

Transcript of 'B-School to ESG School'

Season 2, Episode 11, Transforming Tomorrow

[Theme music]

Paul: Hello and welcome to Transforming Tomorrow, the podcast from the Pentland Centre for Sustainability in Business here at Lancaster University Management School. I'm Paul Turner.

Jan: And I'm Professor Jan Bebbington.

Paul: Jan, I think it's about time we had a guest back. I think we need to have someone who's been on the show before. I think, uh, does this mean we've run out of people in the world? I don't know. But it means something...

Jan: ...no, it doesn't, but it does mean that some people worth talking to more than once. And I think Marian fits in that context.

Paul: Yes, 'cause today we want to talk about business schools. We're part of a business school. We we're called a management school, but all intents and purposes we're a business school. And we want to talk about their relationship with environmental social governance.

Jan: Lancaster School of Management is, is self-consciously calls itself a management school, as do some other management schools in the UK, but it does incorporate the study of business centrally, as well as other sorts of organisations.

And it's really nice to think about business schools along with ESG - environment, social and governance - as well, and to see how these two things relate and interact with each other.

Paul: Yeah. 'Cause we spend so much time talking about businesses and how they're operating now. We're gonna have to look at how businesses operate in the future and therefore the people that are coming through places such as, Lancaster University Management School are gonna be the people leading those businesses.

So who is our guest, you might ask. Who have we brought back? [Jan laughs] Who is it that is been so good the first time they came on, we wanted to have them back for a second time.

Well, we're gonna welcome Dr. Marian Iszatt- White, who is a senior lecturer in the Department of Entrepreneurship and Strategy, an expert on leadership, and you may remember her from her first stint with us talking about stewardship and leadership, and how she used to work for oil companies.

Jan: I, I do indeed. Um, it's funny the things that *you* remember. I remember the leadership and stewardship, not necessarily the oil company side of things. But we have another thing to want to talk with you about, Marian. So, welcome and very pleased that you've come back.

Marian: Thank you very much. Um, that was, that was a lovely introduction, notwithstanding the oil company, for which I apologise. Um, but yes, there's lots of, uh, exciting things to do with ESG on the horizon now.

Paul: I'm pretty sure there was stuff about music and dancing and things that Marian mentioned in her brief profile of herself at one point as well. So yeah, there's, there's lots and lots of things to, that, that have stuck in my mind. None of which relate to her research. Sorry, Marian.

Marian: It was probably the African drumming.

Paul: African drumming, that was it...

Marian: ...that usually gets people...

Paul: ...yeah, yeah, yeah, that's it. African drumming.

Now, I do remember your research on stewardship and leadership and some of that we'll tie into various things that we discuss later on as well.

But first of all, we want to talk to you about your B-School to ESG School project, which is, as we say, talking about how environment social governance fits into business schools.

Can you tell us about it? What does it mean and why is it important?

Marian: So the way that it came about, it was, it was actually a remarkable process that I've never been through before. We had, I don't know where we got the funds from, but we had what was called a Pecha Kucha competition, which basically means that you've got three minutes and about eight slides to

make your pitch in front of a live audience who then vote, um, and they can give you up to £20,000 to do a piece of research. And that was used to support projects that align with our responsible research agenda within the School.

So my pitch, uh, and a, a team that I was working with, it wasn't just me, was about the idea that although we've got bolt on modules in many of our programmes about responsible leadership, about sustainability, and so on. We've also got traditional modules and that we are potentially creating a disconnect between those two elements of the programmes.

And that it's important to better understand what those disconnects are in order to, and this was, this was the intended output of the project, to create quite a radical proposal for redesigning our curriculum to align with ESG standards.

Jan: So that's a really great impetus. What did you and your team do in order to be able to answer that question?

Marian: So we, we did quite a lot of things actually. We spoke to students and alumni of the full-time MBA programme. And also to the module convenors for that programme. And then we spoke to participants on one of our executive education programmes, which is wholly focused on sustainability and how you bring that into your decision-making within businesses.

So within the full-time MBA, we were expecting to find some disconnects, but within the, the executive ed programme, we were expecting not to. So we did that and we also had a, a research associate looking at the market for us so we could understand what everybody else was doing, what our competitors were doing, but also looking at the, the markets that the students come from and what's happening in their home countries, and therefore whether we could expect a different perspective on these issues from India or Ukraine or, or wherever our students are coming from, compared with what we in the UK are now finding.

Jan: That's excellent and, and there's so many parts in there for us to tease and pull apart.

So as a starter, I might ask you particularly about the alumni, because they've been through the programme and then they're back out in the world of work. What did they think about their educational experience and were they up for an ESG educational experience?

Marian: Not surprisingly, it varied. It varied depending upon often geographically where they came from. So for example, we had somebody who was from the Ukraine and he not surprisingly said, you know, yes, this is a great issue, we should be interested in it, but at the moment there's a lot else going on within the country that, that is, is more prevalent in our minds.

Interestingly, I think most of the students from India were very conscious that, that they felt their government was behind the curve on some of these issues, but that only made them more interested, more keen to do something about it in their own careers.

I think one of the things that surprised me perhaps, was some of the UK students who seemed, not less interested in it, but almost less aware that it was an issue. And I expected that that, you know, that was, it was, it was a prevalent issue for me. It was everywhere for me. So I expected that it would be for them.

But they, I think the thing that came through, most of all for all of them, I guess, was the disconnect between, we've come out of our education, we're absolutely full of this information, we are full of why it matters. We are keen to do something about it, and then we hit the real world and people are saying, well, we've gotta make a profit first, or we can't afford to do it this year, or it's not a top priority. So that reality check was common for most of them, I think.

Paul: So, what about the current students then? You've got people who are going through the courses now whilst you're carrying out this research project, what are their attitudes towards environmental, social governance? What are their attitudes towards how it's built into their programmes and how maybe it could change over the coming years?

Marian: We did indeed find the disconnect that we expected. Although not always in exactly the format that we expected. So for example, on the full-time MBA, there is a module called Responsible Management and Ethics. There are then, you know, traditional economics, marketing, other modules.

And some of the people we spoke to said, you know, their mindset was completely changed by the Responsible Management and, uh, Ethics module. And when they came to that, it made them quite sceptical about the marketing module.

For other students although they did take the, the management responsibility and ethics on board, when they got to the marketing module, they said, well, you know, maybe this is just, just a bit of spin and people aren't actually gonna do it. So, you know, it, it could go either way as to where they saw the disconnect being, but they definitely saw it.

The bigger disconnect, I think, was what they saw between some of the things we were teaching and some of the things they saw us doing within the School. So some of them, to supplement their funding, work in catering outlets within the School, within the, the University. And they were horrified by the degree of food waste.

There were also, there was numbers of them who mentioned the fact that we still sell water in bottles in our cafes, and why on earth are we doing that instead of having, um, water fountains? And, this was my own particular favourite, because it bugs me beyond reason, why have we got plastic plants and shrubs in some of our departments as decor?

Paul: That's something I always wonder about. What's the point of a plastic plant?

Marian: None whatsoever.

Paul: Jan, do you have plastic plants in your office? I can see you...

Jan: ...no...

Paul: ...you, you were looking guilty, so I thought maybe you've got like 50 of them and you just like, live in a jungle of plastic plants.

Jan: No, I was feeling guilty on behalf of, um, however, whoever, or however they ended up in our, our department. 'Cause yes, it's quite alarming. And they, they really, you know, they don't look the business. Yeah.

Paul: So, so when it comes to it then, if we're looking to maybe make changes to how ESG is embedded within programmes, what frameworks and approaches are there that could mean that we could make it more of something that flows through everything, rather than is just a one-off module or a one-off programme that you have to take specifically?

Marian: That's, that's something that we focused on quite a lot and we found a particular piece of work by Katrine Muff who talked about bolt on, built in and embedded as different approaches. What we are doing at the moment, and

what a lot of people are doing is a bit of a quick fix is the, the bolt on, let's add a module on X, Y, Z.

But to be coherent, to be credible, it's really got to be that embedded. It's gotta be like a stick of rock where this goes right the way through the whole thing.

And I think the biggest issue for them, for, for us, about that was not so much changing our programmes, because I think we can do that as part of other, uh, curriculum transformation initiatives that we are looking at already, but looking at our own operations and seeing where we're still falling short there.

So the, the proposals and the report that we, we put in at the end of the project, it's, it's literally just come to an end, were we hope quite radical. They included things like ESG-related, performance related pay for the senior leadership team, uh, which I'm sure will go down very well.

It definitely included things about our own internal operations and some of those things we've, we've talked about already. It did talk about the need to make this fully embedded in our programme. So instead of having this bolt on module, everybody in every module looks at how do these issues affect this particular topic, this particular discipline area.

And the final one, which I think is equally important, is the need to, if you like, upskill ourselves to really talk to our colleagues in the Environment Centre, to talk to our colleagues in different disciplines about the true interdisciplinarity of how this needs to work.

Paul: Can I just check, you still retained your job even after putting in suggestions about senior and leadership pay? Because you are still here. For all I know, you've been made redundant and this is just your fancy day out now because you haven't got a, a role anymore.

Jan: [laughs] Well...

Marian: ...at time of recording, I haven't yet heard from the senior leadership team. Watch this space.

Paul: They may not have read it yet. I, I've got a feeling this may be the last time we see Marian. [Marian laughs] Um, but so...

Jan: ...well, strangely enough that caught my attention as well, 'cause I didn't know anyone was getting performance related pay. So, um, yeah...

Marian: ...they may not be, they may not be...

Jan: ...so this is informative, [laughs] informative in all sorts of ways.

Paul: Senior management, I would say aside, but they're included in this, what has the attitude been amongst staff of the Management School? 'Cause it sounds like it's not just gonna be people delivering the courses that are gonna be affected. Like you say, that you need changes within the structures of how things work within the Management School itself.

What is the attitude of staff that maybe you've spoken to about this whole subject been?

Marian: So we've run a couple of workshops through different routes and mostly what we found is a real groundswell of enthusiasm from people who are already doing their own initiatives in different places, and they're really looking to see it all come together in something more coherent and cohesive.

Even the people who really didn't know what ESG was at all before we spoke to them, were going, yeah, great, now I know what this is I can incorporate it in what I'm doing.

So I think the will is there. I think the motivation is there, if, if we can get that, that broader buy-in from the, the institution.

Paul: This is something that has been obvious to me over the past few years that people don't necessarily always realise that they're doing stuff that ties in with this.

Um, myself and Jan a couple of years ago tried, tried something where we tried to gather examples of all the units that were taking place across Management School programmes that related to stuff such as sustainability, ESG, et cetera. And finding people to come forward and say they did, it was really hard at the time.

And then you'd find out after the point that someone had a module that included stuff on responsible leadership, on, um, equality, on sustainability, on better pay, better conditions, on looking after the planet. And they just hadn't necessarily realised that it tied in with it all.

And that, it's building that understanding, like you said, that, of what's going on, which you sometimes you can be surprised by the fact that it's not already there.

Marian: But I think that was one of the premises of the whole project, that we are already doing a lot of innovative stuff in this area and that we should celebrate that and build on it rather than beating ourselves up and saying, oh, we're not, we're not doing anything in this space.

Jan: So, and this is gonna sound pedantic, and I'm an academic, so perhaps I ought to be, uh, slightly pedantic. What you highlighted there, um, in your example, Paul is about language.

So I wonder, Marian, whether or not is ESG the right word, is responsibility a better word? Is sustainability a, a word that turns people on and turns people off?

Did you get a sense from, from the, the survey work you did about which term really captures people's imagination? And do you have a personal preference as to how to articulate these things?

Marian: That's a very good question. Um, I have to confess that when I named the project, I chose ESG, just 'cause it rhymed with B and therefore it made a nice, catchy title. [Jan laughs]

Um, but, a couple of things, one is that talking to the MBA students, they were much more familiar with the ESG standards than they were with the SDGs, which surprised me. Another thing, you know, we're a business school, so using the business standards and their terminology seemed to make some kind of sense.

But the thing for me is, if you talk about sustainability, and even if you talk about the Sustainable Development Goals, if you don't really know what they are, I think it's easy to assume that they are mostly about the environment, and you forget the social bit.

So I liked ESG because it talks explicitly about environmental, social, and then the governance measures that we probably need to actually make it happen. So I know there's been a lot of stuff in the press about, you know, has ESG had its day and should we be moving on to something else? But for me, I think it's a really good proxy for what we're trying to do.

Paul: Because that's the thing, isn't it, Marian, you've also done research yourself about whether we need a new term instead of ESG. Has this project reshaped your thinking on whether we do need to stop using ESG as a term and come up with something new?

Marian: Realistically, no, it hasn't. I think it's reinforced the fact that in a sense it doesn't matter what we call it as long as we do it, but for me, ESG is a good overarching term that, that covers all the key points.

Jan: So I'd quite like to, sort of, work my way back to what you were talking about, particularly with the alumni. And some alumni having become, uh, at least aware, quite possibly enthusiastic about ESG aspects while they, they were studying here, and then not immediately being able to apply that, that learning and that understanding when they get out in the world of work.

Is there something about a time lag in people's careers? Um, because I was very fortunate, uh, recently to bump into a student I taught 15 years ago, and she said she was finally doing the job that she wanted after graduation.

So do you think there's something about people being able to work their way through to an ESG job, or do you think they're there for the taking as soon as people graduate?

Marian: Like all good academic questions, I think the answer to that is yes and no. If you talk...

Jan: [laughing] ...well, I did ask an academic question, so I deserve an academic answer. Fair enough....

Paul: ...and, and typically of academics, you just bottle it and don't want to go down on one side of the fence or the other.

Marian: I'm about to. I'm about to.

Paul: Yeah.

Marian: Um, if you're talking about ESG related jobs, people, the, the students that I spoke to didn't see many of those. They didn't see, and they didn't see the level of what we are doing actually qualifying them for those jobs yet. So it was too much of an overview.

They also felt that it would be a while, realistically, before they were in senior roles where they would have real influence. But at the same time, they felt that they needed to go in and walk the talk in terms of their own practice as a, a first step towards having that influence and keeping those issues in people's minds.

So, yes and no.

Paul: How important do you think business schools are for making sure that these future leaders, that all business schools talk about shaping and creating, are actually ready for a world where ESG and all the issues are so important?

Marian: I think we are absolutely vital. I think it should be part of our fundamental purpose in life. And, in a way, I don't think it matters whether the world is ready for it, I think we have to give it to them anyway. Um, because it is, it is that important. And if we don't do it, and if we don't do it now, then it could be too late.

Paul: Do you think it's important that we equip these people with the tools to actually go up there and be the ones who bring about the change? If the world isn't changing, they can be the ones who do it?

Marian: Yes, definitely. Definitely. And I think it's, you know, I, I, it's, it's remarkable how, in a way, how few people need to make a change before other people notice that they've made a change and you start to get that momentum.

One, one of the other things that I would say, uh, based on the people that we talk to, quite a few of them are looking to go into consulting, and they were viewing this as something that any consultant worth their salt would have to be able to work with and, and work around, uh, because that's what their clients were going to be asking for.

Jan: That's quite interesting, because then it suggests that it might not just be the ideas of a particular employee in a particular place, but particularly that consulting function can actually share and transfer practice among different clients, if they're looking for you know superb sustainability, responsibility strategies.

So we are, quite often, and there's been a series of you know articles and, and books written over the last few years being really mean about, um, consultants. That, uh, it's all a bit sort of surface and it's a lot of money and you don't get much out of it. But would it be fair to say that that what you're hearing in those kind of stories, is that actually a bit more helpful? And so the right sorts of consultants could really make a difference?

Marian: The right sort of consultants definitely could make a difference. Whether they are going in that direction because they really believe in it, or because they feel they ought to, I don't know. And I think that's the same for

the clients. You know, is there an element of, of greenwashing in there or, or are they genuinely committed to making these changes? I don't know. Uh, I think we'll have to wait and see on that.

Paul: Greenwashing is a topic and words that people use so often in this podcast, Jan, 'cause it's so hard to know sometimes if people are being, you know, really honest about their intentions and their, their reasons for doing things. And it's why I can sometimes be really sceptical about lots of things like this as well.

Jan: Yeah, I agree. And, I don't know, greenwashing, I think, is a term that has a lot of salience and under, there are people who are at least fibbing or at least, you know, maybe you know polishing their credentials a bit hard. But it also is the fact that it kind of lets people off the hook I feel, if we just go down and say, oh, it's just greenwashing, because there will be substantive action and, and information in there as well.

So maybe that's a skill that we, we need to develop in ourselves and develop in our students to ascertain the good stuff from the greenwashing. And that way, if you like might be more informed about what we're seeing in the world.

Paul: And tying back as well, we spoke about green hushing not that long ago, and how sometimes people are doing good stuff, but they're not talking about it on purpose. And so yeah, there's, there's, it all folds in together.

So, when it comes to business and management schools then, Marian, how can they make the changes that need to be made, and how hard or easy will it be for them to make these changes?

Marian: It will be hard, not least, I think, because it has to be in their operations as well as in their curriculum. And there will be people who, for a variety of reasons, don't want to get on board with that. But I do think it has to be done. I think we have a, I hate to say a moral duty, but I think we do have a, a duty to, to be taking the lead on this.

And it does need to be a root and branch exploration of what are we doing? How are we doing it? How does that align with what we're teaching? Are we being consistent? All of those things and, and, you know, *radical* change.

Paul: I want to just bring us to a close then Marian, and just ask why are you optimistic, and what is giving you inspiration?

Marian: The thing that I am most optimistic about and most inspired by was that when we tried to run workshops around this, we thought to, to kind of set the ball rolling, that there was so much already going on and there was so much energy and enthusiasm for taking it further.

I think there's a real groundswell of people wanting to make this happen, and we've just gotta push the reluctant people a little bit further and a little bit faster.

Paul: Marian, thank you very much. It's been wonderful having you with us.

Marian: Thank you for having me back!

[Theme music]

Paul: It's always great to have Marian with us, Jan, isn't it?

Jan: It is and, and she's so energetic and, and looking at loads of different things, which is really, really, you know, positive for us 'cause we can have her back more times. But also positive for the, the business school as well.

Paul: Yeah, it obviously does tie in as well with her previous work that we've spoken to about on stewardship and leadership, because here in the Management School we're creating that next generation of leaders who are gonna be going out there and being in charge of these companies and adopting the leadership styles and the ways of acting.

Jan: And the other thing it reminded me of is quite, uh, reasonably early on in the second, um, series, we had Steve Kempster talking about the purpose of business is to enable flourishing.

And that sounded very much like some of the things that Marian was talking about as well. So the purpose isn't just profit, but the purpose is much greater. And for our students to come to understand that in a language that works for them, using ESG maybe rather than the SDGs, um, seem to fit together nicely.

Paul: And obviously we've spoken to Rose White about how sustainability fits into accreditations and rankings and stuff within a management school as well. So yeah, there, there are topics in there that definitely thread through what, what we do.

And what do you think, Jan, do you think that it's possible and it's going to happen, that ESG will be more threaded through all of the curriculum?

Jan: I think so because there's so, and I suppose it's sort of like your curriculum and your, your research strengths. So it's a huge research strength in the, in the School.

And I suppose we maybe end up thinking that students need a particular kind of education or cover particular things. So something like this to give us a bit of a, a shakeup or a bit of a shock to really think, well okay, it is there, can we be more articulated about it? Can we say more clearly to the students, now this is the elements that will be beyond just profit?

So I think it's about, maybe, common languages and common approaches, and even knowing where students are hearing this in other parts of their degree would allow these pieces to add up to something more substantive.

Paul: And I'll tell you, Jan, the bit that really fascinated me is, we've got to be careful not just within what we're teaching, but how we're acting. And there's so much of the operations that were going on and how they might need to change in order to show the people that we're talking to that we, we act as much as we talk and we're not just, you know, pretending to do these things.

We're not just paying it lip service, we're actually acting that way in the Management School. Things such as the catering, things such as the, the recycling options, all that kind of thing. And it's, it shows how much effort you need to put in and you can't just be talking about it in one lecture or two lectures, or five lectures or 10 lectures.

You need to be seeing all of this stuff that Marian's uncovered throughout your whole experience of going to the university.

Jan: Yes. 'Cause indeed the buildings teach, the estate teaches, so the whole of the university teaches in a, in an informal way alongside the formal programme.

Paul: Well, we're gonna stay with education next week. We're gonna be in a slightly different form of education. We're gonna be talking about something that is the Morecambe Bay Curriculum.

We're gonna be discovering everything about what that is and what that means, how it ties in with sustainability, how it ties in with all the communities around the Morecambe Bay area.

And we're gonna be welcoming Carys Nelkon and Bethan Garrett here, and they're gonna be talking to us about that, so that's gonna gonna be good as well. We're gonna be talking about education still, but differently.

[Theme music]

Jan: Brilliant. I look forward to it.

Paul: Well, thank you very much for listening, and until next time, I'm Paul Turner.

Jan: And I'm Professor Jan Bebbington.

[Theme music]