

Integrating responsible management practices and sustainable development goals in business education

Dr. Anoop Scaria

Associate Professor

Vimal Jyothi Institute of Management & Research, Chemperi PO, Kannur, Kerala Pin- 670632

Abstract

Higher educational institutions especially business schools are expected to guide, in the entrenching of sustainability into business culture through education and training. Today sustainable development and responsible management are often perceived as a different topic and separated from the core area of business environment or even dismissed from the syllabus. Most of the management students pass their degree with limited exposure to the importance of sustainable development and the exposure they get is often not presented in a way that is relevant to or useful for their future careers. The objective of this paper is to create awareness among budding managers about the importance of sustainable business practices. This conceptual paper throws light on the role played by responsible management in business education. Business schools are having a major role in shaping the attitudes and behavior of future business leaders by imparting sustainable development goals and responsible management practices.

Key words: Responsible Management, Sustainable Development, Business education

Introduction

Business education is diversified beyond teaching traditional skills and profit maximisation. There is, instead, greater focus on social purpose, including sustainability and improved ethics and governance practices. Business management schools play a key role in shaping the skills and mindsets of future business leaders, and can be powerful drivers of corporate sustainability. The concept of responsibility management and sustainability are gaining recognition as an essential elements in higher education for generating talented and ethical leaders. Academic institutions help shape the attitudes and behavior of business leaders through business education, research, management development programs, training, and other pervasive, but less tangible, activities, such as the spread and advocacy of new values and ideas. Through these means, academic institutions have the potential to generate a wave of positive change, thereby helping to ensure a

world where both enterprises and societies can flourish. (Global Compact, 2007). “Teaching responsible management is not like teaching a set of principles or a set of methods or techniques, which is what you do when you teach marketing, statistics, or accounting. So you have a set of things which you can teach. But when you are teaching ethics or responsible management, you are not teaching a set of techniques, you are telling people how to think, how to evaluate, how to balance various things, various forces and various factors, and how this balancing has to be done all the time in your life.”(Professor Narayanaswamy, IIM)

Objectives of the study

1. To examine the level of awareness among management students about responsibility management and sustainable development concept.
2. To identify the merits and demerits of integrating responsibility management and sustainable development practices in management education.
3. To study the institutional impact after integrating responsibility management practices in management education.

Principles of responsibility management:

The role of higher education, particularly business education, is extremely important in cultivating sustainable mindsets among future generations of business leaders. Higher educational especially management institutes are involved in the development of current and future managers there has to be a willingness to progress in the implementation, within the institution, of the following Principles, starting with those that are more relevant to the capacities and mission. Reporting on progress to all the stakeholders and exchanging effective practices related to these principles with other academic institutions should also be there. (unprme.org)

1. Principle of Purpose: Develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

2. Principle of Values: Incorporate into the academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.
3. Principle of Method: Create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.
4. Principle of Research: Engage in conceptual and empirical research that advances the understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.
5. Principle of Partnership: Interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.
6. Principle of Dialogue: Facilitate and support dialog and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Role of responsible management in Business education

The United Nations (UN)-supported Principles for Responsible Management Education (PRME) initiative is an important catalyst for the transformation of management education. Backing out of the discussion by claiming that “ethics cannot be taught” and that “ethics courses do not produce ethical managers” seems neither correct nor reasonable since, as far as I can tell, courses on leadership also do not by design produce great leaders and courses on marketing quite rarely produce outstanding brand managers. The bottom line is that, as with any other course within the business school curriculum, students as well as faculty need to be motivated and ‘open’ towards responsible management education to warrant learning success. As indicated above, most students are willing to accept business ethics as part of their curriculum. (Rasche A, 2010)

Sustainable development

Sustainable development is a complex concept generating a diversity of interpretations and debates. It has become a kind of conceptual touchstone, one of the defining ideas of contemporary society. Today, economic growth and business expansion must answer to critical concerns about environmental sustainability, biodiversity loss, and human exploitation. It is essential for a management student to consider current problems of sustainability from many perspectives, understand their complexity and use a variety of approaches to think creatively about potential solutions. This is a process of learning about the relationship between economic activity and social and environmental development, the economic theories that underpin sustainable development policy interventions, and how those theories impact upon policy design. Sustainability activities in these core elements cause overall social, environmental and economic impacts (Gupta and Singhal, 2017). The term sustainable development began to gain wide acceptance in the late 1980s, after its appearance in *Our Common Future*, also known as *The Brundtland Report*. The World Commission on Environment and Development, as it was formally called, sought to draw the world's attention to "the accelerating deterioration of the human environment and natural resources and the consequences of that deterioration for economic and social development." Sustainable development is about integration: developing in a way that benefits the widest possible range of sectors, across borders and even between generations. In other words, our decisions should take into consideration potential impact on society, the environment and the economy, while keeping in mind that: our actions will have impacts elsewhere and our actions will have an impact on the future.

Responsible Management benefits and challenges

Impacts on Sustainable Development materialize along complex pathways, particularly in the area of research and education (Koehn and Uitto, 2014). They can be direct and indirect, intended and unintended and positive and negative; they may present themselves after a significant time lag, at a distance from the HEI's location, or at a systems level (Lebeau and Cochrane, 2015). "For individuals, the outcomes of higher education are harvested over adult lifetimes averaging fifty to sixty years after graduation from college. For society the impacts may persist through centuries."

Benefits

Responsible Management involves professional act by managers to interact with their stakeholders. This is the way organizations discharge their responsibilities to the community and help to solve the economics and social problems. Meanwhile another earlier study give a different perspective on responsible management which is a mechanism that will encompass issues, processes and values that companies must tackle so as to minimize harmful effects of their activities. Sometimes companies struggle to balance the profit and benefit they will earn with the effort to reduce the damage done by their activities (Schouten, 2007). It is claimed that companies will get benefit by engaging in responsible management because the activities can better enhance financial performance, improve the image of the organizations and enable to attract as well as retain best workplace, which would lead to increase the value of the companies in the market.

Challenges

High cost involved in conducting responsible management activities is claimed to be the main challenge to organizations (Bergstrom, Solér, Shanahan, 2005). As a consequence, organizations tend to pay more attention to short term programs rather than those programs which would have long term advantages and would be able to provide profits in the long run (Swierczek, Onishi, 2003). Organizations tend to be more concerned and focus on the cost involved and competitive advantage that they would gain rather than health, security and ecology development of the society (Setthasakko, 2009). This notion is also supported by Fai Yuen and Ming Lim (Fai Yuen, Ming Lim, 2016) which found that organizations' lack of strategic vision and unwillingness to spend on CSR activities are among the significant barriers in implementing responsible management. Another barrier for the industry to implement Responsible management is cultural diversity. This factor has affected the success of responsible management operation and there is a need for a change in organizational culture to also include their concern about ecology and society in their business plans and practices (Setthasakko, 2009). The barrier rise when people with different beliefs and values in different culture have to work together in an organization. Their different way of thinking and style of communication may cause misunderstanding in the implementation

processes. This barrier can affect the productivity as well as the effectiveness of the team to work together (Setthasakko, 2009).

Research Methodology

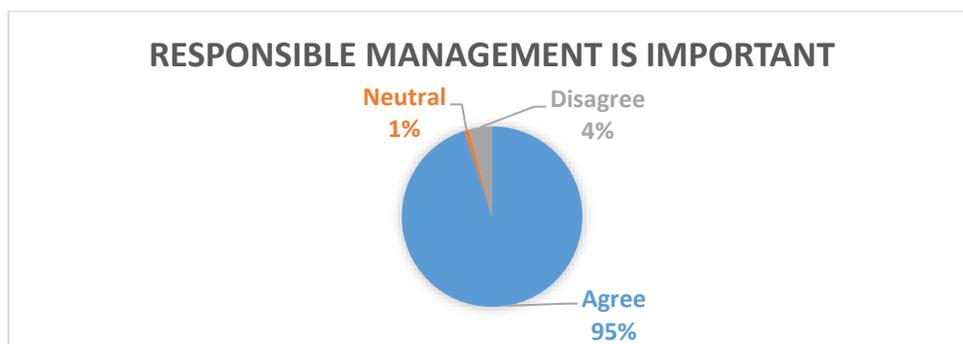
Sample, Demographic profile and time period: The sample constituted of (N=120), 78 male respondents and 42 female respondents from various management institutes in north Kerala. The main survey was conducted during the months of October- December 2019. The questionnaire were distributed among 260 participants. However only 120 completely filled responses were collected within the specified time period.

Data analysis & Results

The primary data collected through the review were systematically analyzed in which the detailed analysis and interpretation of each of the sample was done. The result of data analysis was checked against the objective formulate. The classification of the data were done according to the attributes, i.e the on the basis of common characteristics which were descriptive in nature.

Table 1.Responsible management (RM) practice is an important concept

RM is important	Agree	Neutral	Disagree
Frequency	114	1	5
Percentage	95	0.83	4.16

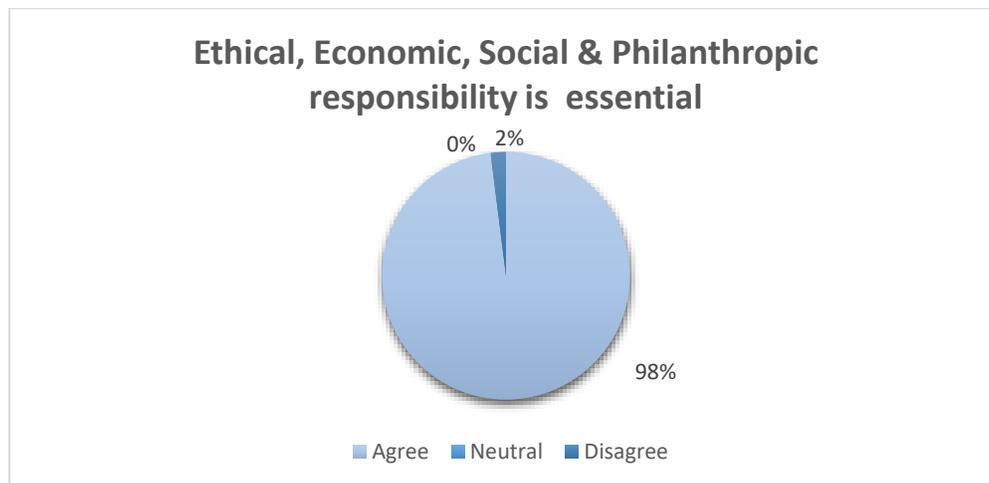


Graph No.1

From the table it was observed that 95% of the management students are of the opinion that responsible management practice is an important concept. Whereas below 1% of the management students are neutral to give opinion about this and only 4% of the students disagree with the statement.

Table 2. Ethical, Economic, social & Philanthropic responsibility is an essential part of business management

Ethical, Economic, Social & Philanthropic responsibility	Agree	Neutral	Disagree
Frequency	118	0	2
Percentage	98.33	0	1.66



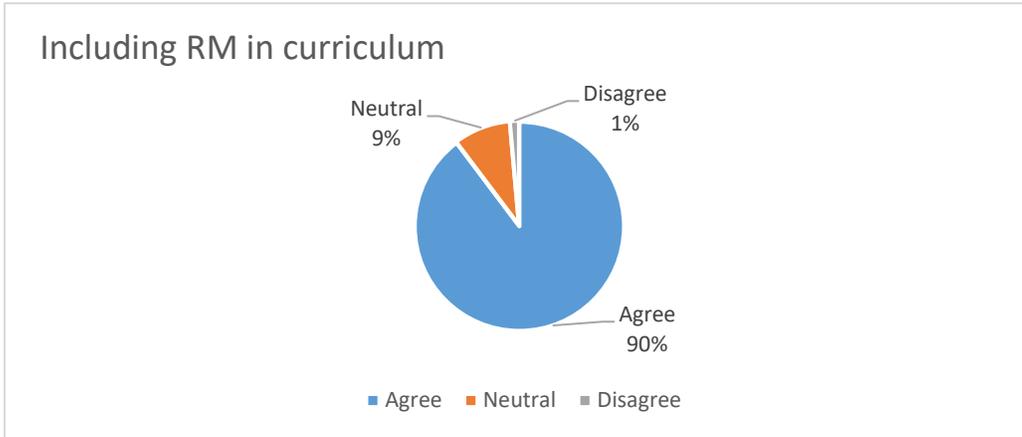
Graph No.2

From the table it was observed that 98% of the students agreed that Ethical, Economic, Social & Philanthropic responsibility is an essential part of business management and only 1 % of them disagreed.

Table 3. Institution has to frame and implement responsible management as part of their curriculum

Including RM in curriculum	Agree	Neutral	Disagree
Frequency	92	9	19

Percentage	76	7.5	15.83
------------	----	-----	-------

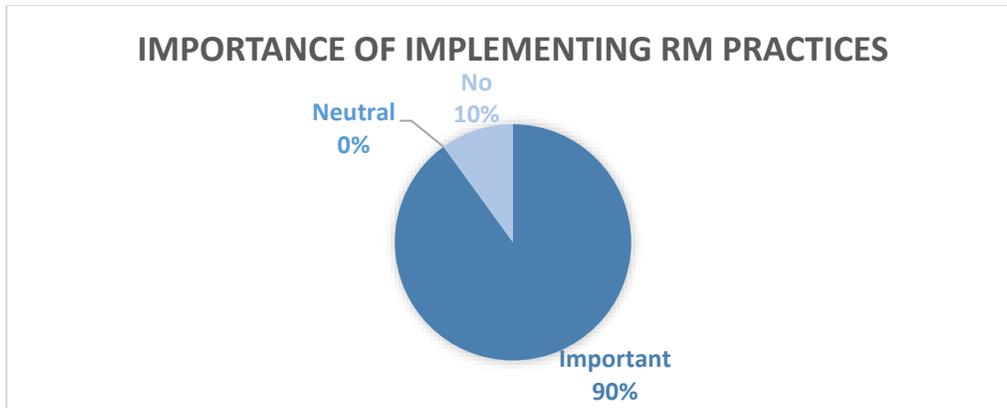


Graph No.3

From the table it was observed that 76% of management students said that Institutions has to frame and implement responsible management as part of their curriculum whereas 7.5% were neutral to it according to them it is the responsibility of the university to formulate curriculum and institutions have no power to formulate curriculum and 16% disagree with the statement.

Table 4. How important it is for management institutes to implement responsible management practices?

Importance of implementing RM practices	Important	Neutral	Not- Important
Frequency	108	0	12
Percentage	90	0	10

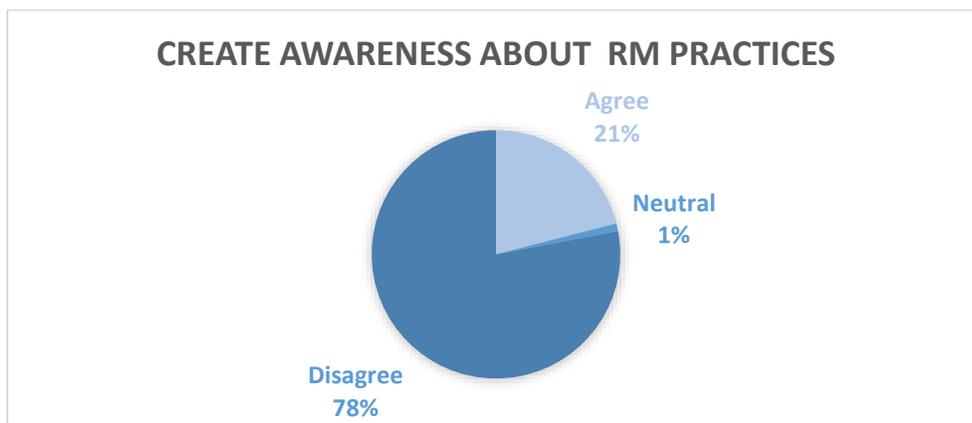


Graph No.4

Almost all i.e 90 % of the management students are of the opinion that it is important to implement responsible management practices at the institute level and 10 % of them disagree that RM practices are not important.

Table 5. Management institute takes initiatives to create awareness among the students about the importance of responsible management practices.

Create awareness about RM practices	Agree	Neutral	Disagree
Frequency	24	2	94
Percentage	20	1	78

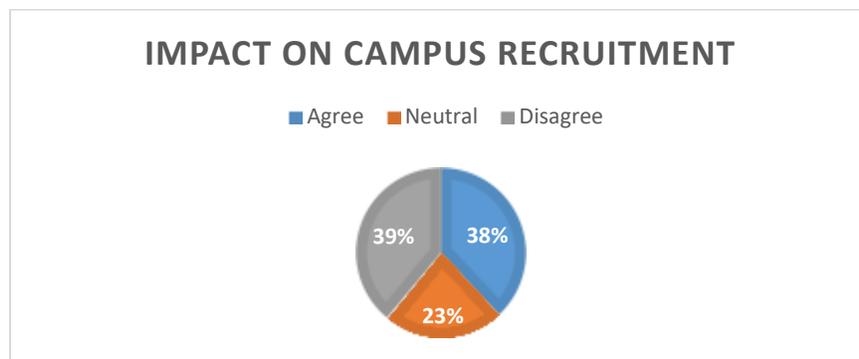


Graph No.5

It was observed that only 20% of the management institutes are taking initiatives to create awareness about the importance of responsible management practices among the students and 1% were neutral to it. Majority 78% of the students are of the opinion that management institutes are not taking initiatives to create awareness about the importance of responsible management practices among the students.

Table 6. Including responsible management practices in management education attracts more companies for campus recruitment.

Impact on campus recruitment	Agree	Neutral	Disagree
Frequency	45	28	47
Percentage	38	23	39



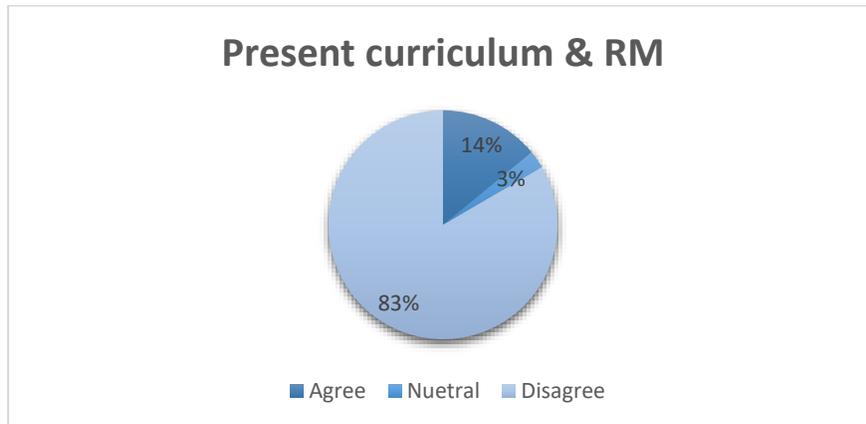
Graph No.6

From the data it was observed that only 38% of the respondents are of the opinion that including responsible management practices in management education attracts more companies for campus recruitment and 23% of the respondents have neither support or oppose it and majority ie. 39% of the respondents are of the opinion that including responsible management practices in management education makes no impact on campus recruitment.

Table 7. Whether present management curriculum offered to students are sufficient for knowledge enhancements about responsible management.

Present curriculum & RM	Agree	Neutral	Disagree
Frequency	17	3	100

Percentage	14	2.5	83
------------	----	-----	----

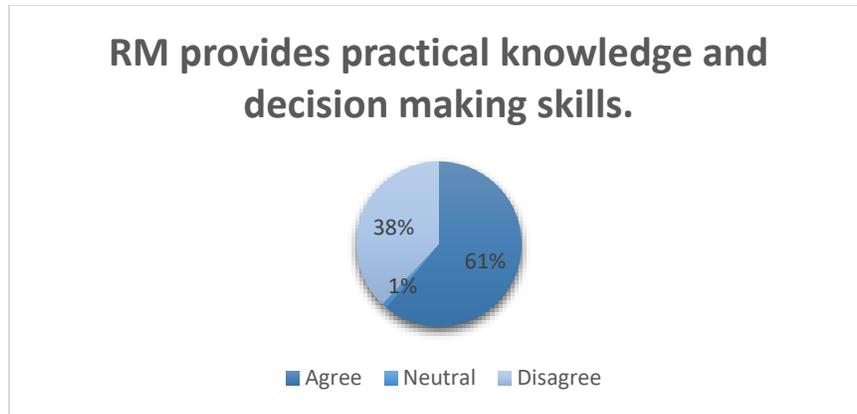


Graph No.7

As per the above data majority 83% of the management students are thinking that, the present management curriculum offered to students are not sufficient for their knowledge enhancements about responsible management whereas 14% of them are of the opinion that the present management curriculum offered to students are sufficient for their knowledge enhancements about responsible management.

Table 8. Including responsible management practices provides practical knowledge and insight into improved decision making skills.

RM provides practical knowledge and decision making skills.	Agree	Neutral	Disagree
Frequency	74	1	45
Percentage	61	1	38

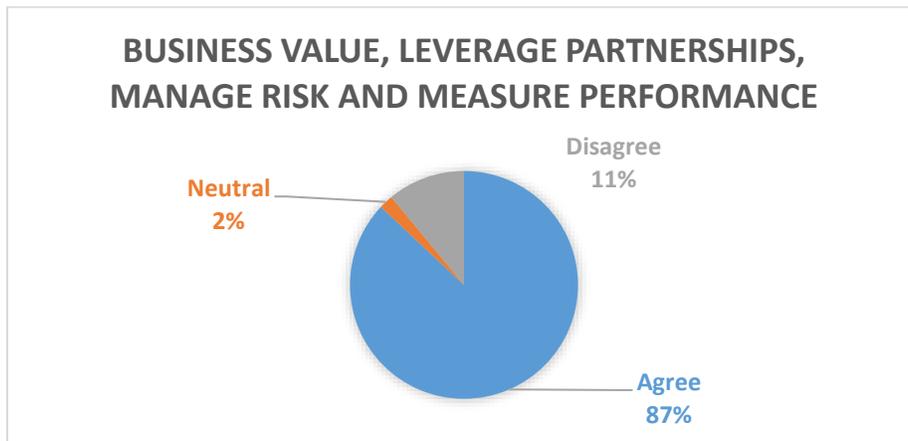


Graph No.8

It was observed that 61% of the management students agreed that including responsible management practices provides practical knowledge and insight into improved decision making skills. And 38% of the students disagree with the opinion that including responsible management practices are not providing practical knowledge and insight into improved decision making skills.

Table 9. Including responsible management practices in curriculum ensures the students to build social and business value, leverage partnerships, manage risk and measure performance.

Present curriculum & RM	Agree	Neutral	Disagree
Frequency	105	2	13
Percentage	87	2	11

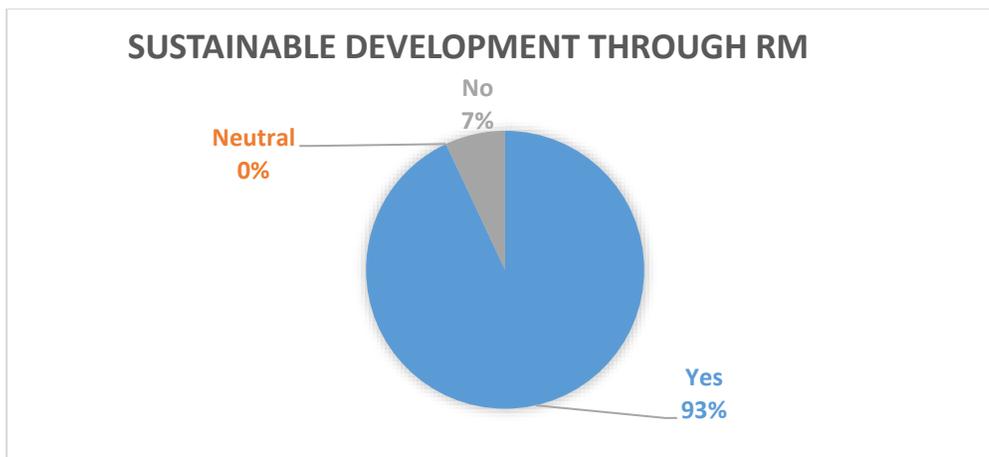


Graph No.9

From the data it was observed that Majority 87% of the students state that including responsible management practices in curriculum ensures them to build social and business value, leverage partnerships, manage risk and measure performance and 11% of the students are against this opinion.

Table 10. As a management student I am aware that Sustainable development is possible only through responsible management practices.

Sustainable development through RM	Yes	Neutral	No
Frequency	111	0	9
Percentage	93	0	7



Graph No.10

From the above data it was observed that Majority of the management student's i.e. 93% of them are aware that Sustainable development is possible only through responsible management practices and 7% of them opposed this notion.

Findings

The results further support that most of the students agree up on the notion that Responsible Management (RM) practice is an important concept and being socially responsible will help them to create a positive image. Most of the management students consider Ethical, Economic, social & Philanthropic responsibility as the most important factor of business management. Large number of respondents suggested that Institution has to frame and implement responsible management as

part of their curriculum. Students are of the opinion that it is important to implement responsible management practices at the institute level. Lack of management's motivation is the most important reason for not taking much initiatives to create awareness about the importance of responsible management practices among the students. Respondents are of the opinion that including responsible management practices in management education makes less impact on campus recruitment. Responsible management programs as means in improving quality of students is having mixed response. It is observed that including responsible management practices provides practical knowledge and insight into improved decision making skills. Management students from various institutes state that, including responsible management practices in curriculum ensures them to build social and business value, leverage partnerships, manage risk and measure performance. Sustainable development is possible only through responsible management practices. This is how implementation of RM programs by the management institutes will reduce the gap between theory and practice and help the corporate to choose socially responsible managers.

Conclusion

The present study focuses on examining the level of awareness among management students about responsibility management and sustainable development concept. To identify the merits and demerits of integrating responsibility management and sustainable development practices in management education. To study the institutional impact after integrating responsibility management practices in management education. This study provides insight about the benefits and challenges faced by institutions while integrating responsible management practices and sustainable development goals in business education. The results indicate that sustainable development activities infer positive characteristics of the institutions which create their good image and reputation. Generally they believe that, implementation of responsible management practices in management education would help to improve the perceptions of the regulators, community and corporates.

Limitations of the study and scope for future research

This study nonetheless has limitations that lead to avenues of future research. The present study covers only students from the management institutes of northern parts of Kerala. The number of

respondents from each management institutes are not the same. This study may motivate future researchers to explore unidentified areas of responsible management area.

References

- Bergstrom K, Soler C, Shanahan H. Professional food purchasers' practice in using environmental information. *British Food Journal*. 2005;107(5):306-19.
- Fai Yuen K, Ming Lim J. Barriers to the implementation of strategic corporate social responsibility in Shipping. *The Asian Journal of Shipping and Logistics*. 2016;32(1):49-57.
- Gupta, H. and Singhal, N. (2017), "Framework for embedding sustainability in business schools: a review", *Vision: The Journal of Business Perspective*, Vol. 21 No. 2, pp. 195-203.
- Handfield R, Sroufe R, Walton S. Integrating environmental management and supply chain strategies. *Business Strategy and the Environment*,. 2005;14:1-19.
- Hill RP, Stephens D, Smith I. Corporate social responsibility: an examination of individual firm behavior. *Business and Society Review*, 2003;108(3):339-64.
- <http://www.unprme.org/about-prme/the-six-principles.php>
- Koehn, P.H. and Uitto, J.I. (2014), "Evaluating sustainability education: lessons from international development experience", *Higher Education*, Vol. 67, pp. 672-635.
- Lebeau, Y. and Cochrane, A. (2015), "Rethinking the 'third mission': UK universities and regional engagement in challenging times", *European Journal of Higher Education*, Vol. 5 No. 3, pp. 250-263.
- Rasche, A. (2010): *The Principles for Responsible Management Education – A Call for Action for German Universities*, in: Haase, M./Mirkovic, S./Schumann, O.J. (eds.) *Stand und Perspektiven der unternehmens- und wirtschaftsethischen Ausbildung in Deutschland*.
- Schouten EMJ. Defining the corporate social responsibility of business from international law. *Managerial Law*. 2007;49(1/2):16-36.
- Setthasakko W. Barriers to implementing corporate environmental responsibility in Thailand. *International Journal of Organizational Analysis*,. 2009;17(3):169-83.
- Swierczek FW, Onishi J. Culture and conflict: Japanese managers and Thai Subordinates. *Personnel Review*,. 2003;32(2):187-210.
- The Principles for Responsible Management Education, July 2007, Publication by the UN Global Compact, unglobalcompact@un.org