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The MBA Drive for Social Value:

Five trends boosting social
benefit content at U.S.
business schools

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The number of courses with social benefit content in U.S. MBA programs is rising sharply.* The Aspen Institute's biennial *Beyond Grey Pinstripes* survey of over 110 schools shows a striking 79% increase in offerings relating to social benefit and social sector management from 2005 – 2007 alone (Exhibit 1).¹ To understand the dynamics impelling this growth, in February 2009 Bridgespan contacted fifteen graduate business schools known for their academic coursework and attention to social concerns. Questionnaires returned by ten of these top MBA programs showed the inclusion of social benefit content in both core curricula and industry specific electives. Both the percentage of total courses including content relevant to the social and public sectors and the number of courses specifically related to managing social sector organizations more than doubled over the past five years at respondent institutions (Exhibits 2 & 3). Follow-up conversations with experts at top schools pointed to five trends affecting the overall growth of social benefit related content in MBA programs.

All of the survey respondents identified **student demand** as a key driver. At Harvard Business School, for example, student enrollment in social enterprise electives increased by 61% from 2003 to 2008. Required HBS courses with social benefit content rose 35% as of 2009. Last year the Haas School of Business' Board Fellows Program, which places approximately 60 MBA students on the boards of local nonprofits, received applications from 115 students out of a class of 240. Such cross-sector experience appeals to students headed to the for-profit sector as well as to those who are focused on working in the social sector. Dr. Nora Silver, Director of the Center for Public and Nonprofit Leadership at Haas, described this increased demand as characteristic of a new generation of MBA students: "This generation of students is among the first, the front end, of people who when they went to college and high school were required or expected to do community service. These are the folks who grew up expecting to be able to integrate in their lives doing some social good with working in any sector."

Increased social benefit curricular content has also been driven by **faculty interest**: "The level of interest from faculty is extraordinary in this whole area," reports Valerie Malter, Director of Social Impact at the Wharton School. As faculty members engage in research with practitioners who are increasingly focused on social benefit, the cases they bring into the classroom evolve as well. "But it's even beyond that," reports Dr. Silver, "Professors that don't [do

* "Social benefit" is loosely defined as pertaining to environmental or social sustainability; topics may include social entrepreneurship, corporate social responsibility, and the management of public and social sector organizations, to name but a few examples.

¹ The Aspen Institute, "Beyond Grey Pinstripes." www.beyondgreypinstripes.org

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research on the social sector] are including cases from the public and nonprofit sector because they're challenging. Sometimes these cases include a point, whether working with multiple constituencies or limited resources, that is more challenging and better than corporate cases."

MBA students with this cross-sector experience are suited to meet the **demands of recruiters** upon graduation. "In speaking with recruiters," says Katie Kross, Executive Director of the Center for Sustainable Enterprise at the University of North Carolina's Kenan-Flagler Business School, "They like candidates that have not only an MBA skill set but also an understanding of the strategic social and environmental issues facing companies." Students who opt for cross-sector course experiences are apparently validated by the demands of prospective employers.

Another trend influencing the surge in social benefit related content is **competition among MBA programs themselves**. Some programs have been at the forefront of incorporating such content into their curricula, while others have responded slowly but surely to increased student demand. Recognizing student demand for these opportunities, survey respondents see schools ultimately driving each other deeper into this field, as they compete for top students.

Last but not least, the interdependencies of the **global economy** may also heighten the value of cross-sector experience. "The world is changing around us and the boundaries between sectors are becoming more blurred," according to Laura Moon, Director of the Social Enterprise Initiative at Harvard Business School, "A great number of students are seeing this type of coursework as relevant to their career paths." Social benefit and business, once thought to be antithetical, or at best mutually exclusive, are increasingly symbiotic.

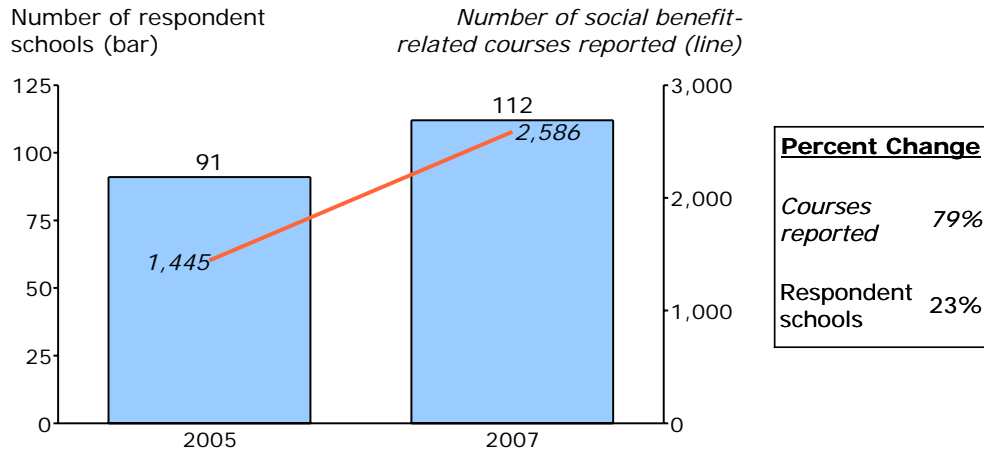
Whether MBA students will suddenly flock to the social sector in the absence of jobs on Wall Street is an open and intriguing question. However, the level of interest in the relevance of business concepts to social benefit organizations among MBA students, professors and practitioners in the field is unmistakable. Tony Sheldon, Executive Director of the Program on Social Enterprise at the Yale School of Management, suggests that this cross fertilization needs to extend beyond the current economic climate. "It's [important] for people interested in social enterprise that this way of thinking is not a fringe category, but is at the heart of how to think about the complexity of the world that we all live and work in."

Five trends affecting the rise of social benefit content

1. **Student demand:** students actively seek opportunities to combine social benefit with MBA skills
2. **Faculty interest:** faculty researchers are influenced by practitioners, both in traditional business and the social sector, who are increasingly attentive to social benefit in their work; curriculum changes as a result
3. **Employer demand:** organizations that hire MBAs look for experience working across sectors
4. **Competition among MBA programs:** recognizing that applicants demand cross-sector experience, programs in competition for top students drive each other further into this field
5. **The changing world:** the boundaries between sectors are increasingly blurred in an interdependent global economy

Exhibit 1: Aspen Institute research shows social benefit content in MBA courses grew by 79%

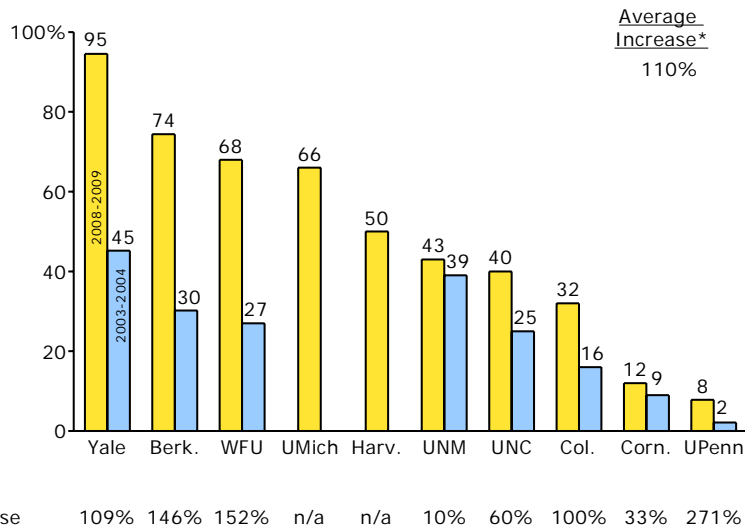
Beyond Grey Pinstripes survey data



Note: Some respondents in 2005 did not complete survey in 2007
 Source: Aspen Institute Center for Business Education, Bridgespan analysis

Exhibit 2: At top schools, the growth of social benefit coursework is pronounced: average 110%

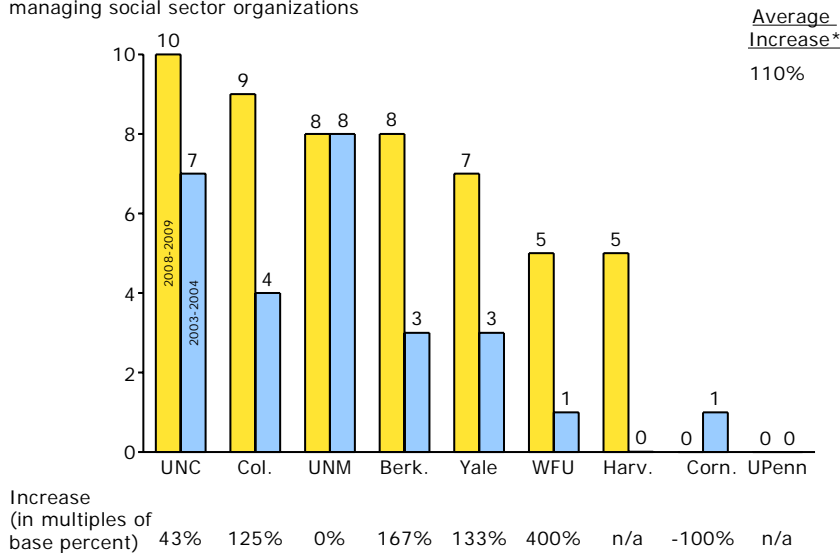
Percent of total courses including content related to social benefit



* Average increase calculated for schools with complete data only
 Note: Figures from Berkeley and UPenn are for 2008-9 and 2003-4 school years; figures from Yale are from 2008-9 and 2004-5, no data available for 2003-2004 for UMich and Harvard
 Source: TBG surveys (UNC, Berkeley, Yale, UPenn, UMich, UNM, Cornell), MBA course bulletin (Harvard)

Exhibit 3: Courses on managing social sector organizations increased by an average of 110%

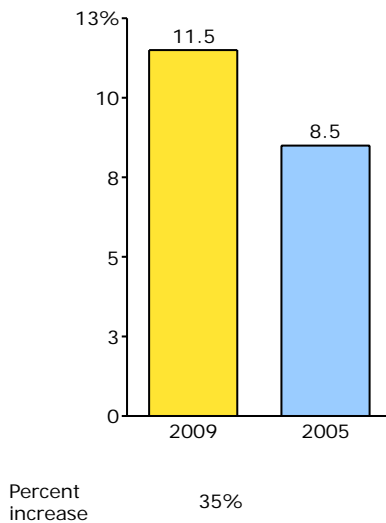
Number of courses specifically related to managing social sector organizations



*Average increase calculated only for schools with complete data offering such courses
 Note: No data available as of yet for Harvard (2003-2004) and UMich (all years)
 Source: TBG surveys (UNC, Berkeley, Yale, UPenn, Cornell), MBA course bulletins (Harvard, Yale)

Exhibit 4: Harvard Business School's core courses show a 35% increase in social enterprise content

Percentage of social enterprise content in required curriculum



- The increase in social enterprise content in the HBS required curriculum comes from the inclusion of cases on topics pertaining to
 - Business approaches to social impact
 - Environmental sustainability
 - Social marketing
 - Management challenges in nonprofits
- Content in 80+ elective courses may also have grown
- The motivations for more such content include
 - Increasing levels of student interest and engagement
 - Continued progress on and refinement of faculty research agendas and course development efforts
 - Evolutions in programmatic structures that facilitate and support student engagement in social enterprise
 - The inescapable relevance of social enterprise/social sector topics to the corporate sector and management education

Note: Text is quoted from Harvard's survey summary, "Required Curriculum" at HBS refers to 11 first year core classes

(Nan Stone and Daniel Stid are partners at The Bridgespan Group. Dr. Stone founded Bridgespan's Knowledge Unit, and Dr. Stid is spokesperson for the firm's "Cases for Courses" online library of nonprofit case studies. Michael Ciccarone and Rani Deshpande are Bridgespan consultants in New York.)