

A PATH TO DEVELOPING MORE INSIGHTFUL BUSINESS SCHOOL GRADUATES: A SYSTEMS-BASED, EXPERIMENTAL APPROACH TO INTEGRATING LAW, STRATEGY, AND SUSTAINABILITY

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At a time when recurrent widespread scandals continue to put the ethics of business-people in question, this essay offers an open systems and experiential pedagogical approach designed to help a new generation of managers become more insightful and socially responsible. In joining the on-going conversation concerning curriculum development and learning outcomes in this journal and others, we believe that reintegrating the teaching of other disciplines, specifically developments in law and sustainability as part of strategy, may be a place to start.

The three authors listed first contributed equally to this essay. Constance E. Bagley gratefully acknowledges the intellectual contributions of Virginia Maurer, the Huber Hurst Professor Emerita of Business Law at University of Florida, to Professor Bagley's original articulation in 2000 of law as a source of business value. Adam J. Sulkowski would like to thank current and former students and colleagues at Babson College, Collegium Civitas, University of Massachusetts (UMass) Dartmouth, and the Warsaw University of Life Sciences for their input and efforts in developing several of the experiential learning approaches described here, external partners, including the Town of Dartmouth, Massachusetts, and the cities of Fall River, Massachusetts, and Warsaw, Poland, and the Polish-American Fulbright Commission for its support.

All of the authors would like to dedicate this essay to the memory of Professor Lynn A. Stout, a giant in the fields of corporate governance and social responsibility who was taken from this world far too soon. We also gratefully acknowledge the helpful guidance from Associate Editor Russ Vince and the three anonymous reviewers.

The Organization for Economic Co-operation and Development (OECD) calls “[o]beying domestic laws . . . the first obligation of enterprises” (OECD, 2011: 17). Yet a review of the MBA curriculum at the top-20 business schools (as ranked by *U.S. News & World Report* in 2015) revealed only four schools with core or required courses specifically requiring coverage of business law or the legal environment of business: The Stanford Graduate School of Business, Harvard Business School (HBS), New York University's Stern School of Business, and the Wharton School at the University of Pennsylvania (Bagley, Roellig, & Massameno, 2016: 477–478).

Before and after the financial crisis of 2008, there have been recurrent and widespread multi-billion-dollar frauds and other corporate crimes that have implicated executives and directors at firms ranging from Wells Fargo Bank to Volkswagen to Purdue Pharma. Increasingly, governments are seeking to

hold supervisors and directors criminally responsible for violations of law by their subordinates (Cordoba, 2019). Although apologies follow each new scandal, as Mary Barra, CEO of General Motors, put it after the car company agreed to pay a \$900 million fine for hiding a deadly ignition switch defect for more than a decade, “[a]pologies and accountability don’t amount to much if you don’t change your behavior” (Vlasic, 2016). The global managing director of McKinsey and Company, Dominic Barton, went a step further, stating, “business leaders face a stark choice: Either they reform capitalism, ‘the greatest engine of prosperity ever devised,’ or stand by and watch as government takes control” (quoted in Bridgman, Cummings, & McLaughlin, 2016: 736).

At the same time, making explicit the role sustainable business practices will play in addressing climate change is “one of the most daunting and contentious challenges in the 21st century” (York, Vedula, & Lenox, 2018: 1492) for business schools, their graduates, investors, politicians, scientists, and others. William D. Nordhaus won the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 2018 (along with Paul Romers) for “pioneer[ing] a framework for understanding how the economy and climate of our planet are dependent on each other” (Committee for the Prize in Economic Sciences in Memory of Alfred Nobel, 2018: 1). Reinforcing feedback loops aggravate the harm caused by humans and, unfortunately, many businesses’ disregard for the planetary limits (Riddle et al., 2017). Wealth inequalities, population growth, and modern lifestyle choices make sustainability—our ability as a civilization to “keep going,” much less thrive—a central challenge of our time (Diamond, 2005; Sulkowski & Waddock, 2016).

We begin this essay by describing the genesis of the current status of management education, then suggest ways it might be modified to better equip our graduates to meet the challenges they will face as managers. We suggest taking an open systems experiential approach to teaching law, strategy, and sustainability in an integrated manner. We believe that our approach will enhance the capacities of business school graduates to engage in the critical thinking necessary to make sound judgments under conditions of uncertainty and ambiguity, a primary societal purpose of academic institutions (Mintzberg, 2004: 76). After we present our systems approach, we describe experiential learning techniques designed to develop the passion for sustainability essential for long-term sustainability and well-being (Sulkowski, 2017; Shrivastava, 2010). We also propose related

student learning objectives and methods for assuring learning.

THE CURRENT STATUS OF BUSINESS EDUCATION

Currently, business students are often exposed to siloed discipline-based curricula that in an important part describe “firms as profit-seeking entities that operate within an economic system grounded in market-based exchanges” with “a de-emphasis on other systems—or ‘orders of worth’” (Hafenbrädl & Waeger, 2017: 1586). Because “the inner logic of systems other than the market economy is less present and available” to such students, concluding that successful business decisions must be driven by a purely profit-driven market economy analysis may feel “inescapable” (Hafenbrädl & Waeger, 2017: 1586). An economics course might address externalities, such as air pollution, and a finance course might discuss biases that prevent humans from making rational investment decisions, but these discussions tend to be the exceptions to the rational market-based analysis expected of students. Yet as Bennis and O’Toole (2005) explain, “the things routinely ignored by academics on the grounds that they cannot be measured—most human factors relating to judgment, ethics, and morality—are exactly what make the difference between good business decisions and bad ones.”

Conventional business disciplines (e.g., accounting, economics, finance, marketing, operations, and organizational behavior) often exist in separate silos (in terms of both research and teaching) (see Pfeffer, 2018). The study of law and sustainability (or ecology) may be offered in elective courses, provided as cross-registration opportunities through partner institutions such as a law school, or not taught at all.

[E]ven when schools add a course in ethics, [for example,] they [often] do so in a vacuum. Teaching one ethics course doesn’t ensure that a marketing professor will, for instance, discuss privacy-related issues while describing the Net’s use as a marketing medium. On the contrary, because of a lack of interest, perhaps, or a fear of leading a discussion in an area outside their expertise, faculty members often stay away from teaching the normative aspects of business (Podolny, 2009).

Even the strategic management course, which was once taught from the perspective of the general manager, has generally taken on a more disciplinary basis (McDonald, 2017).

Institutions are not core concepts in strategy education beyond transaction–cost economics (Peng, Nguyen, Wang, Hasenhüttl, & Shay, 2018: 259, 262–263). Sustainability and ecology are also not typically core concepts in strategy education (Nag, Hambrick, & Chen, 2007; Ronda-Pupo & Guerras-Martin, 2012). Even business-and-society and ethics courses, which may incorporate some legal concepts and sustainability, tend to be elective rather than required (Podolny, 2009). Although innovative curricula are being developed, we believe that business schools could do more to prepare their graduates for today’s complex, fast-changing world. We would start by focusing on the purpose of the firm.

How Did We Get Here?

Historically, business schools and business leaders had a more expansive sense of purpose than many seem to have today (McDonald, 2017). Early proponents of professional business schools sought to educate managers to tackle issues not just of commerce, but also of society (Khurana, 2007).

For example, during the 1920s and 1930s, Harvard Business School’s Dean, Wallace B. Donham and his close colleague Harvard Professor of Philosophy Alfred North Whitehead took an expansive approach to the relationship of business to society. Whitehead expressed concern that an obsession with “material things and of capital” had become divorced from the active consideration of values, which were “politely bowed to, and then handed over to the clergy to be kept for Sundays” (Whitehead, 1925: 284, quoted in Bridgman et al., 2016: 731).

The business policy course taught at HBS starting in the 1960s (Learned, Christensen, Andrews, & Guth, 1969) was the precursor of strategic management (Nag et al., 2007: 935). It reflected Whitehead and Donham’s views and was predicated on four pillars: “(1) appraisal of present and foreseeable opportunity in the company’s environment; (2) assessment of the firm’s unique combination of present and potential corporate resources or competencies; (3) determination of the *noneconomic personal and organizational preferences* to be satisfied; and (4) identification and acceptance of the *social responsibilities of the firm*” (Christensen, Andrews, & Bower, 1973: 584, emphasis added).

Christensen and many of his business policy colleagues reasoned that managers must consider not only what they *can* do, but also what they *should* do. As a result, addressing the moral aspects of strategic

choice required navigating “the tangle of ethics” (Christensen et al., 1973: 578).

The CEO-led Business Roundtable issued a statement of firm purpose in 1981 that expressly acknowledged that “[t]he long-term viability of the corporation depends upon its responsibility to the society of which it is a part. And the well-being of society depends upon profitable and responsible business enterprises” (Yang, 2013).

By the mid-1980s, however, a group of economists had convinced many management scholars, investors, and executives that the purpose of the corporation should be to maximize profits for its shareholders (Meese, 2002: 1631; Monbiot, 2016; Waddock, 2016). Along with this profit-maximizing approach came an emphasis on free markets and limited government. Agency theorists (especially Jensen & Meckling, 1976) fostered proposals for “pay-for-performance” incentives for executive compensation, designed in part to avoid management “shirking.” Once executives’ incentives were explicitly tied to the performance of companies’ stock, there followed increased pressure on individuals and organizations to “satisfy Wall Street’s [profit-driven] expectations” (Dayen, 2016).

A vibrant market for corporate control ensued (Walsh & Kosnik, 1993), with even the most venerable firms subject to proxy contests to replace the boards or unsolicited and often coercive tender offers to force the breakup or sale of the target firm (Korman, 2017). Threatened with replacement if their stock performance lagged behind investor expectations, executives tended to focus on maximizing shareholder price for the short-term even if it meant cutting back on R&D or reducing employee training, benefits, and tenure (Stiglitz, 2019: 112). The Business Roundtable captured the prevailing mindset in its 1991 statement of corporate purpose: “the principal objective of a business enterprise ‘is to generate economic returns to its owners’” (quoted in Yang, 2013). Although the United States, and to a lesser extent the United Kingdom, led the charge down the path of shareholder primacy, other countries, such as South Korea, began to follow suit when faced with corporate raiders, as Samsung Group was when Elliott Associates challenged a proposed merger of two Samsung affiliates (Kang, 2015: 141). In contrast, employees in Germany were protected from massive layoffs by work councils and, in the case of large public companies, codetermination voting rights.

Back to the Future

After the subprime mortgage crisis, criminal environmental fraud by Volkswagen, massive money

laundering by Danske Bank, the \$5 billion fine levied against Facebook for privacy violations, customer fraud by Wells Fargo, and other corporate misbehavior, scholars, government leaders, and institutional investors started pushing back harder against the purely profit-driven approaches taught in many U.S. business schools. Public calls for change also grew louder. The Business Roundtable expressly abandoned shareholder primacy in 2019 and replaced it with a stakeholder approach predicated on the belief that sustainable value creation and success over the long-term require “meeting the needs of all stakeholders” (Business Roundtable, 2019). In the Business Roundtable Statement on the Purpose of a Corporation issued August 19, 2019, the 181 CEO-signatories committed to:

- *Delivering value to our customers.* We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
- *Investing in our employees.* This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.
- *Dealing fairly and ethically with our suppliers.* We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.
- *Supporting the communities in which we work.* We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.
- *Generating long-term value for shareholders,* who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.
- Each of our stakeholders is essential. “We commit to deliver value responsible to all of them, for the future success of our companies, our communities and our country” (Business Roundtable, 2019).

Bill McNabb, former CEO of Vanguard, one of the largest institutional investors, praised the Business Roundtable’s call for more business leadership: “By taking a broader, more complete view of corporate purpose, boards can focus on creating long-term value, better” (quoted in Business Roundtable, 2019).

Earlier in 2019, Larry Fink, CEO and Chair of BlackRock, the world’s largest institutional investor

with almost \$6 trillion under management, stated in his letter to CEOs that, “[u]nnerved by fundamental economic changes and the failure of government to provide lasting solutions, society is increasingly looking to companies, both public and private, to address pressing social and economic issues,” including “protecting the environment” (Fink, 2019). To be good investments, “companies [and their leaders] must demonstrate their prosperity” (Fink, 2019).

Going beyond shareholder primacy will require managers to become adept with “a form of unstructured creative ethical deliberation very alien to the prevalent forms of cost-benefit analysis” typical in many strategy courses today, where “the main debate is between differing accounts of *how* to maximize profits” (Gersel & Johnsen, 2020: 285).

Teaching managers to deliberate in this way will require that they are taught to consider what type of future they want to live in, what type of values their contemporary community respects, and also how various ethical ideals have historically been interpreted (p. 285).

Much as lawyers and judges review precedent (past decisions) to help decide new cases, a review of the trade-offs between so-called “thick evaluative concepts, such as “bravery, profitability, efficiency, cruelty, shameful, humoristic, and a host of others,” in earlier cases can help guide future decision making (Gersel & Johnson, 2020: 276).

Given the high percentage of publicly traded stock held by institutional investors, major investors, such as BlackRock and Vanguard, whose own equity holders include pension funds, insurance companies, and others that invest for the long-term, can protect executives and directors who might otherwise fear that strategies designed for long-term growth could depress the short-term stock price and leave the firm vulnerable to corporate raiders intent on breaking up the firm because, at least in the short-term, it is worth more dead than alive. To help their graduates become more adept at making defensible and rational trade-offs and enhance their ability to explain their reasoning to their investors and other stakeholders, business schools can offer experiential opportunities for future leaders to practice explaining their strategy (pp. 280-282).

The millennial generation is also calling for a broader purpose for business and hence changes in business education. In a recent Deloitte survey, 63% more millennial workers surveyed thought that the primary purpose of businesses should be “improving

society” rather than “generating profit” (Fink, 2019). As stakeholder pioneer R. Edward Freeman explains, “profits are not the purpose of business” (2017: 456). Conflating profits and purpose is similar to claiming that an individual’s purpose is to make red blood cells. Red blood cells are necessary for life, but purpose is “the idea that we stand for something greater than ourselves and our self-interest” (p. 456).

As Fink notes, “[i]n the years to come, the sentiments of these generations will drive not only their decisions as employees but also as investors” (Fink, 2019). This demographic change means that “environmental, social, and governance issues will be increasingly material to corporate valuations” (Fink, 2019).

It is not just the millennials who care. According to Jay Barney, “[p]erformance measured only in financial terms is increasingly seen by many actors in the economy as a myopic way to assess firm activities” (Barney, 2020: 712). There appears to be a “growing awareness of the vital role of firms in tackling societal challenges regarding, for instance, environmental sustainability” (Barney, 2020: 712). If, as Barney suggests, the “21st century looks like it may become the century of stakeholder-oriented firms” (p. 712), then it will be important for strategy scholars and instructors to work together to “more fully incorporate[e] a stakeholder orientation into theories of the firm” (Barney, 2020: 712). By combining the discussion of the theories of the firm underlying systems- and stakeholder-based strategic decision making with challenging and experiential pedagogy, business schools will be much better equipped to work with learners to develop their ability to assess the financial, legal, environmental, social, and governance performance of firms and their managers and to decide when and how investors and other stakeholders should try to intervene when performance is subpar.

The change in rhetoric has led to a renewed emphasis on teaching business ethics (cf. Arce & Gentile, 2015; Akrivou & Bradbury-Huang, 2015; Allen, Cunliffe, & Easterby-Smith, 2019), and aligning that instruction with sustainability (Tavanti & Davis, 2018). A 2019 study of a global cohort of more than 1,000 individuals considering a business degree conducted by the British education marketing firm Carrington Crisp on behalf of EFMD, which runs the EQUIS business school accreditation program for business schools, found that business ethics and business law were among the top-five courses that interested the prospective students most, along with big data/analytics, accounting, and finance (Hazlehurst,

2019). “For some observers, however, this has amounted to little more than ‘business schooling as usual’” (*Economist*, 2009: 82). “What is required, it is argued, is for business schools to foster skepticism and act more like court jesters than cheerleaders for the corporate world” (quoted in Bridgman et al., 2016: 737).

Not everyone agrees with this emphasis on ethics, social responsibility, and stakeholders, in part because there is not always a demonstrable correlation between above-market financial returns and being a “good” corporate citizen (see studies cited in Boze, Krivitski, Larcker, Tayan, & Zlotnicka, 2019).

Robert Simons (2013), who teaches the Designing Winning Organizations course at HBS, blames new courses on business ethics and corporate social responsibility for a decline in the competitiveness of U.S. industry. For Simons, business schools have lost focus on their only legitimate mission: “The business of business schools is teaching business. And successful businesses require an over-riding focus on the tough choices needed to prevail in competitive markets (p. 31; quoted in Bridgman et al., 2016: 735–736).

Accordingly, as we discuss next, our graduates will be called upon to reconcile the demands of the financial markets with their own and their stakeholders’ core values and beliefs, the expectations of law and society, and the limits of the planetary ecosystems.

THE CHALLENGES OUR GRADUATES WILL FACE

The millennial generation’s interest in social and environmental issues also reflects the challenges our graduates will face as managers in a world undergoing extreme disruption. They will have to devise and implement strategies for successfully competing in global markets during major technological and demographic changes, growing income inequality, rampant corruption and other corporate and governmental wrongdoing, changes in the nature of work, the effect of climate change, the potential for major ecosystem collapses, and species extinction. According to a report by the National Academies of Sciences, Engineering, and Medicine (NASEM), “the grand challenges of the present cut across multiple dimensions of human life—material, economic, environmental, social, cultural, technical, political, medical, aesthetic, and moral” (NASEM, 2018: 12).

In many ways, these challenges are at the heart of William D. Nordhaus’ and Paul M. Romer’s work on

the role of government in sustaining “long-run, global, and sustainable growth” (Committee for the Prize in Economic Sciences in Memory of Alfred Nobel, 2018: 2). They both “emphasize that the market economy, while a powerful engine of human development, has important imperfections,” and they “offered insights into how government policy could potentially enhance our long-run welfare” (p. 1).

As the head of the United Nations Global Compact’s PRME initiative—Principles for Responsible Management Education (United Nations Global Compact)—explains:

Business and management schools play a key role in shaping the skills and mindsets of future leaders, and can be powerful drivers of corporate sustainability,” but “today’s higher education institutions must change the way they teach about business, and more systematically incorporate values like sustainability, ethics and responsibility into their teaching, research, and campus leadership (United Nations Global Compact, 2018).

Understanding and Fulfilling Legal and Ethical Responsibilities

Understanding and fulfilling the legal and ethical responsibilities of business entities and their managers can be broken into three general categories: (1) compliance and ethics, (2) working with formal and informal institutions, and (3) fulfilling fiduciary duties and governance responsibilities.

Compliance and ethics. As noted at the beginning of this essay, compliance with law is the baseline for responsible corporate behavior (OECD, 2011: 17). Accordingly, basic knowledge of the laws and regulations that govern businesses and other entities are an essential part of informed strategic thinking. Nehrt observed that the literatures on first-mover advantage and the sustainability of competitive advantage “generally have missed the importance of the relationship between the resources of the firm and the regulatory context in which they are deployed” (Nehrt, 1998: 77).

There is a direct relationship between law, ethics, and strategy. As the American Bar Association (ABA) states in the Comment to Rule 2.1 of its Model Rules of Professional Conduct, “[a]dvice couched in narrow legal terms may be of little value to a client. . . . [M]oral and ethical considerations impinge upon most legal questions and may decisively influence how the law will be applied” (ABA, 2018). Similarly, Thomas Madden asserts that “[v]alues-attentive ethics [which is predicated on behavioral ethics

scholarship and research] cannot be extricated from the law in law and strategy management whether viewed on a resource-based or systems-based approach” (Madden, 2019: 186).

Through the practice of “strategic compliance management” (Bagley, 2005; Bagley et al., 2016), managers can reduce the incidence of legal violations and also convert seemingly non-binding constraints into opportunities (Judge & Douglas, 1998; Nehrt, 1998; Porter & Kramer, 2011, 2006; Porter & van der Linde, 1995). Indeed, regulations can force firms to innovate and thereby become more competitive in the global marketplace (Berger-Walliser, Shrivastava, & Sulkowski, 2016; Risen, 2015).

Institutions “matter.” Notwithstanding a scholarly consensus by 2018 that “institutions matter” (Peng et al., 2018: 259), “institutions [including law] as a topic have not been widely and explicitly taught in strategy courses” (Peng et al., 2018: 262) or in the leading strategy textbooks (see, e.g., Hitt, Ireland, & Hoskisson, 2017). Yet, “institutions directly determine what arrows a firm has in its quiver as it struggles to formulate and implement strategy” (Ingram & Silverman, 2002: 20, quoted in Peng et al., 2018: 263–264, emphasis added). In educating business students, we must teach them “how to craft, launch, and fight with these ‘arrows’” (Peng et al., 2018: 264) and to defend against them. Teaching students through these methods “will significantly enhance the rigor and relevance of strategy teaching” (Peng et al., 2018: 264). As Hillman, Zardkoohi, and Bierman explain, “even the best competitive strategies accompanied by superior products and unique firm resources will not survive without attention to the government” (Hillman, Zardkoohi, & Bierman, 1999: 67).

Formal institutions include laws and rules (e.g., North, 1990), which undergird the capitalist system by defining property rights and making it possible for entrepreneurs to borrow money secured by identifiable assets (DeSoto, 2000). Nordhaus “pioneered a framework for understanding how the economy and climate of our planet are mutually dependent on each other” and are dependent on government intervention (Committee for the Prize in Economic Sciences in Memory of Alfred Nobel, 2018: 1). Informal institutions include customs, norms, and other sources of legitimacy (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Suchman, 1995; Nelson, 2016).

Governments will change the law and regulations in response to lobbying, litigation, emerging needs, technologies, societal expectations, and forms of

misconduct (see, e.g., Baron, 1995; Hillman & Hitt, 1999; Lawton & Rajwani, Eds., 2015). For example, Cummins successfully lobbied the Environmental Protection Agency to tighten the emission standards for diesel engines (Risen, 2015). Also, with business leaders' increasing power to change the law come ethical questions of corporate self-governance and moral choices (Dahan, Hadani, & Schuler, 2013; Nelson, 2017).

Fiduciary duties. Officers and directors have fiduciary duties of care and loyalty to the corporation they serve and have an obligation to act in good faith (Bagley, 2019). Many economics and finance faculty assert that there is a “shareholder primacy norm,” i.e., a recognition that directors and managers [of for-profit firms] do and should [(or even must)] run the corporation so as to maximize the wealth of a single owner, namely, shareholders” (Meese, 2002:1631; see also Bughin & Copeland, 1997; Meehan & Jonker, 2018). But this asserted mandate misstates both the law and the purpose of the firm (Stout, 2008; Nelson, 2019). Indeed, adhering to it may, in many instances, end up hurting not only non-shareholder constituencies, but also many of the shareholders it is supposed to protect (Stout, 2013).

Directors of for-profit firms do not have a legal duty to maximize shareholder value in most contexts (Bagley & Page, 1999; Greenfield, 2005; Stout, 2012; Nelson & Stout, In Press). In fact, only when a break-up of the corporation or a change in control has become inevitable must directors seek the highest price for its shares (*Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc.*, 1986: 182). As Delaware Chancellor William Allen states, corporate law “does not operate on the theory that directors, in exercising their power to manage the firm, are obligated to follow the wishes of a majority of shares” (*Paramount Communications Inc. v. Time Inc.*, 1989: 749–750). Even when deciding whether to block a hostile takeover, directors may take into account many other economic and social factors, such as the “nature and timing of the offer, questions of illegality, the impact on ‘constituencies’ other than shareholders (i.e., creditors, customers, employees, and perhaps even the community generally), the risk of nonconsummation, and the securities being offered in exchange” (*Unocal Corporation v. Mesa Petroleum*, 1985: 954–955).

By regulation, the European Union protects non-shareholder constituencies, such as employees, creditors, and the environment from hostile takeovers, to a far greater extent than the United States. Among the European countries, the United Kingdom is the most shareholder friendly (*Economist*, 2019). In the case of

China, virtually all publicly held companies are state-owned or state-controlled (Kang, 2015: 165). Profits are often secondary to the pursuit of the national interests as determined by the Communist Party leadership, with the Chinese citizens being the “ultimate shareholders” (p. 165). When Jack Ma announced he was taking Alibaba public on a U.S. stock exchange, he confirmed that Alibaba would continue to follow the principle of “customer first, employee second, **shareholder** third” (quoted in Kang, 2015: 156, emphasis in original), but no one would expect him or Alibaba to criticize China’s Great Firewall or to support the protestors in Hong Kong.

Using Law for Strategic Advantage: The Value of Legal Astuteness

Traditionally, law courses or modules in business schools focused on law as a constraint, not as a source of value creation (Bagley, 2000). But understanding what North refers to as “the rules of the game” (1990: 3) is important not only to stay out of trouble. It also promotes more effective management by showing managers how to use the law and legal tools to create realizable value, marshal resources, and manage both legal and business risk (Bagley, 2005). Just as war is too important to leave to the generals (Clemenceau, 1926), legal matters are too important to leave to the lawyers (Bagley, 2005). At a minimum, managers need to know enough about the law to know when to seek legal counsel. But it is also important for managers not to abdicate their responsibility for exercising informed judgment when faced with alternative legal courses of action to ensure that the firm’s legal strategy is aligned with its business strategy.

Legally astute top management teams can work with strategically astute counsel to solve complex problems (Bagley, 2008, 2010), to leverage the resource advantages of the firm (Barney, 1991), and to understand and manage the firm’s resource dependencies (Pfeffer & Salancik, 2003). The legal astuteness of the top management team—defined as a set of value-laden attitudes (see Baker & Ostas, 2020, for the role of ethics), a proactive approach, the exercise of informed judgment, context-specific knowledge of the law and the appropriate use of legal tools, and a partnership with strategically astute counsel—can be a valuable dynamic capability (Teece, Pisano, & Shuen, 1997) and source of competitive advantage for the firm (Bagley, 2016). For example, venture capitalists’ ability to structure the issuance of a series of preferred stock with varying rights, preferences,

and privileges provides downside and sideways protection and creates valuable options to defer additional investments in a start-up until more information is available about the capabilities of the founding team, the viability of the product or service, and the competitive market (Suchman, Steward, & Westfall, 2001). This example could be used in a strategy course or in courses in finance, economics, entrepreneurship, or law. Similarly, litigation can be used to challenge tariffs and trade barriers and bans on certain types of advertising as unconstitutional constraints on free speech.

Law affects each of Porter's Five Forces (Porter, 1980)—buyer power, supplier power, barriers to entry, the availability of substitutes, and the power of competitors (Shell, 2004). In fact, the Five Forces directly implicate legal antitrust issues, for example, in describing the ideal circumstances for creating and preserving monopolies (Fried & Oviatt, 1989). Google, Amazon, and Facebook are currently facing antitrust and privacy scrutiny in the United States and the European Union (Swartz, 2019) with Apple seeking to differentiate itself in the marketplace by providing stronger privacy protections for its customers. The European Commission blocked General Electric's attempted acquisition of Honeywell even though it had been cleared by the U.S. antitrust authorities. Law also affects the activities in a firm's value chain (Bagley, 2005; Porter & Kramer, 2006; Porter, 2008). As Nehrt cautions, "[i]gnoring regulatory issues may provide more elegant theory or cleaner analysis, but doing so ignores the messy reality within which managers operate" (Nehrt, 1998: 94).

Finally, business school graduates sometimes lead or sit on boards of non-governmental organizations, which, along with corporations, can create influential "soft law," or non-binding rules that encourage changes in behavior (Ruggie, 2007). The Global Reporting Initiative (GRI) encourages through peer pressure and transparency (but cannot require or mandate) disclosure of key sustainability-related metrics (Sulkowski, 2016; Sulkowski & Waddock, 2013). Sometimes soft law creates a ratcheting-up effect that shifts norms of practice (Sabel, O'Rourke, & Fung, 2000) into binding legal requirements. The Global Reporting Initiative and Integrated Reporting Movement have created a context in which large, multinational businesses increasingly feel obligated to conform to reporting norms and standards that incorporate environmental, social and governance (ESG) issues into their annual reporting (KPMG, 2015).

Factoring in Sustainability

Since the 1950s, the world has entered a period of "great acceleration" in population, social, and ecological trends, placing enormous pressures on the Earth's systems (Subramanian, 2019). Human influence on the Earth's ecosystems has resulted in the breach of several geophysical planetary boundaries identified by the Stockholm Resilience Institute. Breaching those boundaries disturbs the Earth's carbon, water, and nitrogen cycles and threatens Earth's ability to support life (Rockström et al., 2009; Steffen, Richardson, et al., 2015). Professor Crutzen (2006) labeled this era the Anthropocene, in which human activities and systems determine the health and viability of life-supporting natural systems (Steffen, Broadgate, et al. 2015). Unsustainable business practices (Slawinski & Bansal, 2015), unchecked by efficient markets or effective regulation, have resulted in fogs of pollution in Beijing and Mumbai, vast wildfires in California and Siberia, and the destruction of coral reefs. The Committee for the Prize in Economic Sciences in Memory of Alfred Nobel (2018a: 4) quoted *The Stern Review* for the proposition that "[c]limate change is a result of the greatest market failure this world has seen" (Stern, 2007). Weakened government protections for workers have led to toxic workplace practices, such as job insecurity, overwork, stress, and minimal benefits, resulting in unsustainable human environments where "people are literally dying for a paycheck" (Pfeffer, 2018: 8).

In short, the tragedy of the commons (Hardin, 1968) threatens to play out on a planetary scale. But why is this business school graduates' problem to solve? Isn't it government's job to ensure that externalities are properly accounted for? Unfortunately, as Fink (2019) acknowledges in his CEO's letter, without enlightened business leadership, public policy will not change quickly enough—or sufficiently—to address today's environmental challenges.

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Current self-regulation of businesses alone to address climate change has not been enough to move the needle (Simonis, 2013; IPCC, 2014). Although 78% of firms in the S&P 500 Index issued a sustainability report in 2017 (KPMG, 2017: 21), only 48% viewed climate change as a financial risk (KPMG, 2017: 30). Similarly, only 28% of

4,900 companies surveyed worldwide acknowledged that climate change posed a financial risk (KPMG, 2017: 30). Sixty-seven percent of the 250 largest companies worldwide (G250) set specific goals for carbon reduction, but about two-thirds of those companies do not tie their proposed reductions to national, regional (e.g., European Union (EU)), or global (e.g., United Nations (UN)) goals (KPMG, 2017: 50).

Additionally, in the United States, cases such as *Citizens United v. Federal Elections Commission* (2010) have greatly enhanced the ability of for-profit corporations to shape government policies to their own ends. Avoiding the heightened dangers of crossing the 1.5°C global-warming threshold will be especially difficult in countries such as the United States where climate change skeptics question whether significant changes are even necessary (IPCC, 2018: 17). Although 66% of adults in the United States now believe climate change is real and is caused by human activities, only 45% of the adult population believes that climate change will pose a serious threat in their lifetime (Saad, 2019). Certain developing countries, such as Brazil, question why they should bear the brunt of foregoing mining, agriculture, and logging to preserve the rainforests in the Amazon (Pearson & Lewis, 2019) when developed countries have failed to cut their carbon emissions.

Changes in attitudes and behavior will require transformative business, scientific, and civic education and engagement combined with public and private efforts led by values-driven, creative leaders capable of “guiding” complex projects and “path-clearing” across challenging terrain (Fisher, Pillemer, & Amabile, 2018: 1537–1545). They will need to work with national and local community and business leaders to create and “orchestrate” (Teece et al., 1997) new networks and open systems (see Giudici, Reinmoeller, & Ravasi, 2018). It will take multinational public–private partnerships to sequester carbon, eliminate islands of plastic from the oceans, and otherwise repair the harm inflicted on our planet (for more on public-private partnerships, see, e.g., Bagley & Alon-Beck, 2018). As Capra and Luisi point out, “[w]e have the knowledge and the technologies to build a sustainable world for our children and for future generations. What we need is [to build] political will and leadership” (Capra & Luisi, 2014: 452). That is exactly where integrating strategy, law, and sustainability becomes vital.

The managers of tomorrow will need to have practice navigating the interfaces that exist among businesses, nongovernmental organizations (NGOs), governments, societies, and the natural environment

(Capra & Mattei, 2015). Leaders who believe that corporate social responsibility and financial performance are correlated tend to associate market-system outcomes with fairness (Hafenbrädl & Waeger, 2017: 1586). Ironically, those individuals are less likely to see or act on ethical violations, including environmental harms (Hafenbrädl & Waeger, 2017). As a result, it is important for strategy courses to expose learners to behavioral ethics and to the effects their beliefs and biases can have on their ability to recognize misconduct requiring government intervention or industry self-regulation.

Alberto-Aragon and Sharma describe how a proactive strategy for reducing pollution and addressing other environmental matters “anticipate[s] future regulations and social trends and design[s] or alter[s] operations, processes, and products to prevent (rather than merely ameliorate) negative environmental impacts” (Alberto-Aragon & Sharma, 2003: 73). A goal of higher education is to refine students’ “software”—the mental pathways and heuristics that guide decision making, especially “knee jerk” reflexive responses in times of crisis. Effective leaders of the future will need to recognize environmental problems as business problems (and opportunities) and incorporate environmental thinking early in the crafting of strategy and implementation. Studies show, for example, that goals such as “ratcheting up environmental standards” are more likely to be achieved when environmentalists are included from the outset as part of the team formulating overall strategy (De los Reyes, Kim, & Weaver, 2017: 330). The law, strategy, and sustainability approach we discuss next is designed to help educators put these issues front-and-center in their teaching and their students’ learning.

INTRODUCING THE LAW, STRATEGY, AND SUSTAINABILITY SYSTEMS APPROACH

Our law, strategy, and sustainability systems approach places the firm and its leadership in a web of human stakeholders (see Mintzberg 2004: 140; Freeman, 2017; Sulkowski, Edwards, & Freeman, 2018) governed by formal and informal laws, norms, and customs. The embedded system, in turn, depends on and interacts with natural life support systems.

Human-made law and associated institutions are a critical aspect of the business, institutional, and planetary “ecosystems” within which firms operate (Capra & Mattei, 2015). There is accordingly “an inherently interactive and symbiotic relationship between the private business organization and the

larger society that constitutes its host environment” (Preston & Post, 2012: 12). As a result, an organization’s survival over time often depends on its “conforming to normative expectations rather than simply operating with greater efficiency” (Fiss & Zajac, 2006: 1173).

Similarly, the long-term survival of a civilization depends on preserving its natural life support systems. Small changes in the natural environment can cause massive qualitative change (see Lorenz, 1969, the “butterfly effect”). These interrelationships are difficult to capture in siloed business research (Kaplan, Nilde, & Cowan, 2016).

For the purpose of business education, we believe that an open systems approach is particularly well suited for portraying the dynamic manner in which firms and their managers interact with stakeholders, the ecosystems within which they operate, and the feedback loops that affect their options and the consequences of their actions. Katz and Kahn (1966) are commonly credited with applying the open systems approach to the business organization (Mele, Pels, & Polese, 2010). According to Katz and Kahn’s model, the firm (1) is embedded and dependent on a surrounding environment, (2) from which it takes inputs, (3) that it uses throughputs to process into (4) outputs (5) that alter the surrounding environment through feedback loops and emissions. Similarly, Von Bertalanffy, an early proponent of open systems theory, noted that systems analysis of a business enterprise “encompasses men, machines, buildings, inflow of raw material, outflow of products, monetary values, good will and other imponderables” (1968: 196). Feedback loops affect planetary ecosystems (both metaphorical and physical), as well as the firm and its leadership, stakeholders, resources, the competitive environment, the activities in the value chain, and the “sea of law” in which the firm and its competitors, stakeholders, and resources are embedded.

Our law, strategy, and sustainability approach comprises the eight elements set forth in Table 1).

At the center of our approach is the firm’s leadership: “one of the most critical resources for a successful corporate strategy” (Shanley & Peteraf, 2004: 293). The firm’s strategic decisions and courses of action are informed by the education and other characteristics of the firm’s top management team (what Hambrick (2007) called the “upper echelon”) as well as the team’s dynamic capabilities, including its legal astuteness. The leadership scans available information flows to identify resources, opportunities, and threats. Leaders use heuristics (Kahneman

TABLE 1
Eight Elements of the Law, Strategy, and Sustainability Approach

Leadership
Resources and Dynamic Capabilities
Legal Astuteness and Sea of Law
Competitive Environment
Value Proposition and Activities in Value Chain
Open Systems
Ecosystems
Feedback Loops

& Tversky, 1979; Tversky & Kahneman, 1982; Kahneman & Lovallo, 1993) to craft a value proposition and to define, orchestrate, perform, and modify the activities in the value chain.

To be sure, this process is imperfect. Managers and directors muddle through with limited information and time, “satisficing” as they go (Simon, 1982). Managers who understand the limits of bounded rationality (Simon, 1982) and the need (often dictated by regulation) to “countervail the excesses that occur because of our animal spirits” (Akerlof & Shiller, 2009: xxii–xxiv) are better equipped to spot and counteract their own biases and those of others. They are also, in theory, better able to anticipate and to manage “black swan” (rare) context-altering events (Taleb, 2010).

Legally astute managers seek to eliminate negative externalities (Bagley, 2016) or they may seek to change the law to require competitors to internalize their externalities to level the competitive playing field. Boards of directors are responsible for putting adequate systems in place to prevent and respond to illegal and unethical conduct (Bagley, Cova, & Augsburg, 2017).

To stay competitive, the leadership of a firm needs to keep track of information flows so it can alter the firm’s value proposition and activities in the value chain in response to shifting customer demand, evolving societal expectations, new and amended laws and regulations, changes in the competitive environment, the forced internalization of externalities (by a carbon tax for example), and the continued availability and cost of resources. If, for example, a firm overfishes an area, then that unsustainable practice will both disrupt the ecosystem and impair the fishery’s ability to stay in business unless the firm alters its practices, sometimes by privately agreeing with other firms to limit the fishing to a sustainable amount (Ostrom, 1990).

Companies provide outputs that trigger reactions from other parts of the system. When, for example,

the sale of subprime mortgages to unqualified buyers resulted in massive defaults that caused millions to lose their homes, the public demanded changes in the law (prompting Congress to enact the Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the Consumer Financial Protection Bureau). Thus, public law can act as a cybernetic governor (von Bertalanffy, 1968: 21) on firms' ability to sell unsuitable products or engage in unsavory practices, such as bribery or pollution, by tightening the rules when companies run amok and loosening them when they engage in responsible self-regulation (see Nelson, 2015). Similarly, when the government fails to control pollution by state-owned or -controlled firms, resulting in posters in Beijing protesting the number of days that have passed since a blue sky has been visible, this societal pressure prompts the Chinese government to focus more on cleaner sources of fuel, stricter emissions controls, and even plant shut-downs (Stanway, 2019).

TEACHING IDEAS FOR USING THE LAW, STRATEGY, AND SUSTAINABILITY SYSTEMS APPROACH TO ENHANCE LEARNING OUTCOMES

In this final part of our essay, we discuss our interdisciplinary systems-based pedagogical philosophy (Shrivastava, Ivanaj, & Persson, 2013) and present a variety of experiential pedagogical techniques for using our open systems approach (see Sulkowski, 2017). Next, we address the use of technology to teach law, strategy, and sustainability and close with a discussion of how our proposals satisfy the system of accountability and continuous improvement at the core of the accreditation guidelines, standards, and assurance of learning requirements established by the Association to Advance Collegiate Schools of Business (AACSB or AACSB International) and EFMD's EQUIS (EQUIS). Further detail on the seven experiential techniques we present is provided in Appendix 1.

General Pedagogical Philosophy

We believe that the optimal business school education should be interdisciplinary, active, and experiential.

Interdisciplinary. According to the National Academies of Sciences, Engineering, and Medicine (NASEM), meeting the "grand challenges" our graduates will face "will require an education that draws upon all forms of human knowledge creation—the artistic, humanistic, scientific, technological, and

medical—and the intersections and connections among them" (NASEM, 2018: 12). Management education should also draw on economics (traditional and behavioral); ethics (normative and behavioral); ecological knowledge, the practical realities of business, and a capacity for thinking about the eco-political-social system as a whole, that is, systems thinking. Like the slices integrated by an MRI machine, reality is best conveyed through a compilation of images. Each discipline (e.g., economics, finance, accounting, law, ecology, marketing, and so forth) generates a valuable two-dimensional slice-of-reality, but in isolation the slices do not provide sufficient information to reveal the complexity of the system or network as a whole. In short, we hope to encourage "new ways of seeing" [and feeling] that will "affect students' mindsets [and values] and managerial practices" (Simsek, Bansal, Shaw, Heugens, & Smith, 2018: 2025) and generate "passions" for sustainability (Shrivastava, 2010) and other responsible managerial behavior.

Moreover, our conception of subjects within disciplines is expansive. For example, within the teaching of law and institutional issues (Aragon-Correa, Marcus, Rivera, & Kenworthy, 2017: 479), topics may include privacy, civil rights, and reputational issues posed by the military and governmental use of dual-use products. Examples range from facial recognition technology that can lead to biased results and be misused by authoritarian regimes to target persecuted minorities; ethical and legal rules for autonomous vehicles and other applications of artificial intelligence; social issues, including "poverty, employment, workers' rights, jobs, and economic development" (Aragon-Correa et al., 2017: 479–480); and bribery and corporate tax avoidance (Hilling & Ostas, 2017: 154–155).

We make these recommendations knowing that space in the core curriculum is a scarce resource and that the tendency lately seems to be to reduce, not add to it. But the strategic management course need not bear the entire burden of adding enough material to give students a grounding in law and sustainability. It can be taught in multiple courses in the core with our approach as an optional unifying theme.

By using the flipped classroom recommended by Priem (2018) and others, certain core content can be self-taught outside of class. The Yale Medical School has used the flipped classroom in certain classes to give medical students access to patients earlier in their training. We also support "examining past and current strategy narratives, evidence-based management, . . . case studies, [and other tools] collectively aimed at 'nudging' management students onto a continuing

path of improving their critical thinking” (as summarized in Bell, Filatotchev, Krause, & Hitt, 2018: 237). When coupled with the emotional skills recommended by Shrivastava (2010), and the questioning mindset called for by Bridgman et al. (2016) when analyzing business cases, critical thinking skills are further enhanced. In design terms, creating these capacities heightens awareness of context (Seidel & Pinto, 2005)—in plain language, correcting for blind spots and, from a holistic perspective, identifying underappreciated opportunities.

Advancing interdisciplinary thought and action in business education requires faculty to ‘reach across the aisle’ to engage in multidisciplinary scholarship (Van de Ven, 2007). Business educators who participate in such scholarship are often better equipped to understand the seemingly unrelated aspects of a complex systemic whole. As AACSB International states in its 2020 accreditation standards, “[W]hen discipline silos are broken down and knowledge is combined across disciplines,” the combination of teaching, education, and scholarship can “promote such impactful work to better society and contribute to solving some of society’s grand challenges” (AACSB, 2020: 20; see also Kaplan, Milde, & Cowan, 2016). An interdisciplinary approach enables instructors to actively engage students and create learning outcomes that result in deeper strategic and ethical thinking (Stafford-Smith et al., 2016).

At times, an interdisciplinary approach may require collaboration in the creation of teaching materials and team-teaching of the sort Dean Joel Podolny introduced at Yale School of Management (Podolny, 2009) when a new “capstone” case, such as, the study of Mattel’s lead-tainted toys debacle was written and taught by faculty from strategy, macroeconomics, operations research, and law. After such a case has been taught once or twice and the faculty involved have written a teaching note, it is often possible for a single professor to teach it in the future or for a second professor to be present for only part of the class.

There are already illustrative interdisciplinary programs in place. The Sustainable Innovation MBA at University of Vermont takes societal and ecological problems as their core business foci. Business School Lausanne (BSL) framed responsibility and sustainability as central values, replacing the hierarchy of individuals with a hierarchy of work organized around “a learning platform that enables individuals and organizations to thrive by co-creating viable business solutions for our planet and its people” (BSL, 2019). Other programs that take a systems perspective

and offer interdisciplinary approaches at the university-wide level include Penn State University’s Energy Law and Policy program and Marquette University’s Water Law and Policy Institute.

Active and experiential. Active learning experiences should challenge students to ask not only the “what” or “why” of sustainable practices, but also the “how” and “so what” (Aragon-Correa et al., 2017: 480–481). Possible questions include: How do we ensure effective implementation and outcome assessment? What are optimal approaches to law and government? And how should managers balance long- and short-term horizons, including their obligations to shareholders? (Aragon-Correa et al., 2017: 480–481). Even though the exercises may use different formats, the ultimate goal is the same—to develop students’ capacity for interdisciplinary integrated systems thinking, including the ability to exercise good judgment assessing and making trade-offs.

Much good pedagogical work is in progress in other universities as well, including Babson College, Copenhagen Business School, Harvard Business School, the Ross School of Business at the University of Michigan, University of Connecticut, the Charlton College of Business at University of Massachusetts (UMass) Dartmouth, and Yale School of Management. For example, determining the legality and legal implications of a decision is an unavoidable step in the practice of effective management (Siedel, 2016). The Aspen Institute’s Ideas Worth Teaching Awards for 2018 recognized 20 course syllabi for embodying the theme: What once could have been written-off as the “side effects” of businesses on stakeholders and ecosystems may in fact represent *the* major opportunities and risks for firms in the future (Aspen Institute Business & Society Program, 2018).

Working with individuals in varied contexts as co-creators of knowledge and promoting understanding through different techniques can provide experientially grounded sources of new learning. Approaches include the World Café (Carson, 2011); future search (Weisbord, Weisbord, & Janoff, 2000); scenario development (Bishop, Hines, & Collins, 2007); Theory U (Scharmer, 2009, 2013); appreciative inquiry (Cooperrider & Whitney, 2005); and three horizons thinking (Sharpe, 2013), among other similar approaches. Working in student teams and with practicing leaders and managers, students can use design thinking approaches to devise creative and novel solutions to old problems (Dunne & Martin, 2006; Glen, Suci, & Baughn, 2014; Kurtmollaiev, Pedersen,

Fjuk, & Kvale, 2018; Liedtka & Ogilvie, 2011; Liedtka, Azer, & Salzman, 2017; Martin, 2010). Projects and other learning approaches “where students learn by doing and through such practical and applied processes increase their confidence, employability skills, and understanding of the theories of business and entrepreneurship” (Simmons, 2017: 629).

Despite the seriousness of the task at hand—or maybe because of it—play, drama, and various types of expression can provide adult learners license to question and laugh at seemingly sacrosanct assumptions and roles (Kark, 2011; Mangan, Kelemen, & Moffat, 2016) as well as enhance student empathy for non-human stakeholders (Montiel, Antolin-Lopez, & Gallo, 2018: 171–172, discussing the use of fables). These activities can make room for new perspectives and provide insights not achievable by the use of written texts alone.

Specific Examples of Active and Experiential Learning Opportunities

Having explained the general principles guiding our proposals for pedagogic innovations, we next present seven specific pedagogical innovations utilizing our law, strategy, and sustainability systems approach. They are summarized in Table 2 with further detail provided in Appendix 1.

We conclude this section with commentary on the role of changing technologies in helping to implement these practices, including commentary on how experiential learning and technology support assurance of learning (AoL).

Teaching cases in a new way. Since World War II, the predominant method of teaching HBS-style cases has been for instructors to call upon students “to focus on solving cases in a businesslike manner, subsequently avoiding the discussion or promotion of value and moral positions” (Bridgman et al., 2016: 725, referencing Anteby, 2013: 140). Cases are accompanied by stylized teaching notes that provide “intricate details of which questions to ask when, and what whiteboards should look like at the end of teaching sessions” (Bridgman et al., 2016: 725). “[P]reaching—of specific conclusions or any moral viewpoint—is seen as an ineffective mode of instruction” (p. 725, quoting Anteby, 2013: 69).

Instead of having the professor lead the discussion of cases through a series of prepared questions designed to elicit a predetermined board plan devoid of the “tangle of ethics” (Christensen et al., 1973: 578), our approach gives the students the responsibility for driving the discussion; they are expected to include

ethical, political, and social factors in their analysis of issues and interests. If a student recommends forgoing short-term profit to create a more sustainable or equitable impact on stakeholders, that student should be expected to explain to fellow students who play the role of activist profit-maximizing hedge-fund owners, why that is the best course and should not spark a proxy contest to effect a change in control to replace the CEO or the board that approved the plan. Other students should be invited to participate on either side of the debate or on behalf of other interested parties, such as an island country facing eroding coastlines or employees whose jobs would be lost.

As Bridgman et al. (2016) recommend, “rewiring from the case method’s forgotten past includes adopting a broader perspective to understand organized labor, contesting the values underpinning ‘rational’ managerial actions, and pursuing a philosophically informed, sociological study of business and society” (p. 737). Also, in the spirit of Donham and Whitehead, the case method might be reenvisioned to elicit a deeper critique of modern day capitalism and its impact on society; that students be challenged with deeper questions about the relationship between business and society, such as, ‘do corporations have too much power and influence?’, ‘what role should the state play in regulating business?’, or ‘is contemporary capitalism part of the problem when it comes to the issues of our age, such as climate change?’ (McLaughlin, 2013; McLaughlin & Prothero, 2014). Case studies could play an important role in critically engaging students with the global challenges we face in building a more inclusive, ethical, and sustainable society: encouraging students not to think about what managers and organizations in the cases did, but how they, and other stakeholders, might have defined problems otherwise and thought and acted differently (Bridgman et al., 2016: 735–736).

Incident report. One step beyond discussing stakeholder impacts, interests, and positions is to require students to prepare an incident report (Waddock, Lad, & Clair, 2018: 197). Student teams are asked to prepare documents and present brief summaries of the facts of the case. They are specifically asked how the events described in the case affected the relevant stakeholder group, what issues are raised, which stakeholders are affected and how, and how might (or well did) the company respond.

Role playing. Role-play assignments, in which students must rotate adversarial roles described in the context of a case or situation described in the news—an exercise borrowed from case discussions (Walsh, 2008)

TABLE 2
Seven Active and Experiential Learning Opportunities

Disruptiveness, Risk, Time Investment, and Extent of Experiential Learning	Pedagogical Innovation	Key Points Defining the Learner Experience
Low	Teaching Cases in a New Way	Grapple with messier cases with ethical, political, social, environmental issues. Practice issue-and-interest-spotting.
	Preparing Incident Report	Summarize issues, interests, impacts of an event on stakeholders.
	Role Playing	Rotate adversarial roles: management proposing a solution with impacted stakeholders questioning its adequacy.
	Completing Interview Assignments	Interview a manager and summarize “lessons learned” about law, strategy, and sustainability in the world of practice.
	Writing Cases & Imagining Solution or Next Steps	Research and prepare a case and teaching note about a specific business or imagine and describe the solution or steps the managers of the business could take next.
	Undertaking Change Experiments	Identify an externality. Ideate options for improvement, calculate costs and benefits. Persuade stakeholders, including managers. Execute an implementation plan, measure outcomes, and reflect upon and summarize lessons learned.
High	Preparing a Sustainability Report	On behalf of one’s educational institution or a local partner institution, gather data on stakeholder opinion and organizational impacts, externalities, and progress toward improvement. Preparing a public report of findings.

and moot court simulations in legal education and implemented in an MBA course on law and sustainability at the Charlton College of Business at UMass Dartmouth—are another example of classroom-based experiences that have proven useful. Students present and defend action plans on behalf of businesses in the midst of corporate social responsibility (CSR) crises that include problems related to law, strategy, and sustainability. Their peers are called upon to ask probing questions to expose weaknesses and to prompt deeper thinking, in the context of a mock press conference in the roles, for example, of media or advocates for victims.

Practicing advocacy on behalf of an interest group other than one’s own helps students learn how to overcome perception limitations and cognitive biases (Seidel & Pinto, 2005). These activities also broaden students’ comprehension of the complexity of issues and enhance their fluency with systems and design thinking.

Interview assignments. In the course of consulting with colleagues in other disciplines at Babson College, including faculty in entrepreneurship, finance, organizational behavior, and strategy, we have refined an evaluative assignment that ties

together active and experiential learning with learning outcomes and AoL. We use the term “interview assignment” to describe a major project (sometimes used in place of—or weighted equally to—a final exam) in which students (1) identify someone in the world of practice to interview, (2) prepare well-researched questions related to the interviewee’s record and their organization’s history, that (3) relate to core concepts of the course, (4) ask and receive answers to their interview questions, and (5) summarize the lessons learned, based on the totality of their experience—including, but not limited to—failures and successes and observations about core course content in the experience of the interviewee. The instructor may choose to prepare written consent forms asking for permission—possibly with conditions—to share a redacted or anonymized version of a student’s final graded document(s) for the purposes of assurance of learning. This approach is currently used in a law course for MBA students – Law for Entrepreneurial Leaders – at Babson College. Examples of collected student take-away lessons from conversations with entrepreneurs about legal astuteness in classes at Babson College can be found online (Sulkowski, 2019).

Writing cases and imagining solutions and next steps. Instructors can also invite students to research and write or coauthor a case and teaching note, either as part of a class assignment or as a directed project. This can be daunting for both students and instructors and requires a lot of time and effort from both. It can, however, be particularly rewarding for students if the best cases or excerpts thereof are used in future classes, or even presented and published for others to use (e.g., Sulkowski & Vardaro, 2011).

In a similar but slightly less demanding vein, students can be asked to pick one the UN's 17 Sustainable Development Goals (SDGs) and, from the perspective of a focal business, provide an in-depth analysis of the strategic, legal, and sustainability issues associated with that goal as it affects the company (Waddock et al., 2018: 241). They can then be asked to discuss—as informed by the systems approach that we propose above—how the company might better deal with that particular SDG. The exercise can help get students thinking systemically about the consequences of different types of actions.

Undertaking change experiments. The next level of time investment—and risk and potential reward in terms of student learning—is to undertake a change experiment. Change experiments have been assigned or offered undergraduates and MBA students in several contexts and formats at UMass Dartmouth—as both required assignments and as an option for those looking for something “more real” in a required or elective course (Sulkowski, 2017). Finally, students have been allowed to complete this exercise in the context of both internal and external client organizations, including entities such as a campus, city, workplace, dormitory, and home (Sulkowski, 2017).

Completion of the assignment typically requires at least seven weeks of time, as students are asked to (1) look for an externality; (2) imagine options related to improving the sustainability of the organization (minimizing harms while boosting positive outcomes); (3) calculate costs and benefits (of the status quo compared to innovation); (4) choose an option; (5) persuade stakeholders; (6) implement; (7) measure outcomes; and (8) reflect upon and summarize lessons learned—including successes and failures related to any part of the innovation cycle (Sulkowski, 2017).

Preparing a sustainability report. Another experiential learning assignment is to prepare a sustainability report for either the students' educational institution or a local partner organization (Sulkowski, 2017; Sulkowski, Kowalczyk, Ahrendsen, Kowalski, & Majewski, In Press). This was included as an exercise in a required MBA foundational course at UMass

Dartmouth that paired legal content with related business case studies highlighting issues from different business disciplines. For several years, the course produced sustainability reports for the UMass Dartmouth campus, and later for local municipalities (Sulkowski, 2017). Subsequently, students at the Warsaw University of Life Sciences produced a sustainability report for the Polish National Sugar Company (Sulkowski et al., In Press) and students at Collegium Civitas were engaged in researching and writing the annual sustainability report for Warsaw, Poland (Cohen, 2014; Andrews, 2015; Sulkowski, 2017). The same benefits accrued as in the context of the change experiments mentioned above. Most notably, the exercise both (1) enhanced student awareness of levels of environmental impact (the ecosystem feedback loops in our approach) created by their own institution, which they previously had vastly underappreciated, and (2) made them better aware—more generally—of the massive underappreciated feedback loops of other entities (in terms of societal and environmental impacts). Moreover, it generated longer term impacts in terms of altered career paths, with students committing themselves to finding value and reward by eliminating environmental harms caused by business. The additional benefits of this specific project included reputational gains for the institution, employment offers in the private and public sector for students, and offers of research resources for faculty from the external partners (Sulkowski, 2017).

Use of Technology and Peer Evaluations

In our experience, technology has played an enabling role in enhancing learners' capacity to be active participants in the analysis and advocacy of issues at the intersection of law, strategy, and sustainability. For example, as augmented and virtual reality devices have become more prevalent and less expensive, they can literally put students in the middle of the action, whether it be a clear-cut forest in Indonesia, a retreating glacier in the Arctic, a wildfire in Alaska, or a community decimated by flooding, hurricanes, and other extreme weather.

Online learning courses supported by robust Internet connection technology enable team teaching and collaboration. Students in fully online or blended course formats have been able to engage in role-play assignments and exchange and comment on lessons learned from change experiments. In the context of summative reflective exercises, online learning platforms are especially useful. First, the settings can allow for either all students in a course to

see all the final reflection statements of their classmates, and to comment upon, question, and learn from each of them, or else the settings can be adjusted so that reflective statements can be read only by the instructor, allowing for possibly more candid and authentic personal reflective commentary. If students are given advance warning, then there is an added benefit, in that their reflective statement posts and discussions can be archived and later anonymized and shared as part of assurance of learning.

Oxford University's Saïd Business School created the Oxford Hub for International Virtual Education (the HIVE), a U-shaped seminar room with 27 high-definition screens that "allow busy students to connect with instructors and fellow students from anywhere in the world" (Saïd Business School, 2017).

The technology is fully interactive; the teacher can address the participants individually, split them into groups and conduct real time polls, and participants can see and hear one another. The software also monitors the level of attentiveness in each individual, which it judges and scores based on their facial expressions and engagement with the class (Saïd Business School, 2017).

It is increasingly important for students to develop and demonstrate their ability to work effectively in teams (Loignon et al., 2017: 563). When assigning group-based learning, "peer evaluations create accountability to teammates as well as providing an incentive for displaying good interpersonal skills and contributing effort to help the team achieve its goals" (p. 563). Providing raters with Frame-of-Reference training in advance tends to increase the accuracy of the ratings (p. 564). Given the increasing use of 360-feedback evaluations in the workplace, practice giving peer feedback prepares students for contemporary performance review practices and helps demonstrate student learning outcomes in addition to being a good way to combat free riding.

AACSB and EQUIS Guidelines, Learning Goals, and Assurance of Learning Standards

The 2017 AACSB accreditation standards called for coverage of the "[e]conomic, political, regulatory, legal, technological, and social contexts of organizations in a global society" as well as "[s]ocial responsibility, including sustainability, diversity and ethical behavior and approaches to management" (AACSB, 2017: 35). The standards that took effect in July 2020 do not set forth specific subject requirements, but they do provide "Guiding Principles" (AACSB, 2020: 16).

Guiding principles. The AACSB's 2020 accreditation requirements provide a set of Guiding Principles. They include "ethics and integrity" (p. 15); "societal impact," defined as an expectation that the school's intellectual contributions and curriculum foster the "AACSB's vision that business education is a force for good in society and makes a positive contribution to society, as identified in the school's mission and strategic plan" (p. 15); "agility," including strategic thinking and continuous improvement (p. 16); a "global mindset" (p. 16); and "diversity and inclusion," including "legislative and regulatory concepts" (p. 16).

The AACSB does not expressly identify sustainability on a global scale as a guiding principle, but it does call on schools to ensure that their own operations are sustainable. It also states that "[t]hought leadership is a critical component of a quality business school" (p. 20), but makes it clear that the number of peer-reviewed journal articles is not the key measure. Instead, they look at outcomes and ask, "how are these intellectual contributions connected to solving real-world issues?" (p. 20). As noted above, when the AACSB discusses impact, it recognizes the power of interdisciplinary scholarship, education, and teaching to contribute to "solving some of society's grand challenges" (p. 20).

The EQUIS (2020) accreditation standards for business and management schools are established by EFMD. EQUIS accreditation requires rigorous quality control, benchmarking your school against international standards in terms of governance, programmes, students, faculty, research, internationalization, ethics, responsibility and sustainability, as well as with the world of practice (EQUIS, 2020: EFMD Quality Improvement System).

EFMD further highlights its commitment to sustainability through its work with the Center for Industrial Productivity and Sustainability and the Product-Life Institute as well as its free and award-winning education portfolio the *Sustainable Business* (EFMD Global, 2020: Sustainability & Entrepreneurship).

The 2020 AACSB standards clearly call for ethical behavior and for business to be a force for the good of society but they are not as explicit about the role of business schools in instilling in their students a deep intellectual and emotional commitment to sustainability on a global scale. Nonetheless, given that few would deny that ecological sustainability is one of "society's grand challenges," and that the AACSB gives great flexibility to schools to formulate their own mission and strategy (as long they articulate and pursue it), our model fits comfortably with both the

new AACSB standards and the existing EQUIS requirements.

Learning goals and assurance of learning. Both AACSB and EQUIS require accredited schools to articulate the learning goals of their programs and to demonstrate standards showing *assurance of learning* (AoL). Ideally this is a creative process that frees the faculty from student assessments based solely on written exams to include group-based work, presentations, reflective writing projects, simulations, discussions of video-based case studies, and other types of experiential learning (O'Donnell & Mandaruth, 2013, describing the self-examination process used by the Australian Business School to prepare for AACSB accreditation.) We believe that the pedagogical innovations we describe are particularly well-suited to training better leaders and to support clear learning goals and assurance of learning.

The learning goals are based on each school's articulated strategy and mission. For example, the Copenhagen Business School's (CBS's) strategy is explicitly focused on business and society: "We wish to contribute to society by finding new answers to societal challenges through academically excellent research and we engage with society through multi-lateral, interactive, continuous relationships that link integrative thinking with societal practices in ways that are mutually rewarding" (Copenhagen Business School, 2019). (CBS is accredited by both EQUIS and AACSB.) One strong indication that the students at CBS have internalized this mission is reflected by the fact that, in the *Bloomberg Businessweek* (2018) Best B-Schools student poll, the CBS students voted CBS second in the world by responding in the affirmative to the statement, "My education inspired me to pursue an ethical career."

EFMD's EQUIS states that "[t]he assessment regime for grading students' work should support the course design in terms of its objectives and general philosophy, but should also be proven to be rigorous, valid and reliable" (EFMD, 2019: 18). AACSB similarly states:

The school uses well-documented, systematic processes for determining and revising degree program learning goals; designing, delivering, and improving degree program curricula to achieve learning goals; and demonstrating that degree program learning goals have been met. (AACSB, 2019: Standard 8).

The AACSB explained in a 2019 white paper discussing its 2013 standards:

There is no optimal number of learning goals for a given degree program. However, as a *guideline*, schools tend

to have four learning goals *on average* for each degree program. . . . It is acceptable and appropriate for schools to include both *general* (e.g., communications skills, ethics, global mindset, etc.) and *knowledge-based* (e.g., accounting, finance, management, etc.) learning goals in its AoL program. It is also acceptable for schools to assess *general* learning goals common across all degree programs in core courses (modules) that all business students take, as opposed to repeating identical *general* learning goals in every degree program (AACSB, 2019).

(Although this white paper was published before the 2020 standards were formally adopted by the AACSB, we see no reason why this guidance would not be equally applicable to the 2020 standards.)

We believe that our law, strategy, and sustainability approach supports a number of learning goals, including critical thinking; interrelationships among law, strategy, and sustainability; ethics and law; interdisciplinary and real-world problem-solving; global mindset; and communication skills. We discuss the first four next and offer examples of AoL for each.

Critical thinking. We agree with Priem's statement that "teaching [strategic management] well involves instilling in students a continual process of improving their critical thinking that can lead them to sound judgments (i.e., wisdom) concerning life issues" (Priem, 2018: 375). Critical learning outcomes include "written and oral communication skills, teamwork skills, ethical decision making, critical thinking, and the ability to apply knowledge in real-world settings" (NASSEM, 2018: 40–41). It also involves avoiding "plunging in" bias, whereby a decision maker leaps in to apply a framework before ensuring that he or she has identified the determinative issue or interests involved (Ball, 2015; Cassidy, 2012; Jones et al., 2014). Thus, we include critical thinking as a learning goal and evaluate assurance of learning by assessing "written and oral communication skills, teamwork skills, ethical decision making, critical thinking, and the ability to apply knowledge in real-world settings" (NASSEM, 2018: 40–41) as well as issue and interest identification and the avoidance of plunging in bias.

Interrelationships among law, strategy, and sustainability. Another learning goal is attaining a nuanced understanding of the interrelationships among law, strategy, and sustainability; the ability to articulate the varying interests of stakeholders in a given real-world situation and the tradeoffs inherent in available courses of action; and the effect of negative externalities and methods of requiring their

mitigation or internalization. Assurance of learning can be demonstrated by the documentation of students' actual work—for example, case write-ups, materials prepared for role-play presentations, their own case studies, recommendations for change experiments, sustainability reports, interview questions and response summaries, and graded final reflective statements related to law, strategy, and sustainability.

The UBC Sauder School of Business at the University of British Columbia (UBC Sauder) “recognizes the need to innovate as a defining challenge in solving the great social, environmental and economic problems of our time” (UBC Sauder, no date: 8). It ranks number one in the world for “climate action and life below water” (UBC Sauder). The school’s goals include “promot[ing] research and learning on sustainability, ethics and responsible leadership” and “promot[ing] the potential for business to contribute to positive social change” (p. 21). UBC Sauder provides students “a rich set of experiences inside and outside the classroom that allow them to develop a deeper understanding of themselves and their place in the world” (p. 13). Students could demonstrate assurance of learning by showing that they have developed “the knowledge, confidence and courage to face the challenges of leadership” (p. 13).

Legal and ethical considerations. A third assessment of learning with enumerated student learning objectives (SLOs), based on the standards set by the Kelley School of Business at the University of Indiana for its MBA program at Bloomington, would be the ability to identify ethical and legal challenges and to give those challenges appropriate consideration in decision-making.

- **SLO 5.1:** Identify ethical implications in a given business problem.
- **SLO 5.2:** Apply systematic reasoning to make decisions where ethics are concerned.
- **SLO 5.3:** Identify legal issues in a given business situation.
- **SLO 5.4:** Defend decisions with respect to legal considerations. (Kelley School of Business, 2018).

Interdisciplinary and real-world problem-solving. Working off of the very general statements the University of Florida has made about its MBA degree program and its strategy course, another learning objective furthered by the law, strategic, and sustainability approach “is serving students, alumni, and businesses by providing educational programs that enhance leadership and competence among business people and providing solutions for important real-

world business problems in a sustainable, lawful, and ethical manner” (adapted from University of Florida, 2017). Florida goes on to state that the required Strategic Management capstone course is “designed to illustrate how core business disciplines are interconnected.” To that we would add: “Students will be expected to actively participate in the multiple and varied opportunities provided during the course to engage in interdisciplinary, active, and experiential real-world problem-solving activities. Class participation and active engagement will be a substantial part of the grade for the course.”

“[D]epending on the faculty member teaching, the activities may include field-based cases, simulations, role plays, and other group-based activities.” Florida also notes that although the assessment measures will be customized to fit the activities chosen by the faculty across the MBA platform options, “all faculty will use the same rubric to assess learning” (University of Florida, 2017). In short, faculty are given freedom to customize their courses, but are expected to use the eight elements of the law, strategy, and sustainability approach and to use interdisciplinary, active, and experiential teaching techniques of the sort set forth above, as well as common assurance of learning methodologies.

“We look forward to learning more from our colleagues, students, and graduates about what works for them as together we seek to continue to advance the conversation around these issues.”

CONCLUSIONS

We argued that educators should consider how to challenge learners to think in a more interdisciplinary and systemic way to better understand and prepare to cope with the political, legal, ethical, and ecological environments in which businesses operate. We have observed that an integrated open-systems approach to law, strategy, and sustainability, coupled with experiential-learning opportunities, help students better understand and grapple with larger issues. They grow from mastery of facts and isolated concepts to issue-spotting and application of principles in a multifaceted context, to understanding and helping to shape and manage within complex systems. This broader and more expansive understanding of reality can prompt students to devote themselves to what they may recognize as more

meaningful careers that address important and seemingly intractable systemic problems. We want to help instructors work with business students to find new ways to progress through the technical analysis of what can appear to be discrete issues through a process of questioning their assumptions and those of others, so learners can better understand the underlying systems upon which the effectiveness and soundness of their business decisions will depend.

We believe that the rigor and relevance of management education will be enhanced if educators more widely and deeply integrate the treatment of law and sustainability as core concepts in strategy education. This essay summarizes techniques to promote experiential learning with the goal of enhancing critical, design, and systems thinking, legal astuteness, and ecological consciousness. We look forward to learning more from our colleagues, students, and graduates about what works for them as together we seek to continue to advance the conversation around these issues. Most of all, in the face of today's real-world challenges, we hope to inspire and prepare our students to be engaged in innovative, interdisciplinary ways of thinking and to be passionate about and dedicated to the critical role they can play in developing solutions for the future.

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APPENDIX 1

Additional Detail on Pedagogical Techniques Utilizing the Law, Strategy, and Sustainability Systems Approach

1. Teaching Cases in a New Way. It is important for students to learn how to spot the most important issues before deciding which general principles should be applied to the specific facts of the case to reach a decision. Unless students practice handling, weighing, and sorting the relative value and relevance of information while learning to focus on the big picture, they can be quickly distracted by the details of analysis and not see systemic challenges and solutions (Ball, 2015; Cassidy, 2012; Jones, Lainez, & Lovinsky, 2014). Accordingly, issue-spotting is an important general pedagogical technique for Socratic conversations.

For example, the Yale School of Management case on the energy crisis in South Africa, coauthored by two students and the instructor (Bagley, Aqeel, & Zlotnicka, 2011), turns on whether South Africa should build massive new coal-fired power plants to bring power to primarily Black areas that were not provided with electricity during apartheid. Given that South Africa was hosting the UN climate-change talks in Durban later that year, the answer would seem obvious: Rely on renewable sources instead. But this would reduce annual growth in gross domestic product (GDP) by more than 1% and continue to deny electrification to Black South Africans. There were also issues of environmental justice involved, because the plants would be built near the poorest Black areas in the country. In addition, the case raises the question of whether the U.S. Export–Import Bank should fund the project, in part to provide work for certain engineers in the United States, as well as the responsibility developed countries have to help bridge the gap between the cost of coal-powered electricity and electricity created from renewable sources.

We also suggest adding another foundational skill related to pure issue-spotting, namely, that of interest-spotting, which has been used successfully during case discussions at Babson College. As described in *Getting to Yes*, being able to find and articulate the interests of all the parties is a *sine qua non* to partnering with other. The objective is to imagine an expanded menu of alternative actions that better serve—and may be acceptable to—the parties, and avoid unnecessary trade-offs where some parties feel they have suffered a loss at the expense of another's gain (Fisher, Ury, & Patton, 2011).

There is also value in using business-school teaching cases with surprise outcomes as well as “vivid illustrations” augmented by videos and other electronic media (Aragon-Correa et al., 2017) of the sort the University of Texas at Austin has developed for its “Ethics Unwrapped” behavioral ethics course (De los Reyes et al., 2017: 325). Such exercises can shake misconceptions that critical thinking can be ignored merely because a proposed course

of conduct involves CSR, sustainability, or other lofty concepts or goals.

2. Incident Report. Instructors can introduce our systems approach to students then specifically call on them to use both the legal and sustainability lenses when evaluating an incident and the options and actions of a protagonist. For example, instructors can ask students which laws and regulations are relevant and why; how those could factor into the response of the company's leadership or stakeholders; and which environmental externalities can and should be managed and how.

3. Role Playing. As practiced in the MBA course on law and sustainability at UMass Dartmouth, the instructor should let students know from the outset that the purpose of role-playing exercises is to make them better-prepared professional managers. Although they are expected to question and vigorously probe the ideas or proposals of others, *ad hominem* attacks are impermissible.

Being mindful of externalities is not an invitation to abandon critical thinking and opportunities for ethical profit; in other words, we encourage the use of cases that deliberately present seemingly intractable trade-offs where any path forward appears problematic. Even a simple scenario can be deliberately framed to set up a surprising result that provokes valuable debate about which principles, values, and interests should be prioritized, and what novel solutions could be found beyond what at first appears obvious.

If the discussion lags, the professor may need to step in and play the role of Devil's Advocate to ensure that all views are considered. Again, our approach can be used to nudge students to utilize a lens of analysis they might not have otherwise considered. Without preaching or declaring a "correct" answer, an instructor can and should call on students to identify negative externalities and to ask astute questions about the role of regulations and laws in promoting sustainability, integrity, economic growth, competitiveness, justice, and equality. When students "step into the shoes of" a specific party and advocate for or question a managerial decision, they rethink, reimagine, and embrace their identity as a professional in the ways aspiring physicians and attorneys are encouraged to do (Khurana, 2007).

4. Interview Assignments. The following observations are based on implementing this experiential-learning exercise at Babson College. In preparing for their interview assignment, students can be encouraged to embrace whatever degree of freedom the instructor decides to provide in terms of the choice of potential interviewee, firm, industry, or region. For example, they could approach individuals in firms operating in industries and/or regions in which they either have experience, or an interest, or, conversely, approach individuals in contexts in which they confess ignorance, or even at firms or in industries that they are inclined to distrust. Some students choose such assignments to expand their knowledge and network within their corporation, while others use such an opportunity to grow their familiarity and network outside of their employer of choice or even their preferred industry. There are also

students who see this assignment as an opportunity to learn about a decision maker—or a professional whom they employ—at their family business. Finally, there are entrepreneurs who aspire to start a new organization and embrace an interview assignment as a chance to reach out and speak to and learn from a role model or potential mentor.

Some interviewees may want a commitment that the conversation or at least a record of the conversation—to some extent—will be confidential or controlled. Likewise, some students may want the same assurance that their candid reflections and opinions about the interviewees and their organization will be kept confidential. This may mean separating a summary of "lessons learned," which would be shared with the interviewee, from a statement of reflections that would be strictly confidential between the student and the instructor. If all agree, then lessons learned could be shared, either individually or as a collection, in a variety of formats, including online (Sulkowski, 2019). The very process of agreeing on terms and conditions to a conversation with interviewees can be a learning experience about policies related to limiting potentially harmful reputational side effects of employee interactions with a potential employer and outside stakeholders when potentially sensitive legal issues may arise.

Even if interviewees decline to answer a question, the instructor can choose to acknowledge the astuteness of a well-researched and insightful question. The summary of a student's questions, their summary of an interviewee's answers, and their candid summative reflections about the answers, as well as their entire experience and generalizable lessons learned related to core course content and anything else—including but not limited to the practice of preparing questions, listening to answers, and asking follow-up questions—can obviously be graded and possibly used in a variety of ways.

5. Writing Cases and Imagining Solutions and Next Steps. We provided a reference to a published case in the text (Sulkowski & Vardaro, 2011). An online platform facilitates submissions of student-written cases into a contest: AIM2Flourish is an initiative of the Fowler Center for Business as an Agent of World Benefit at the Weatherhead School of Management—Case Western Reserve University (AIM2Flourish, 2019). The student-written cases submitted to this platform all relate to one or more of the UN's 17 Sustainable Development Goals (SDGs), and they are evidence that students can rise to the challenge of researching and writing cases about companies achieving financial success while still helping to solve problems in the world.

6. Undertaking Change Experiments. Ideally, students interview or survey stakeholders about externalities and sustainability-related practices to help identify opportunities for reducing negative side effects and boosting positive ones with measurable outcomes (Sulkowski, 2017). Regardless of whether their experiment is successful, students in such experiential contexts tend to learn about blind spots on individual and organizational levels, including those related to externalities, regulations, and liability risks

(Seidel & Pinto, 2005). These exercises may reveal that the status quo sometimes involves fundamentally irrational or even perverse incentives, or that individuals are operating in silos with incomplete information. Such realizations may push students to learn often unexpected lessons about everything from organizational behavior to marketing. Most critically, change experiments can offer students opportunities to practice having difficult conversations.

7. Preparing a Sustainability Report. When preparing sustainability reports, students experience firsthand the occasional challenges and benefits of communicating with internal and external stakeholders about the questions posed by Aragon-Correa et al. above—to repeat: what, why, how, and so what (2017: 480–481)—in this case, of measuring and reporting the impacts of an organization on

stakeholders and the environment (Sulkowski, 2017; Sulkowski et al., In Press).

Other instructors have devised assignments that require active engagement with sustainability reporting, yet do not entail actually researching, preparing, and publishing a report—which may make these ideas more palatable to instructors and students with understandable time constraints. For example, student teams can be divided into stakeholder categories and asked to develop a way of assessing how well the company is doing with respect to an issue raised by that stakeholder group (Waddock et al., 2018: 231, 239). In a variation of this assignment, Thomas Dunfee of the Wharton School required students to choose and grade a company's sustainability report and justify the grade they assigned.