

South African business schools pioneering innovative social responsibility in MBAs

With social responsibility becoming a mainstream business reality, many business schools are beginning to include programmes specifically designed to equip students with the skills, and networks they need to tackle the complex social and economic realities of today.

Nowhere is this more evident than in South Africa, an emerging market that faces a multitude of social and economic challenges, but exciting opportunities for new solutions and growth. When it comes to corporate social responsibility and social entrepreneurship, South African business schools are charting the way forward.

“Globalisation has led to a rethinking of the relationship between business and society, introducing the idea that businesses have social responsibilities that go well beyond paying taxes and operating within the law,” says Director at Teaching and Learning Development at Milpark Business School in Johannesburg, Dr Japie Heydenrych. “The MBA’s responsiveness to business needs has been broadened to encompass the education and training of managers in issues such as social justice, sustainable economics, and citizenship. This introduces the opportunity for management education to contribute not only to the education of new managers but also to the shaping of society.”

For prospective students, South African business schools offer cutting edge MBA courses that incorporate sustainability into different courses and electives.

“Rather than a bolt-on approach, the challenge has been to embed sustainability into the entire MBA programme - a build-in perspective,” says senior lecturer in sustainability at Rhodes Business School, Leticia Greyling. “We’ve found innovative ways to bring the real world into the class room by incorporating sustainability principles into traditional MBA subjects such as economics, strategy, and marketing.”

She says some South African business schools have had to be ahead of the pack, because organisations across the public and private spheres are dealing with real life development challenges and require managers who are able to operate in this challenging environment.

Many of the 18 business schools belonging to SABSA have revised their MBA structure to include either elective or integrated modules to empower students to understand the influence and impact of business enterprises and their responsibilities. In line with the Principles for Responsible Management Education (PRME) initiative, these schools aim to champion responsible management education, research and thought leadership.

“The global financial crisis of 2008 highlighted an apparent lack of ethics and leadership in business and its consequences,” says Dr Heydenrych. “Students need to examine the social, ethical and environmental issues faced by business and other organisations.”

Business with a social edge

A growing trend in driving sustainability in MBAs is the development of courses that draw not only on core business management skills, but also those traditionally associated with the non-profit sector. A focus on social entrepreneurship is a way for schools to explore innovative solutions to social problems.

While business entrepreneurs measure performance in profit and return, social entrepreneurs also take into account a positive return to society. Social entrepreneurship typically

further broad social, cultural, and environmental goals and cuts across sectors and disciplines - whether it's education, health, environment, economic development or agriculture.

Students conducting research on sustainability topics can help create opportunities for viable and sustainable businesses, which create jobs and contribute to national growth. New fields are emerging - such as the growing market for recycled products, microfinance, social innovation, affordable telecommunications and local food systems.

"In the face of inequality, environmental degradation, diminishing natural resources and social injustice, we want to ensure that future leaders are given the right tools and insights to develop sustainable businesses," says Director of the University of Cape Town's Graduate School of Business (GSB) Bertha Centre for Social Innovation and Entrepreneurship, Dr François Bonnici.

The 'learning laboratory' approach as part of the curriculum is a novel way to equip students with the skills to pursue social and environmental ventures in emerging markets. It aims to strengthen and contextualise personal and professional visions of transformation and inclusion and teaches students with a broad set of capabilities to be effective social innovators and entrepreneurs across all sectors.

"The aim is to support individuals who want to apply their talent, as well as creative and business thinking to the way the world is run," says Dr Bonnici.

MBA students in South Africa tackle a variety of issues, such as changing business models to include social issues; researching how economic policies across Africa can include local content to ensure their sustainability over the longer term; and challenging traditional methods of financing to find new and innovative ways to provide access to finance for young entrepreneurs.

While textbooks and local journals often lack focus on, and research in, the sustainability field in many MBA subjects, Greyling says the strength of South African MBA courses in this field is that there is no shortage of real life case studies to contextualise academic learning.

"As a society we are dealing with HIV/Aids, inequality, gender issues, joblessness and threatened biodiversity on a daily basis," she adds. "This adds opportunity to strengthen academic learnings with the practical."

An example is the relationship between HIV/Aids and productivity on South African mines - students are able to use first-hand experience to bolster their research.

To complete other electives, such as marketing, students may be required to go into the community and develop a marketing plan for a non-governmental organisation or small business

"It's about applying practical, innovative and sustainable approaches to benefit society in general, with an emphasis on those who are marginalised and poor - the aim is inclusive growth," adds Greyling. "This is what we mean when we talk about integrating sustainability into everything we do."

Responsible leadership

There has been a shift in MBA thinking to train future managers who not only have the skill to make sound financial decisions, but are able to infuse their decision-making processes with values that extend beyond commercial concerns.

“Understanding different models of leadership is critical,” says Greyling. “Students are asked to work together to develop a set of values and understand how this impacts their decisions.”

Dr Heydenrych says students who are exposed to the philosophies on moral ethics are better able to develop the skills to identify and manage issues related to ethical practice and decision making and practice good corporate governance: “These students will go out into the world and make a positive difference - which ultimately, as management educators is our goal.”

At the forefront

The Johannesburg Stock Exchange was the first stock exchange globally to make financial and non-financial reporting mandatory. The King III Report and Code on Corporate Governance for South Africa was effective from 1 March 2010 and applies to all entities regardless of the manner of incorporation.

Complying with these regulations on an ‘apply or explain’ basis puts the South African commercial sector ahead of their international competitors when it comes to implementing sustainability principles on a day-to-day basis.

“We’ve long since moved on from seeing environmental issues as the most important part of sustainability or ‘triple bottom line’ reporting,” says Greyling. “People and community engagement has become an integral part of the way South African companies conduct their business.”

Even the South African executive education system requires community engagement as one of four main pillars to be incorporated in their curricula, in addition to teaching, learning and research.

“South Africa offers MBA students a dynamic environment in which to learn, rich and colourful discussions with a variety of different viewpoints and perspectives and unique interaction with external opportunities for learning,” she adds.

For schools looking to embed sustainability into their curricula, it’s clear that sustainability needs to permeate not only the thinking and reasoning of the school’s faculty and administrative staff, but also their actions.

“Even in dedicated sustainability courses, business academics cannot merely pay lip service to sustainability principles,” Dr Heydenrych explains. “If business schools are to be successful in developing their students in these areas, they will have to walk the talk.”

Curricula and syllabi should be subjected to critical review and sustainability incorporated in such a way that it spans across all study disciplines. Business schools should also do global benchmarking and best-practice research as part of the review process to ensure relevance and pragmatism.

“Sustainability is part of a growing demand from prospective students as well as from businesses out there,” adds Dr Heydenrych.

He says embedding sustainability into management education requires an integrated platform that threads together teaching, field work and design thinking. Throughout the process, students' learning and development is supported by expert and practitioner colloquiums, group work and individual tutorials with faculty members.

Says Dr Bonnici: "The challenges of today call for business and entrepreneurship to be more inclusive and equitable, yet still drive job creation. We also know we need creative and innovative solutions in the non-profit and public sectors to be more efficient and human-centred in how they deliver services to those who need it most."

Sustainability goes significantly beyond the reduction of negative externalities and negative social and environmental effects), and into the realm of positive impacts created by business, civil society and public sector through collaboration and innovation

Students on South African MBA programmes are ideally placed to develop the insights and capabilities to build better organisations that have a positive social and environmental impact on the world.

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