

## 2 Corporate image Reading

# Ethical MBAs: A search for corporate social responsibility

BY PETER BROWN, TUESDAY, 6 MAY 2008

Business schools have embraced the idea of corporate social responsibility and there are many courses on offer. Several years ago, a combination of the Enron scandal and global warming shook up the business environment. Business schools started to introduce modules onto their MBA courses that looked beyond the profit motive – or, at least, recognized fresh dangers to the bottom line. Ethics began to be taken seriously. David Vogel, of the Haas School of Business at the University of California, Berkeley has called this the “market for virtue”. For the ethically-minded prospective student, it can be more like a maze. The London-based Association of MBAs (AMBA) now insists that accredited MBA programmes address social and ethical issues, but does not specify how.

## MBAs with Corporate Social Responsibility

Corporate Social Responsibility (CSR) modules come under a range of different names. Some are core courses, though most remain electives. Students, therefore, must decide what approach they feel comfortable with. Michelle Akande, 27, had no doubts. She worked for Sightsavers International, which combats blindness and promotes the rights of disabled people in developing countries, before deciding on an MBA. She opted for the MBA in corporate social responsibility at Nottingham University Business School. “What swung Nottingham for me was the

International Centre for Corporate Social Responsibility, which has a diverse range of well-known people and knowledge. The course has given me the theoretical and practical framework and the arguments to convince people that there are different ways of doing business – like more sustainable energy production.” In fact, all seven core MBA courses at Nottingham have ethics embedded into them, says Bob Berry, the programme director.

The elective in CSR goes deeper into the issues at the module stage and that is reflected in the name of the degree. Three years ago, Lancaster University Management School went a little further, converting a CSR elective into a global society and responsible management module, which all MBA students must take in the second term. At Warwick Business School, on the other hand, the Corporate Citizenship module is still an elective – but lectures are always packed, says Professor David Wilson, deputy dean.

“You can’t force ethics down the throats of mature students, so you have to create an environment where all students have to think about what stance they’ll take,” says Professor Rosa Chun. At Oxford, the Saïd Business School runs an MBA elective on CSR and ethical marketing, which looks at the complexities of balancing stakeholder interests while protecting reputations. And at the Judge Business School in Cambridge a new CSR elective is being introduced.

Henley Management College takes a different approach. “We’ve baked CSR into the MBA,” says Marc Day, director of studies. “For example, I teach supply chain management, where food miles are an issue. Both CSR and lean management involve reducing waste and the impact on the planet.”

## World wide trend

The message has spread across Europe. The SDA Bocconi School of Management in Milan has just introduced a corporate citizenship course in response to demand from both employers and students. Reims Management School in France has a new chair in management for non-profit organisations and social business. In the US, and now also in London, the University of Chicago Graduate School of Business offers an ethics module taught by the controversial Nobel laureate, Robert Fogel. At Nottingham, Akande accepts that there is a certain amount of scepticism about CSR among her peers. “But I think that’s because they don’t understand the bottom-line business case for it. They see it as some sort of philanthropy. Part of the problem with business is that it’s very short-termist.” Some commentators believe that with the downturn in the markets after the credit crunch companies might simply drop CSR. But Henley’s Marc Day sounds a warning. “In the short term they may think they can drop ethical responsibility. It might come back to bite them.”

## Pre-reading

- 1 Why do you think MBA courses are now including courses in Corporate Social Responsibility (CSR)?

## Reading

- 2 Match the questions 1–7 with the people a–f. You will need to use one of the names twice.

- |                           |   |
|---------------------------|---|
| a) David Vogel            | 1 Who says that although one of their CSR options is very popular, it's still not compulsory?   |
| b) Michelle Akande        | 2 Who argues that ignoring CSR in the short term may create longer-term problems for companies and businesses?  |
| c) Bob Berry              | 3 Who has coined a new phrase to express the fact that corporate social responsibility is now a serious business?                                     |
| d) Professor David Wilson | 4 Who provides an example of the way in which CSR is integrated into the various modules of the MBA course?   |
| e) Professor Rosa Chun    | 5 Who says that many MBA students do not fully understand the fundamental business sense of CSR?  |
| f) Marc Day               | 6 Who makes the point that it is better to encourage students to think critically about CSR issues rather than making them adopt an ethical position? |
|                           | 7 Who states that the study of ethical business practices is now a component of all the courses at their university?                                  |



## 7 Investment Speaking

## Text A

## Background information

Linking your logo with a cultural event makes a lot of business sense. UK businesses gave £153.4 million to the arts in 2005–2006. You and your partners work as public relations officers for a small law firm in a city in the southwest of England. You must decide how to use the £10,000 available for arts sponsorship in the region. You have been instructed that the money cannot be divided between the groups, as having only one recipient would maximize the resulting beneficial publicity.

## Text B

## Applications for arts sponsorship

- 1 **'Opera for Everyone'** has a reputation for innovative and sometimes controversial productions. They tour the Southwest trying to expand the audience for this art form by encouraging new talent and experimenting with new interpretations of the classics. The sponsorship package includes brand and logo identity on marketing and promotional materials, tickets and corporate hospitality.
- 2 **'Make some Noise'** is a music-making project that works with young people at a social or economic disadvantage. They aim to reach youngsters in challenging circumstances who are drawn to music-making activities and would benefit from such opportunities. They provide singing lessons, musical instrument tuition and ultimately the opportunity to release music downloads which would carry the sponsor's logo.
- 3 **'Crafts Creation'** runs workshops and evening classes in silverwork, ceramics and jewellery making for the elderly. Through the provision of state-of-the-art facilities and expert tuition, the over-65s are encouraged to produce work for exhibitions which can be displayed on your business premises.
- 4 **'The Weybridge Literature Festival'** aims to provide a showcase for the finest international literary and journalistic talent. This annual event is guaranteed to attract media attention through a series of readings, poetry recitals and book signings. The festival boosts tourism in the region by attracting an international audience and the sponsor's name will be prominently displayed on all publicity materials and on a banner in the main hall.