



Approaches for Integrating Sustainability in Business Schools – Challenges and Opportunities in the Digital Age

Desislava Serafimova¹, Andriyana Andreeva²

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ABSTRACT

The paper presents opportunities for integrating sustainability into business schools' educational and management models in this era of digital transformation, seeking to increase their capacity for innovation, and the role of academia as a driver for boosting the potential of regional ecosystems for sustainable development. Contemporary trends and factors driving the need for higher education's response to the environmental changes caused by digital technologies, and efforts to achieve sustainability on a global scale, are examined, while the benefits of applying a multidisciplinary and intersectoral approach in sustainability education, supplemented with a research-based approach to engage students, two-eyed seeing and competence-oriented educational models, are characterized.

Arguments are given that balancing innovation and sustainability in business schools implies applying an ambidextrous approach. It reflects on the one hand the need for business schools to adapt, taking into account changes in the environment, with an emphasis on digitization, internationalization, partnerships, multidisciplinary and multisectorality to achieve academic sustainability. On the other hand, a need for a balance is recognized between established traditions, organizational culture, the specific features of business schools, and the introduction of innovations in them, including digital and social innovations.

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¹ University of Economics, Varna, Bulgaria.

² University of Economics, Varna, Bulgaria.

Introduction

The issues of achieving sustainable development are being discussed more and more actively by the business, private and non-governmental sectors today. Higher education institutions react to the growing public interest in problems of sustainability by offering ever more varied courses and programs in order to contribute towards providing knowledge and building student competences so as to accomplish the United Nation's Sustainable Development Goals (SDGs). Thus, universities foster a positive desire to share sustainable and responsible practices among present day students and future participants in the labour market, be they future employees, managers or employers.

The topicality of this research is defined by the need to bring highlight possibilities for improving business schools' educational models in view of achieving the synergy of joint efforts for sustainable development in the business, private and non-governmental sectors, and the role of higher education institutions in the process. A specific modern trend in the European Commission's policies and funding programs is the idea of uniting the efforts of representatives of all three sectors so as to multiply the effects of applying sustainable policies in various spheres. Here, the European Commission declares its objective of 'developing synergies not only among the spheres of science, education and innovation, but also among the local authorities, private sector and academia' (European Commission, 2021). This requires that higher education institutions seek to consistently improve their educational models and ap-

proaches to support the achievement of this synergy by combining their inner resources with external opportunities, and their established good practices with innovative educational approaches.

The aim of this research is to present the possibilities for modifying business schools' educational models that focus on the formation of student competences in sustainable development. It suggests the use of new as well as existing educational approaches. These should correspond to modern technologies in the processes of scientific research and teaching, as well as the opportunities for funding through EC programs, which stimulate the role of universities in creating regional innovative ecosystems. However, transformations in business schools' educational models have to be carried out in accordance with the specifics of the national and international educational environment, as well as with the established traditions in the higher education sector and the specific characteristics of the particular higher education institution.

1. Driving Forces for Changing Sustainability in Educational Approaches

Towards the end of the 20th century and the beginning of the 21st century, more and more universities started introducing the issue of sustainability into their curriculums and syllabuses, in various forms. Nearly twenty years ago, UNESCO initiated a 'Decade of Education for Sustainable Development 2005 – 2014', stating as its main objective 'to integrate principles, values and practices of sustainable development in all

aspects and levels of education' (UNESCO, 2011). Since then, education for sustainable development has been gaining in popularity, not only as a research field or in the forms and methods of teaching pupils and students, but also as initiatives concerning various processes in universities and on campuses. As a result, business schools have applied various educational methods and approaches. These, however, need to be constantly modified in order to respond to the trends and challenges in the contemporary business and educational environment.

One of the key factors making it necessary for business schools to modify their educational approaches in educating students on sustainable development are *the constantly developing ideas of sustainability*, characterized by *multidisciplinary and inter-sectoral dimensions*.

Fig. 1 sums up the most popular contemporary ideas reflecting the endeavour for sustainability, which are grouped according

to similarity, depending on their essence and forms of manifestation. In Fig.1, the first top left quadrant illustrates the two most recognizable- and perceived as fundamental- concepts, dating back to the 1960s-70s, which are most actively present in teaching students about sustainable development. Apart from the 'classical' concept of *sustainable development*, business schools' educational models often include courses on *Corporate Social Responsibility (CSR)*. The two concepts arise for different reasons and have different theoretical foundations at the initial stages of their development, but, eventually, their contemporary interpretation comes to present them as being very close, even synonymous. At the beginning of the 21st century, both concepts included the three basic dimensions – economic, social and environmental, with possibilities for finding a balance between them being perceived as a criterion of sustainability in the work of organizations in the business, public, and nongovernmental

Sustainability perspectives

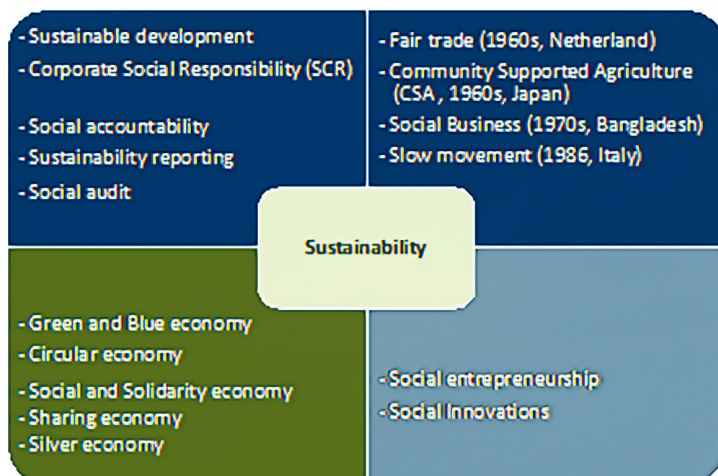


Fig. 1. Developing Ideas on Sustainability

sectors. These days, the idea of CSR, as a constituent element of the overall efforts made for sustainable development, is supported by an increasing number of international institutions, including the European Commission. It is a fact, however, that the concept of sustainability continues to develop in various directions, including the addition of new dimensions, such as its fourth dimension – cultural factors (James, 2015).

The logical continuation of the ideas of sustainable development and CSR is based on the need for greater transparency in organizations by the disclosure of non-financial information about their activities. As a result, the concepts of *social accountability*, *sustainability reporting* and *social audit* are being developed and included in university curricula.

In the top right quadrant, we see specific and less popular concepts than CSR and sustainable development, but all of them, under one form or another, include economic, environmental, and social dimensions. These are the concepts of *Fair Trade*, Community Supported Agriculture (CSA), Slow Movement and the concept of microcredits developed by Professor Muhammad Yunus, known as *Social Business* (Serafimova, 2017).

These concepts arise in different countries, reflecting the search for solutions to specific local social problems, and subsequently gradually spread on an international scale. Fair Trade arose in response to the unfair treatment by goods producers (originally of coffee, cocoa and bananas) of their poor employees in African and Asian countries, who received low remuneration for their work. The first Fair Trade store started in The Netherlands in 1969, and, in Europe and the

USA, it gained popularity in the early 1990s. Today, Fair Trade is an international network of distributors of various products produced in different countries. Its mission is to improve the working conditions of producers, promising dignified payment for their work at the expense of reducing intermediaries in the chain, preventing forced labour, avoiding the exploitation of female and child labour, eliminating discriminatory practices, etc. Fair Trade strives to contribute to the sustainable development of poor regions and environmental protection.

Community-Supported Agriculture (CSA) originated in Japan in the 1960s, spreading very quickly to other Asian countries, and then to America and Western Europe. Its social role is to create mutual benefits between people living in the big cities, and producers from the small villages around them, contributing to the region's sustainable economic development. Local small farms deliver organically produced fruits, vegetables, and livestock products to households in large cities for an upfront payment. The mutual benefit for both parties, and the idea of the sustainable development of this concept, are based on the idea of mutually beneficial cooperation and risk-sharing between consumers and producers. People from big cities get natural food products, produced according to local traditions, and farmers get a guarantee of employment and a sustainable and fair income source. Middlemen in the logistics chain are avoided, allowing producers to be paid fairly. Mutual trust replaces the need for product certification with organic and natural product certificates, which otherwise make it unnecessarily expensive.

The basis of the Social Business concept is the creation of innovative business models in the search for solutions to social problems. It is associated with the name of Muhammad Yunus and Grameen Bank he founded in Bangladesh for micro-crediting to very poor people to help them create independent businesses that will become their long-term livelihoods. Micro-loans (up to a few dollars per person) are granted, relying on the joint responsibility of the recipients, without requirements for additional guarantees. Today, Grameen Bank has over 2,700 branches and is popular worldwide, serving as a model for many micro-finance initiatives on different continents. Grameen Bank is not a charity organization; it is built as a profitable business, but instead of aiming to maximize profit, it has a social focus, seeking to provide as many benefits as possible to the region's poor. According to the idea of the founder M. Yunus, the profit from the business is used for social purposes, and the people who invested in it later receive only their investments back, without dividends, and this is their personal social responsibility. However, the specific variety of social business expressed in the activities of Grameen Bank in Bangladesh is difficult to implement in its original form in many European countries. In fact, in Europe, only in Albania is it applied in its original form. This means that teaching this concept in business schools requires an educational approach to help adapt it to the particularities of the business environments in different countries.

The Slow Movement concept protests against global companies and their collision with small local businesses and entrepreneurial culture when they enter regions with

a strong tourist identity. It is also a reaction to the trends towards increasingly hectic lifestyles and busy work schedules of people striving for a successful career. It was born in opposition to the "fast-food" culture, the desire to consume large quantities of products and services, and the possession of more and more objects and belongings by people in consumer society. Its birth marks a protest by local restaurateurs, organized by Carlo Petrini in Rome in 1986, against McDonald's' desire to open a restaurant near the Spanish Square - one of Rome's most typical landmarks. Thus, the slow movement started as a "slow food concept," but, gradually, other varieties were created – slow cities (aiming to slow down globalization and the depersonalization of cities by contributing to happier and more satisfied citizens), slow tourism/travel, slow science, slow money, slow aging, etc. Thus, the varieties of the Slow Movement contribute to the presentation of diverse points of view and their potential benefits for achieving sustainable development - a return to the natural way of life and production, conservation of natural resources, and preservation of the environment, keeping local traditions, customs and culture, stimulation of local production and employment, and a healthy and sustainable lifestyle.

The lower left quadrant of Fig.1 presents concepts with a strong focus on the economic dimension of integrating sustainability into business and people's lives. The first three – *Green, Blue and Circular Economy* – can be singled out as an independent sub-group due to their strong emphasis on the environmental dimensions of responsible business and sustainability. In the same quadrant, other

contemporary, state-of-the-art concepts related to sustainability are indicated – *Social, Solidarity and Sharing Economy*. They are mainly caused by the impact of technological and cultural factors related to the development of digital technologies and social media, and changes in people's attitudes to practicing a more sustainable lifestyle. The last and least popular concept so far is the *Silver Economy*, which reflects the strong influence of demographic factors due to the aging population of most European countries. In 1990, the average age of the EU population was 35.2 years, while in 2019, it grew to 43.1 years. Forecasts estimate the average age will have reached 47 by 2050 (Eurostat, 2019). As a result, the European Commission started developing the ideas for the Silver Economy (European Commission, 2018), which have to be covered in business schools' syllabuses and curriculums, and which have to be taught to students by means of relevant educational approaches and methods.

The bottom right quadrant of Fig.1 shows the latest sustainability-related concepts – *Social Entrepreneurship and Social Innovations*. The idea of Social Business by Nobel laureate M. Yunus can be perceived as a specific variety of the more general concept of Social Entrepreneurship, which is gaining more and more popularity today. In their businesses, social entrepreneurs try to combine profit with fulfilling a mission aimed at solving specific social problems. Similarly, understanding Social Innovation is generally associated with opportunities to offer innovative business solutions to social issues.

A specific factor to be taken into consideration by business schools when they modi-

fy their educational models are the peculiarities and expectations of *Generation Z* (those born between 1996 and 2012). In addition to being very demanding about using modern digital technologies in all spheres of social life, education included, they are also more sensitive to the issues of applying socially responsible practices and striving for sustainable development.

A particular question associated with achieving the objectives of sustainable development which has not yet become a popular business school practice in certain countries in Eastern Europe, is providing *an equal chance and managing variety* in the sphere of education, research and innovation. This is demonstrated in taking initiatives and applying educational approaches that support access to higher education for various social groups, avoiding any forms of discrimination in the educational, research and labour environments. These ideas are backed by various international initiatives, as well as by different policies and programs of the European Commission. One of them aims to include genders in the European research space. In order to participate in the Horizon Europe program, for instance, higher education institutions in EU member states must commit to compliance with the Gender Equality Plan, and explicitly state this on their websites. As of 2022, the European Commission defines this pledge as an eligibility criterion when such schools apply with project proposals for research funding (European Commission, 2020). Activities featuring in the plan should refer to all major stakeholders, including students, doctoral students, academia, and

administrative personnel, as well as relationships with external stakeholders.

The need to apply new approaches in education for sustainability in business schools also results from the constantly changing educational environment, owing to the *development of digital technologies and globalization*. As an outcome, new jobs appear, new skills, knowledge and competences are sought by employers, and all this requires that they are included in the processes of student education. In this, Europe's business schools need to comply with European Commission policies that regulate the acquisition of digital competences, for example the Digital Competence Framework for European Citizens (European Union, 2017), which contains descriptions of the most important digital competences, classified into five areas. They comprise: Information and data literacy, communication and collaboration, digital content creation, and safety and problem solving competencies.

Another document that suggests the updating of the curriculums of European Union business schools is the European Framework for Key Competences (The Council of the European Union, 2018). It contains eight key competences which are essential for students' future realization, for their healthy and sustainable lifestyle, their aptitude for employment, active citizenship and social inclusion. The eight groups of competences cover: Literacy, multilingual competence; mathematical competence; competence in science and technology; digital competence; personal, social and learning to learn competence; citizenship competence; entrepreneurship competence, and cultural awareness and

expression competence. Of these, the one most strongly focused on the acquisition of knowledge and skills for sustainable development is "citizenship competence," defined by the European Commission as 'the ability to act as a responsible citizen and provide a valuable contribution to society.' In some of the remaining groups of competences, there are also knowledge and skills directly or indirectly connected with achieving sustainable development. Among them, for instance, are 'cultural awareness and expression competence', 'personal, social and learning to learn competence' and 'entrepreneurship competence'. In the above mentioned documents, the European Commission recommends applying "*competence-orientated educational approaches*" in schools and universities.

2. Applicable Educational Approaches for Sustainable Development in Contemporary Business Schools

Responsible and sustainable business ideas are constantly evolving, and universities should include them in their curricula and programs to promote their application among students. Some are taught as stand-alone courses, while others are included as separate topics in more general classes. This demonstrates the need for a *multidisciplinary approach* to sustainability education in business schools.

At the same time, by the guidelines of the European Commission, business schools should apply *competence-oriented educational approaches* which focus on including enough topics and courses dedicated to sustainable development in as many majors and academic degrees as possible, contrib-

uting to forming sustainability competencies in students.

However, this process also needs to be taken into account with the growing popularity of alternative forms of education, such as Massive Open Online Courses (MOOCs), developed thanks to digital technologies and offered by various organizations, among them *Corsera*, *Udemy*, *edX*, *LinkedIn*, etc. These tend to be short, lasting a mere few months, and the trainees receive specific knowledge and skills in a particular, narrower, field, which is why there is an opportunity for their faster assimilation and application in practice. This educational approach corresponds to the expectations of Generation Z for shorter-term and more practically-oriented training, aiming for speedier career realization.

The competition caused by short-term alternative forms of education can also be seen as one of the reasons for the observed trend in Europe towards moving from 4-year to 3-year bachelor's degree studies. This again necessitates a change in the educational models of business schools, which also affects the opportunities for students to acquire sustainability competencies. Reducing training time requires finding a new approach to provide sufficient knowledge for sustainable development within the shortened time frame, which also implies shortening individual topics or entire courses in the training period. In this connection, the so-called T-shaped educational approach (Saviano et al., 2016), which allows students a shorter time to form a specific theoretical basis, giving the general idea of sustainable

development, and subsequently, at their discretion, for students to choose individually from a narrow area of the various aspects of sustainability in which to gain more profound knowledge.

A number of more pragmatically oriented concepts of sustainable development arise in different countries, and are strongly directed towards solving regional social problems closely related to local culture and the peculiarities of the individual business environments (such as M. Yunus's Grameen Bank in Bangladesh, and his understanding of social business). This requires applying an educational approach that will support adaptation to the business environment in different countries and cultures. In this regard, some scientists propose using the so-called *Two-Eyed educational approach* for sustainable development (Zeyer 2022). This approach was inspired by Canadian science educators who used it in teaching their Aboriginal students, combining the scientific perspective of sustainable development knowledge with the traditional environmental knowledge practices of the region (Zeyer 2022: 5). Subsequently, this educational approach for sustainable development began to be developed experimentally, mainly for pedagogical education. The reason for this is the understanding that creating a culture for sustainable development in various social spheres needs to start at an early age and continue through the different stages of people's education. Thus, issues related to sustainability need to find a place in educational models, first in schools and then further developed in universities. However, it is crucial that the

various aspects of sustainability are taught in an understandable and motivating way to students of different ages. This means that it is necessary to have prepared teachers, who combine the scientific perspective of sustainable development knowledge with traditional local understandings and practices for a sustainable lifestyle; that is, to apply the Two-Eyed educational approach. In this way, questions related to, for example, the personal lifestyle of learners, could be taught with an emphasis on health; ecological dimensions could be taught with a focus on protecting the environment and life on the planet, through examples of native plant and animal species; and social dimensions could be taught in the context of overcoming economic inequalities and giving equal chances by combating discrimination, focused on social groups from local communities.

To increase students' interest in the topic of sustainable development, higher education schools need to apply a *research-based educational approach*, involving students in teams of scientists implementing scientific research projects, stimulating them to participate in national and international student conferences, competitions and mobilities, with a focus on sustainable development. The *entrepreneurial approach* in sustainable development education is also applicable, stimulating students to develop their entrepreneurial ideas in search of business solutions to the social problems of local communities, and stimulating their development into real business projects. The role of business schools is to support students through mentoring and funding sources for student

entrepreneurial projects through business incubators, accelerator programs, and other relevant initiatives.

Business schools can benefit from European Commission funding programs to expand the training practices in Sustainable Development. They aim to develop cooperation between educational, scientific, business, and public institutions, and aim to create new educational models seeking synergy between science, technology, cultural and creative industries, architecture, and ecology (Serafimova, 2021). This necessitates the application of intersectoral educational approaches - intersectoral educational models. This idea corresponds with Responsible Education in Business and Management (Laasch and Gherardi, 2019) and practices of Responsible Management Learning and Education (Moosmayer et al., 2020).

Sustainability training in higher education can also be linked to the transformation of higher education in the direction of increased connectivity and the possibilities of European university alliances. The European Commission perceives these alliances as "an engine towards constructing a modern and sustainable, more digital and environmentally friendly higher education, able to ensure high achievements with an inclusive approach." In this way, students are included in pan-European values and efforts to enforce culture and values supporting the Sustainable Development Goals. They, in turn, turn business schools into an engine for regional and business development, supporting the realization of a digital and ecological transition and sustainable management of regions.

Conclusion

The following conclusions can be drawn by summarizing the outlined trends and features in sustainable development training in business schools.

First, sustainable development education is characterized by a multidisciplinary approach that covers the various elements of sustainability in different study courses, in whole or in part, emphasizing the individual aspects. Sustainability issues are included as parts of separate topics in more significant foundational business and management courses, or can be taught as different courses through more narrowly profiled academic disciplines.

Second, business schools in the European Union apply the competence-oriented educational approach recommended by the European Commission, and it is appropriate to upgrade it through the application of the T-shaped educational approach. In this way, they would be more flexible and competitive in response to increasing competition from alternative higher education forms, offering shorter-term learning opportunities, such as MOOCs.

Third, implementing the two-eyed educational approach would facilitate educators' efforts to adapt some concepts and practical initiatives for sustainable development to the specificities of the business environment in different countries and cultures.

Fourth, research-based and entrepreneurial-oriented educational approaches need to be applied to form more practically oriented skills in students to search for business solutions to social problems.

Fifth, the training for sustainability in business schools is also related to the application of an intersectoral educational approach, in which synergies are sought from the mutual participation of representatives from the business and public sectors, academic institutions, and non-governmental organizations, in achieving sustainable development.

The diverse approaches to integrating sustainability into higher schools' educational and management models outline the possibilities for increasing their innovative activity and their role as a driver for the sustainable development of regional ecosystems. However, the new educational approaches must be appropriately combined with the established promising educational approaches and practices of business schools. This could be achieved by applying an ambidextrous approach.

This reflects the need for business schools to change, taking into account changes seen in the environment, with an emphasis on digitization, internationalization, partnerships, multidisciplinary and multisectorality to achieve academic sustainability. On the other hand, there is the need for a balance between established traditions, organizational culture, specific features in the functioning and management of business schools, and the introduction of digital and social innovations.

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