

More business schools embracing do-gooders

Social enterprise programs growing in sophistication, popularity

By Roland Jones

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Students from Northeastern University interview a Haitian microfinance loan recipient during an international field study program organized by the school's Social Enterprise Institute.

The popular image of a modern-day business school student as a sharp-suited spreadsheet wizard increasingly is being turned on its head. For reasons ranging from the economy to a change in attitudes, many students today are pursuing business school degrees with a view toward working with non-profits, or launching socially responsible businesses.

Myles Lutheran is an example. Until recently he was the archetypal business school student. He had shaped his program at Northeastern University's College of Business Administration in Boston in anticipation of a career in financial services. After graduation he expected to go to work on Wall Street. He was, he says, a "profit-driven student."

But Lutheran's outlook changed last spring when he took courses in Northeastern's Social Enterprise Institute. He became heavily involved in the program, both in the classroom and as a team leader on three international field study programs where he used his business skills to help farmers and workers in South Africa, the Dominican Republic and Belize.

On graduation, instead of going to work for a bank he took a position as marketing manager for Moms and Jobs, a social venture headquartered in Boston that works to help impoverished single mothers find sustainable employment.

"Every class in business school is about making money, but in social entrepreneurship the end result is more meaningful," Lutheran said. "You use the same skills as you would on Wall Street, but there's a different end result."

Business schools are racing to meet the demand for such "social entrepreneurship" programs. Observers say a growing number of schools are offering stand-alone social enterprise programs, or as part of a business school degree program.

There are several possible reasons for the growing interest in social enterprise programs, including the economic meltdown that eliminated tens of thousands of jobs from the financial sector and darkened the reputation of the banking industry.

But the current generation of young people also has a strong sense of social responsibility, said Thomas Moore, dean of the College of Business Administration at Northeastern, which has some 200 students enrolled in social enterprise programs.

“There’s a lot of interest in social enterprise at the business school, and I think it’s partly generational,” Moore said.

“These days students don’t want to wait; they want to make a difference now,” he said. “This is the curriculum that prospective students expect, and if you don’t give them the opportunity to get involved in it they will do it for themselves anyway.”

Scott Shrum, director of MBA admissions research at Veritas Prep, a test prep and MBA admissions consulting firm, agrees. He’s seeing more prospective students looking for schools with social entrepreneurship programs, and more business schools expanding their programs.

“It used to be that a business school’s social entrepreneurship program was just an office, but now it’s often a whole department,” said Shrum, co-author of “Your MBA Game Plan: Proven Strategies for Getting into the Top Business Schools.”

“The programs have become more robust and sophisticated, and they’re attracting big naming gifts, or endowed chairs,” he said. “So if you aspire to spending a semester abroad helping a coffee farmer in Africa get his or her business off the ground, you can. That kind of opportunity didn’t exist much before.”

Going to work in the nonprofit sector is not the only way for business students to give back to society. Students also are showing a growing interest in launching more socially responsible businesses, experts say.

Emily Cieri, managing director of the entrepreneurial program at University of Pennsylvania’s Wharton School of Business, said she has seen a dramatic change in the school’s applicants, with many more saying they are entering the school to learn more about social enterprise. Many have been involved in socially focused businesses before coming to the program, she added.

“I’ve been here for 10 years, and 10 years ago our students were primarily interested in working in finance and consulting,” Cieri said. But that has shifted over the past two to four years, she said.

“We’re seeing a large increase in the number of students with entrepreneurial backgrounds,” she said. “A much higher number of students build companies before school, or have plans for companies, or worked for an entrepreneurial company. And they are saying they’ve come to school to understand how to run an entrepreneurial company with much higher growth and have a greater impact.”

Measuring the impact these students have on the business world when they leave school is not easy because it may take them a while to get a new business going, Cieri said. But she points to socially focused businesses established by recent Wharton graduates, including Warby Parker, an eyewear brand where for each pair of glasses sold, one is donated to someone in need.

Another venture, Hydros Bottle, was founded by a handful of Wharton MBA students. It seeks to help alleviate the global clean water crisis and reduce the use of disposable water bottles by selling a 24-ounce reusable water bottle with a built-in filter.

Hydros Bottle got started with the help of Wharton’s entrepreneurial incubator program (the Wharton Venture Initiation Program, or Wharton VIP) where students build a for-profit company that addresses a social issue. The idea is to build a business with a social aspect, so students are driven by the ability to produce and foster social change.

The development of social enterprise at Wharton reflects a societal shift, Cieri said.

“These days, students are more aware globally,” she added. “They have a different look on the world than students did just a few years ago; they understand the challenges, and on a higher level they understand the opportunity to make an impact. The interest is growing, and it’s moving the needle. Students have the ideas, and now they’re ready to move ahead and get engaged in our program.”

Of course it is always possible the pendulum will swing back when economic growth improves, financial jobs become more plentiful and more recruiters resume offering big salaries and signing bonuses.

But the programs put in place at business schools will likely continue attracting students, experts say.

“The economy has changed the equation for a lot of MBA candidates; when you’re worried about your job prospects, a job with a NGO or a not-for-profit is more palatable,” said Shrum. “So things will ebb and flow, but in terms of social enterprise I think we have made a permanent base line for the future.”

For Northeastern’s Moore, the change in focus at business schools is simply a response to student demand.

“If universities are smart they’ll respond to this need,” he said. “We want our students to be enthusiastic and happy, and so this is a wonderful area to invest in. But it’s not easy. You have to find faculty with a passion for it, and then you need to foster relationships around the world and maintain them. It’s going to be a disaster if you just hang out your shingle in a country one time and you leave after two weeks when the program ends.”