RESPONSIBLE EDUCATION FOR SUSTAINABLE MANAGEMENT: 
ISAE APPROACH

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1.0 Introduction

Looking at the movement of students and staff from his office see-through glass-wall CEO Norman was in deep thought about the future direction of the institutional model he developed 16 years back. A few hours before, he concluded meeting with the key stakeholders of the institution about organization’s mission and values in the changing global landscape and found that realizing the sustainable-change and responsible management education, which was in the DNA of the ISAE, needed further efforts to transmit education impact to wider cause of socio-economic development not only in Curitiba or Brazil but across the world. The task was not simple and particularly in view of the prevailing global management education environment, dominated by a traditional win-win approach of a few selected stakeholders, the fundamental question was, “how to make sustainable change happen?”

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Just a few days before, when the PRME Secretariat Jonas Haertle declared the launch of PRME’s Brazil Chapter of PRME in the 3rd Global Forum in Rio de Janeiro, Norman could feel the enthusiasm and applause of about 300 participants from the different business schools of the world. But, it also raised a question about change not only within the institution but also in other organizations in the society and global management education system at large.

Norman, the chief-architect of ISAE growth, was Superintendent at a Brazilian bank before he was picked up by FGV to head ISAE, a branch of FGV to offer academic programs. He knew strongly about the corporate scenario and shortcomings in entrepreneurship development in the country and had very good relationships with the business community, government and other stakeholder groups. With complete understanding of Brazilian business environment, he knew that the future of the business was subject to volatile environmental changes and thus, the importance of education of business and its management. It was his passion towards the balanced socio-economic development of Curitiba and Brazil, which made him to infuse innovation orientation and sustainable values in ISAE, an unconventional wisdom for the B-school of its kind in Curitiba at that time. The 16 years of ISAEs’ successful journey towards developing sustainable business and management education institution with innovation, speaks about his leadership role in institution building. Now, when the institution is engaged in institutionalizing PRME and spearheading the movement in the region, the change management challenges have surfaced. Lets’ see how the Norman and his ISAE team handles this responsible task of promoting responsible management education in the region.

2.0 ISAE: History and Growth

ISAE was founded in year 1996 in Curitiba (Brazil) as a branch of FGV. The institution was primarily established to search innovative ways to develop partnerships-based educational

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3 PRME is abbreviation used for ‘Principle for Responsible Management Education,’ a project initiated by the United Nations Global Compact (UNGC) to align the management education to the need of organizations, committed or willing to adopt the philosophy of sustainable development.

4 IASE is abbreviated form of Instituto Superior de Administração e Economia (English Equivalent ‘The Superior Institute of Administration and Economy’), an academic institution in Brazil.

5 FGV is abbreviated form of Fundação Getulio Vargas (English Equivalent Getulio Vargas Foundation), also an academic institution in Brazil.
and training programs to raise awareness in business community about responsible business practices, leading to balanced social and economic development. FGV, which was founded in December, 1944 as a training institution to meet the human resource requirements of both the public and private sector institutions in the country, was industry need-focused organization and this philosophy was reflected in the ISAE as well (Exhibit 1). FGV, which later extended its activities to administration and other branches of social sciences, is considered as a pioneer in Brazil in the field of education. FGVs academic strength and experience is well demonstrated by the fact that it was the first institution in the country to offer undergraduate, masters’ and doctorate programs in economics, psychology, accounting and education in mid 1950’s. Working with three primary centers in Rio de Janeiro, São Paulo and Brasília and accredited centers in more than 90 cities in Brazil, FGV has expanded its’ activities across length and width of higher education portfolio including distance and online education and short-term management courses.

Some of the major strengths of the institution are reflected through its’ strong international network, culture of sharing and autonomy, high degree of technological deployment in service delivery and focus on need-based high quality research and publication. Being the extension of FGV, ISAE inherited these strengths since inception. From the very beginning, the ISAEs’ focus has been on sustainable development through innovative and partnership based knowledge of management, as reflected in the mission and values (Exhibit 2). Institutions’ commitment to the mission and values is quite evident from its’ pioneering role in adopting the United Nations Global Compact (UNGC) principles and consequently in establishing the PRME initiatives and implementing it in ISAE. Talking about the institutional philosophy, ISAE President Norman de Paula Arruda Filho says;

“We believe that developing executives with globally responsible leadership and managerial values will help the organizations to ensure sustainability. The sustainable development of economies and societies depends on the quality of the professionals in the organizations. We always keep focus on the individual, organization, society and sustainability linkages in our different activities like teaching, research and community partnership...and doing this consistently often leads to ‘innovative models and solutions’...the ISAE approach.”

ISAEs’ social responsibility philosophy is evident from introduction of a series of innovative programs from time to time. These programs and activities reflect the institutions’ strong
inclination towards mainstreaming the social development and sustainability issues in the curricula. Launch of ‘Nucleus’ program in 2001, which aimed at the mission of generating and disseminating knowledge to stimulate values and attitudes of responsible management and sustainability among the target group, is a good example of this. Later a number of programs were introduced under this initiative.

In terms of programs and courses, initially the institutional focus was to offer FGV degree programs. This was supported by a number of short-term specialized courses. With a view to integrate market challenge driven management education for the executives the institution started focusing on specific functional and sector-specific issues. It introduced automotive industry programs to develop leaders in promoting project management, an area that was the need of the times. The institution relied more on the practice oriented learning rather than theory focused learning which was reflected in the development of the courses and programs over a period of time. The ISAEs’ approach was well received by the service user-groups, evident from the growth in the programs and services.

Further, research and community partnership was integrated and institutionalized in the teaching-learning model which fell in line with organization’s mission. A number of strategic partnerships with some of the reputed institutions and organizations across the world supported this initiative. In addition, the institution registered its’ strong presence through active role in organizing and participating in the national and international events continuously. The 16 years of successful journey lead to shape ISAE as an autonomous institution and it became a strategic partner of FGV ((Exhibit 3).

The social responsibility and sustainable development commitment of the institution is deep rooted in its programs and activities. ISAE actively participated in the formation of PRME and then adopted these concepts and principles in its’ activities and approach. It appears to be a good fit between the values and philosophies of PRME and ISAE. Highlighting the PRME focused development approach, institutional PRME Program Manager Barbara Dunin says;
“Our development and growth has been centered around the concept of ‘sustainability through change in executive mindset and values. PRME adoption came naturally because the values we are committed towards are the PRME values.’”

Analysis shows that the ISAE during its growth path focused on a set of values and committed the institutional efforts accordingly. This enabled a development model based on partnership and innovation without missing the social responsibility and sustainability focus.

3.0 Changing Management Education Scenario

Globally, the knowledge-body of management and its’ education has been subject to continuous evolution since inception as a ‘formal body of knowledge’, for over a century now. As the discipline is directly linked to the practice of management, the changes in the content and method of delivering the knowledge continuously changed with the corresponding changes in the organizational practices. The business schools (B-schools)\(^6\) focused on researching the issues related to the organizations and marketplace practices and developed the content for use in management education. The worldwide growth in the numbers and operations of the organizations triggered the demand for management education which kept on increasing the number of B-schools exponentially. As the education in management was directly linked to the employment, it attracted large number of aspirants willing to take career in management. Globalization of economies during 1990s vibrated the industrial growth world-wide and consequently, corporations started shifting their operations beyond the geographical boundaries, giving rise to the need for managerial talents with global vision. This led the management education to expanded its functionalities in different types of management education programs and it also gave birth to specialized management institutions. This growth trend also offered a new challenge to the management education in terms of aligning the academic programs to the global environment. The economy grew and so did the organizations and B-schools. This phenomenon on the other gave birth to another school of thought questioning the relevance and role of management education.

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\(^6\) Although, the management education applies to every type of organization including both business and non-business, the term ‘Business Education’ or ‘Management Education’ is often used interchangeably due to roots of management education knowledge development in the context of business. Here the term B-school is used in a general sense for sake of simplicity in terminology and represents all the institutions offering management education, irrespective of their scope and context.
The UN Earth Summit of 1992\(^7\) and other international movements started debating the role and contribution of business in society in terms of balanced socio-economic development. This coincided with the economic turmoil in some countries during the last two decades. Ethical failure of some leading corporations became another area of concern. As the business performance is linked with the quality of managers, who are a part of the ‘management education value-chain’\(^8\), the blame obviously had to fall on the management education. On the one side some of students and organizational groups felt the wider gap between the ‘theory’ and ‘practice’ of management while on the other researchers and academic-managers complained about the lack of alignment among teaching, research and community-partnership functions in the process of management education delivery. This was coupled with the rising school of thought advocating human-oriented consciousness based management education, focusing on the stakeholder approach rather than the shareholder focus. The situation became complex and B-schools moved into an entirely new set of global environment.

The establishment of United Nations Global Compact (UNGC)\(^9\) in year 2000 was another strategic policy initiative for businesses, which were believed to be committed to aligning their operations and strategies with Ten UNGC principles in the areas of human rights, labor, environment and anti-corruption (Exhibit 4). It was believed that adoption of these principles would not only help in orienting the business organizations towards sustainable global development but would also lead to strengthen accomplishment of broader UN goals\(^10\), including the Millennium Development Goals (MDGs\(^11\)). The fast adoption of UNGC principles worldwide can be estimated from the huge corporate base of more than 8700 corporate participants from 130 countries participating in the UNGC. The adoption of UNGC reflected the change in the philosophy of conducting business.

\(^7\) Accessed from http://www.un.org/geninfo/bp/enviro.html
\(^9\) For details, please refer the website http://www.unglobalcompact.org/AboutTheGC/index.html
\(^10\) Ibid.
\(^11\) For details, please refer the website http://www.un.org/millenniumgoals/
It became quite imperative for the B-schools to prepare themselves to meet the changing management education requirement, emerging from the shifting business models aligned towards the more inclusive and human-oriented focus. The major challenge for the B-schools appeared to lie in changing the model of management education. Conventionally, most of the B-schools evolved the knowledge content with focus on the accepted theories in the aligned subject areas like economics, commerce, psychology, sociology, engineering and other related areas. Inclusion of the changing business needs with social-focus lead to another area of concern “whether to include the emerging issues in existing theories or to evolve a completely new model of management education in view of the required change?” If we leave other factors apart, obviously for the older B-schools, the task was a bit more complex than for the new establishments simply because of changing management issues.

Different institutions willing to adapt to the new environment found their own way to do it, depending on the context and requirements. ISAE, which since inception believed in the similar philosophy, also displayed its’ commitment by signing the UNGC in year 2002. This required the new institutional responsibility and roles in terms of aligning the approach to deliver management education, and accordingly the interventions made.

4.0 PRME and Responsible Management Education

The fast adoption of UNGC principles by the organizations created a challenge of developing likeminded management professionals who completely understood and believed in the sustainable development approach. It was not easy to make the B-schools easily accept and adopt the required changes in their management education programs. The conventional thinking and competition among some of the B-schools was also a reason for resistance towards alignment of education value-chain to the UNGC principles. Keeping this challenge at focal point, a group of about 60 stakeholders started debating on the alternative approaches to make the B-schools understand the pressing need for sustainability oriented management education. Norman was one of the active members of the group and participated in its’ periodic meetings and groups. After a number of debates and dialogues over a long period of time, PRME was initiated as academic planning and coordination arm of UNGC.
PRME initiative was launched to inspire and champion responsible management education, research and thought leadership globally through internationally accepted values. The initiative aimed to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders capable of managing complex challenges faced by future businesses and society.¹²

PRME has Six guiding principles (Exhibit 5) as a framework, which institutions could adopt to integrate corporate responsibility and sustainable development in their curriculums. The concept of PRME is entirely different from other initiatives as it aimed to create a shared value platform for the management education providers rather than offering any accreditation or certification. Sharing views about PRME, its’ Chief Jonas Heartle comments;

“It’s about changing the paradigm of management education by changing the way we think. We do not believe in any rigid code of conduct or set of rules rather we want to develop the skills for critical thinking and the sensitivity to engage in dialogue among business managers and leaders. This is what responsible management education is about and how it can enable sustainable development”

The launch done but the next question was deciding the prioritizing areas. Consequently, a number of working-groups were formed by inviting international academic volunteers to explore and suggest the comprehensive guidelines for management education teaching in concerned areas. In less than 5 years’ time, the PRME emerged as a significant global movement for responsible management education, structured by three categories: Academic Institutions, Corporate Universities and Supporting Organizations. Today more than 400 B-schools of the different parts of the world are PRME signatory. The active participation of more than 300 B-school representative in the 3rd PRME Global Forum in Rio de Janeiro recently clearly signaled the future of management education lies in responsible and sustainable management education.

¹² Accessed from PRME website, www.unprme.org
5.0 ISAE as a Changing Agent

ISAE is trying to mainstream the responsible management education concepts and principles in an integrated way. On one side, within the institution teaching, research and community partnership activities aligned to the sustainability and social responsibility concepts while on the other the institution’s outdoor activities in promoting the responsible management education in the Brazil is significant. Commenting about the role of ISAE in promoting responsible management education, ISAE President Norman further observed:

“It is not about pioneering are leading the responsible management education issues…it is about sharing the thoughts and join hands with millions and billions of likeminded stakeholders in working towards the sustainability goals of UNGC and PRME...we do not believe in marketing the idea or the concept but just to make the stakeholders realized about their responsibility and ethical behaviour needed for the required change. This is one reason why we believe in developing the thought process instead of adopting conventional approach in our education. ”

The integration of responsible management education approach in the different core and functional area courses, encouraging research on the related issues and engaging student volunteers in community-partnership programs were some of the important steps taken by the ISAE internally. Once enter the ISAE’s small but beautiful campus, one could feel this alignment towards the responsible management education in the culture and shared values among the faculty, staff and students.

The ISAE also played active role in sharing the responsible management education approach with the external stakeholders. Formation of Brazilian PRME chapter, organization of PRME academic events and actively supporting the recently organized 3rd PRME Global Forum in Rio de Janeiro during UNGC Corporate Sustainability Forum and Rio+20 are some of the examples of how the institution is playing active role in sharing the responsible management education approach to the other important stakeholders. It would perhaps not be exaggeration to say that ISAE is working as an academic unit of UNGC and PRME to assist in implementation of the philosophy in an innovative way.
6.0 ISAE’s Change Management Interventions

The task of managing the change required a number of interventions. The ISAE designed and implemented a number of innovative solutions to adopt the responsible management education relevant to its’ context and realities. The approach was to ensure coherence and integration of strategies, thinking and action at institutional and individual level. Also, the focus on linking the value-chain of the different stakeholders was another important aspect of ISAE’s change management process as it enabled the stakeholders to see the value derived from the change in the approach. The Academic Director, Antonio observed:

“We see the teaching, research and community partnership as a synchronized mechanism supporting each other. We knew that separating these dimensions could create desynergy and, therefore, our innovations are based on how to integrate the activities to the optimum level.”

In design and delivery of courses the sustainability and responsible management related contents were included. The innovations were brought in terms of delivery of the courses as it was considered necessary for mainstreaming the sustainability issues in education. The faculty members were asked to include the context-specific sustainability topics in the core and elective subjects. As most of the courses in MBA programs were designed by FGV, the research or community-partnership based learning was one possible way to realize it. ISAE’s faculty members tried this approach. The students while studying were given the research assignments based on action-learning approach i.e. involve in the actual work-life situation and based on the experience write the report. Perhaps, this was the major reason why the research components were introduced at three different stages during the program and it was in addition to research components in individual courses. This integration was a need-based innovation and it has positively impacted the learning process.

The introduction of ‘Perspectivacao’, a four stage program designed specifically to integrate the responsible management concepts in all the degree programs of the institution, was another major innovation (Exhibit 6). The program comprises of sixteen (16) different components designed scientifically to orient the students towards the responsible management education and sustainability concepts from the very first day the students enter
in the institution. Discussing about the relevance, the ISAE faculty and program assistant Marcelo felt:

“Our purpose is to strengthen the teaching-learning process by offering innovative activities leading to development of shared values and team feeling. The attitude change is must for accepting and adopting the philosophy of sustainable and responsible management education.”

It offers PRME orientation workshop and specially designed workshops on the need based topics. The program comprises of both essential and elective activities and aims to supplement the learning process with more focus on changing the mindset and developing soft-skills as required for responsible management education principles. Daniele, who assists in the program implementation told:

“The experience so far has been very encouraging and we are seeing increase in the number of students opting for the elective courses/activities”

Another important community-partnership based activity, named as ‘Uana’ program is creating significant impact. It is one of the elective voluntary activities under the ‘Perspectivacao,’ aimed to enhance the social responsibility perspective of the students by involving them directly with the community organizations and Non-Governmental Organizations (NGOs). The program assistant Tiago commented:

“The consistently increasing number of students indicates the rising acceptance of the program among the students.”

The program is quite innovative as the institution does not focus on doing community development activities on own but rather than helping the organizations engaged in community and social development by offering them training and consultancy in management issues. For this service, the institution does not charge anything from the client organizations. The students while visiting these organizations get the chance to develop perspective about real social issues and at the same time they offer great managerial support,
which organizations could not have not been able to afford otherwise. One of the students Peri, who was involved in the program last year observed:

“It really felt good to help the community organization and thereby we can help the poor and needy people”

On the other side the organizations which received services also felt very happy. The program coordinator Rebecca, who is responsible of linking the organizations to the institution, said that these organizations felt very happy about the student’s involvement and reported that it really helped them to improve.

For effectively managing the change, involvement of each and every one is very important. Keeping this in focus, a human resource development and management program ‘Challenger’ was developed. This aimed to help staff and faculty in educating and orienting about the need for sustainability and responsibility inclusion in the process of management education. The program could be considered as an important intervention for this change process as it ensured the employee performance and motivation along with the shared values and work culture.

7.0 Towards Responsible Management: Emerging Issues

Changing the mind-set of the students and faculty is recognized as one of the major challenges in managing the change. ´To the initiative really initiate, students must be willing to accept and adopt it whole heartedly but some of the students are not in a position to see direct value in it´ commented Marketing and communication coordinator Maira. This raises a fundamental issue of ´How to make the student to see and realize the value and importance being responsible manager?’ a question to be explored. It further leads to another related issue of faculty mindset change. Because if students are not able to link it what should be the role of faculty? Even if we define the faculty role, another area of challenge is to make them realize its´ need but how? This is another issue to think and improve upon.
Perhaps, the one reason behind this scenario could be the level of industry participation. It has been observed that as the PRME is relatively newer its’ focusing on the participation of academic institutions. This has created a gap in the value-alignment of organizations and institutions. For this reason, active intervention needed at macro level in terms of creating synergy by partnering with industry and support organization like industry association. But what should be the next steps for this?

Another macro issue is about the knowledge sharing and professional development in the area of responsible management and its´education. It requires creation and collaboration of PRME platforms for linking the different stakeholders at country, region and global level. This could help in aligning the values and making the change a mega-change in terms of shifting PRME based paradigm of management education. But linking the macro-micro issues for effective solution at institutional is not an easy task. What do you think?
Exhibit 1: FGV Vision

“To push the boundaries of knowledge in social sciences and related fields through the production and dissemination of ideas, data and information, as well as their preservation and systematic organization; to contribute to the country’s social and economic development, improving the nation’s ethical standards, promoting a responsible and shared government, and inserting the country into the international stage”

Exhibit 2: ISAE´s Values for Responsible Education

- Sustainability
- Ethics
- Leadership
- Innovation
- Governance
- Entrepreneurship

Exhibit 3: 16 Years of Development at ISAE

1996: Meet with the Paraguay President in order to begin ISAE’s international strategy.

1997: Launching of 1st Automobilist course in Brazil.

1998: Partnership with Ministry of International Relations of Brazil.

1999: First short term course was brought in FGV through ISAE. The course was titled Global Business administration.

1999: First MBA in Project Management was launched through the initiative of ISAE.

1999: Launching the 1st MBA of Project Management in Brazil

2000: 1st Masters in Public Management was launched at Curitiba

2001: Project Incubation was launched and the project ran successfully for a decade.

2002: MBA in Social Responsibility was launched as the pioneer in Brazil.
2003: International program with Moore School of Business, University of South Carolina was initiated with a view to exchange students. The students from Moore School came to Curtiba and stayed for 7 months. An attempt to write cases by the students was initiated.

2003: ISAE achieved the distinction of being a Registered Education Provider in Project Management by PMI Institute.

2003: ISAE developed an innovation educational system by the title Perspectivacao. This was an attempt to create a complete professional.

2004: ISAE submitted UN Global Compact

2006: Created a partnership with Fairleigh Dickinson University and Global Compact as academic partners with Global Responsible Leadership.

2006: One of most important the industrial program was rated at 10 grade, and excellent concept.

2006: Norman was invited as a part of the taskforce to develop principles for PRME

2007: ISAE became a signatory to PRME

2007: Initiated a program titled ISAE Challenge. This program imbibed shared values through participation of academic and non academic workers of the organization. The program ensured a universal understanding of the workers so that they communicate the same language to all.

2008: Participation at the 1st PRME Global Forum with lecture of ISAE’s President

2008: Initiated Strategic thought Nuclear Centre to interact with the leaders. This ensured working with cooperatives.

2009: Launch of Digital Magazine Perspectiva ISAE in partnership with two other enterprises and under this two indicators of human research were created.

2010: Participation at Leaders Summit 2010 entitled Building a New Era of Sustainability, with lecture of ISAE’s President.


2010: New magazine for cooperative was launched on the needs of the students. Students had the privilege of getting their research work published in this magazine.


2012: Participation on Corporate Sustainability Forum, with lecture at the closing section.

2012: Commits itself to developing the PRME Brazil Chapter.

**Exhibit 4: UNGC Principles**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

**Exhibit 5: PRME Values**

**Principle 1 | Purpose:** We will 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.

**Principle 2 | Values:** We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

**Principle 3 | Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

**Principle 4 | Research:** We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.
**Principle 5 | Partnership**: We will 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.

**Principle 6 | Dialogue**: We will 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.
Exhibit 5: PERSPECTIVACAO