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Teaching sustainability in business schools

Why, what and how

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Business is the direct or indirect cause of most ecological challenges, but it is becoming increasingly evident that it is also the only institution left on the planet large enough, well managed enough and resourceful enough to solve the problems facing us. However, business leaders usually turn a deaf ear to well-researched, affordable solutions that would help restore a balance between the growing human population, rising levels of consumption and threats to natural systems. Their training has indoctrinated them to prioritise increasing bottom-line profits and shareholder value, not saving the world. The benefits of implementing social and environmental initiatives must be quantified and expressed in business language as bottom-line benefits relevant to the short- and long-term priorities of the business in order to engage executives. My premise is that core courses in business schools must quantify the bottom-line benefits of corporate social responsibility (CSR), also known as sustainable development, and educate corporate leaders to believe that adopting restorative strategies for a healthy planet is a win-win-win proposition for companies, the environment and society.

How are business schools doing on sustainable development today? One of the best barometers is the *Beyond Grey Pinstripes 2001* survey by the World Resources Institute (WRI) and the Aspen Institute for Social Innovation Through Business.¹ They surveyed 463 MBA schools, 400 of which were in the USA. Of the 82 that responded, 58 were in the USA and 24 were elsewhere. They found that students

1 The 2003 survey is available from the Beyond Grey Pinstripes website at www.beyondgreypinstripes.org.

who seek sustainable development coursework rate MBA programmes a D+ on how often social and environmental concerns were raised by faculty in required courses. Dedicated faculty, who were ‘going it alone’ integrating CSR into their courses, rated social and environmental courses as A– in importance but rated their MBA schools only as C+ in incorporating sustainable development issues in their core MBA curriculum. The key words are **required** and **core**. Sustainable development is relegated to optional ethics classes, volunteer and philanthropic extracurricular activities or electives that are not linked to core business strategy. There is a clear message that sustainable development is a tangential issue in MBA curricula at best.

That is, business leaders are good people, but they have been educated to think of the economic well-being of their companies as being at odds with, or irrelevant to, the environmental and social health of the planet. Business schools encourage their students to comply with environmental, labour and human rights regulations but seldom suggest that there are significant benefits to be gained from going further. Their maxim is that ‘the business of business is business’—governments or philanthropic organisations should worry about ecological and social issues. They see CSR and profits in terms of ‘either/or’ instead of ‘both/and’.

The *Beyond Grey Pinstripes* findings show that business schools are overlooking one of the most compelling win-win business opportunities available. They can support the profit orientation of companies *and* show how a well-executed sustainable development strategy can be a large contributor to savings, revenue, productivity, competitiveness, lower risk and new markets. Convincingly quantifying the bottom-line benefits of CSR is possible, should be included in required business school courses and would be useful to help convince corporate leaders to embrace sustainable development.

In my book, *The Sustainability Advantage: Seven Business Case Benefits of a Triple Bottom Line* (Willard 2002) I show how addressing sustainability issues in a systematic way provides new profit opportunities. It includes a template of potential business benefits of sustainable development that can be used as a sustainability business case simulator. This chapter is a condensation of the sustainability benefits quantified in the book, to reinforce that the economics of sustainability is a legitimate component of core MBA courses.

To illustrate the financial benefits of sustainability, I use a hypothetical company from the computer industry—a composite of the five largest high-technology companies based on *Fortune* 500 1999 data (*Fortune* 2000).² The fictitious ‘Sustainable Development Inc.’ or ‘SD Inc.’ is assumed to have revenues of US\$44 billion, profits of US\$3 billion and 120,000 employees. The average employee’s salary is US\$60,000 per year, and the average manager’s salary is US\$70,000 per year. If SD Inc. is much larger than a particular company of interest, just divide the assumed size by 10, 100, 1000 or another suitable factor, as the logic used is scalable. Figures for any specific company can be substituted into the business case simulator and are intended to be so.

2 The data used is from 1999, but as it is used only to derive the financial information for a hypothetical company, SD Inc., it does not matter that it is not current. SD Inc. is a composite of five companies: International Business Machines (IBM), Hewlett-Packard, Compaq Computer, Dell Computer and Xerox.

Some benefits may appear more qualitative than quantitative at first. However, by making explicit assumptions about the ‘so what?’ of these benefits, the bottom-line impact can be estimated. Using the Sustainability Advantage Worksheets, business leaders can play out ‘what if?’ scenarios using their assumptions. By tuning the assumed values according to their experience and good judgement, executives can ‘custom-fit’ the business case.

To capitalise on the seven areas of benefit, every manager and employee must be empowered, educated and motivated to contribute to the sustainability effort. A five-year plan of company-wide sustainability education must be deployed so that everyone understands environmental and sustainability principles, current global ecological and social issues, life-cycle assessment and costing, design for environment, the company’s environmental and social track record and the company’s business, environmental and social plans. The sessions would be sponsored and attended by senior leaders, to reinforce the company’s commitment to this strategy and to empower employees to suggest innovative ways that the company could benefit financially from environmental and social initiatives.

For example, the 3M Company started its employee-based Pollution Prevention Pays (3P) programme in 1976 with similar encouragement. By 2000, 4,650 employee projects had saved 3M US\$810 million, conservatively counting just the first-year savings from the projects (3M 2004). The recommended education could be done in classroom sessions, integrated with other business education, provided through self-study CD-ROMs or delivered via online training modules. If the equivalent of two days of education were given to every employee in the first year, and one day of education in each of the next four years, the five-year investment for increased environmental education for 120,000 employees and managers in our SD Inc. sample company would be about US\$372 million. To be conservative, this expense includes the lost productivity of employees during this time, although that allowance is usually not included in companies’ traditional training-cost equations. In the financial model, this is considered to be the only investment that the company needs to make. The costs of improvements required to reap the claimed benefits are assumed to be paid off by savings before the benefit is claimed. The savings are assumed to take effect only after the payback period.

When a company such as SD Inc. makes the internal communications and educational investment in sustainable development, it lays the foundations for significant savings, revenue and employee productivity opportunities in seven areas of potential benefit:

- Easier hiring of the best talent
- Greater retention of top talent
- Increased employee productivity
- Reduced expenses for manufacturing
- Reduced expenses at commercial sites
- Increased revenue and market share
- Reduced risk and easier financing

The first three areas (hiring, retention and productivity) are about people. The next two (reduced expenses for manufacturing and at commercial sites) are primarily about initiatives that help the planet. Combined with the last two areas (increased revenue and lower risk), each of these contributes to profits: people, planet and profits—an integrated win-win-win case. I will now briefly quantify the benefits for SD Inc. in each of the seven areas.

21.1 Seven benefits of sustainable development

21.1.1 Easier hiring of the best talent

Surveys show that, despite the economic slowdown and the end of the dot.com boom, the war for talent is intensifying (Axelrod *et al.* 2001; Herman Group 1999; Mercer/Angus Reid 1999³). Findings from the Millennium Poll on Corporate Social Responsibility (EnviroNics 2000)—with results accurate to within 3%, 19 times out of 20—suggest that about 20–40% of potential recruits would care enough about the environmental image and reputation of a company to let it influence their decision to accept a job offer. A more recent poll in late 2001 showed a 15-point increase in these numbers, with 60–70% of respondents in the USA, Great Britain, Australia and Canada saying they had rewarded or punished a company in the last year because of its corporate social responsibility reputation (EnviroNics 2002). To be conservative, the lower estimate of 20% is assumed. Only a 5% savings of recruiting costs for this group is used, assuming the need for recruitment will be slightly less because retention will be higher, as explained in Section 21.1.2, and that word of mouth and a higher acceptance rate may also reduce hiring costs.

Therefore, if SD Inc. were to have a well-communicated, exceptional sustainable development reputation, the recruiting cost would be 5% lower for about 20% of those it is competing to hire, yielding a 1% saving on recruiting costs. Admittedly, this is not a big saving—consider it a placeholder that could be tuned higher, depending on company senior management's comfort level with less conservative assumptions. The real benefit of attracting the best talent that values sustainability is not to save on recruitment costs—the aim is the increased retention and productivity of these talented employees after they are hired; the figures for these are calculated next.

21.1.2 Greater retention of top talent

Hiring top talent is one challenge; keeping it is another. The issue of retaining top talent is a serious problem that is getting worse. A detailed accounting of the costs of losing a good person, hiring a new person and training that replacement can

3 The Mercer/Angus Reid poll was of 307 Canadian CEOs.

add up to three times the employee's salary.⁴ These are not soft costs; these are real dollars.

If we assume that each year the company loses just 1% of those employees that it does not want to lose and then has to replace them, the real question is how would a well-communicated and credible corporate sustainable development agenda affect the retention of these good people? Money is definitely important—informal surveys worldwide indicate that 40% of information technology (IT) professionals will seriously consider leaving their enterprise for a 20% greater salary (McNee *et al.* 1998). Would some care enough about their company's sustainability focus to stay? In *First Break All the Rules*, Marcus Buckingham and Curt Coffman (1999) say that one of the top 12 questions that determine whether employees stay is: 'Does the mission of my company make me feel like my work is worthwhile?' In his studies of 'meaning at work', Tom Terez (2002) found that of 22 keys to meaningful work and retention the most important is purpose—the sense that what the employee is doing as an individual, and what the organisation is doing collectively, truly matters. Also, an Arthur D. Little study found that Novo Nordisk, a company that has won awards for its commitment to honesty, values and stakeholder engagement, had a turnover of only 5% of staff at the end of 1998 compared with a biotech industry average of 10%.⁵

The magnet of an inspiring vision of sustainability with an empowering environment to help make it a reality may be strong enough that some people would want to stay with a company more than they would otherwise. I conservatively assume that 20% of the 10% of people leaving would indeed change their minds and stay if their company had a vibrant sustainable development mission that added purpose and meaning to their work. This leads to a 2% **saving** on attrition costs, which flows as pure profit to the bottom line.

21.1.3 Increased employee productivity

The research by James Collins and Jerry Porras in *Built to Last* (1994) and by others shows that talented people are more committed when working for companies in which the missions inspire worthwhile work (leadership 'gurus' who support the claim that a higher purpose increases commitment include Bennis and Namus 1985; Blanchard and Bowles 1998; Clemmer 1999; Hesselbein *et al.* 1996; Jensen 1992; Kouzes and Posner 1995; Leider 1985; Pritchett 1994; Senge 1990). Zero emissions, self-sufficient energy production, zero waste and helping to restore the social and environmental health of the planet would be powerful vision elements for a company. The value chain from vision to empowerment to commitment to productivity suggests that corporations embracing a sustainable development goal as a higher purpose will energise and motivate at least part of their workforces to be more productive. To be consistent with the proportion of people assumed to be

4 This is a rule of thumb used by human resource professionals. It is also backed up with detailed calculations and assumptions in my book, *The Sustainability Advantage* (Willard 2002).

5 Colin Leduc, private correspondence, 13 December 1999, giving excerpts from an Arthur D. Little Inc. presentation on the business case for sustainable development.

attracted by SD Inc.'s environmental and social responsibility image, assume that 20% of employees will resonate with a sustainable development vision. Conservatively assuming these employees would then be 25% more productive, this works out to an average 5% increase in productivity for the whole workforce (25% of 20%), which is conservatively lower than the average 9–23% higher annual returns for visionary companies found by Collins and Porras (1994).⁶

So far, only the productivity of individuals has been considered. The impact of a powerful sustainable development vision on cross-functional team productivity should also be considered. In most large organisations, a major challenge is teamwork among departments that do not know or understand each other. Case studies (Nattress and Altomare 1999) show that sustainable development programmes across multiple departments provide an excellent team-building opportunity, with a beneficial spillover effect on how the departments continue to work as a team on other business solutions. Assume the resulting productivity from improved company-wide teamwork is only 2%, another conservative assumption—it would certainly be greater than zero.

The above two productivity elements are based on people being inspired and drawn together by opportunities for environmental and social projects that transcend departmental boundaries. There is a third potential contributor to productivity benefits driven by environmental initiatives: increased productivity from improved workplace conditions.

Let us suppose the company decides to retrofit buildings to capitalise on energy efficiencies so that lighting systems are converted to more energy-efficient bulbs and small-task lighting, and clever ways are found to bring natural light throughout the workplace, thus reducing glare. Workers gain more control over the light, heat and air in their environment by means of occupancy sensors and workstation controls. Surprising to many companies that have made these kinds of changes to reap ongoing savings in energy costs, an unanticipated ancillary benefit becomes evident—their people are more productive in the upgraded facilities. Joseph Romm, author of *Cool Companies* (1999), uses case studies to show how firms that converted to energy-efficient lighting reaped productivity improvements of 7–15%. He also found a drop in sick leave and absenteeism. Again, to be conservative, I will assume only a 7% gain in productivity for half the employees, for an average of 3.5% across the company.

The power of sustainability initiatives to engage and unleash employee productivity is too big to ignore. The productivity improvements at the individual and team level, plus improved productivity from better workplace design, add up to a **10.5% increase** in employee productivity, enabling growth without additional staff. Companies ignoring this potential are leaving money on the table.

6 Collins and Porras discovered that visionary companies had 65-year cumulative stock returns between 1926 and 1990 that were over 6 times (600%) greater than those of comparative companies and 15 times (1,500%) greater than those of the general market. Crudely averaging the difference over the 65 years, the returns were 9–23% better each year.

21.1.4 Reduced expenses for manufacturing

Business reformer Paul Hawken estimates that 99% of the original materials used in the production of, or contained within, goods made in the USA become waste within six weeks of sale (quoted in von Weizsäcker *et al.* 1997). If the term ‘waste’ were to be replaced by ‘squandered corporate assets’, corporations might be pressured by their shareholders to use this opportunity to save money. The business imperative to stop squandering these assets has environmentally beneficial by-products—a true win-win proposition. Even if a company does not care about the environment, it can get substantial savings within today’s operations. Some examples are: (1) substitution of less expensive, more environmentally friendly raw materials and energy sources for those currently being used, (2) reducing the amount of material, energy and water used per product, even if this means redesigning the product or manufacturing process, (3) reducing, re-using and recycling scrap material and wasted energy, turning them into useful products instead of throwing them away and (4) re-using and recycling parts and materials from returned products that have been designed for disassembly. These are the ‘low-hanging fruit’ of eco-efficiency that excite companies in their first blush of enthusiasm for environmental concerns.

Assume that hardware sales account for half of a company’s annual revenue, with the remaining revenue generated from services. Hardware materials, energy and water costs are assumed to be 30% of hardware sales. Now for the big question: how much of the hardware cost would be saved by a more aggressive blend of eco-efficiency, process redesign and take-back initiatives? Even a small proportion yields a big number, so let us choose a conservative net saving of 5%—that is, net savings counted after the cost of retrofits or other measures are repaid. Let us further assume that half (50%) of these savings is reserved in a capital pool to invest in other sustainability projects that may exceed company payback period norms. We add the remaining 2.5% saved to our annual profit.

21.1.5 Reduced expenses at commercial sites

Potential savings at commercial stores, staff and field location office buildings, distribution centres and storage facilities come from: (1) employee discretionary consumables, (2) improved handling of waste, (3) greater energy efficiencies, (4) conservation of water, (5) lower costs for landscaping, (6) reduced need for office space and (7) less business travel. Assume the cost of selling, general and administrative (SG&A) expenses are about 15% of total revenue and that energy costs are 2% of that. Let us ‘lump’ the costs for water and consumables into that amount, to be extra-conservative. How much of this annual expense could be saved? Amory Lovins describes how old wooden-frame buildings, glass-walled office towers, university buildings and masonry row houses can be retrofitted to save up to 90% of their energy consumption—and the payback occurs within months or a few years (von Weizsäcker *et al.* 1997). Let us assume 20% savings in our company’s facilities, again after the cost of the retrofit has been repaid.

21.1.6 Increased revenue and market share

Let us assume that our company gains favourable publicity for its environmentally friendly operations, products and services. More revenue is generated from new 'green' customers. These customers continue to purchase the company's products. The company adds a new revenue stream by leasing its products instead of selling them, launching a business to perform the services of its products and charging a premium for its environmentally friendly products. Given these diverse new revenue opportunities, let us conservatively assume a **5% increase**, which translates into big money. If we assume the proportion of this incremental revenue that flows to the bottom line is the same as that of today's revenue, then we can add 7% toward profit—for SD Inc., today's US\$3 billion of profit is 7% of today's US\$44 billion of revenue.

21.1.7 Reduced risk and easier financing

Sustainable approaches to a company's manufacturing processes and operations can (1) lower the market risks of regulatory bans on sales, reduced demand or customer boycotts, (2) lower the balance-sheet risk of remediation liabilities, harm to property values, damage assessments and 'toxic torts', (3) lower the operating expense risk of cleaning up spills, of worker safety measures and of escalating energy and material costs, (4) lower the capital cost risks of product redesign to meet new regulations and new waste-treatment facilities and (5) lower the sustainability risk from energy and material inefficiencies, take-back legislation and fossil-fuel taxes. A derivative of these lower risks is the ability to raise capital in the marketplace more easily as the impact of these risks spills into market valuation.

The sum of the financial benefits of reduced risk is a 'fruit salad' of cost avoidance, lower insurance premiums, reduced legal and regulatory costs, preferred rates on loans, greater investor appeal and avoidance of lost revenue from consumer actions. Depending on the accounting techniques used, these would be accounted for in the operating expenses listed on annual income statements or in the liabilities listed on balance sheets. Quantification of the benefits of risk reduction is difficult. In an extreme case, a disaster could wipe out the business. Even if it is not possible to quantify all the risk factors, just thinking through which ones are important helps.

Robert Repetto and Duncan Austin, in *Pure Profit: The Financial Implications of Environmental Performance* (2000), describe a way to quantify multiple risks. They use a scenario-planning approach to aggregate the financial exposure of 13 US pulp and paper companies to several pending environmental issues. Their assessment of the companies' exposure in 1998–2010 ranged from +2.9% to -10.8% of the companies' market value, with 12 of the 13 companies affected negatively and most of the companies facing a loss of up to 8% of share value. Some companies were poorly positioned for the issues in the scenarios and would face relatively high capital costs to meet regulations or to mitigate other risks. This would put them at a competitive disadvantage if they were to cover the costs with price increases or would make them unable to afford other capital expenditures if they were to absorb the costs.

This is an important point. Companies sometimes mislead themselves, believing that their relative competitive position will be protected if potential regulatory or other risks actually happen, as their competitors will be subject to the same statutes to a similar degree. Think again. The above study showed a wide range of financial impacts on companies in the same industry, depending on how well positioned they were for the impending environmental issue. That is why Repetto and Austin favour a scenario-based comparison of companies rather than a checklist approach when assessing the attractiveness of each company as an investment. Business schools would do well to reinforce the value of scenario-based risk assessment in MBA programmes.

Having said that, at least a placeholder is required to complete our calculation of the seven benefit areas. Since risk will ultimately hit expenses or revenues, when and if it happens, I will bundle the financial benefit of reduced risk into savings and cost avoidance. Previously (Section 21.1.5) I calculated SG&A expenses to be 15% of total revenue. Assume just 5% of the SG&A expenses are risk-related, and 5% of that amount would be reduced by more proactive company social and environmental initiatives. This small amount avoids accusations of inflating benefits and helps more rigorous estimates to be inserted instead.

21.1.8 Summary of benefits

Table 21.1 summarises the savings or increases in the seven benefit areas. Some benefits are small proportions of large numbers and some are large percentages of small numbers. The absolute contributions are shown in Figure 21.1, revealing that the two highest contributors are increased employee productivity and increased revenue. Since traditional business case efforts to justify sustainability initiatives have typically focused on cost savings in manufacturing and at commercial sites (the middle two benefits illustrated in Fig. 21.1) it is unsurprising that the business case has been weak. The case becomes more compelling with a more holistic view of the benefits. For SD Inc., total benefits in all categories yield a **38% increase in profit**.

<i>Source of savings</i>	<i>Change (%)</i>
Reduced recruitment costs	-1
Reduced costs of attrition	-2
Increased employee productivity	+10.5
Reduced manufacturing expenses	-5 (-2.5)
Reduced expenses at commercial sites (for energy, water and consumables)	-20
Increased revenue and market share	+5
Reduced risk and easier financing	-5

Table 21.1 Percentage savings from sustainable development

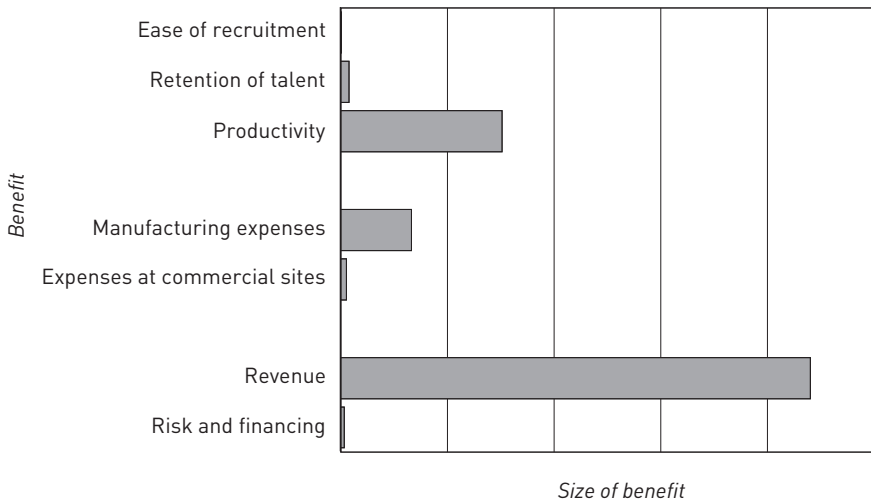


Figure 21.1 Relative size of beneficial contributions

Suppose realising the full benefit of these savings takes five years. Some benefits associated with ‘low-hanging fruit’ are immediate, but the full benefits take longer. I assume that during the first year only 30% of the full benefits are realised, 50% in the second, 70% in the third, 90% in the fourth and 100% in the fifth. Even so, return on the annual environmental education investment ranges from 714% in the first year to 5,327% in the fifth year. Not bad. That is why a company creating a sustainable development profit centre, led by a respected senior executive or visible ‘up-and-comer’ to make this happen makes sense. The centre’s mandate is to ensure that financial benefits are realised as soon as possible. If the five-year allowance can be compressed, all the better.

Not all benefit areas need be pursued—just a few will help. Executives can inject their own parameters into the spreadsheet model rather than accept the well-researched ones that are built into the template. If they do so, they can prove to themselves that sustainable development will yield hard-nosed business benefits for their company and prioritise which to pursue first. For example, if their gut feeling based on their company’s situation and experience is that a 5% increase in revenue is too optimistic, they may want to see what a 2% increase would yield instead. In this case, profit would drop only 3%. Similarly, if executives are more comfortable with a 5% increase in productivity, rather than the 10.5% of the template, they would still see increased profit of 25%.

If executives tailor the business case to their situations they may find that using sustainability performance as a competitive weapon will help them compete smartly. The benefits are there for the taking, and knowing executives will take them before their competitors do. Companies that lead will win. Business schools can help them discover this advantage.

21.2 Leadership opportunity for business schools

The idea of integrating the sustainability business case in the core business school curriculum is original and important in three ways. First, a compelling and credible business case for sustainability has been the ‘Holy Grail’ of consultants, business schools and corporations for years. The relevance of the cause to the decision-maker’s day-to-day priorities must be evident—if it does not help the business, it is not on leaders’ radar screens. A financial business case approach would focus on the hard bottom-line benefits stressed in core MBA courses, not on the seemingly soft altruistic societal and environmental results that are often relegated to elective ethics courses. Environmental and social benefits can be a happy by-product, even if they are not the initial motivators. No field-authenticated, comprehensive, generic sustainability business case worksheets have been available before. Use of a sustainability business case simulator would be a first for whichever business school seizes the opportunity.

The second reason why this approach is a breakthrough is that it quantifies three human resource benefits—the ability to attract, retain and increase the productivity of top talent—in the sustainability business case. In fact, this quantification is a breakthrough in the leadership and organisational development arenas too, because it helps answer the question ‘How much is a vision worth?’ The leadership, culture change and learning organisation literature is largely silent on this question. By substantiating the links in the chain from a compelling vision to a bottom-line benefit, executives would be encouraged to display the visionary leadership that is highly correlated with business success. Business schools would be able to support literature rhetoric about the benefits of visionary leadership with hard numbers.

A third reason why the simulator approach is important relates to transformational learning and organisational development. Use of the Sustainability Advantage Worksheets is based on a powerful principle of organisational and personal change. As executives interactively tailor the computerised worksheets by using their assumptions and their company’s parameters, or as MBA students do this for companies they are studying, they will see how compelling the business reasons are for aggressively embedding sustainable development approaches in strategy. This ‘see-for-yourself’ approach supports the wisdom of using inquiry over advocacy when attempting transformational learning with senior business leaders. The methodology is not prescriptive; it is suggestive. It asks, not tells. As senior leaders give the answers in the sustainability business case simulator, they convince themselves. It is an action-learning experience for aspiring change agents.

21.3 Positioning sustainability content in business school curricula

Terminology matters. Colonel Sanders understood this. He instinctively knew that ‘finger-licking good’ chicken would attract more customers than ‘fried dead bird’. Both are descriptive and accurate but one is repulsive. Effective marketing requires getting inside customers’ heads, understanding their priorities and positioning products effectively. Features and characteristics of the product that are unrelated to a customer’s needs are interesting but irrelevant to that customer. Marketing 101⁷ teaches that you have to talk the customer’s language.

Convincing business schools to embrace ‘sustainable development’ works in the same way. If a business school has built a reputation for corporate finance, breakthrough business strategies or creative corporate leadership, then use of language that suggests that it should now also save the world would not be an effective sales technique. What should we call a course about the business benefits of strategies based on the trinity of economic, environmental and social stewardship that we are encouraging business schools to adopt? ‘Sustainability’? ‘Corporate Social Responsibility’? ‘Sustainable Development’? ‘The Triple Bottom Line’? These titles are descriptive, but do they talk the language of business schools?

Here is a lateral-thinking thought. Forget course titles that imply sustainability is an end in itself. Instead, use titles that describe what sustainability strategies enable. The key is not what sustainability is but the ‘so what?’ of it. We should focus on ‘leadership’, ‘innovation’, ‘productivity’, ‘competitive business strategies’, ‘profits’ and ‘shareholder value’ as the end results, with sustainability initiatives as the means to those ends. Going further, rather than risking marginalising the sustainability business case as an additional, separate consideration covered in a special ‘Productivity, Profits, Innovation: The Sustainability Trinity’ course, ideally the business case would be integrated into existing core courses. It would not be an add-on course; rather, it would be an add-in theme in existing required courses on finance, strategy and leadership.

21.4 Conclusions

Using real case studies, business schools can show how leading sustainable development companies are ‘doing well while doing good’. Current and future business leaders can learn from these case studies, can consider how the rationale and methods used by those leading sustainable development companies might apply to them and can accelerate their sustainable development journeys. More importantly, they can use a sustainability business case simulator as a decision-making tool, tailored to their particular situation.

7 ‘Marketing 101’ is a generic term for a basic marketing course.

The business case for sustainable development should be the cornerstone of an enlightened curriculum in business schools. The compelling business case shows how advancements in environmental and social performance also result in improvements in the bottom line, including competitive differentiation and gains in market advantage. By integrating the business case into their core curriculum, business schools can help convince corporate leaders to want to capitalise on the sustainable development proposition. Thus they would be educating business leaders as if the bottom line *and* the world mattered.

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