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Business School Students Are Putting the Planet Before Profits

MBA programs are grappling with how to teach students about climate change.

By Nick Leiber

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Bard College's Goodstein and Shaikh, a vice-president at ING Financial Services and an alumnus of Bard's MBA in Sustainability program.

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The vibe is buoyant one October morning in a co-working space in New York's Financial District. About 60 students enrolled in Bard College's MBA in Sustainability program are gathered for a long weekend of classes covering such topics as making supply chains cleaner and investment portfolios more socially responsible. They'll also hear from Bob Litterman, Goldman Sachs's former head of risk management, who will talk about the nonprofit Climate Leadership Council's plan to decarbonize the U.S. economy.

Eban Goodstein, an economist who helped launch the Bard program in 2012, says putting the planet and its inhabitants before profits "is an incredible paradigm shift" for business schools that have long trained their students to maximize shareholder value. Goodstein, who oversees Bard's sustainability graduate programs, sees the MBA as a timely alternative to conventional graduate business degrees. A growing number of students, he and other educators say, want to lead businesses committed to social or environmental missions. The point isn't to turn out sustainability specialists but leaders who've mastered business fundamentals and understand the need for sustainable practices across organizations.

Bard, which doesn't have a business school, is one of an increasing number of schools trying to meet demand for this kind of training. MIT's Sloan School of Management (No. 7 on Bloomberg Businessweek's 2019 Best B-schools ranking) offers a sustainability

certificate. Duke's Fuqua School of Business (No. 20 in the ranking), Michigan's Ross School of Business (No. 17), and Yale's School of Management (No. 14), offer dual-degree programs that cover sustainability. And more programs are adding elective courses on the topic.

Even so, says Nancy Landrum, a business management professor at Loyola University Chicago's Quinlan School of Business, the courses aren't fully preparing students for the severity of the climate crisis. Landrum, who co-authored a 2017 study of 51 colleges and universities in the U.S. that offer sustainable business courses, says most business schools haven't aligned with the scientific community about the radical measures needed to address climate change. "Academia is lagging behind in educating future business leaders," she says. (Her own institution offers a minor in sustainability management that Landrum helped create.)

There's a big difference between offering sustainability electives vs. baking the principles into every required class, according to Goodstein. Some B-schools have started "saddlebag" centers that champion sustainability, but the schools' core ideology of profit maximization remains intact, says Stu Hart, co-founder of the Sustainable Innovation MBA at the University of Vermont's Grossman School of Business. "The problem is, you can always take the saddle off the horse, and it's the same old horse," he says.

Top-tier schools are unlikely to overhaul their MBA programs because they're so successful, says Jason Jay, a senior lecturer at MIT's Sloan school who helped develop its sustainability

certificate. “We have a lot to learn from these green MBA programs,” he says, noting there’s room for multiple approaches that can respond to the kind of training and community that students want.

John McKinley, executive director of the Center for Business, Government & Society at Dartmouth’s Tuck School of Business, suggests students shouldn’t get hung up on whether the title of their degree includes sustainability. “It’s the skill set and the credibility of someone who fundamentally understands these issues that’s most attractive from an employer’s perspective vs. what the credential itself is called,” says McKinley, a founding member of asset manager BlackRock’s sustainable investment team.

Nour Shaikh, 34, enrolled in Bard’s MBA program because he wanted to see business “in a new light” after spending six years in finance jobs that “weren’t having a positive impact on the world.” The program, which he completed in 2016, exposed him to the severity of problems the planet is facing, from food scarcity to melting glaciers. “There was a bit of a shock element, but then there were also these solutions out there that I had never known existed,” he says.

Shaikh, a vice president at ING Financial Services in New York, has been applying what he learned to his work at the subsidiary of the Dutch bank ING, which describes itself as the first to commit to exiting coal. He’s a proponent of integrating sustainable practices across entire businesses. “In theory, you don’t want to have a sustainability department,” he says. “The goal should be to make sustainability part of the business model.”

The University of Vermont killed its traditional MBA program in 2012 and launched its MBA in Sustainable Innovation in 2014. Applications have been increasing 20% to 30% annually, according to Hart. He estimates that fewer than 10 schools around the world have started programs such as UVM's or Bard's. "We need to create a new category," he says. "As it is now, a program like this is still seen as a sort of idiosyncratic, little, strange thing."

INSEAD business school, based in Fontainebleau, France, revamped its curriculum in 2017, adding required courses and electives related to sustainability. "We need to change the MBA without necessarily calling it an MBA in sustainability," says INSEAD Dean Ilian Mihov. Students who go into sustainability programs are already aware of the social and environmental problems shaping the world; they self-select. It's the much larger group of students who lack that awareness that most need programs that will improve their understanding, he says.

When Natasha Mawdsley started researching graduate schools a few years ago, she wasn't interested in traditional business programs. Her goal was to acquire the business skills she lacked and deepen her expertise on climate science, a passion since childhood. For meaningful action on the climate crisis, companies need to be involved, she says, because "that's where all the money is, and that's the only way we're going to make change."

Mawdsley, 25, enrolled in a master's program in climate change, management, and finance at Imperial College Business School in London in 2017. The goal is to ensure that "the next generation of

business leaders would have the skills and the scientific knowledge to lead the transition to a zero-carbon economy,” says Mirabelle Muûls, an economics professor who directs the program.

Applications to Imperial’s program have been increasing by double digits annually since it launched in 2015. Today about 70 students are enrolled, compared with about 80 in Imperial’s full-time MBA program. After graduating in September 2018, Mawdsley started working as an associate at PricewaterhouseCoopers’s sustainability and climate change practice at its London headquarters. “At the moment, I’m in my dream job,” she says.

<https://www.bloomberg.com/news/articles/2019-11-04/more-mba-students-want-sustainability-programs>