Courses include "Purposeful Leadership," "Environment, Society and Governance," and "Innovation for Impact."
5. Business School Lausanne (Switzerland): MBA in Sustainable Business
6. Lahore University of Management Sciences (Pakistan): The university ensures low-income Pakistanis can attend and has a program that places students in local villages to develop a better understanding of the challenges faced by people in poverty.
7. College of Global Futures and Thunderbird School of Global Management at Arizona State University (United States): The Master of Science in Leadership (MSL) in Sustainability Leadership is an interdisciplinary programs that equip leaders across sectors to advance inclusive and sustainable prosperity worldwide.