



Accelerating a Framework for Societal Impact Leadership

Insights From the 2021–22 Innovation Committee

Contents



- 
- 3. Executive Summary and Key Takeaways
 - 4. Three Horizons Thinking: A Framework for Transformative Change
 - 5. Influences on the Status Quo of Business Schools: What Must Business Schools Relinquish?
 - 7. A Desired Future for Business Schools: Are We at the Verge of Change?
 - 9. Disruptive Innovation: Transitioning From the Status Quo to a Desired Future
 - 11. What Competencies Will Future Leaders Require?

Executive Summary

Now, more than ever, each of us is called to drive innovation, cultivate deeper connections, and adapt to our increasingly complex and interconnected world. The challenges we face today, and the unknown challenges that lie ahead, require a modern approach to business leadership: one that effectively navigates uncertainty and prioritizes efforts to create a positive impact on society.

The 2021–22 AACSB Innovation Committee met in April 2022 to explore and identify the required competencies for societal impact leaders. Facilitated by [Solvable](#), this dynamic workshop leveraged the Three Horizons approach to explore the changing role of business schools amid societal challenges.

Key Takeaways

- Present faculty recruitment models, research priorities, incentive metrics, learner accessibility, and overall university structures are often not conducive to evolving societal demands.
- Business schools must be cognizant of the unique needs of their local communities and expanding learner populations.
- Disruptive innovations are required for creating positive impact. Leaders can promote change through action-oriented collaboration, organizational decision-making, and encouraging greater equity and access to education and employment.
- Five key competencies for a societal impact leader, which emerged from the Innovation Committee’s exploratory work, include courage, empathy, curiosity, long-term focus, and a data approach to decision-making.

AACSB’s work in societal impact continues to expand. To explore additional thought leadership, initiatives, and resources around societal impact, visit aacsb.edu/societal-impact.

Three Horizons Thinking: A Framework for Transformative Change

The Three Horizons framework was [co-created](#) by Bill Sharpe of the [International Futures Forum](#) to address urgent, complex 21st-century challenges such as sustainability and nature conservation. Given its intuitive and simple approach for encouraging strategic discussion and idea exchange on present-day challenges, future aspirations, and the kinds of innovation required to address both, the framework has been used by leaders across a variety of fields and industries, including AACSB.

Three Horizons Process

The Innovation Committee applied Three Horizons thinking to examine business schools' role in driving positive change and preparing future societal impact leaders. The three "horizon" curves represent the trajectories toward a desired future, concluding with the transitional activities required to get there.

H1: Status Quo: The dominant systems for business schools in the present moment. What are the characteristics of the current system and the values, events, etc., that led to its creation? Which aspects no longer serve business schools and should be discontinued?

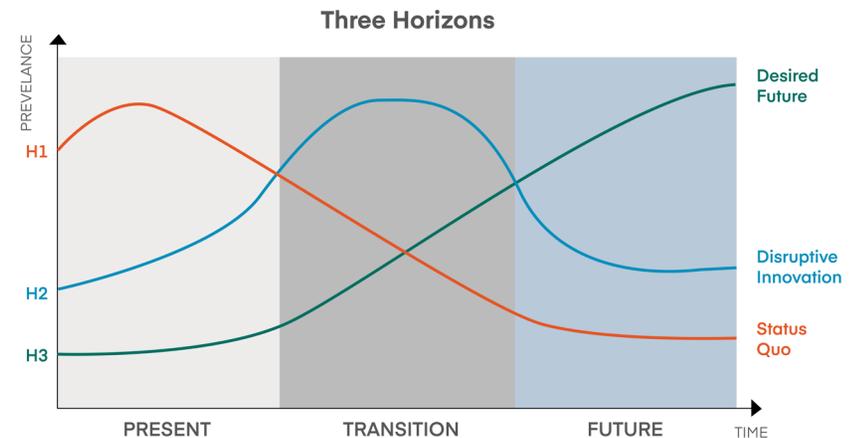


H3: Desired Future: The future that business school leaders envision. What are the aspects and qualities that business schools strive for? What elements of this future are currently emerging?



H2: Disruptive Innovation: Transition activities that could be harnessed by societal impact leaders for a desired future.

Ultimately, this exploratory work resulted in a list of key competencies that business schools should prioritize in their development of societal impact leaders who can bring about the desired future.



Source: Bill Sharpe, International Futures Forum

Why Three Horizons?

The Three Horizons framework guides strategic discussions to create unique portraits of the present, the transition, and the future for different paradigms. By discussing various prompts along the three time periods, we are able to achieve a specificity that makes the framework valuable in myriad contexts. With all three horizons populated by the group, we arrive at shared understandings about what actions can accelerate the greatest change.

—Adam Lerner, May Bartlett, and Charles Holmes at Solvable

Influences on the Status Quo of Business Schools: What Must Business Schools Relinquish?

Horizon 1: Status Quo. As business school leaders strive to create a new vision for business education that includes a stronger role in driving societal impact, they must first understand their present state, what got them here, and what is no longer working in their favor.

Influences on the State of Business Education

Disruptive forces: The pandemic created longstanding impacts to learning delivery, business school operations, and the overall educational experience. Coupled with the accelerated speed of change stemming from widespread adoption of technologies and globalization across economies and business education, business schools are experiencing a disruptive point in time.

Societal unrest: Global sociopolitical developments are engendering new expectations and demands on business education from a wider variety of stakeholders. A rise in social justice issues, nationalist and ethnocentric ideologies, environmental disasters, and geopolitical impacts are shifting business schools' positions in these developments and influencing the research, teaching, and outreach expected of them.

Business models: The scarcity model that has historically driven business schools is being challenged in an increasingly saturated market. Schools must overcome the perception that they have narrow vision and do not consider shifts in consumer needs, broadened educational opportunities, or external impacts in their strategic planning.

Skillset development: Evolving employer and learner demands are impacting the educational process. To prepare graduates for career success, schools need to prioritize new skill sets over core content and prioritize lifelong learning experiences that focus on whole-person development.

Research expectations: The rigor-versus-relevance debate around business school research continues to proliferate, with louder calls from stakeholders for actionable knowledge and a renewed look at the desired portfolio of research models and the types of faculty needed to support them. Influential reports and schools of thought, such as the Ford Foundation Report (1959) and theories put forth by Milton Friedman and Jack Welch, continue to influence the teaching and research priorities of business schools.

Stakeholder pressure: Business schools are influenced by a variety of stakeholder groups, some of which have competing interests and influence, including rankings systems, donors, governments, internal players (faculty), regulatory and accrediting bodies, and a student market that is expanding demographically.

Changing the Status Quo: What Should Business Schools Do?

- Break free from disciplinary and organizational silos and rethink the way they educate, work, and function across units on and off campus.
- Eliminate the publish-or-perish mindset to focus on research with responsible impact.
- Build flexible learning experiences that are relevant over a lifetime.
- Rethink faculty reward and incentive systems to align with strategic research, teaching, and impact goals and that reflect a broader role for faculty.
- Foster an environment of inclusion versus one that promotes a self-interest mindset.
- Drive transformation through a broader variety of stakeholders, partners, and networks outside of governments.
- Let go of the need for instant gratification in strategic planning, particularly in the areas of curricular development, resource allocation, hiring practices, and learner recruitment.



A Desired Future for Business Schools: Are We at the Verge of Change?

Horizon 3: Desired Future. Without a vision for a better future, business schools will struggle to let go of or make improvements to elements of their status quo that do not contribute to positive societal impact. Evidence is emerging of schools already making progress toward change.

Characteristics of a Desired Future

Intentional diversification: The one-size-fits-all model will be a thing of the past, and business schools will be both more intentional in addressing local community needs and more empowered to explore different approaches unique to the markets they aim to serve.

Elevated collaboration: Collective engagement and collaboration through peer support and interconnected problem-solving will offset unproductive competitive tendencies, redefining metrics for business school success and creating a regenerative future.

Actionable learning: “Storyliving” will replace “storytelling” with more action-oriented learning experiences and research that will enhance the value of business education.

Business engagement: Business and employer engagement will begin earlier in the educational process, with faculty, students, and industry leaders applying and experimenting with different business approaches in living labs housed in the business school.

Equitable well-being: Business schools and their partners, learners, and other stakeholders will embrace equity and inclusion in business education—regardless of an individual's wealth, position, or demographics. Aspects like tolerance, belonging, and overall well-being and health will be a reality for a wider pool of individuals.

Societal impact mindset: Business school graduates will have a socially conscious mindset, recognizing the impact their work has on a broad audience of stakeholders, and reflect their values in the types of careers they pursue.

Evidence of a Desired Future Emerging

- Student calls for societal impact are louder than ever, driving business schools, faculty, and employers to reorient their own strategic priorities, actions, and objectives.
- Increased global connections among schools, partners, teams, and learners expose individuals to different regional issues. Global organizations and initiatives, such as AACSB, PRME (Principles for Responsible Management Education), GRLI (Globally Responsible Leadership Initiative), Ashoka, and Enactus, elevate the need for business schools to drive positive societal change.
- Business schools are forging deeper collaborations with other academic areas in pursuit of multidisciplinary solutions to complex issues.
- Faculty are influencing change through the curriculum they develop and teach, the research they pursue, and the networks they engage—which help them advance scholarship and prepare future leaders that prioritize societal impact.
- Business schools are recognizing a greater urgency for diversity, equity, inclusion, and belonging and incorporating these values into their strategic planning and activities, including advancing access to education. Dialogue is shifting beyond ensuring multicultural representation to creating opportunities for intercultural engagement.
- External affirmations, such as accreditation, regulations, and corporate actions, are increasing initiatives around societal impact areas, simultaneously creating expectations of accountability for entities that fail to do so.
- Ventures in innovation and entrepreneurship are increasingly focused on societal issues, in response to new demands.

- Consumers are placing expectations on companies to apply non-financial measures, such as ESG metrics, in their organizational performance, subsequently creating stronger demand for societal impact leaders. Some are establishing their own corporate universities to aid in that development.



Disruptive Innovation: Transitioning From the Status Quo to a Desired Future

Horizon 2: Disruptive Innovation. As business schools search for ways to transition to their desired futures and respond to emerging priorities, many will engage in a variety of activities or disruptive innovations. Some of these innovations may absorb into their current environments, improving or prolonging elements of the status quo, or they may lead to changes that pave the way to their desired future states.



Propeller: An Application of Three Horizons Thinking

[Andrea Chen](#), co-founder and CEO of [Propeller](#), a nonprofit based in New Orleans, Louisiana, presented the committee with an applied view of Three Horizons thinking through Propeller's work with entrepreneurs tackling social and environmental disparities.

In applying Horizon 1, the status quo, Propeller recognized the racial disparities facing the New Orleans business community, namely racial gaps in income, employment, entrepreneurial endeavors, and socioeconomic status, that continue to widen in a city where over [59 percent](#) of the population is Black or African American. Determined to make positive change, Propeller works toward Horizon 3, a desired future that promotes the development of anti-racist, multicultural institutions.

Organizational leaders undertaking similar efforts will likely face wide-ranging challenges:

- Managing tensions on a variety of levels
- Adapting leadership, mindset, and cultural dynamics
- Shifting from profit-centered to person-centered models
- Unrooting organizational cultures from values of dominant societal power structures

In considering Horizon 2, the disruptive innovation needed to achieve a desired future, Propeller partners with local innovators to reimagine traditional power structures and encourage businesses to look beyond profit toward solutions for positive societal change.

Examples of Disruptive Innovation That Allow Societally Driven Organizations to Achieve Their Visions

- Including more individuals from **marginalized groups in decision-making**
- **Expanding metrics** used to evaluate the success of an organization beyond the financial statement
- Encouraging leaders to practice **self-aware implicit bias**
- Introducing **career development** courses or learning experiences for marginalized learners to shrink employment inequity
- Increasing intentional, **action-oriented collaborations**
- Exhibiting and promoting **openness to change at every level** of the organization
- Promoting **Seventh Generation thinking** in the organization's work to achieve sustainable, long-lasting change
- Elevating **stakeholder awareness** of societal issues requiring positive change
- **Reimagining the cost of higher education** to promote greater inclusion, e.g., income-based tuition
- Preparing for the possibility of **revolt against the status quo**



What Competencies Will Future Leaders Require?

As business schools transition from the dominant systems in which they currently operate and eliminate elements of the status quo that no longer contribute to positive progression, they will be in the position to effectively equip societal impact leaders with the necessary competencies. Business schools play a critical role in working with their stakeholder partners in identifying, then developing, those competencies.

As part of this exploratory process, the Innovation Committee identified a series of competencies needed in a societal impact leader.



What Makes a Societal Impact Leader?

- **Courage:** Someone who exhibits moral courage to do the right thing, shows integrity, and embraces opportunity in ambiguous or uncomfortable situations.
- **Empathy and compassion:** A leader who can listen, practice humility, and hone their emotional intelligence so that they are cognizant and inclusive of the values, motivators, and experiences of others.
- **Curiosity:** As advocates for lifelong learning, curious leaders view themselves as citizens of the world, eager to learn from other cultures, individuals, and schools of thought. These individuals lead by asking why, appreciate the knowledge and experiences of others, and apply best practices to inform creative solutions.
- **Long-term focus:** In a world where instant gratification is central to human life and business decisions, someone who can focus and plan on long-term goals and impacts is crucial. Change must be sustainable to be positive. With long-term vision, a leader must anticipate volatility and create agile structures that will guide organizations to their North Star.
- **Data-driven approach:** Leaders operate in an interconnected, complex world and require the skill sets to understand and sift through the abundance of data at their fingertips. Collecting information is the easy part; the challenge is knowing what questions to ask and having the acumen to effectively and ethically deploy it for organizational and societal benefit.

2021–22 AACSB Innovation Committee

McRae C. Banks, The University of North Carolina at Greensboro (Committee Chair)

Jikyeong Kang, Asian Institute of Management (Committee Vice Chair)

Nicole Adler, The Hebrew University of Jerusalem

Luiz A. Brito, Fundação Getulio Vargas–São Paulo

Deborah H. Caplan, NextEra Energy, Inc.

Natalya Delcours, Texas A&M University–Kingsville

Terrill L. Drake, Harvard Business School

Irineu G. Gianesi, Insper Instituto de Ensino e Pesquisa

Tracy Golden, Association of International Certified Professional Accountants

Linda U. Hadley, Columbus State University

Robert Helsley, University of British Columbia

Frank Hodge, University of Washington

Bill Imada, IW Group, Inc.

Alicia J. Jackson, Albany State University

Sherif H. Kamel, The American University in Cairo

Idalene Kesner, Indiana University Bloomington/Indianapolis

Susan E. Lehrman, Rowan University

Stephanie A. Lenway, University of St. Thomas–Minnesota

Moez Limayem, University of North Florida

Xiongwen Lu, Fudan University

Nikolaj Malchow-Møller, Copenhagen Business School

Sharon F. Matusik, University of Colorado

Eileen McAuliffe, Sheffield Hallam University

Xavier Ordeñana, ESPAE–Graduate School of Management

Paul A. Pavlou, University of Houston

Tanuja Singh, Loyola University New Orleans

Dayle M. Smith, Loyola Marymount University

Karen Spens, Hanken School of Economics

Joyce A. Strawser, Seton Hall University

Kar Yan Tam, The Hong Kong University of Science and Technology

Alexander J. Triantis, Johns Hopkins University

Fan Wang, Sun Yat-sen University

Gregory J. Whitwell, The University of Sydney

Marilyn K. Wiley, University of North Texas

Caryn L. Beck-Dudley, AACSB International (Ex Officio Member)

Hanna McLeod, AACSB International (Staff Liaison)

Thinking Together on Behalf of Our Common Future

A poem reflecting the Innovation Committee dialogue, authored by Charles Holmes of Solvable

Shaped by stakeholder interests, the pressure
of employers heavy on the shoulders of we the
educators

Failing to have recognized the speed of change
Now blindsided
by realities we face

All connected
in a global economy
Focused on rankings
short-term returns
the tyranny of immediacy

Time to let go
of our short-term thinking
Step out of our silos
move out of isolation
and into connection

Remnants of our past
powerfully
often mindlessly present
placing at risk our collective future

Of what shall we let go?
Publish or perish
Exclusive focus on scientific management
Shareholder primacy
Independent departments
Tenure and faculty structure
Primacy of self-interest
The list continues....

Who has the courage?

Choice and values-centered
Stories of impacts
versus stories of heroes abound
Time to give primacy
to the stories of the emerging future
in the present

Time to define, live, act
in alignment
with conscious capitalism
Or perhaps other models
incorporating ancient wisdom
and Indigenous ways of knowing

Create more spaces
and time
for diverse views to be heard
explored
truly considered

Go beyond
giving lip service
to the importance of externalities
It is time
to ascribe true value
As we commit and act
in support of
the true common good

The winds of change
are blowing
A new future is emerging
Voices of students
celebrated for their diversity
and divergence
opening our eyes
inspiring
realizing what is possible

It is time
to reset the room
reset mindsets
Invite and make visible
those not seen
and voices not heard
Sit—Pause—Listen
The future is calling.



aacsb.edu

Americas

777 S. Harbour Island Blvd.
Suite 750
Tampa, Florida 33602 USA
+1 813 769 6500

**Europe, the Middle East,
and Africa**

UP Building, Piet Heinkade 55
1019 GM Amsterdam
The Netherlands
+31 20 509 1070

Asia Pacific

331 North Bridge Road
#10-04/05 Odeon Towers
Singapore 188720
+65 6592 5210