

RISING LEADERS ON SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

A Global Survey of Business Students



Foreword / 03
Participating Schools / 05
Introduction / 06
Executive Summary / 08

FINDING #1

Business students believe corporate leaders should be solving environmental and social issues—but they perceive the most serious issues to be elsewhere, no matter where they live in the world / 09

FINDING #2

Business students expect sustainability to be threaded throughout corporations' highest priorities—not treated as a stand-alone top priority / 10

FINDING #3

Business schools are integrating sustainability topics, but students are calling on them to go further / 11

FINDING #4

The 'carbon tax on talent' continues to rise: Now, the majority of business students state that they would accept a lower salary to work with a sustainability-forward employer / 12

Conclusion / 13
Methodology / 15
About / 16

“As Deans of the Yale School of Management and the Yale School of the Environment, we see in this critical challenge tremendous opportunities to help business do better.”

–Ingrid C. Burke, Carl W. Knobloch, Jr. Dean; Professor of Ecosystem Ecology at Yale School of the Environment

–Kerwin K. Charles, Indra K. Nooyi Dean & Frederic D. Wolfe Professor of Economics, Policy & Management at Yale School of Management

FOREWORD

Corporate leaders, scientists, researchers, and students agree that finding new ways of doing business that contribute to solving the climate crisis is one of the greatest and most complex challenges of our time. As Deans of the Yale School of Management and the Yale School of the Environment, we see in this critical challenge tremendous opportunities to help business do better. Business leadership in sustainability and its ability to nimbly advance innovative solutions will be crucial given the growing inertia in government to mitigate climate change.

The results of our recent survey, a follow-up to our 2015 [*Rising Leaders on Environmental Sustainability and Climate Change: A Global Survey of Business Students*](#), show continued growth in bringing together business objectives and environmental progress. Conducted through the Global Network for Advanced Management, the survey of 2,035 students at 32 top business schools across six continents shows that future corporate leaders see global warming as a business issue, and they believe that companies can and should step in to help solve social and environmental problems. The percentage of students who consider themselves knowledgeable about environmental and social sustainability issues has doubled since the first edition of this survey in 2015.

Students are also eager to apply this knowledge to business, with more than half of students reporting that they would accept a lower salary to work for an environmentally responsible company, up from 44% in 2015. However, these same students are pessimistic about the sufficiency of the private sector's current measures to address global environmental challenges—just 20% believe businesses are doing enough. Globally, students see a need for tools that will enable them to address these major challenges. More than two-thirds of respondents seek knowledge and experiential learning opportunities within emerging areas of environmental research, policy, and practice as preparation for careers in business and sustainability.

Outside universities, the world continues to realize the importance of incorporating climate change and environmental concerns into the operating priorities of a wide range of organizations. A [*survey*](#) of global investors by investment firm BlackRock found that investment managers intend to double their allocations to sustainable products by 2025, and a fifth of these investors added that the pandemic is likely to accelerate those plans. As one example,

accounting giant PwC [*announced*](#) this past summer an investment of \$12 billion over five years to create 100,000 jobs in sustainable product development. Studies and collective investment such as this are part of a constellation of factors creating a boom in demand for sustainability talent.

Our students will soon be at the helms of such impactful organizations, and it is incumbent on us to equip them with the knowledge, the resources, and the networks to pursue positive and ambitious change for society. Our schools should model how leadership decisions must account for impacts on a wide range of stakeholders, including organizations, vulnerable communities, and the environment. Our classrooms should be forums for discussion of the most pressing challenges.

The collaborations embodied in this report—teams from across Yale University along with other schools in the Global Network for Advanced Management—demonstrate how universities can help approach an issue as complex as climate change by leveraging knowledge from many fields of inquiry and many points of view.

The environment is but one issue—among income inequality, racial justice, financial stability, and political polarization—that is part of the complexity of business today. We are optimistic that this report will help guide our efforts and those of other educators to train, empower, and support leaders for business and society.



Ingrid C. Burke
Carl W. Knobloch, Jr. Dean;
Professor of Ecosystem Ecology
Yale School of the Environment



Kerwin K. Charles
Indra K. Nooyi Dean & Frederic
D. Wolfe Professor of Economics,
Policy & Management
Yale School of Management



PARTICIPATING SCHOOLS

EUROPE, MIDDLE EAST, AFRICA

- ESMT Berlin GERMANY
- HEC Paris FRANCE
- IE Business School SPAIN
- IMD SWITZERLAND
- Koç University Graduate School of Business TURKEY
- Lagos Business School, Pan-Atlantic University NIGERIA
- Moscow School of Management SKOLKOVO RUSSIA
- Saïd Business School, University of Oxford UNITED KINGDOM
- SDA Bocconi School of Management, Bocconi University ITALY
- Stockholm School of Economics SWEDEN
- Strathmore Business School KENYA
- Technion-Israel Institute of Technology ISRAEL
- UCD Michael Smurfit Graduate Business School IRELAND
- University of Cape Town Graduate School of Business SOUTH AFRICA
- University of Ghana Business School GHANA

AMERICAS

- EGADE Business School, Tecnológico de Monterrey MEXICO
- FGV Escola de Administração de Empresas de São Paulo BRAZIL
- Haas School of Business, University of California Berkeley UNITED STATES
- INCAE Business School COSTA RICA
- Pontificia Universidad Católica de Chile School of Business CHILE
- UBC Sauder School of Business CANADA
- Yale School of Management UNITED STATES

ASIA PACIFIC

- Asian Institute of Management PHILIPPINES
- Business School, Renmin University of China CHINA
- Fudan University School of Management CHINA
- Hitotsubashi University Business School, School of International Corporate Strategy JAPAN
- Hong Kong University of Science and Technology Business School HONG KONG SAR CHINA
- Indian Institute of Management Bangalore INDIA
- National University of Singapore Business School SINGAPORE
- Seoul National University Business School SOUTH KOREA
- University of Indonesia Faculty of Economics INDONESIA
- UNSW Business School AUSTRALIA

INTRODUCTION

Awareness of the environmental and societal challenges facing our world has expanded dramatically in recent years. Since 2015, the year we published our inaugural report, *Rising Leaders on Environmental Sustainability and Climate Change: A Global Survey of Business Students*, an ongoing global pandemic has laid bare societal strains and inequalities in access to basic healthcare. Extreme weather events have intensified all over the planet. The sixth Intergovernmental Panel on Climate Change Report included unprecedented warnings of catastrophic global warming in the absence of immediate action. The U.S. signed—and then left, before rejoining—the Paris Agreement.

For this follow-up report, we surveyed students at the 32 business schools in the Global Network for Advanced Management, located in 30 countries across six continents. We have learned that the world’s business students consider themselves both highly concerned about climate change and social problems, and even more knowledgeable about their implications for business than they perceived themselves to be in our previous survey. By and large, they share a dismal opinion of businesses’ current efforts in these areas—and they’re eager to step in and help make change.

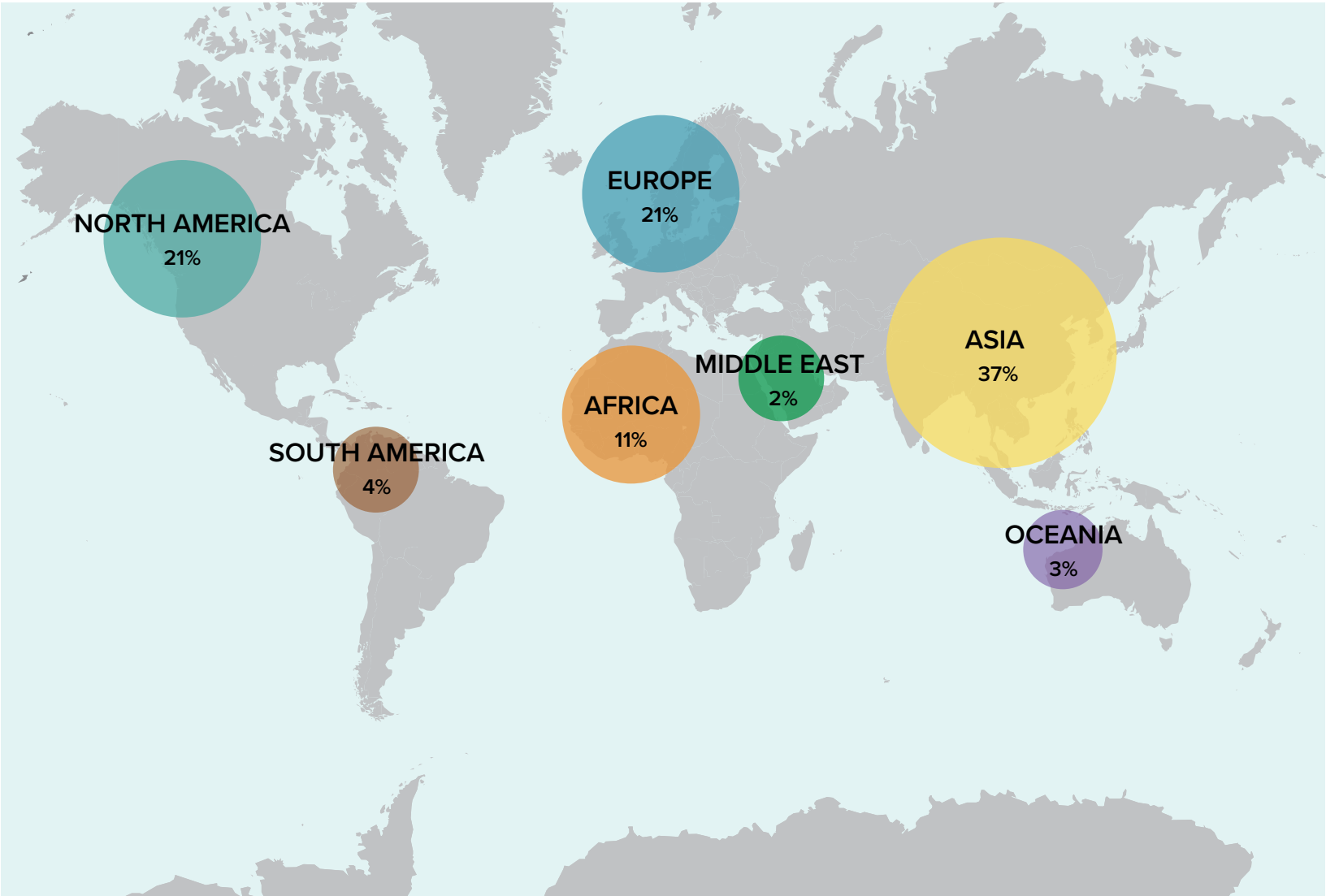
Our new report captures more of the nuance of our respondents’ positions than its predecessor; our more recent questionnaire was twice as long and included a new line of questioning about social responsibility alongside the questions about environmental sustainability. The expanded and updated line of questioning helped us clarify the limits around students’ expectations for businesses and the changes they need to make.

Two affiliated centers at Yale University, in collaboration with the Global Network for Advanced Management, launched this second global survey. We sent the survey to approximately 22,500 students and 2,035 of them completed the survey, representing an average school-level response rate of 9%. The broad areas we investigated this time were:

1. **The perceived importance of business leaders’ knowledge about social and environmental sustainability;**
2. **Opinions about how well students’ own business schools are integrating sustainability topics;**
3. **Students’ prioritization of corporations’ sustainability practices when deciding where to work; and**
4. **General level of concern about the environment and society.**

This new research gives an indication of how rising leaders are thinking about the future in a time when society is changing rapidly. We hope that our updated report can help corporations, business schools, and a new generation of leaders feel emboldened to take action as they step into a future that is demanding that they find ways to keep up with this change.

REGION OF PRIMARY RESIDENCE



GENDER



56% male
42% female
2% prefer not to say

DEGREE PROGRAM



59% MBAs
14% EMBA
26% other

YEARS OF WORK EXPERIENCE



12% less than 1 year
15% 1-3 years
22% 4-6 years
21% 7-10 years
30% more than 10 years

EXECUTIVE SUMMARY

As business students around the world consider their education and future careers, concerns about social responsibility and environmental sustainability continue to move to the fore. In this follow-up to our 2015 report, *Rising Leaders on Environmental Sustainability and Climate Change: A Global Survey of Business Students*, we assess the perceived progress made over the past several years—by business schools, corporations, and students themselves—and find that students consider themselves both more knowledgeable about and more committed to strong sustainability practices within business.

This progress is exemplified in some key findings:

- **41% of the 2,035 students we surveyed perceived themselves as “very” or “extremely” knowledgeable about environmental sustainability and 39% perceived themselves as “very” or “extremely” knowledgeable about social sustainability. This is a significant increase over the 21% who said they felt very or extremely knowledgeable about climate change in our 2015 survey.**
- **51% of students reported they would accept a lower salary to work for an environmentally responsible company, up from 44% in 2015.**
- **94% of business students agree that global warming is happening, and 52% of students consider themselves “very” or “extremely” concerned about its impacts.**

Despite this progress, business students report that they are eager for more. They want better resources from their business programs when it comes to experiential learning and discovering sustainability-focused careers; they believe more action is necessary from the corporate sphere to address the many challenges facing society and the planet. Notably, only 20% of the students we surveyed believe that businesses are making sufficient efforts to address global environmental challenges.

Though business students are moving toward unanimity in their calls for corporations to move more quickly toward sustainable practices, this doesn't appear to mean that they're looking for a full shakeup of business priorities. They do not see environmental sustainability and social responsibility as new top priorities for businesses; rather, respondents indicate a desire to expand the list of priorities to include these considerations.

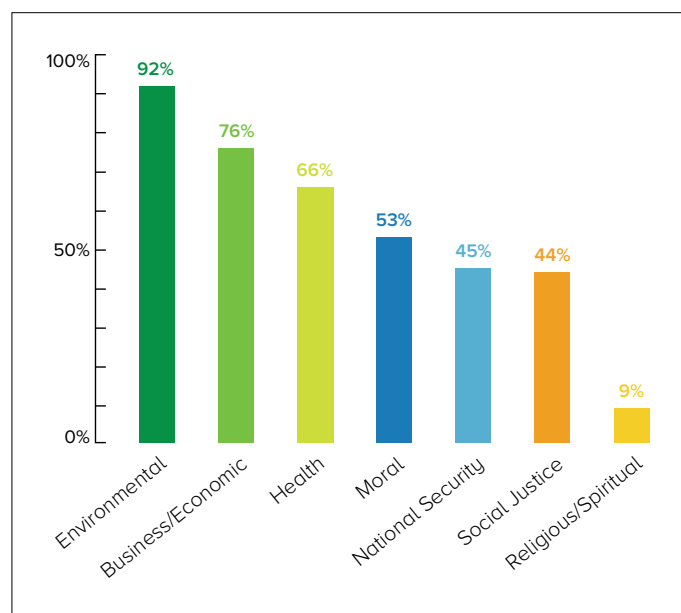
Our latest survey's expanded and updated questionnaire has enabled us to capture a snapshot of the mindsets of business students around the world at a critical moment in time. What we see is a deepening and increasingly nuanced understanding of sustainability among these students—paired with a strong desire to push for more action in the area. Looking into the future, the inevitable implication for businesses is that embracing social and environmental sustainability will continue to create an edge in seeking top talent and navigating through the challenges to come.

FINDING #1

Business students believe corporate leaders should be solving environmental and social issues—but they perceive the most serious issues to be elsewhere, no matter where they live in the world



WHAT KIND OF AN ISSUE IS GLOBAL WARMING?



Among business students around the world, it's a near consensus: they overwhelmingly say they believe that global warming is happening—and that the private sector will need to find ways to confront related social and environmental crises.

Students strongly believe global warming to be a business issue (76%)—even more than a health issue (66%), a moral issue (53%), or a social justice issue (44%).

While over half of students report that they are “very” or “extremely” worried about the impacts of global warming, they are consistently more likely to see it as a distant problem than a local one, no matter where in the world they live. Although over half of respondents believe the conditions of the earth and global society are “poor” or

“very poor,” only a third hold such opinions of the environment or society in their own country. When the focus is on respondents’ own cities, only about one in five see problems worth fixing on their own streets (23% when considering environmental problems, and 20% when thinking about social ones).

This apparent perception among students of environmental and social issues as abstract and elsewhere may hinder their personal sense of urgency. It may also suggest that business students do not yet fully appreciate their role as powerful and critically necessary change-agents—perhaps, for example, in the businesses headquartered right down the street.

FINDING #2

Business students expect sustainability to be threaded throughout corporations' highest priorities—not treated as a stand-alone top priority.



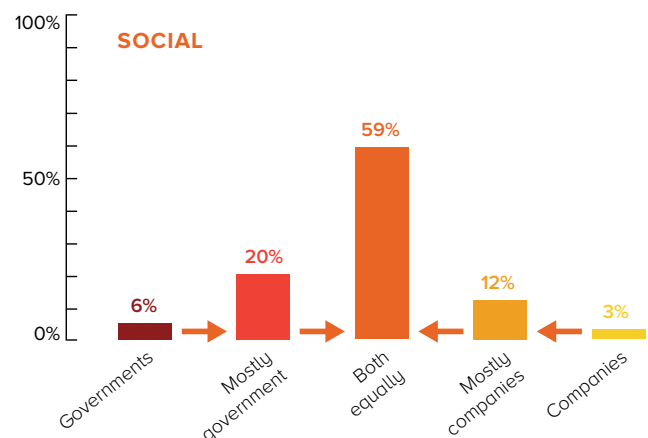
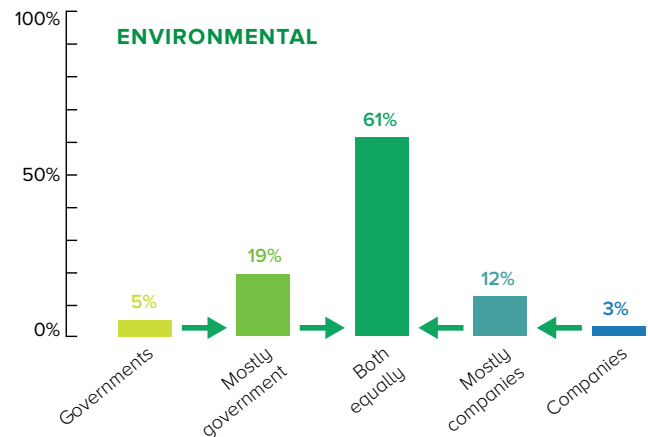
Students are increasingly clear about the role business leaders must play in addressing social and environmental crises: About three-quarters of respondents said that companies have the majority or an equal role to governments in meeting these challenges. Seventy-six percent believe this to be true for environmental issues, and 74% said the same for social problems.

These high expectations are reflected in students' dismal collective assessment of how companies are performing on this front. Only 20% of respondents agreed that businesses are making sufficient efforts to address global environmental challenges, and 21% felt their actions were adequate around social sustainability—and about half of respondents disagreed (56% in relation to the environment; 49% on the topic of social sustainability).

However, survey responses indicate that business students are not calling for a full reordering of business priorities; rather, they want something more like an integration—to include environmental and social considerations. When respondents were asked to rate topics they believe business leaders need to be knowledgeable about, they rated environmental and social issues as lower priorities than traditionally fundamental business areas like strategic management, finance, operations, and sales and marketing.

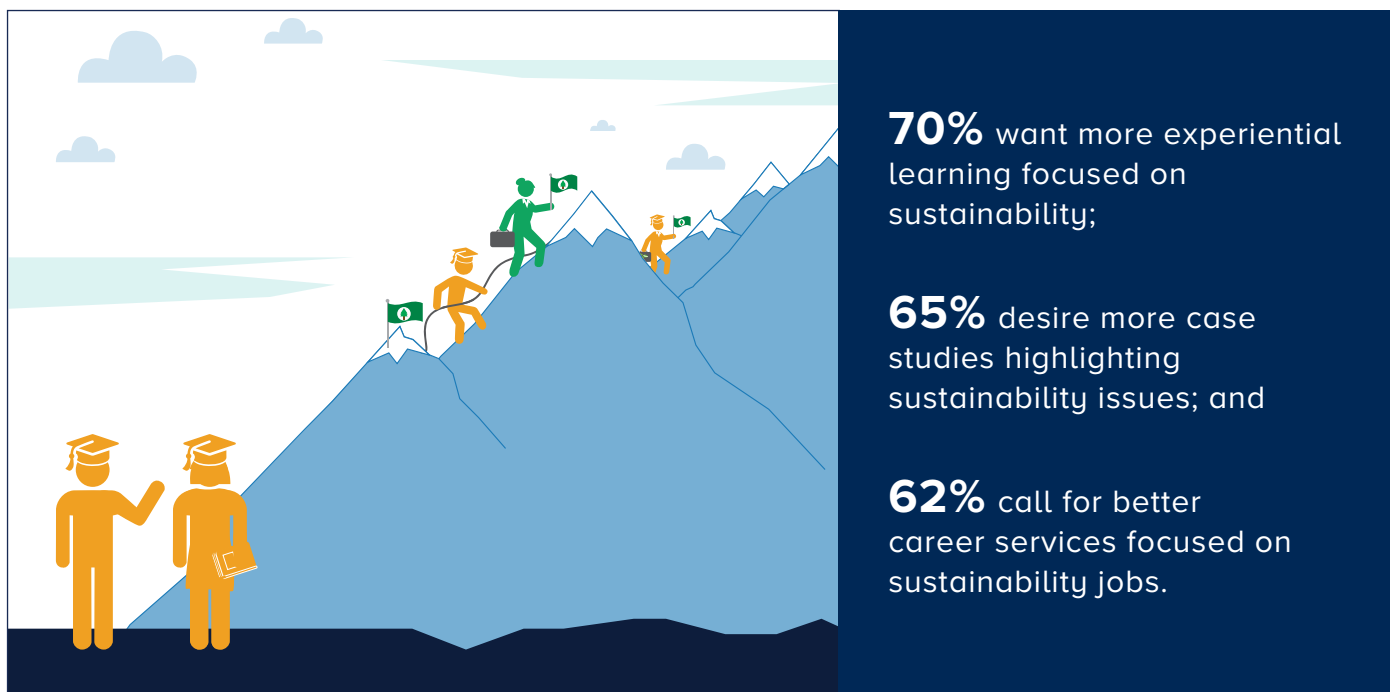
In other words, students seem unlikely to advocate that sustainability concerns become the new top priority for business leaders, but that these concerns be clearly added to the list of existing priorities.

WHERE DOES RESPONSIBILITY LIE IN ADDRESSING ENVIRONMENTAL AND SOCIAL CRISES?



FINDING #3

Business schools are integrating sustainability topics, but students are calling on them to go further.



By some indicators, business students appear to have made substantial progress since our last survey when it comes to their own perceived knowledge about sustainability topics. The proportion of students who perceive themselves to be “very” or “extremely” knowledgeable about environmental sustainability issues – and the risks they pose to businesses – has leapt from 21% of respondents in 2015 to 41% in our latest survey.

Business schools that have taken strides to integrate sustainability topics into the curriculum may have played some role in this increase in perceived knowledge around these topics. At the same time, business students are expecting more of their programs: Strong majorities of respondents say they wish their programs offered deeper education on these topics.

Even within their academic communities, many students understand themselves to be more attuned to the risks posed by global warming than their peers and mentors. While 52% of respondents rate themselves as “very” or “extremely” worried about global warming, only 31% of students believe that people in their schools share the same levels of concern, and only 39% of respondents say that faculty seem to feel the same way. Leaving the academic sphere, they feel even more isolated in their fears. Only 19% of students believe people in their workplaces are as worried about global warming as they themselves are, and 11% of students think people in their country share their fears about global warming.

FINDING #4

The ‘carbon tax on talent’ continues to rise: Now, the majority of business students state that they would accept a lower salary to work with a sustainability-forward employer.

In the years since our first survey, business students have grown even more resolute in their stated intention to work for companies that demonstrate strong social and environmental sustainability practices—and to steer clear of those that don’t.

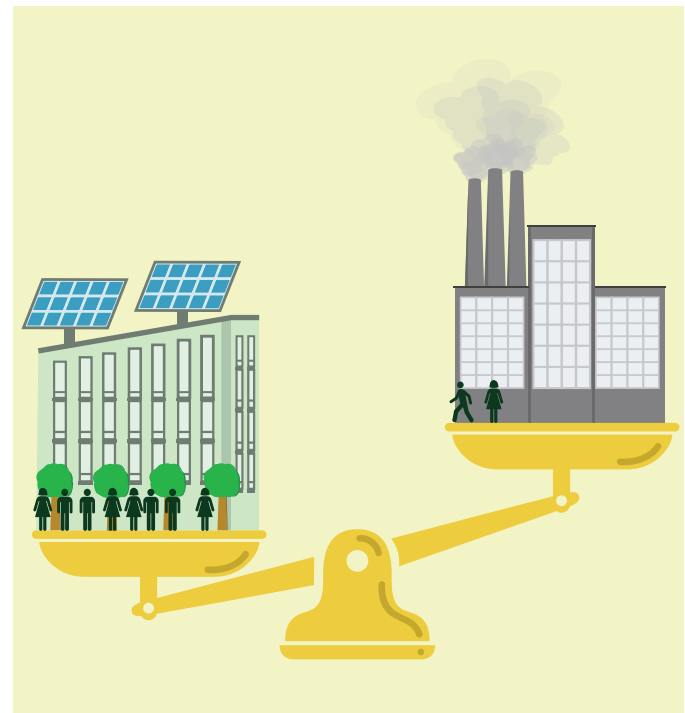
When it comes to this intention, students appear willing to put their money where their values are. Just over half (51%) say they are willing to accept a lower salary to work for a company with better environmental practices—up from 44% of respondents in 2015. The proportion rises to 54% when students consider working for a company with strong social responsibility.

Companies at the other end of the spectrum—those perceived to have poor sustainability practices—would do well to factor in the rising carbon tax on talent, as a growing share of business students say they would not even consider working for such an organization. Twenty-six percent of respondents say they would not accept a job with a company that has weak environmental practices (up from 19% in 2015), and 27% say the same about companies with very bad social sustainability practices.

A significant share of the business students we surveyed seek to integrate sustainability as a strong theme in their careers: 81% want to help the companies they work for improve their environmental sustainability, and 40% want to go even further, by pursuing a role focused on environmental sustainability.

And yet, as noted elsewhere in this report, our survey respondents made it clear that while sustainability is a key value of theirs, it’s hardly the only one—and, most often, not their primary consideration.

When asked to rate the importance of various factors in deciding where to work, students prioritized the traditionally most-valued attributes of a hypothetical job offer, like compensation, job title, organizational culture, and work-life balance over an organization’s social responsibility and environmental sustainability practices.



CONCLUSION

The picture that emerges from the results of our latest survey is one of increasing complexity and nuance. While students report feeling much more knowledgeable on sustainability topics, for example, they also have specific ideas to offer as to how their business programs can continue to better serve them. And while these future leaders strongly believe that corporations need to step up their efforts to meet the challenges facing society, they are also clear in their message that traditional business values should remain fundamentally unaltered in the process.

It would be easy for the heads of today's corporations and business schools to read contradictions into these opinions, and throw up their hands at a lack of a clear direction. However, we believe the nuance in these opinions reflects the growing maturity of sustainability as a concept in business, and of future leaders' understanding of it.

What's more, we see clear takeaways for business schools, corporations, and students themselves:

Business schools should celebrate the success of potentially having some role in boosting students' perceived understanding of sustainability topics. At the same time, they should hone in on possibilities for more integration in the specific areas of experiential learning opportunities and career advising.

Corporations need to improve sustainability practices—both to meet the challenges at hand and to position their organizations to attract the best talent. They can take heart that students understand that the supposed tradeoff between financial and sustainability priorities is a false one.

Business students can more fully embrace their roles as some of the most potent agents for change. Much of the credit for catalyzing change within business schools belongs to them—and, similarly, much of the responsibility for pushing businesses to make changes will lie here, too.



METHODOLOGY

This survey was conducted by the Yale Center for Business and the Environment in collaboration with the Yale Program on Climate Change Communication and the Global Network for Advanced Management. Data was collected from a survey distributed to participants from 32 business schools located in 30 countries on six continents, representing approximately 22,500 students globally. These business schools comprised the 32 members of the Global Network for Advanced Management (as of June 2021).

The survey comprised questions asking business students about climate change, environmental sustainability and social sustainability in relation to three key topics: knowledge and views on environmental sustainability, social sustainability and climate change; career choices; and business school education. Twenty-eight substantive questions were administered to the full respondent population. Every respondent also received the full set of 10 demographic questions. In compliance with IRB requirements, identities of individual respondents are anonymous and responses to all questions were voluntary.

Survey questions were generated to provide overlap with a previous poll on this topic area administered to the Global Network for Advanced Management conducted by the Center for Business and Environment and partners in 2015. The results of that survey can be found here: <https://cbey.yale.edu/programs/rising-leaders-on-environmental-sustainability-and-climate-change>. During this previous survey, survey questions were pre-tested (using cognitive pre-testing methods) with business school students from different regions.

The survey was administered online using the third-party survey platform Qualtrics. The survey was distributed within each school through official administrative channels such as by a senior staff administrator, faculty member, or dean. Administrators were given a series of template recruitment e-mails to send out to their students. To reduce self-selection bias, the e-mail templates only specified the general nature of the survey's interest in asking about the

business school experience, and did not specifically indicate a focus on environmental sustainability or climate change. Respondents were informed that the aggregate results of the study would be published and distributed globally. Respondents were not compensated for their participation in the survey. The survey took approximately 20 minutes to complete.

The descriptive findings cited in this report come from 2,035 survey responses collected between January 23 and February 23, 2021 and represent a subset of questions from the full survey. The total set of survey responses (N = 2,537) was cleaned to remove responses that were missing key demographic information and responses from alumni.

ABOUT



Yale Center for Business and the Environment

The Yale Center for Business and the Environment (CBEY)'s mission is to educate and inspire sustainability leaders through business-led solutions to systemic environmental problems. We do this by equipping our growing network with the interdisciplinary skills and collaborative opportunities needed to create sustainable solutions. Through applied learning programs, research, courses and outreach, we are building pathways to help solve the greatest challenges facing the human and natural systems upon which we all rely.

Learn more at cbey.yale.edu

Global Network for Advanced Management

Launched in 2012, the Global Network for Advanced Management is a collaborative platform for leading business schools from a diverse set of market-oriented economies that have become increasingly connected and interdependent. The mission of the Global Network is to drive innovation and create value by connecting leading global business schools, their resources, and their stakeholders. Taking advantage of network efficiencies, utilizing new technologies, building strong institutional and personal relationships, and operating with a minimum of bureaucracy, the Global Network has empowered member schools to launch initiatives that improve business education and deepen inquiry into issues of global interest.

Learn more at globalnetwork.io

The Yale Program on Climate Change Communication

The *Yale Program on Climate Change Communication* helps to build public and political will for climate action in the U.S. and around the world. We conduct scientific studies on public climate change knowledge, attitudes, policy support, and behavior, and the psychological, cultural and political factors that drive them. We apply this research by developing communication strategies to more effectively engage key audiences in climate change science and solutions. We work with governments, the media, educators, companies, and advocacy organizations to implement these insights in their own communication campaigns. Finally, we directly engage a national and international audience via *Yale Climate Connections* – an online news service and radio program on climate science and solutions.

Learn more at climatecommunication.yale.edu

ACKNOWLEDGEMENTS

STUDY LEAD

Todd Cort

Yale School of Management; Yale Center for Business and the Environment

AUTHORS

Todd Cort

Yale School of Management; Yale Center for Business and the Environment

Katie Gilbert

Freelance Writer

Stuart DeCew

Yale Center for Business and the Environment

Matthew Goldberg

Yale Program on Climate Change Communications

Elizabeth Wilkinson

Yale School of Management

Heather Fitzgerald

Yale Center for Business and the Environment

The authors would like to thank the following people for their insight and tireless assistance: Peter Boyd, Camino de Paz, Indy Burke, Kerwin Charles, the Global Network for Advanced Management (GNAM) team, GNAM participating school deans, administrators and students.

The graphic design was created by Henk van Assen, Senior Critic at Yale University School of Art, together with Izzy Natale and Meghan Lynch, designers at HvADesign.

Citation:

Cort, T., Gilbert, K., DeCew, S., Goldberg, M., Wilkinson, E., Fitzgerald, H. (2022). *Rising Leaders on Social and Environmental Sustainability*, February 2022. Yale University and Global Network for Advanced Management. New Haven, CT: Yale Center for Business and the Environment, Yale Program on Climate Change Communication.