

Transforming business education for sustainability:

The case for paradigm shifts in pedagogy and theory

Position paper

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Acknowledgement

This paper was written by the guest editors of the forthcoming ABIS Special Issue on Best Sustainability Teaching Practices:

- **Satu Teerikangas**, Professor of Management and Organization, Turku School of Economics, University of Turku
- **Mollie Painter**, Professor of Ethics and Organization, Nottingham Business School, Nottingham Trent University
- **Ivo Matser**, Chief Executive Officer, ABIS - The Academy of Business in Society

with the contribution of **Katarina Haluskova**, Project Communications Specialist, and **Karolina Sobczak**, Knowledge Manager at ABIS.

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About ABIS

ABIS - The Academy of Business in Society is a business-academic network working to advance the role of business in society through research and education. Our ambition is to make a significant contribution to the debate and the practice involved in equipping current and future business leaders with the knowledge, skills and capabilities for the long-term success of business in society.





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Background

Over the last few years we have seen many new initiatives, positive trends and progress in responsible management education. The number of core courses that integrate sustainability content has been increasing, alongside published sustainability-related research from business schools and faculty. New academic journals devoted to addressing societal, economic and environmental challenges through research have been created. Business schools have started to include youth perspectives by integrating more participatory and collaborative learning, engaging them in systemic and futures thinking and developing student agency.

In the European context, there are new policies emerging to advance learning for environmental sustainability in order for learners to develop the knowledge, skills and attitudes to live more sustainably, embrace healthier lifestyles and contribute – both individually and collectively – to the green transition. It is also not a surprise that 2022 has been designated the European Year of Youth by the European Commission, as the engagement and participation of all young people, including in shaping education, is needed to build a better, greener, more inclusive and digital future.

Despite these positive changes, there is a continuous call from ABIS - The Academy of Business in Society's business-academic network to fully integrate sustainability across all business school curricula and make best practices and quality teaching resources widely accessible in order to be able to face current challenges. There is a need for innovative, dialectical learning interventions allowing practice-driven experimentation and developing actionable embodied wisdom needed to address the environmental and socio-economic challenges we are facing.

The drastic changes have been experiencing with Covid-19, climate change, geopolitical conflicts, biodiversity crisis call for reflection and urgent changes in our economy and society. Inevitably business education is going to face a sea change to ensure a reorientation of societies towards sustainable development and that current and future leaders will be a force for good.

The ABIS mission to contribute to the debate and practice in equipping leaders with knowledge and skills for the success of business in society is more relevant than ever. The questions that the educators must ask is – what truly is the role of management education in securing sustainable futures? What new mindset and competences must we develop and ignite? How can business schools become learning organisations to navigate these new waters? How can business schools lead this change societally and across businesses, around the world?

ABIS' work in the field of business education for sustainability has been ongoing with projects such as Mapping of Innovative Pedagogies to Integrate Corporate Responsibility into the Business School Curriculum (Coughlan, 2008) and the ABIS Education Initiative (2016) which aimed to strengthen the exchange of institutional innovation and drive change in business schools. Most recently, ABIS convened its 19th Annual Colloquium (2020) "Coming full circle? Sustainability and future-proof global recovery" and its Knowledge Into Action Festival in 2021, where sustainability change agents from business, academia and NGOs harnessed the change possibilities and committed to action and innovation for more sustainable futures.

In light of the upcoming Knowledge Into Action Forum, explicitly delving deeper into "Futures of Business Education", the ABIS team and the guest editors of the forthcoming Special Issue on "Best Sustainability Teaching Practices" reflected on how business schools need to take responsibility for the mindsets, frameworks and management theories they teach and to transform their practices, curricula and research.

In this position paper, the authors focus on and summarize important bodies of literature calling for the creation of sustainable mindsets and advocate for both pedagogical transformation and a reconsideration of the theoretical underpinnings in business education. The hope is for business schools to take true leadership toward sustainability transitions.

It is well known that businesses across sectors bear responsibility for the dire state of our environmental ecosystems, be it via resource extraction, energy usage, pollution, but also by luring, if not trapping consumers into a seemingly appealing consumer-oriented lifestyle. Unless mediated by national political agendas, profit-maximisation and economic growth-oriented paradigms favour the wealthy at the expense of the less privileged, leading further to social and economic inequality.

The responsibility of business schools lies in taking ownership of the mindset, assumptions, frameworks and theories taught to future and current leaders, studying across the world's business schools. The question is – are business schools ready for not only participating in the education of future leaders, but further, for taking leadership of the global transformation needed to secure the sustainable future of the planet? Addressing grand challenges calls for recognizing the role of business schools creating and maintaining the vicious circle of environmental degradation coupled with social and economic inequality. The awareness of the need for change is widespread, but the shift from profit maximisation to the betterment of society is still not reflected in many business education textbooks and pedagogies, as well as in the dominant management and economic theories.

Faced with ecological and potential societal collapse, business schools need to do more.

Literatures informing a Sustainability 3.0 'mindset'

The call for innovative pedagogical approaches towards the creation of sustainable mindsets is by no means a new one. For decades authors have been acknowledging the fact that typical educational models focused on the cerebral transfer of knowledge or information cannot accomplish changes in mindset, nor can they foster sustainable action in business. For example, very early on Hines et al. (1986:87) called for the development of action skills in order to further sustainability in business organisations. Shephard and Furnari (2012) stressed the importance of education for sustainability, challenging students to develop skills that draw on their own fields of speciality to make sustainability a real possibility in everyday business practice. In calling for the development of 'reflective executives' De Dea Roglio and Light (2009: 159) called for 1) connective thinking; 2) critical thinking, and 3) personal thinking.

What seems to be needed to successfully develop these elements is a complete rearticulation of what is meant by 'mindset' in the first place. A number of important literatures offer important perspectives that stimulate new pedagogical approaches for the development of sustainability mindsets. Systems thinking, with links to complexity science, has played a central role in helping us understand the interconnectedness between human beings and the planet, i.e. all animate and inanimate entities and forces. In organisation studies and business ethics, process philosophies have emerged as an important force in understanding not just what is the case at a specific juncture, but what is always in the process of becoming.

This acknowledgement of the importance of what unfolds in and through time, is crucial for sustainability thinking and action. Another important perspective is found in the ethics-as-practice literature, with its emphasis on agents' embeddedness in practice and practice-based embodied experimentation. Embracing ethics as practice means shirking the prevalent dualistic view that ethics operate in a sphere distinct from practice, and then has to be applied to practice.

Systems thinking is widely acknowledged as one of the major building blocks of sustainable thinking (Stibbe 2009; Clayton and Radcliffe 1996). As early as 2000, scholars such as Collier and Esteban argued that post-industrial organisations can be described as "complex adaptive systems", characterized by multiple interconnecting relationships, unpredictability and incessant, fast-paced change. Non-linearity and asymmetry are preconditions of complexity (Cilliers 1998:120), making it difficult, if not impossible, to manage complex systems hierarchically or to achieve systemic change by working in silos. Any 'order' that may be discerned within complex systems consists of patterns emerging through the interactions of multiple, interconnected agents. In meeting the 17 Sustainable Development Goals, it is important that the intersectionality that lies at the heart of sustainability challenges is acknowledged and that pedagogical approaches embrace interdisciplinarity, and steer clear of theory-practice divides.

The focus on theoretical rigour has led business schools to become preoccupied with developing their 'scientific' credentials. The result is that for many decades, management education shirked its vocational calling, its commitment to character development and the art of practice. Since the 1980s, Mintzberg (2010) have been arguing that business schools' focus on disciplinary excellence and development of 'leadership' skills do not prepare students with the perspectives they need to navigate the world of management practice. As a result, the second Carnegie 2011 Report called for a reintegration of humanities and liberal arts education into business school curricula (Auster and Freeman, 2013), and to re-establish business schools' connection with practice. There have been a series of proposals around how practice-driven learning may take place. Starkey and Tempest (2009, p. 578-583) argue for the development of narrative imagination via dramatic rehearsals that engage with past, present and future and are actively engaged with others in seeking new interpretations. The argument is that certain practices such as art and theatre lend themselves to such imaginative rehearsals that are necessary to develop 'metis', and that this merits the inclusion of artistic practices in management education.

Finding our way out of impasses that sustainability confronts us with requires creative improvisation and experimentation, which is an embodied capacity. It can be described as metis. Metis is an internalised coping capability involving memory without language, a form of

unreflective practical knowledge combining intuition, foresight, feint and a sense of opportunism (Chia & Holt, 2009, p. 192). It is towards developing this embodied capacity that pedagogical innovation must be directed, and this also calls for new theorization.

From pedagogical innovation to transformation... or revolution?!

The papers included in the upcoming ABIS Special Issue provide signs that, across the globe's business schools, pedagogical innovation is taking place. They advocate for innovative teaching approaches and methods such as experiential learning, enquiry- and problem-based learning, project-based learning, service-based learning, and combining case study methods with debating. Increasingly, it is also recognized that traditional one-directional teaching methods do not provide the leverage and understanding needed to address sustainability challenges. Cognitive skills and subject-matter knowledge are extremely valuable, yet there are other skills to be nurtured to address sustainability challenges through participative, collaborative and more entrepreneurial learning, reflecting what is needed in future business practice and what is demanded from younger generations.

Therefore, there is a need for a pedagogical paradigm shift in business schools. Examples of such a paradigm shift are the application of systems and integrative thinking, liberal arts and interdisciplinary learning in business school settings, be it in curriculum development or executive education settings, all the while co-creating curricula with external stakeholders. Tackling complex problems via creative solutions is known to require diverse teams, hence solving grand challenges requires diversity, i.e. the broad scale involvement of stakeholders.

The urgency of the matter as well as the ability of higher educational institutions to address sustainability challenges are called into question. Are business schools ready to embrace the needed pedagogical innovation?

While it can occur within a course, ideally it would cut across the business schools curricula, from under- and postgraduate to include executive education in its many forms. Yet, there are organisational barriers in business schools hindering the application of innovative teaching methods with root causes relating to senior management mindsets and perspectives as well as current institutional models.

Didactical innovation can also relate to the sought audience. Contrasting the traditional university approach, many faculty members in business schools are experimenting with different modalities of virtual, online education, such as massive online MOOC courses to reach participants beyond business schools.

This raises the question of responsibility and ethics of educators: Whose education are business schools responsible for? Faced with grand challenges needing global responses from populations across the world, can the focus of business schools remain solely on business schools' own students? The question of scaling up business school education to broader, international, and also less-privileged audiences is becoming relevant, if global actor-based responsibility is sought for. Ultimately, everyone's engagement and shifts in perspective is needed. Solving grand challenges requires everyday action, i.e. the sustainability agency of consumers, citizens and professionals, that is, each and everyone of us, in our daily roles (Teerikangas et al., 2021). This will be another paradigm shift for business schools: the change of the business model of the institution.

Management theory: from hindrance to catalyst of sustainability transformations?

Beyond pedagogical innovation, taking a closer look, the problem is deeper. Indeed, many of the root causes behind pollution, climate collapse and the biodiversity crisis can be traced back to the prevailing economic and management paradigms (Stoudt, 2012), vested with negative assumptions of self-interested human agency (Ghoshal, 2005). Solving problems using frameworks and assumptions that caused them only serves to exacerbate these problems, as is visible with respect to the continuously degrading ecological state of the world (Rockström 2009; IPCC 2022, IPBES 2019, Dasgupta, 2021). Therefore, beyond education, there is a need for paradigm-breaking research (Kuhn, 1962; Hoffman & Georg, 2018). In other words, this calls for proactive efforts for business school and management scholars, across disciplines, to engage in re-theorizing business and management paradigms and frameworks. Despite a long-standing and increasing interest in theorising at the intersections of business and the natural environment, this research is critiqued for an incremental and business-as-usual approach (Bansal & Hoffman, 2012).

Taking a critical stance, business and management research, together with the broader social sciences, have assumed a seemingly one-directional relationship between human beings, business and economic activity on one hand, and nature, biodiversity, and the natural environment on the other hand (Steffen et al., 2015). In the age of the Anthropocene, it has become a normalised business paradigm to exploit nature and natural resources for the benefit of company shareholders, in the search of increasing returns and profit margins and satisfying customer needs. In other words, nature is being exploited in a one-directional way to benefit the economic interests and a lifestyle befitting developed economies. Such exploitation can continue, as long as natural resources bear a minor, if any, price tag.

Further, while nature might have a voice, this voice is likely to be heard by humans decades or centuries later, in the form of the collapse of our local and global natural ecosystems. Thus, acts of exploiting nature bear systemic effects, the consequences of which are noticeable on a long-time horizon (Foster, 2009).

In parallel, a paradigm shift is needed with respect to technology and human resource management. Fuelled by technological development and global competition for talent and efficiency, the speed of business activity and work, across sectors, is experienced as having increased in recent decades. Ironically, economic and technological paradigms appear to have trapped contemporary professionals into a cycle of activity, the performance requirements and speed of which are spiralling. All the while, IT systems have streamlined operations across businesses, yet they have also led to mundane daily tasks being delegated to professionals across hierarchy, leading to the need to multitask between minor tasks and major demands requiring attention. Professionals, across sectors, lament increasing workloads.

At the same time, the rise and addictive characteristic of social media appears to have trapped many into a state of non-attention, or inability to pay attention (Hari, 2022), as one needs to be on many platforms simultaneously, reacting to comments and likes, while highlighting one's successes. This is the speedy and hectic environment, wherein contemporary professionals are expected to thrive in. Notwithstanding, this has led to the search for methods for super-efficiency and hyper-productivity as visible in the spread of time and mind management handbooks (Burchard, 2017). Such a lifestyle has been coined by critical scholarship as neurotic citizenship (Isin, 2004; Whitehead et al., 2017).

Notwithstanding, given the at times impossible demands set by employers and the inability of employees to regulate their wellbeing, developed societies are witnessing increasing mental health problems, including burnout, anxiety, psychosis, leading potentially to short- to long-term mental impairment. Such symptoms might also relate to individuals' concerns about the ecological state of the world. To this end, climate anxiety has been coined as the existential fear about the future of mankind, bearing particular prevalence amid global youth (Hickman et al., 2021).

Such ill-health is not only concerning from the perspective of responsibility, health and longevity, but it further might explain the limited cognitive and emotional capacity of individuals to engage in proactively addressing the world's pressing grand challenges, such as ecological collapse. Having the self-efficacy (Bandura, 1977; Bandura, 1997) and agency (Bandura, 2006) to consider grand challenges, notwithstanding one's role in addressing them, requires psychological availability (Kahn, 1990). Yet, prior research acknowledges that one's psychological availability becomes limited, when one's mind or life is absorbed beyond capacity. Put differently, our mind has only limited capacity (Baumeister & Tierney, 2011). All the while, our emotions have been found to provide a space where our thoughts are either broadening, when we engage in positive emotionality, or becoming limited, when we engage in negative emotionality (Fredrickson, 2001). When we experience stress, mental ill-health and/or climate anxiety, this is not only a cognitive impairment, it further represents an emotional impairment that subsequently limits our ability to think more broadly about the world around us. In summary, our economic make-up appears to be stymieing our ability to address the burning challenges that need to be addressed in the 2020s onward. Thus, a wake-up call is needed.

Yet, crises, when experienced constructively, do serve as turning points on one's path of personal growth and leadership development (Senge et al., 2005). There is potential in the stillness of the present moment (Scharmer, 2009; Scharmer & Kaufer, 2012) for a new type of awareness to emerge. Similarly, crises are also opportunities for business schools to transform.

Set against this background, the role of business and business schools is to educate future leaders for businesses across sectors. The question is – are business schools, inadvertently, furthering ecological collapse by at best engaging in incremental theorising toward the natural environment, coupled with similarly attuned education? This leads to asking, whether business schools have the courage to take the leadership required in the systemic transformation of societies in addressing grand challenges? As noted above, this shift is not only about teaching, it starts with research, the foci of our research, the questions we ask, the assumptions guiding our theories, the ontological and epistemological positioning of our research. Taking a step further, it starts with the surrounding research culture as well as individual researchers choosing research topics during their research careers. This means that in looking for solutions, they need to be addressed both with respect to business school and university management, as global and local institutions, as well as with respect to individual researchers, at different stages of their careers, the likes of you and I. This concerns all of us.

While calling for such research, one needs to recognize the human resource and performance management implications for business schools and the broader global institutional and competitive environment they operate in. What needs to be reconsidered are choices made with respect to job openings, recruitment, performance expectations,

the industrialised publication culture or wellbeing management, departmental atmospheres conducive to trail-blazing research while enabling well-being. In contrast to the armchair sociologists of the mid-20th century, are junior researchers and faculty provided the incentive, opportunity, time to think, to ask the right questions? Is senior faculty ready to shift research foci to address societal challenges? Is university management ready to support such transitions, if not transformations? Who is taking leadership?

Inspired by Dullick & Muff's (2015) view of degrees of sustainability for organisations, there is a need for rethinking of the meaning of business and companies, and the purpose they serve. To this end, organisations with a Sustainability 3.0 mindset exist primarily to solve grand societal challenges, instead of focusing on shareholder benefit. Such a mindset might be an option for business schools if they want to take leadership in solving the world's problems.

To this end, education reconsidering and re-theorizing our connection and dependence on nature, developing circular business models and value chains, while drawing from recent openings from positive organisational scholarship, agency, personal growth, neuroscience and mind management might offer inspiration toward a future direction and a world we can all be thriving in (Visser, 2022).

In view of the above, the authors of this position paper advocate for a systemic change in business schools, including top-down led transformation and bottom-up engagement, to educate managers and decision-makers better equipped to stand up against the challenges of our time through practice-driven experimentation and actionable embodied wisdom.

This also requires delving into the personal transformation that lies at the heart of leadership development. Therefore, in addition to teaching skills and competences, questioning and reflecting on one's values and attitudes shall be included and encouraged in business and sustainability education.

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