

A New world order is slowly beginning to emerge around us. **Matthew Gitsham, Joanne Lawrence** and **Martin Lockett** look at some of the responses we will need to develop to deal with it

Living in a new world



In boardrooms from New York to London and around the world, the pursuit of shareholder value has been a mantra for decades. Some say this unrelenting drive – with lost jobs, stagnant earnings for many and further concentration of wealth – led to middle class disillusionment with and working class alienation from existing business and political leadership. Hence, we have seen the unexpected upheavals created by Brexit in the UK, the election of Donald Trump in the US, and continuing unrest in both the developed and developing countries.

While pollsters were caught by surprise, economists would say it was just a matter of time before the unease erupted. While globalisation has benefitted many, it also leaves behind the most vulnerable within a country – the unskilled, the uneducated, the marginalised and those in industries vulnerable to globalisation. The indirect benefits of lower prices for imported goods do not help if you have lost your job.

But there have been quieter, equally determined voices seeking solutions to the stubborn issues that plague the vulnerable. These voices have understood the need – now more than ever – for goals that meet the needs of the many. This demands leaders with a holistic view of the world who seek both economic growth and social inclusion and who are able to close the gap between rich and poor and so eliminate the instability that the current pattern of growth and globalisation brings.

The UN Brundtland report on Sustainable Development was considered fringe in 1987 as was the first Rio Earth Summit held in 1992. Yet today much of this thinking has become mainstream, at least in principle, as evidenced by the number of countries signing the Paris Climate Agreement in 2015.

While targets for environmental sustainability are becoming well-known and embedded in the running of many businesses, the wider goals around sustainable development are less familiar, especially in businesses and business schools.

These objectives were brought together in the UN's Global Goals for Sustainable Development (SDGs), also agreed in 2015. The 17 goals (see Figure 1), together with 169 targets, address



Figure 1: The UN's Global Goals for Sustainable Development

topics not just around energy and climate change but across a broad range of issues from poverty and hunger through to health, gender, education, inequality and sustainable cities.

These SDGs are now rising up the agendas of business, governments and academic institutions alike. There are two reasons:

First, as more people recognise how truly interconnected and interdependent the world is the more they realise that addressing the SDGs is needed to combat the exclusion of too many people in all countries from the benefits of a changing global economy. Exclusion leads to unrest: inclusion enables stability.

Second, a tipping point is being reached in business and government thinking and a growing recognition that there are enormous business opportunities arising from the issues addressed by the SDGs.

For example, at the World Economic Forum in Davos in January 2017, the Business and Sustainable Development Commission published an analysis of the scale of the business opportunity available from addressing the SDGs. It looked at four key sector clusters: food and agriculture, cities and mobility, energy and materials, and health and well-being and found that the 60 largest opportunities from these four sector clusters could together generate business revenues and savings worth more than \$12 trillion by 2030, equivalent to 10% of forecast global GDP. The 15 largest of these opportunities account for over half of the total sum.

\$12t

The Business and Sustainable Development Commission looked at four key sector clusters: food and agriculture, cities and mobility, energy and materials, and health and well-being and found that the 60 largest opportunities from these four sector clusters could together generate business revenues and savings worth more than \$12 trillion by 2030

This scale of opportunity demands both understanding of the SDGs and the opportunities they create as well as the leadership, entrepreneurial and management capability to turn opportunity into reality. Business schools need to recognise their role in motivating and developing the ethical, holistic thinkers needed to solve the problems highlighted by the SDGs as well as realise the opportunities they create.

The UN sought to address the issue of responsible leadership when it created the UN Global Compact in 2000, a set of principles that more than 12,000 organisations have now signed up to. Business schools, too, have embraced this vision of a more sustainable and inclusive world and vowed to integrate responsible business principles into their curricula.

Collaborative initiatives such as the Principles for Responsible Management Education (PRME), the Academy of Business in Society (ABIS) and the Globally Responsible Leadership Initiative (GRLI) have made changes in behaviour imperative. This has been reinforced by changes in accreditation standards by international bodies such as EFMD and by national quality agencies in some countries (QAA's guidelines on Education for Sustainable Development in the UK, for example.)

But just agreeing with the SDGs, signing up to the Principles and showing off selected initiatives in sustainability and responsibility is not enough. To truly create ethical and holistic system thinkers, business schools need to design, develop and provide the education that such leadership requires at the very core of what they do. We need not only to support principles but also to integrate the SDGs into our curriculum and research agendas.

A key tool to help organisations internalise the SDGs is the SDG Compass. Developed through a partnership between the UN Global Compact, the World Business Council for Sustainable Development and the Global Reporting Initiative, the SDG Compass sets out a series of steps that helps companies think through how to integrate and align their strategic goals with the SDGs. It also covers how organisations can report to the rest of the world their contribution to addressing the challenges posed by the SDGs.

The SDG Compass is also a helpful tool for business schools, both internally in terms of the implications of the SDGs for us as educators of the next generation of global leaders and more



12k

The UN sought to address the issue of responsible leadership when it created the UN Global Compact in 2000, a set of principles that more than 12,000 organisations have now signed up to



“ ”

Business schools need to recognise their role in motivating and developing the ethical, holistic thinkers needed to solve the problems highlighted by the SDGs as well as realise the opportunities they create



Figure 2:
The SDG Compass



broadly in how we look at the challenges facing business to which we respond in our curricula and research.

So what steps can business schools take to integrate and align the SDGs with our mission, teaching and research?

It's a question we have asked ourselves at Hult International Business School over the past year. As a result of the recent operational merger between Hult International Business School and Ashridge – two longstanding PRME signatories – we reviewed the SDGs and asked what they might mean for us. As we debated how the combined school should be working with PRME, our detailed review of the SDGs both confirmed the importance of many of our existing activities and highlighted areas where we should be placing more emphasis.

For the SDGs, as with sustainable development more generally, our starting point was that we believe business schools have a major role to play through our influence on current and future business leaders, principally through our education and our research, as well as how we manage our own campuses and operations. This led us to focus on three areas:

- how education and research can support business and other organisations to achieve the 17 SDGs
- how we need to address the SDGs that relate specifically to business schools as educational institutions

- how business schools can contribute more widely as employers and organisations

The first issue this raises for business schools is the question of how much their education and research activity can directly or indirectly support other organisations – above all businesses – to achieve the 17 SDGs?

Where and how should SDG-related issues be embedded into different parts of the curriculum? How far do research programmes already contribute to the SDGs, and where are the opportunities for them to contribute more? What opportunities do the SDGs create for new partnerships around research and education?

For example, in marketing classes we can teach students how to apply marketing principles to improve health by changing behaviours, as Unilever has done with its handwashing campaign in India. In finance, we can introduce impact investing along with investment banking as possible career paths. In economics, we can talk about how business and governments, working together, can create the skilled workers that will be needed for businesses to realise the growth opportunities. In strategy, we can focus on the potential posed by the solving the SDGs, such as food security and climate change.

And alongside this, we can encourage an entrepreneurial, global mindset that sees business success and societal well-being as complementary rather than conflicting. We need to change both the mindset of corporate executives and private entrepreneurs as well as support a variety of alternative forms of business, including “social business” as championed by Nobel Prize winner and Hult faculty member Muhammad Yunus.

In this context, we see the global Hult Prize competition – “the planet’s largest student competition to solve the world’s toughest challenges” – playing a critical role. As well as the social enterprises it stimulates, it makes thousands of students from hundreds of universities and business schools aware of the challenges raised by the SDGs.

The second issue revealed by our review was that specific targets within SDG Goal #4 on Education have direct relevance to business schools, particularly those regarding:

- Growing the overall number of people gaining relevant skills for employment, decent work and entrepreneurship (Goal #4, Target #4.4)

- Improving access to management education for women and those with lower incomes, those with disabilities, and those from developing countries, particularly Least Developed Countries, Small Island Developing States and African countries (Goal #4, Targets #4.3, #4.5 and #4b)
- Ensuring all learners acquire the knowledge and skills needed to promote sustainable development (Goal #4, Target #4.7)

These pose questions about how we can widen access to education while maintaining its quality. In addition, they imply that we should think about expanding opportunity not just internationally but also among less advantaged groups in our societies.

The third issue our review uncovered was that business schools can also directly contribute to many of the other goals through operational and campus management. For example:

- Promote human rights, gender equality, health and well-being, and decent work for direct employees and through the supply chain (Goals #3, #5 and #8)
- Work towards eliminating carbon emissions (Goals #7 and #13)
- Improve water efficiency (Goal #6)
- Reduce waste and increase recycling rates, manage chemicals soundly (Goal #12)
- Protect, restore and promote ecosystems and biodiversity (Goal #15)
- Taking action to guard against corruption and bribery (Goal #16)

The review stimulated by the SDGs also encouraged us to continue emphasising many activities already well established at Hult and Ashridge. Given SDG target #4.7 on ensuring that all learners acquire the knowledge and skills needed to promote sustainable development and the 2014 QAA guidelines on Education for Sustainable Development, we reviewed the learning objectives of each course in each programme across Hult and Ashridge to look for specific references to ethics, responsibility and sustainability.

Our research strategy also encourages organisations to make a better contribution to the SDGs. It focuses on two “grand challenges”: “Creating Disruption” and “Transforming Behaviour”, both of which are core to achieving the SDGs. Building on the base of research



on sustainable development at both Hult and Ashridge we have ongoing research which links to several different goals:

- business models for clean technology (Goals #7 and #13)
- mindfulness, memory and sleep (Goal #3)
- women in leadership (Goal #3)
- tackling corruption (Goal #16)
- financial markets and public policy (Target #10.3)
- tackling modern slavery (Target #8.7)
- education for social entrepreneurship (Target #4.7)

Other projects are directly focused on the SDGs themselves, including a project looking at the policy advocacy activities of companies involved in helping to shape the SDGs, and a partnership with Business Fights Poverty on how companies are leading change efforts to embed the SDGs into their core business.

The main area where the SDGs raised new challenges for us was the question of not just what we teach, but who we teach. Goal #4 on education has a number of targets relating to access to education, emphasising equality of access to education for women and those with lower incomes, those with disabilities and those from developing countries.

In our 2016 PRME report, we published data on the geographical diversity of our students, many of whom came from least developed countries, small island developing states and African countries highlighted in the SDGs. We also analysed the



GLOBALLY RESPONSIBLE LEADERSHIP
INITIATIVE



Dr Anne Keränen (Martti Ahtisaari Institute, Oulu Business School, Finland) is a postdoctoral researcher and lecturer in responsible leadership, a mother of three boys and in her spare time, a keen cyclist. Anne is seen here during her recent visit to the University of Stellenbosch, a South African Partner of the GRLI, where she worked on a programme for women entrepreneurs and leadership professionals.



Be part of a pioneering movement of learning institutions, NGOs and companies committed to catalysing global responsibility in leadership and practice.

Apply online at www.grli.org or contact info@grli.org

IMPACT INITIATIVES



IN STRATEGIC PARTNERSHIP WITH



PRME 10
YEARSan initiative of the
United Nations Global CompactGLOBAL FORUM
for Responsible Management Education

2017 Global Forum for Responsible Management Education

-- 7th PRME Assembly --

18-19 July 2017

Fordham University Lincoln Center Campus
& United Nations Headquarters

New York City

**Making Global Goals Local Business:
Bringing the
Sustainable Development Goals
to Every Classroom**

Join over 300 pioneers and thought leaders of responsible management education including deans, university presidents, professors, researchers, business school accreditation bodies and students, in addition to high level guests from the United Nations, the private sector, civil society and the media.

info@unprme.org
212-907-1349
www.unprme.org/global-forum

“”

We found our review of what the SDGs mean for us as a business school to be an eye-opening and extremely worthwhile exercise. We are sharing our experience here to encourage other business schools to do the same and ask themselves the question: “What do the SDGs mean for us?”



gender balance of each programme and the proportion of students on each programme receiving financial aid. We then set ourselves a target: we would develop an overall school-wide policy and approach to encourage access to education from each of these different geographic areas and demographic groups.

In summary, we found our review of what the SDGs mean for us as a business school to be an eye-opening and extremely worthwhile exercise. We are sharing our experience here to encourage other business schools to do the same and ask themselves the question: “What do the SDGs mean for us?” Our suggested questions to help guide the conversation among administrators and faculty are:

- Who in the school knows about the SDGs and what they mean for business schools?
- What is your school doing now with regard to the SDGs – where are strengths and gaps?
- Where are the opportunities for innovation – through teaching, research and other activities – that help progress the SDGs?
- How can your school operationalise the SDGs in its own students? (for example, can it admit more women, students with disabilities, or applicants from developing countries?)
- How can your school – by its own example – advance human rights, eliminate carbon emissions and reduce waste?
- How can you talk about your school’s contribution to the SDGs in your “Sharing Information on Progress” (SIP) report, serving as an example and inspiring other schools?

Our review led to us reinforcing our commitment to the SDGs and to developing ethical business leaders and entrepreneurs who will pursue economic and social inclusion. We are proud of what we are trying to achieve at Hult, and welcome the opportunity to share our experiences and hear your ideas.

gf

ABOUT THE AUTHORS

*Matt Gitsham is Director of the Ashridge Centre for Business and Sustainability and Associate Professor of Sustainable Development at Hult International Business School
matthew.gitsham@ashridge.hult.edu*

*Joanne Lawrence is Professor of Practice in Sustainability at Hult International Business School and co-author of Globally Responsible Management: Managing According to the UN Global Compact.
joanne.lawrence@faculty.hult.edu*

*Martin Lockett is Global Dean, Academic Affairs for Hult International Business School and Ashridge and Professor of Strategic Management
martin.lockett@ashridge.hult.edu*