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The societal impact of business schools: the transformative power of higher education

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The societal impact of business schools: the transformative power of higher education

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ABSTRACT-SOMMARIO

The landscape of higher education is undergoing a profound transformation, and business schools are part of this evolution. Traditionally tasked with preparing students for careers in finance, marketing, or management, business schools are now expected to play a much broader societal role—one that is transformative. Stakeholders—including students, employers, governments, and accreditation bodies—are demanding that business schools demonstrate a clear, measurable commitment to addressing the pressing challenges of the 21st century: climate change, inequality, social justice, sustainable development, and geopolitical discontinuities. This shift reflects a broader global trend. In 2007, the United Nations introduced the Principles for Responsible Management Education (PRME), an international initiative encouraging business schools to integrate sustainability and ethics into their curricula, research, and institutional culture. The initiative was further reinforced by the 2015 adoption of the 17 Sustainable Development Goals (SDGs), which provide a shared blueprint for peace and prosperity and address issues such as poverty, gender equality, clean energy, and climate action. Parallel to this development, the Association to Advance Collegiate Schools of Business (AACSB), the leading global accrediting body for business schools, undertook a major revision of its accreditation standards in 2020. One of the most ground-breaking elements of the new standards is the explicit inclusion of positive societal impact as a core evaluative criterion. According to Beck-Dudley and Bryant (2023), this focus represents a “game changer,” requiring schools to align their strategies, curricula, research, and outreach initiatives with societal needs. These changes signify a shift from a profit-centered educational model to a purpose-driven model that emphasizes ethics, sustainability, stakeholder engagement, and long-term societal welfare. However, the societal impact of business schools—how it can be effectively defined, implemented, and measured—remains unknown. In a sample of AACSB-accredited business schools, we aimed to examine how they measure, report, and communicate their societal impact. By investigating the frameworks they employ, the depth of their disclosures, and the nature of the metrics used, the research sought to address the transparency challenges inherent in voluntary reporting practices and to evaluate whether current institutional approaches reflect substantive engagement with societal impact or merely symbolic gestures. Prof. Gianluca Colombo, an eclectic scholar who was a thoughtful leader in business education, had a clear, ethics-driven approach to business and management education and research, and its transformative power. Open-minded, professor of management and entrepreneurship with a genuine interest in family business, he knew that business schools had a clear mission to grow the economy as well as the well-being of people, to develop innovation and entrepreneurship while safeguarding the planet, to bring education where individual rights are at stake and poverty may be threatening society. Among the founders of the

European Management Development (EFMD), several times project leader of EU projects of technical assistance to several countries, and esteemed member of the Social Business Earth, he was fully aware of the role of measurement systems in providing a tight alignment of “ownership”, governance, and leadership to foster substantive, transformative results.

Il panorama dell'istruzione superiore sta subendo una profonda trasformazione e le business school fanno parte di questa evoluzione. Tradizionalmente incaricate di preparare gli studenti a carriere in finanza, marketing o management, le business school sono ora tenute a svolgere un ruolo sociale molto più ampio, trasformativo. Le parti interessate, tra cui studenti, datori di lavoro, governi ed enti di accreditamento, chiedono che le business school dimostrino un impegno chiaro e misurabile nell'affrontare le sfide urgenti del 21° secolo: cambiamento climatico, disuguaglianza, giustizia sociale, sviluppo sostenibile e discontinuità geopolitiche. Questo cambiamento riflette una tendenza globale più ampia. Nel 2007, le Nazioni Unite hanno introdotto i Principles for Responsible Management Education (PRME), un'iniziativa internazionale che incoraggia le business school a integrare la sostenibilità e l'etica nei loro programmi di studio, nella ricerca e nella cultura istituzionale. L'iniziativa è stata ulteriormente rafforzata dall'adozione nel 2015 dei 17 Obiettivi di Sviluppo Sostenibile (SDG), che forniscono un progetto condiviso per la pace e la prosperità e affrontano questioni come la povertà, l'uguaglianza di genere, l'energia pulita e l'azione per il clima. Parallelamente a questo sviluppo, l'Association to Advance Collegiate Schools of Business (AACSB), il principale ente di accreditamento globale per le business school, ha intrapreso un'importante revisione dei suoi standard di accreditamento nel 2020. Uno degli elementi più innovativi dei nuovi standard è l'inclusione esplicita dell'impatto sociale positivo come criterio di valutazione fondamentale. Secondo Beck-Dudley e Bryant (2023), questa attenzione rappresenta un "punto di svolta", che richiede alle scuole di allineare le loro strategie, curricula, ricerche e iniziative di sensibilizzazione con le esigenze della società. Questi cambiamenti significano il passaggio da un modello educativo incentrato sulla massimizzazione del profitto a un modello orientato allo scopo che enfatizza l'etica, la sostenibilità, il coinvolgimento degli stakeholder e il benessere sociale a lungo termine. Tuttavia, l'impatto sociale delle business school, ovvero come possa essere definito, implementato e misurato in modo efficace, rimane sconosciuto. In un campione di business school accreditate AACSB, abbiamo esaminato il modo in cui misurano, riportano e comunicano il loro impatto sociale. Indagando i quadri di riferimento che utilizzano, la profondità delle loro divulgazioni e la natura delle metriche utilizzate, la ricerca ha cercato di affrontare le sfide di trasparenza inerenti alle pratiche di rendicontazione volontaria e di valutare se gli attuali approcci istituzionali riflettano un impegno sostanziale con l'impatto sociale o gesti meramente simbolici. Il Prof. Gianluca Colombo, uno studioso eclettico che è stato un leader riflessivo ha avuto un approccio guidato dall'etica alla formazione e alla ricerca aziendale e manageriale e al suo potere trasformativo. Aperto all'ascolto professore di management e imprenditorialità con un genuino interesse per le imprese familiari, sapeva che le business school avevano una chiara missione: far crescere l'economia e il benessere delle persone, sviluppare l'innovazione e l'imprenditorialità salvaguardando il pianeta, portare l'istruzione dove sono in gioco i diritti individuali e la povertà può minacciare la società. Tra i fondatori dell'European Management Development (EFMD), più volte project leader di progetti europei di assistenza tecnica a diversi Paesi e stimato membro del Social Business Earth, era pienamente consapevole del ruolo dei sistemi di misurazione nel fornire uno stretto allineamento di "proprietà", governance e leadership per promuovere risultati sostanziali e trasformativi.

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Keywords: societal impact, measurement, higher education, Principles for Responsible Management Education (PRME), Sustainable Development Goals (SDGs)

1 – Introduction

The societal role of universities and business schools has become a central topic in contemporary higher education. Throughout much of the twentieth century, universities were assessed

primarily by their teaching and research outputs, often expressed through quantifiable indicators such as graduation rates, publications, and citation counts. Today, however, higher education institutions are increasingly expected to generate tangible societal value—fostering not only knowledge creation but also sustainable development, social inclusion, and long-term public benefit (Alonso-Almeida, Marimon, Casani, & Rodriguez-Pomeda, 2015). Given their pivotal role in shaping future leaders, managers, and entrepreneurs, business schools stand at the forefront of this debate. Their graduates influence corporate strategies, public policies, and innovation systems, positioning business schools as critical agents of societal transformation.

This growing emphasis on societal impact stems from both external and internal dynamics. Externally, stakeholders such as governments, accreditation agencies, and funding bodies demand evidence that universities contribute to addressing global challenges—from climate change to inequality (Vigneau & Adams, 2023).

The United Nations Sustainable Development Goals (SDGs), adopted in 2015, reinforced the expectation that higher education should act as a driver of sustainable development through teaching, research, and community engagement. Likewise, the Principles for Responsible Management Education (PRME), launched in 2007, encouraged business schools to integrate sustainability and ethics into their curricula and research agendas. The 2020 revision of AACSB accreditation standards formally introduced *positive societal impact* as a core evaluative criterion, signaling a shift from academic excellence alone to a broader focus on responsibility and purpose (Barnes & LaCasse, 2023).

Similarly, the EFMD EQUIS framework embeds ethical awareness and societal engagement across its standards, requiring institutions to act as responsible organizations in society (EFMD, 2025).

Internally, universities and business schools increasingly recognize that their legitimacy extends beyond traditional academic outputs. The rise of responsible management education (Dyllick, 2015) and the Positive Impact Rating (Dyllick & Muff, 2020) illustrate a shift toward viewing higher education as a public good. In Italy, this transformation formalized the concept of *terza missione*, which institutionalizes universities' contributions to economic, social, and cultural development (Deidda Gagliardo & Paoloni, 2020). This perspective aligns with global discussions on societal impact, emphasizing that teaching and research alone cannot capture the full value of academic institutions.

Despite growing consensus on the relevance of impact, the question of *how to measure it* remains unresolved. Unlike performance indicators that capture outputs (e.g., degrees awarded, research funding) or outcomes (e.g., employability, citation impact), societal impact refers to long-term, often diffuse transformations in society attributable to academic activity (Redgrave, Grinevich, & Chao, 2023). Examples include graduates who promote ethical leadership, research that shapes managerial practices, or community initiatives that enhance regional well-being (Findler, 2021). Measuring these effects is challenging due to time lags, attribution issues, and the multidimensional nature of societal change. Consequently, many institutions rely on voluntary disclosure as a proxy for impact. Sustainability reports, PRME Sharing Information on Progress (SIP) documents, and SDG mappings demonstrate engagement but often conflate symbolic gestures with substantive outcomes (Hahn & Lülfs, 2014). As Vigneau and Adams (2023) caution, transparency alone does not ensure accountability; without rigorous metrics, reporting risks becomes a self-referential exercise of *impact-washing*.

Against this backdrop, this paper explores *three interrelated questions*:

Q.1. How is societal impact defined in the context of business schools, and how does it differ from performance and outcomes?

Q.2. Which drivers of impact, teaching, research, executive education, third mission activities, and faculty engagement most effectively contribute to societal value?

Q.3. How do business schools measure, communicate, and integrate these drivers within their strategic and governance frameworks?

By addressing these questions, the paper contributes to the academic and policy debate on how impact measurement can transform higher education institutions. Specifically, it (1) clarifies the conceptual distinction between performance, outcomes, and societal impact; (2) identifies the main drivers of impact and their role in institutional strategy; and (3) proposes pathways for embedding societal impact into governance and performance measurement systems.

The paper is structured as follows: SECTION 2 reviews the theoretical and conceptual foundations of impact measurement; SECTION 3 discusses the main drivers of societal impact in business schools; SECTION 4 outlines the research methodology and dataset; SECTION 5 integrates findings and discussion; and SECTION 6 concludes by summarizing key contributions, implications, and directions for future research.

2 – Theoretical and Conceptual Background

The concept of societal impact for business schools shares similarities with the idea of corporate social responsibility of corporations and business ventures. Both concepts have gained increasing prominence, yet their definitions remain contested and often conflate with performance or outcomes.

Performance generally refers to immediate outputs such as schools' publications, teaching load, or graduation rates, while *outcomes* capture medium-term effects, including employability, citation influence, or collaborations with industry. *Societal impact*, however, extends beyond both: it reflects the long-term and often diffuse contributions of universities to social, economic, and cultural transformation (Redgrave, Grinevich, & Chao, 2023).

This distinction is crucial, as measuring impact requires different conceptual and methodological approaches from those used to assess outputs or outcomes. Whereas the number of employed graduates is a quantifiable outcome, the extent to which these graduates promote ethical leadership, create sustainable enterprises, or influence policymaking constitutes a broader societal impact. Similarly, while citation counts capture academic influence, translating research into policy change or into innovation ecosystems represents a deeper, more substantive form of impact (Findler, 2021).

The growing emphasis on impact has paralleled the expansion of performance management systems in universities. These systems - designed to ensure accountability and efficiency - traditionally focus on measurable outputs such as teaching volume, research productivity, or student satisfaction. Yet, as Deidda Gagliardo and Paoloni (2020) point out, such frameworks often fail to capture the broader public value that universities generate. The Italian debate provides an instructive case: while national evaluation systems coordinated by ANVUR focus primarily on research and teaching, the concept of *terza missione* has introduced a third evaluative dimension, recognizing universities' societal contributions through knowledge

transfer, cultural activities, and local development initiatives. Scholars such as Arena et al. (2020) and Bracci et al. (2019) argue that integrating societal value into performance systems requires a paradigm shift—from a narrow logic of accountability to a holistic model of public value creation.

A major challenge in assessing societal impact lies in distinguishing between *disclosure* and *substance* (Gazzola & Colombo, 2013). Voluntary reporting mechanisms - such as sustainability reports or PRME Sharing Information on Progress (SIP) reports - are often intended to inform stakeholders, yet they also serve as instruments of legitimation. As Hahn and Lülfs (2014) demonstrate, institutions frequently emphasize positive achievements while omitting trade-offs or limitations, thereby projecting a favorable image without demonstrating verifiable outcomes. Vigneau and Adams (2023) similarly warn that transparency, when reduced to symbolic self-regulation, risks producing “impact-washing,” where institutions claim societal value without empirical substantiation.

For business schools, this distinction between symbolic and substantive engagement is particularly salient. Symbolic reporting often involves showcasing SDG alignment or community initiatives without measurable follow-up, whereas substantive reporting requires systematic evaluation, integration into governance, and precise accountability mechanisms. Measurement, therefore, is not a neutral act - it defines what an institution considers valuable and legitimate. As Arena et al. (2020) suggest, indicators act as *epistemic devices*: they shape internal cognition and organizational learning by determining what is visible, discussable, and rewarded.

In this dual perspective, as shown in Figure 1, measuring societal impact is not merely an administrative requirement but a strategic process that shapes institutional purpose. By clarifying how impact is defined, measured, and valued, universities and business schools can move from symbolic alignment toward substantive engagement—reconfiguring performance systems to reward genuine contributions to public value.

In relation to the epistemic-strategic loop, the growing influence of international frameworks reflects both an aspiration and a risk of impact-washing. The AACSB 2020 standards place societal impact at the core of accreditation, urging schools to align mission, strategy, and measurable contributions across teaching, research, and outreach (Barnes & LaCasse, 2023). The PRME initiative, launched in 2007, calls for integrating ethics and sustainability into business education and for reporting progress through SIP reports. The United Nations SDGs provide a shared language for framing these contributions in relation to global challenges such as poverty, climate change, and gender equality (Nicolò et al., 2022). In parallel, the Positive Impact Rating (PIR) and the Times Higher Education Impact Rankings have added competitive incentives to engage with sustainability goals.

A particularly structured model is the Business School Impact System (BSIS), developed jointly by the European Foundation for Management Development (EFMD) and Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (FHEGE). BSIS identifies seven dimensions of impact—financial, educational, business development, intellectual, regional ecosystem, societal, and reputational—and employs over 100 indicators to capture how business schools create value (EFMD, 2023). By combining quantitative evidence (e.g., job creation, start-ups incubated, policy citations) with qualitative narratives (e.g., emblematic projects, regional partnerships), BSIS offers a holistic assessment framework that balances accountability with contextual interpretation. It explicitly calls for “clearer accountability and greater transparency regarding

[schools'] real contribution to the development of the communities around [them]" (EFMD, 2023, p. 2).

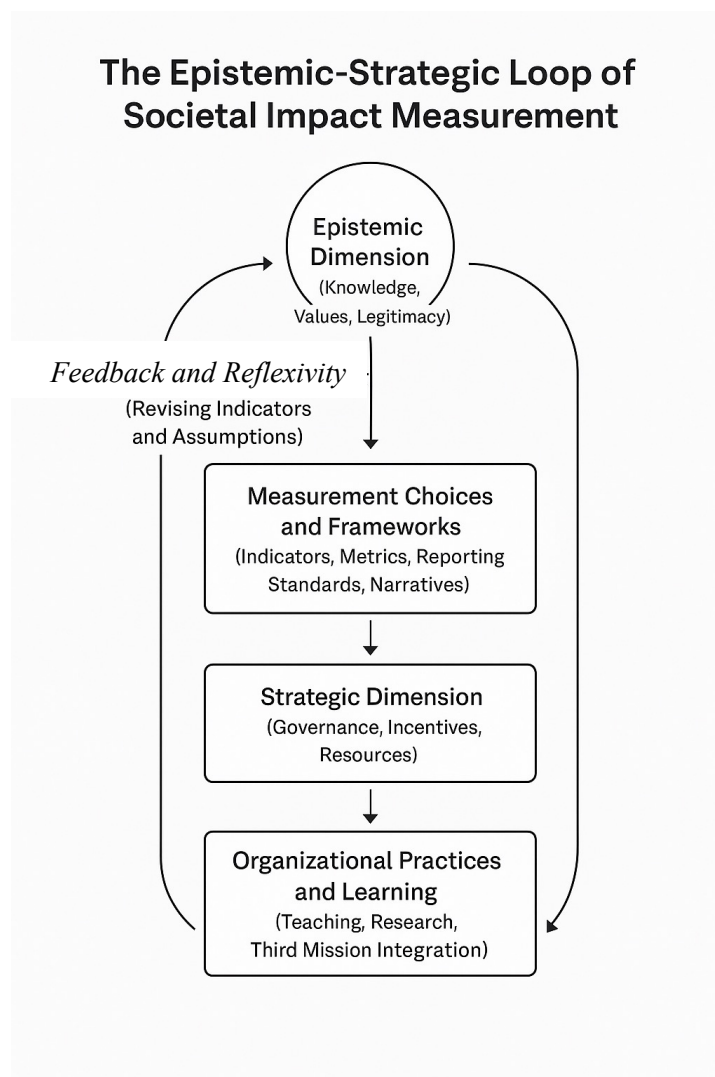


Fig. 1 – The Epistemic- Strategic Loop of Societal Impact Measurement.

(Source: Author's own elaboration)

Within the Italian context, the "*terza missione*" complements these international frameworks by emphasizing universities' embeddedness in local ecosystems. Activities such as technology transfer, community partnerships, and entrepreneurship support demonstrate how universities act as catalysts for regional development (Deidda Gagliardo & Paoloni, 2020). This model bridges global and local perspectives: while global frameworks encourage alignment with universal goals, "*terza missione*" highlights place-based accountability and concrete societal engagement.

3 – Drivers of Societal Impact in Business Schools

Understanding how business schools generate societal impact requires identifying the main channels, commonly referred to as *drivers*, through which their activities influence external stakeholders and internal culture. The literature identifies five key drivers: teaching, research, executive education, third mission activities, and individual faculty engagement (Arena et al.,

2020; Kabadayi & Jason-Di Bartolo, 2022). Each extends beyond traditional academic functions, highlighting the transformative role business schools can play in shaping societal development. When strategically managed, these drivers create coherence among governance, educational leadership, and institutional purpose, moving schools beyond symbolic compliance toward substantive societal value.

TEACHING remains the cornerstone of business schools' missions and represents one of their most direct contributions to society. Externally, it equips students with the skills, knowledge, and values necessary for responsible leadership and sustainable innovation. Graduates who embody ethical and critical thinking principles extend the school's impact into organizations and communities (McCrea & Mirchandani, 2025). Internally, teaching practices also shape institutional culture. Pedagogical innovation through experiential and service learning, problem-based approaches, or SDG-oriented curricula promotes collaboration across disciplines and aligns faculty around shared goals. By integrating sustainability and ethics into learning design, teaching becomes both a societal lever and a mechanism for internal transformation.

RESEARCH represents a second crucial driver, connecting academic inquiry with societal needs. Externally, research influences managerial practices, policymaking, and industry standards, while pedagogical research advances education quality. The Italian *terza missione* perspective underscores the need to balance theoretical advancement with practical relevance (Deidda Gagliardo & Paoloni, 2020). Internally, redefining evaluation systems to prioritize societal relevance over journal rankings alone encourages a culture of accountability and public value creation. Aligning research incentives with broader social outcomes thus strengthens the connection between epistemic and strategic dimensions of academic work.

EXECUTIVE EDUCATION AND LIFELONG LEARNING extend the societal reach of business schools beyond degree programs. By offering customized programs for managers, entrepreneurs, and public officials, schools facilitate continuous professional development and address pressing societal challenges such as digital transformation, climate transition, and inclusive leadership. These programs often generate feedback loops between academia and practice, enriching both research and teaching. From a strategic perspective, executive education supports financial sustainability and connects the school to its professional and regional ecosystems, transforming it into a hub of lifelong learning and innovation.

THIRD MISSION ACTIVITIES, a central pillar in the Italian higher education context, capture universities' direct contributions to society beyond teaching and research. Business schools promote entrepreneurship, technology transfer, community engagement, and cultural initiatives that stimulate local and regional development (Arena et al., 2020). These activities also require collaborative governance structures involving public and private stakeholders, reinforcing the school's societal role. Integrating the third mission into performance frameworks ensures that these initiatives are not peripheral but embedded within the institution's strategic identity.

Finally, INDIVIDUAL FACULTY ENGAGEMENT represents a vital but often underrecognized source of societal impact. Faculty contribute through consulting, public policy advising, civic involvement, and thought leadership, which bridge academia and society. Recognizing these activities within evaluation and reward systems reinforces an institutional culture that values responsibility and engagement alongside academic excellence.

Together, these five drivers illustrate that societal impact is not limited to outward-facing initiatives; it is also a product of internal transformation. Achieving such integration requires moving beyond symbolic gestures toward genuine commitment, where impact measurement and disclosure serve as tools for organizational learning and strategic alignment. In this perspective, societal impact is not merely an external outcome but a dynamic process of institutional renewal that links epistemic dimensions (knowledge, legitimacy, and values) with strategic ones (governance, incentives, and management).

4 – Methodology

This study adopts a comparative case study design to explore how business schools conceptualize, measure, and communicate their societal impact. Case studies are particularly suited for analysing complex, context-dependent phenomena such as impact measurement, where quantitative indicators alone cannot capture the variety of institutional practices (Yin, 2018). By comparing a sample of AACSB-accredited business schools, the research identifies patterns, similarities, and differences in reporting and governance approaches, while also highlighting exemplary cases of substantive engagement.

The empirical analysis draws on a purposive sample of 30 AACSB-accredited business schools, primarily located in Europe, selected according to their position in the *Financial Times 2025 Carbon Footprint Ranking*, including both top- and bottom-ranked institutions. The sample reflects diversity in geography, institutional type (public vs. private), and strategic orientation (research-intensive vs. teaching-oriented). Focusing on AACSB-accredited institutions is particularly relevant given the association's 2020 Standards, which explicitly position societal impact as a key evaluative criterion.

Including schools based on their carbon footprint adds an environmental dimension to the analysis, linking sustainability performance to broader impact strategies. Although not exhaustive, this heterogeneous sample enables meaningful cross-case comparisons.

Data were collected from *publicly available institutional documents and reports*, complemented by website information and external rankings.

The primary sources include:

- sustainability or societal impact reports
- PRME *Sharing Information on Progress* (SIP) reports
- accreditation self-reports and AACSB-related public disclosures
- strategic plans and governance documents
- *Times Higher Education Impact Rankings* and *Positive Impact Rating* (PIR) results, where applicable.

This multi-source approach ensures triangulation and reduces dependence on self-reported or reputational data.

The analysis followed a thematic coding framework structured around three dimensions:

- definition and conceptualization of societal impact – how schools articulate their understanding of impact, distinguishing between outputs, outcomes, and broader societal change

- disclosure quality and depth – the extent to which information is systematic and data-driven rather than symbolic or narrative-based
- drivers of impact – how schools report on teaching, research, executive education, third mission activities, and faculty engagement, and whether these are integrated into governance structures.

Reports were further examined for explicit references to the SDGs, PRME principles, and AACSB standards; use of quantitative versus qualitative indicators; evidence of integration into governance and resource allocation; and presence of symbolic versus substantive practices (following Hahn & Lülfs, 2014; Vigneau & Adams, 2023).

Data coding was performed manually using Excel, ensuring sensitivity to institutional language and context. For each institution, all relevant materials, including sustainability and SIP reports, strategic plans, and website disclosures, were reviewed.

The coding results are summarized in APPENDIX A, which presents three additional qualitative variables, such as “Reporting Type” – whether the institution provides formal, fragmented, or absent reporting, and “Level of Societal Impact Integration” – classified as *Symbolic*, *Transitioning*, or *Substantive* (Table 1)

Table 1 – Reporting Type and Level of Societal Impact Integration. (Source: Author’s own elaboration)

| Reporting Type | Level of Societal Impact Integration |
|--|--|
| Fragmented or absent | <i>Symbolic</i> : reputational or narrative-driven disclosure; limited data or follow-up; isolated initiatives |
| Partial or developing reports | <i>Transitioning</i> : partial alignment with SDGs and PRME; emerging governance structures; some indicators and strategic intent |
| Formal sustainability or impact reports | <i>Substantive</i> : systematic, data-based reporting aligned with SDGs, PRME, and AACSB; embedded in governance and resource allocation |

The comparative design allows both single-case interpretation and cross-institutional pattern recognition, highlighting convergence (shared practices shaped by accreditation frameworks) and divergence (context-specific adaptations or symbolic strategies).

As with any qualitative study, some limitations apply. Reliance on publicly available data may favour institutions with stronger reporting infrastructures, while underrepresenting substantive practices not formally disclosed. The sample, though diverse, does not capture the whole global landscape of AACSB-accredited schools. Finally, the analysis focuses on institutional disclosures rather than direct measurement of societal outcomes, which would require longitudinal methodologies. Nevertheless, the comparative and multi-source approach enhances robustness and provides a nuanced view of symbolic and substantive engagement across institutions.

5 – Discussion of Findings

The comparative analysis of 30 AACSB-accredited business schools reveals a heterogeneous landscape in how institutions define, measure, and communicate their societal impact. While some have developed systematic sustainability or societal impact reports aligned with frameworks such as the SDGs, PRME, and AACSB standards, others rely on fragmented, reputational disclosures dispersed across websites or accreditation documents. Approximately half of the schools analyzed publish formal impact or sustainability reports; the remainder communicate through isolated projects without consistent performance measurement or follow-up mechanisms.

This variation reflects differences in institutional maturity, strategic priorities, and governance. Schools that have embedded sustainability into their governance and strategy tend to integrate societal impact into their planning and performance systems, whereas others treat it mainly as a legitimacy exercise. Geographical differences are also notable: European institutions exhibit greater formalization and integration of SDGs and PRME principles, driven by regulatory and cultural expectations around accountability. Conversely, several US business schools display more symbolic engagement, focusing on visibility rather than systematic transparency.

Across the sample, references to the SDGs and PRME are widespread but often superficial. Many schools highlight specific goals — most commonly SDG 4 (quality education), SDG 8 (decent work and economic growth), and SDG 13 (climate action) — but lack precise mechanisms to track progress. PRME *Sharing Information on Progress* (SIP) reports, though useful for transparency, are frequently descriptive rather than evaluative. Likewise, rankings such as the *Times Higher Education Impact Rankings* and the *Positive Impact Rating* increasingly shape disclosure practices, sometimes reducing impact to a competitive or reputational metric rather than a transformative mission.

These findings confirm the persistent difficulty of distinguishing between performance, outcomes, and societal impact in higher education. While performance and outcomes capture short-term, quantifiable results such as graduates, publications, or employability impact, they refer to long-term societal transformations that are diffuse and difficult to attribute (Findler, 2021; Redgrave, Grinevich, & Chao, 2023). The evidence suggests that many business schools still struggle to move beyond performance-based reporting to capture the systemic effects of their teaching, research, and outreach.

A core tension emerges between symbolic and substantive engagement. Symbolic practices include isolated initiatives, such as tree planting, sustainability events, or scholarships reported without measurable outcomes or integration into governance. Substantive approaches, by contrast, involve defined indicators, governance mechanisms, and clear links between impact and institutional decision-making (Hahn & Lülfs, 2014; Vigneau & Adams, 2023).

Examples of substantive engagement include SDA Bocconi (Italy), which publishes comprehensive sustainability reports aligned with SDGs, PRME, and AACSB, embedding impact into governance and curricula, and Technische Universität München (Germany), which integrates impact into institutional strategy through sustainability programs, entrepreneurship ecosystems, and community development consistent with the Italian concept of *terza missione* (Deidda Gagliardo & Paoloni, 2020). In contrast, several US institutions (e.g., UCLA Anderson, Chicago Booth, BYU Marriott) exhibit symbolic engagement, emphasizing visible projects without systematic assessment or accountability.

The three typologies of societal impact integration that emerge (symbolic, transitioning, and substantive) form a continuum rather than discrete stages, as schools gradually evolve from symbolic compliance toward substantive integration.

A key insight from this analysis is that societal impact is both an external and internal process. Externally, it reflects the institution's contributions to sustainable development and community well-being. Internally, it reshapes organizational culture by aligning teaching, research, and outreach within coherent governance frameworks. Measurement plays a pivotal role in this transformation: it links epistemic dimensions (knowledge creation, legitimacy, values) with strategic dimensions (governance, management, incentives). When these two dimensions are aligned, impact measurement becomes a boundary object that connects academic and administrative domains, fostering cross-functional learning and shared accountability. When alignment is absent, measurement risks degenerating into ritualistic reporting or "impact-washing."

In substantive schools, participatory approaches to impact measurement create feedback loops that inform curricula, research priorities, and community engagement. Dashboards and sustainability KPIs are used as tools for collective reflection, not merely for external communication. Conversely, symbolic schools treat indicators as compliance requirements, leading to fragmented and short-term practices. Thus, measurement should be conceived not as a bureaucratic obligation but as a transformative mechanism that enhances learning, coherence, and cultural integration within business schools.

The Italian *terza missione* provides a valuable model for bridging global responsibility and local embeddedness. By institutionalizing universities' contributions to entrepreneurship, culture, and social development, it demonstrates how societal impact can be embedded in governance and regional ecosystems. Activities such as incubators, local partnerships, and community programs become integral to institutional strategy rather than peripheral add-ons. This approach reinforces the idea that impact must be treated as an institutional commitment, aligning local accountability with international frameworks like AACSB and PRME.

These findings underscore the need for business schools to reconfigure their performance management and resource allocation systems. Traditional metrics, such as teaching volumes, research outputs, and citation counts, remain essential but insufficient. A holistic model should recognize societal impact as a third dimension of performance, equal in weight to teaching and research. This entails linking impact indicators to funding decisions, faculty evaluation, and incentive structures, ensuring that contributions to sustainability, entrepreneurship, and community engagement are rewarded alongside academic achievements.

A distinction should also be made between process indicators (how impact is pursued) and final impact indicators (what changes are achieved). Process indicators capture institutional activities, such as creating incubators, developing sustainability-focused curricula, or forming partnerships. In contrast, final indicators assess tangible societal effects, such as jobs created, emissions reduced or improved local quality of life. Both are necessary: the former ensures direction; the latter demonstrates results. Integrating both types into evaluation frameworks would enhance the credibility and accountability of societal impact measurement.

For policymakers and accreditation bodies such as AACSB and PRME, the results suggest the need to move from symbolic alignment toward substantive integration by:

- encouraging the inclusion of societal impact indicators in governance, faculty evaluation, and resource allocation;

- promoting a balance between process and outcome metrics;
- requiring evidence of follow-up and long-term results, not just alignment with global goals.

At the national level, extending initiatives like Italy's *"terza missione"* to align with international frameworks could ensure that local and global responsibilities are jointly addressed.

Ultimately, societal impact measurement should serve as a mechanism for institutional learning and ethical accountability rather than compliance. The findings echo the vision of Professor Gianluca Colombo, who viewed management education as a public mission rooted in ethics, responsibility, and shared purpose. In this perspective, societal impact is not limited to external engagement but encompasses internal transformation, aligning ownership, governance, and leadership around a collective commitment to the common good (Gazzola & Colombo, 2012; Gazzola & Colombo, 2014).

By embedding impact into governance, integrating measurement with strategy, and aligning incentives with societal value creation, business schools can fulfill their transformative role as agents of sustainable and ethical development. Societal impact thus becomes both a measure of accountability and a catalyst for reimagining the purpose of management education in contemporary society.

6 – Conclusions

This paper examined the evolving role of business schools as agents of societal transformation, focusing on how they define, measure, and communicate societal impact. Based on a comparative case study of 30 AACSB-accredited institutions, the analysis revealed a heterogeneous landscape where substantive and symbolic practices coexist. While frameworks such as the AACSB standards, PRME principles, and the UN SDGs have raised awareness, their adoption often remains superficial, lacking systematic integration into governance and performance systems.

The study contributes to three central debates. First, it clarifies the distinction between performance, outcomes, and societal impact, emphasizing the need for frameworks that capture long-term and systemic effects rather than short-term outputs. Second, it highlights the roles of five drivers —teaching, research, executive education, third mission activities, and faculty engagement— as both external channels of influence and internal levers of transformation. Third, it shows that meaningful impact depends on aligning epistemic and strategic dimensions, ensuring that measurement systems document actions and shape governance and organizational culture.

For business schools and universities, the implications are clear. Societal impact must be embedded within governance structures, linking indicators to strategy, incentives, and resource allocation. Pedagogical innovation and research relevance should be valued not only for academic excellence but also for their contribution to the public good. Above all, transparency must move beyond narrative reporting toward evidence-based accountability.

These insights resonate with the vision of **Professor Gianluca Colombo**, who viewed management education as an ethical and public mission. Fully aware of the role of measurement systems in providing tight alignment among "ownership", governance, and leadership to foster substantive, transformative results, he demonstrated through his everyday work that societal impact, when treated strategically, fosters coherence, reduces symbolic compliance, and

strengthens public value creation. Scholars, academics, and staff owe him for this thoughtful legacy.

The study's limitations must be acknowledged. Reliance on publicly available documents may overrepresent schools with more advanced reporting systems, while the sample of 30 AACSB-accredited institutions, though diverse, limits generalization. Furthermore, the focus on disclosures rather than longitudinal outcomes constrains the ability to trace actual societal change.

Future research should develop mixed-method frameworks combining qualitative and quantitative indicators to assess impact more rigorously, explore the interplay between measurement and organizational culture, and conduct longitudinal analyses to trace the long-term societal effects of educational initiatives.

Ultimately, societal impact must be understood as both an external commitment and an internal transformation. By aligning ethical responsibility with strategic governance, business schools can fulfill their public mission as catalysts for sustainable, inclusive, and enduring change.

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Appendix A- Sample of Business Schools Analysed - Author's own elaboration.

| School Name | Country | C02 footprint rank | Reporting Type | Level of Societal Impact Integration |
|--|-------------|--------------------|---|--------------------------------------|
| AGSM at UNSW Business School | Australia | 1 | Formal sustainability and societal impact report (SDG, PRME, AACSB aligned) | Substantive |
| Arizona State University: WP Carey | US | 8 | Comprehensive sustainability disclosure (SDGs + PRME SIP) | Substantive |
| Brigham Young University: Marriott | US | 92 | Fragmented website-based communication | Symbolic |
| Copenhagen Business School (CBS) | Denmark | 82 | Formal sustainability report (SDGs integrated) | Transitioning |
| Duke University's Fuqua School of Business | US | 4 | Partial PRME SIP report and sustainability highlights | Transitioning |
| Esade Business School | Spain | 4 | Comprehensive impact report and PRME SIP (SDGs integrated) | Substantive |
| Fordham University: Gabelli | US | 92 | PRME SIP report with limited data transparency | Transitioning |
| Frankfurt School of Finance and Management | Germany | 4 | Formal sustainability report (SDGs and carbon targets) | Substantive |
| Georgetown University: McDonough | US | 85 | Fragmented website info and PRME summary | Symbolic |
| HEC Paris | France | 8 | Sustainability and CSR section within the institutional report | Transitioning |
| IE Business School | Spain | 3 | Formal sustainability report and PRME SIP | Substantive |
| IESE Business School | Spain | 8 | Formal sustainability and impact reporting (aligned with SDGs) | Substantive |
| Indian Institute of Management Lucknow | India | 92 | Fragmented information, minimal sustainability reference | Symbolic |
| Rotterdam School of Management, Erasmus University | Netherlands | 4 | Comprehensive sustainability report, SDGs mapped | Substantive |
| SDA Bocconi School of Management | Italy | 1 | Formal sustainability and societal impact report (AACSB, PRME, SDGs) | Substantive |
| Shanghai University of Finance and Economics | China | 85 | Fragmented CSR-related updates on the website | Symbolic |
| Tongji University School of Economics and Management | China | 98 | Formal sustainability report (SDG integration) | Transitioning |
| UCLA Anderson School of Management | US | 8 | Fragmented sustainability webpage | Symbolic |
| University of California at Irvine: Merage | US | 8 | Fragmented information through PRME SIP | Transitioning |
| University of Chicago: Booth | US | 85 | Limited public info, no formal report | Symbolic |
| University of Florida: Warrington | US | 8 | Website highlights only, no structured reporting | Symbolic |
| University of Georgia: Terry | US | 92 | Minimal sustainability communication | Symbolic |
| University of Notre Dame: Mendoza | US | 82 | Sustainability initiatives listed on the website | Transitioning |
| University of Rochester: Simon Business School | US | 98 | Fragmented info; CSR webpage | Symbolic |
| University of Southern California: Marshall | US | 8 | PRME SIP report, narrative style | Transitioning |
| University of Texas at Austin: McCombs | US | 85 | PRME SIP report (limited data) | Transitioning |
| University of Texas at Dallas: Jindal | US | 85 | Fragmented disclosure, accreditation mentioned only | Symbolic |
| University of Washington: Michael G. Foster | US | 85 | PRME SIP report (moderate SDG alignment) | Transitioning |
| Washington University: Olin | US | 92 | PRME SIP report and community engagement highlights | Transitioning |
| WHU – Otto Beisheim School of Management | Germany | 8 | Formal impact report and sustainability disclosure (SDGs integrated) | Substantive |