THE SUSTAINABLE UNIVERSITY: ADOPTING AND ADAPTING BUSINESS MANAGEMENT PRACTICES

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ABSTRACT: In the current globalizing world universities face challenges to their sustainability. The paper finds it useful to draw a parallel between universities and businesses in terms of means to achieve long lasting success. Two ways of looking at business sustainability are presented: the end-state based and the process-based views, the latter being practiceable when charting the course and assessing the progress toward sustainable business performance. We adopt the process-based view to discuss university sustainability by considering what universities should do of what is believed to support their staying power. By conventional wisdom, due to PricewaterhouseCoopers, organizations live or die by their relationships with those around them. In his light, we elaborate on the university's role in society, on its partnering with relevant stakeholders, emphasizing the importance of the relationship with alumni, which are considered a special strategic partner.

KEY WORDS: sustainable university, university and society, sustainable development

1. TWO WAYS TO ADDRESS SUSTAINABILITY IN BUSINESS

The most widespread meaning of a sustainable business is “one that delivers value to investors, customers, and employees; improves the living standards of its employees and the communities it touches; makes wise use of natural resources; and treats people fairly” [1].

It is ingrained in the above definition that a company is sustainable if it creates value for its shareholders and, at the same time, shows consideration for a variety of other stakeholders and cares for the environment. Such a company exercises corporate social responsibility supported by the socially responsible investments the company undertakes besides, but desirably tightly related to, its core business investments. Sustainability as defined above considers what a company does to support sustainable development and represents the process-based view of business sustainability.

In our work [2] we defined the sustainable corporation as one that is capable to offer its shareholders, for the very long term, a fair return on their investment, in order to keep them interested in the corporation. The company’s interest is obvious: it cannot survive without the capital brought by investors. It follows that securing sustainability is tantamount to achieving very long-term prosperity for the company. In this view, which we call end-state based, sustainability is tantamount to reaching unending prosperity for the company.

Developing an enduring company, implicit in the end-state-based view of sustainability, is in agreement with the idea of indefinite perpetuation of humanity, the ideal in the concept of sustainable development advanced by the Brundtland Report [3]. If human society is to develop in a sustained way, it needs enduring companies. The reciprocal is also true: no company can have long lasting prosperity without a durable prosperous society. This parallel suggests that the sustainable corporation should be regarded as the society’s partner on the road to sustainable development.

The end-state-based view of sustainability regards both the sustainable development of society and business sustainability as distant targets in time, towards which a continuous journey must be made without actually reaching a state in which nothing more is required to stay sustainable.

To summarize, there are two ways to address sustainability in business. One perspective is to view sustainability as the finality of sustained company prosperity. The other perspective focuses on what a company does in order to support the course toward sustainable business performance; strategic corporate social responsibility paves the way for staying power.

For practical purposes it is the process-based view that can be used as a guide to planning sustainability oriented initiatives and to measure the progress made by and compare results of various companies. We take “sustainable” as a shorthand for “building better prospects for sustainability” to refer to companies that undertake socially and environmentally responsible actions.

Because of the tight interdependence between a company and its business, social and natural environments sustainable business performance requires:

- Long-term thinking, which should prevail over the pursuit of large but short-lived profits;
- Co-opetition, which should become a way of working towards the common good;
- Informing, listening to, and collaborating with all relevant stakeholders.

In what follows we will extend the concepts presented above to the specifics of universities in order to derive guidelines for academic management actions proper for the pursuit of the sustainability of higher education institutions.

2. CHALLENGES FOR UNIVERSITIES

Being recognized as an absolute societal necessity, education – including higher education – is supported from national budgets in all parts of the world, by virtue of the need to ensure everyone’s right to learn. The private initiatives manifested in this area have introduced the concept of education supported by student fees. In countries accustomed to philanthropic
channels, one encounters the practice of donations, sponsorships and financial contributions, which provide money for the educational systems. Nevertheless, this status of an allowance-dependent university is conditioning the existence, the quality and the performances of the act of teaching [4]. This status of dependence becomes critical especially when the country’s government and the respective community do not have too much funding available to allocate to education.

Relatively recently, large corporations have reached the point where they create universities that serve them directly, by providing training and qualifications for their staff and preparing the experts they need, as well as by developing research activities specific to their industry – the so-called corporate universities [5 and 6]. Although they are in operation, especially in the US, their status within the academic system is not exactly clear, nor is their viability too certain [7].

Globalization and information technology, but also the economic crisis, have brought new challenges to the existence of universities, as they have widened and deepened the pressure of competition between them, including that of competition for financial resources, but also for the attractiveness of a higher education institution in a society concerned with its survival, or domination or quick profit.

All this conditioning requires universities to change their attitude and mentalities, and to search for solutions that might secure their existence and their provision of competitive services.

It is well known that, although it is an optional stage in a person’s training, higher education has the role of creating professionals, while contributing to the definition of their personality – by transmitting knowledge to them, developing their skills and determining their attitudes. The university’s mission is to preserve and transmit the human values in society, generation after generation, to contribute to the progress and welfare of society and even to determine them. Beyond the act of teaching, it is in universities that research activities that prefigure and influence the path of humankind are performed. For this reason, for representing a higher, but necessary institutional relations, networking and partnerships, extent possible, while still keeping on the quality standards, is welcome. From here, for the university to begin building on the necessary institutional relations, networking and partnerships, it was just a naturally logical step [19].

3. THE UNIVERSITY AS A SOCIETAL LEADER

At the present, human society is facing a multitude of global problems (poverty, increase in the population, damage to the environment, decrease of the resources, etc.) and a number of local cleavages and conflicts (for political, economical, social, ethical, cultural or religious reasons, etc.).

Moreover, the financial crisis and the economic recession are determining rapid changes of mentalities, attitudes and values – institutionally, and in society.

Thus, it is becoming ever more obvious that the youth is turning to businesses and to making profit, while their interest in university or postgraduate specialization is decreasing, at least in countries that are poor or have been affected by the crisis, and especially in some of the former communist countries.

Nevertheless, in the confrontation with the frequent changes which take place on all the planes of the contemporary world (economic, social, political, financial, technological, environmental, in communications etc.), the need for specialists is becoming increasingly diverse and permanently require new expertise and new capabilities.
On the other hand, the current stage in the development of human society requires worldwide mobilization to save human civilization [20], which is threatened by self-destruction, as well as a concerted global commitment to sustainable development.

In this context, by referring to the statement we made earlier about the relationship between the sustainable development of a community and the sustainability of companies serving that community [21], we can extend the idea to educational institutions which, by developing sustainably will contribute to society’s sustainable development and derive a sustainability return for themselves.

The goal of strengthening the individual and/or institutional capacity to develop sustainably, as well as developing this capacity in the community, can be fulfilled by training and specialization, by permanent education – and therefore through the services provided by universities in education and research. From this point of view, as universities are prefiguring the future of mankind through the experts and leaders they are providing to the current and the future society, they will have to undertake this role in a more and more conscious and responsible manner, to almost self-impose it as a mission defining their existence.

Thus, the future of mankind, as well as that of higher education, is ultimately determined by how the universities will understand and undertake the role of leaders in the evolution of the human society, while learning that, to this end, they must organize and manage themselves as sustainable institutions.

### 4. SOME CONSIDERATIONS ON THE SUSTAINABLE UNIVERSITY

It is useful to draw a parallel between a sustainable corporation and a sustainable university. The end-state view of the sustainable company refers to perpetual business prosperity, while the process-based view emphasizes strategic corporate social responsibility actions as leading to the desired lasting success. Universities should be able to adopt and adapt those concepts in their pursuit of providing high quality educational services to the community for indefinitely long.

Being institutions at the service of the community by definition [24], the universities’ social responsibility translates into ensuring the quality and ethics of teaching, into preserving and transmitting moral values and into directing their research to the benefit of humanity. Beyond their generic role, such activities also imply preparing the young generation for the labor market, enabling it and the society at large to secure and create jobs, and promoting the spirit of sustainable behavior [25].

The health of the environment and the integrity of natural resources are crucial for a healthy and stable society. Universities can prosper only in healthy societies and, therefore, the best universities in the world (which are non-polluting by nature) run educational programs and research projects on environmental protection and resource preservation [22 and 23] – an approach of living and acting as green universities.

For the university, all of the above require that it should remain anchored in reality and act in a flexible, proactive, adaptable and creative way. In essence, the university itself needs to be an organization that learns [26] in order to constantly improve its performance [27] and not merely one that promotes learning by teaching and training others (individuals, organizations or the community).

This implies that it should apply and internalize, for its own institutional evolution, the concepts and instruments it uses when teaching students about successful company management and business excellence, about sustainable business and sustainable development of human society.

The purpose of such an approach is for the university to be responsive to its stakeholders [28]: the government (its shareholder), the society (its beneficiary), the clients – who are both direct (its students) and indirect (their parents), the university’s own staff.

For all these to be achieved at a highly competitive level, continuously and within time constraints, an essential requirement for a university is to secure the needed financial resources that bring the comfort of institutional operational autonomy.

We are raising here again the issue of the university’s path to sustainability, given that its services include training, developing skills and conducting research, and its “products” are the professionalism and personality of its graduates, who have an impact on the evolution of society.

According to the process-based view of sustainability, a university should anchor itself in the community it serves and whose educational and spiritual needs it aims to satisfy, and maintain a permanent contact with the realities of the society’s evolution. Such a conduct can be pursued, in particular, by creating partnerships that would engage the community in securing the necessary resources for the university to properly function as an institution and to be able to stay competitive. The best universities of the world are also the best connected with society.

In fact this is the very path followed by reputable businesses of lasting success: having all relevant stakeholders engaged in important aspects of business development and acknowledging stakeholders’ demands by inextricably intertwining them with business strategies. Universities should mimic businesses in pursuit of sustainability.

### 5. UNIVERSITY’S STRATEGIC PARTNERS

What strategic partnerships could a university establish and how can they be achieved without compromising, so that the university maintains its moral integrity, the autonomy of its actions as an institution, and the quality of the services it provides?

Since universities receive funds from the government and are subject to the legislative exercise thereof, the government is an important stakeholder and should be regarded as a partner. At the same time, both directly and indirectly, the government has certain expectations from universities, as reflected in imposition of certain performance requirements and in the management of university assessment and accreditation. Moreover, the national research plans and the access to related funds are also controlled by the state. As a consequence, universities are – willingly or unwillingly – dependent on the government, and subordinated to various state bodies and institutions and to the local administration whose budget they depend on. We believe that a university can function properly and accomplish its mission if its relationship with the government is a partnership. This partnership can lead to harmonizing the inter-institutional vision and interests and to the creation of a socially beneficial higher education strategy.
The involvement of universities in guiding this partnership is particularly important, especially with regard to obtaining proper financing from public budgets; the legal framework allows and encourages such an active role.

An equally important connection is the relationship between universities and public institutions. By nurturing this connection a university can adequately prepare public officers, of various categories and acting in diverse areas, and contribute to forming leaders who will regulate the functioning of the society. This is strategically important for universities because they can thrive only in a certain kind of society whose adequate shaping depends on how universities manage their relationship with public institutions.

At the community level, the partnership can be extended to the relationship with the entire chain of the educational system [29], i.e., as a connection with units from kindergarten to the 12th grade of high school. The partnership can lead to encouraging and facilitating continuous education for teachers in the pre-university system and encouraging and helping high school students to seek admission and get admitted to higher education.

Mimicking modern practices of co-opetition in business can lead to inter-university collaboration while competing for the best students, faculty and resources. Universities can form partnerships as consortia or associations in order to pursue joint educational and research projects in order to create synergy resulting in win-win situations.

A must for universities is to establish connections with the business sector. The university-business partnership has multiple implications and raises issues such as the ethical aspect and possible conflicts of interests due to the financial support that comes from business to universities and the need for the latter to conduct independent teaching and research [30].

The partnership between universities and business, and the relationship with the public institutions supplies much needed information about the knowledge and skills society can use. These can help with improving, updating and adapting the curricula to the needs of the labor market, and diversifying and adequately directing R&D activities and other services provided by the university. A benefit can also come as the capability to produce graduates who can fare better in the labor market, which will raise the standing of the university in society. The partnership helps students make internships and write more meaningful theses, and can lead to the development of products and technologies sought after by companies and institutions, to new production processes [31], and to creating new job opportunities. Many other benefits and opportunities can be created for both sides of the partnership [32] making investing in this relationship mutually advantageous.

A more comprehensive form of these relationships is the triple partnership university – government – business. The interaction between the three sectors is the “key to innovation in increasingly knowledge-based societies” [33].

A further expansion of this relationship will also include the community. Starting from the partnership between the university and the students’ parents, continuing with the university’s relations with the alumni, including its relations with its own staff, broadening the interaction to include professional organizations and widening it to involving the entire community – will not only ensure the university’s integration in society, but it will also secure the latter’s support [34].

This is the picture of the university and society evolving together in an environment of inter-conditionality. The Minnesota – Mankato case [35] is an example of governing efficiency: information-assisted decisions-making, based on advice provided by academic expertise, from which the community’s development benefits. The concept of regional development with the aid of clusters, promoted by a program (Microeconomics of Competitiveness – MOC) originated at Harvard Business School was put to use in this case.

Reaching such a level of mutual dependence can bring the university access to all the important resources (informational, financial, human resources and social capital) it needs in order to follow the path to sustainability, and contributes to the sustainable development of society. Universities that can set up and manage social networks with multiple relevant stakeholders become societal leaders.

6. ALUMNI – A SPECIAL STRATEGIC STAKEHOLDER

The alumni are a category of special interest for the university [36] – the latter benefiting from its relationship with them [37]. In the first place, as both graduates and former students, the alumni have a double capacity: ex-internal and external stakeholders of the university [38]. They represent all the leaders, managers, experts, professionals, public officials, members of the civil society, parents, grandparents, neighbors, political representatives, etc. that have been shaped by the university. Thus, they are the university’s “representatives” in society. They are valuable for their capacity to provide for the university from money to knowledge, from innovation and creativity to community support, from voluntary work to human resources, etc. [39]. Thus, for the university, the alumni are strategic stakeholders; for society, they are a factor of its advancement. Consequently, the university should build partnerships with its “social representatives” in support of its own institutional existence and also helping society evolve.

From this perspective, the university’s management will have to realize, in a deeper and more responsible way, that students are not only the future professionals of the community, but also the future supporters of the higher education institution. Therefore, universities will have to adapt their management conduct in order to invest in students with this point of view in mind.

In this context, beyond the need for universities to provide “traditional” services to society, they should also broaden their societal mission to the mutual benefit of the university and society. Universities would thus create “common value”, an analogue of the concept developed by Porter and Kramer [40] in relation with the strategic corporate social responsibility actions of corporations. Universities should realize that it takes an elevated society to appreciate, support and promote education and the role of universities. Therefore, it is the university’s responsibility and self-interest to increase the degree of elevation and the quality of society.

7. CONCLUSION

The main idea we pursued in this paper is that, in the context of the current challenges and of the ones foreseeable in the near future of humanity, academic management will have to take into account – ever more carefully – and to increasingly develop strategic approaches that will strengthen the
The university’s leadership role in the development of the new society, which in turn can bring support to academic activities in the form of the resources needed for raising the quality those activities to higher standards.

A number of ways, tools and practices required to accomplish those desiderata can be found in the experience and management practices of the business sector. The business world has built all the time on the help and services of universities. The time has come for universities to learn, in their turn, from businesses in terms of developing the human and institutional capacities.

Moreover, universities should adopt, develop, broaden and strengthen the common business practice of establishing efficient, relevant partnerships in various areas of societal activities, with the entire community or members thereof, whose mentors and servants they are.

The examples provided throughout this paper, inspired from the practice of a number of universities, are an indicator that such initiatives are possible and can prove useful. However, the examples we found use various university resources in isolation. We believe that the universities’ actions directed to change stand better chances of effectiveness and efficiency when they develop holistic strategies in which their societal role is intertwined with their educational and research mission and banking on an integrated resource management approach.

To this purpose, an essential lever is exactly the human resource that universities educate: the students as future alumni. The community from where the students are drawn – the larger and closer the ties to the university the better – contributes both to the university’s sustainability and to the sustainable development of human society at large.

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