A Competency Model for Management Education for Sustainability

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Abstract

Management education needs transformation to avoid socio-economic volatility in this globalised world and to deal with the crises of responsibility and sustainability. Despite rising demand and increasing popularity, management education has been under scathing attack for eroding values and ethics, and focus on imparting knowledge and skills for improving the bottom line of the firms ignoring the triple bottom line. The value crisis leading to economic meltdown reinforced the need for a paradigm shift in management education, which required responsibility to be embedded in the management curriculum for sustainability. United Nation's supported 'Principles for Responsible Management Education' (PRME) initiative created a movement across the globe among scholars, practitioners and policy makers. The moot question arose "What are the competencies that need to be developed?" The article presents a competency framework and a (Cognitive, Affective, Moral and Behavioural competencies) CAMB competency model developed by the author (Sharma, 2015) based on the PRME principles which has been validated by scholar academics and practitioners from across geographies and can be adopted by business schools nationally and internationally.

The cascading effect of globalization in the form of changing business environment, economic uncertainties and economic meltdown has brought about plethora of unprecedented challenges before industry and organizations across the globe in recent years. Management education which prepares human capital for the jobs in the industry and organizations is expected to address these challenges along with intensifying competition, advancing technology, increasing workforce diversity and accelerating complexity. But the current management education is largely based on traditional capitalism where the focus is on profits and competitiveness rather than on a balance among ethics, profitability, social accountability and sustainability. The corporate scandals, scams and global meltdown and their repercussions on people, organizations and countries in this interconnected world have created a compelling case for rethinking management education. Consequently, management education in general and MBA education, in particular, need to adopt a paradigm shift in its knowledge-generating (research) system, knowledge-dissemination (teaching/training) system and knowledge utilization (learning/consulting/industry projects) system to be responsible and sustainable.

Globalization has made the managerial role transnational where managers work, interact or conduct business with people across geographies; therefore, every manager needs to have knowledge of internationally recognized responsible practices to be able to conduct business with

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them besides pursuing business ethically and responsibly in the national context. There is a need for providing an alternative paradigm for management education which integrates principles of managing self, people and business and the various management functions with integrity and social responsibility. This paradigm will lead to development of appropriate values, attitudes and behaviours towards society, economy and stakeholders for responsible management and organizational sustainability.

Principles of Responsible Management Education (PRME)

The UN-supported initiative 'Principles for Responsible Management Education' (PRME) addresses the responsibilities of management education institutions in preparing current and future business professionals for the challenge of conducting more responsible and sustainable business. It expects fundamental changes in the conduct of business on the premise that companies have wider responsibilities for the society and the environment than simply profit-making and meeting shareholders' interest. The expectation, that management education institutions should lead thought and action on issues related to social responsibility and sustainability, has been reinforced by failings of business leaders, increasing incidents of corporate corruption, global economic meltdown, ecological repercussions of global warming on various geographies and system failings (Godemann et al., 2013, 2014).

The PRME initiative, launched by UN Secretary General Ban Ki-moon in 2007 at the Global Compact Leaders Summit, was developed by an international group of deans, university presidents and representatives of 60 business schools in collaboration with several other institutions including the United Nations Global Compact (UNGC, which hosts the PRME Secretariat), the Association to Advance Collegiate Schools of Business (AACSB), the European Foundation for Management Development (EFMD), the Aspen Institute's Business and Society Program, the Globally Responsible Leadership Initiative (GRLI), the European Academy of Business in Society (EABIS which is now simply ABIS) and Net Impact, a student organization with more than 13,000 members. They all have remained partners of the initiative while the steering committee that guides the initiative has received further support from the Graduate Management Admission Council, the African Association of Business Schools (AABS), the Latin American Business School Council (CLADEA), CEEMAN[1], representing management schools in transforming markets, and the Association of Asia-Pacific Business Schools (AAPBS). As such, the initiative represents a multilateral effort to embed social responsibility and sustainability into management education institutions and core areas of education, research and organization/operations (PRME, www.unprme.org).

Similar to the UNGC, which expects signatory companies to commit to 10 principles of responsible business, the PRME initiative offers principles for business and management schools to follow and provides an environment for information sharing and learning. The initiative stresses the importance of continuous improvement along six (plus one) principles and of transparency in the form of regular sharing information on progress (SIP) reports (PRME, www.unprme.org).

To embrace the increased demands of more sustainable future and societal expectations of managers, the first three principles focus on a shift in business education:

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 1)

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 2)

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

The fourth principle addresses the relationship of knowledge generation and the businesses' role in, and interaction with, society and the natural environment.

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 4)

With the mission of preparing responsible managers and enabling them to deal with complex global problems, partnership and dialogue were added as additional principles. These two principles emphasize fostering a stakeholder-oriented ethic in management education. These also draw attention to the role of business schools in organizing deliberations and discussions about social responsibility, sustainability and engagement with stakeholders to better understand and meet future challenges.

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 5)

Dialogue: 'We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.' (Principle 6)

Finally, the initiative also underscores the need to transform organizational practices to reflect the business schools' overall commitment to responsibility and sustainability.

Operations: 'We understand that our own organizational practices should serve as the example of the values and attitudes we convey to our students' (Additional/ Addendum Principle).

Another parallel to the UNGC is the PRME initiative's requirement, with effect from 2010, to regularly disclose information in progress by individual institutions. Reporting on progress to other business schools and stakeholders by signatory institutions is an essential part of the active commitment to the UN PRME initiative. The purpose of SIP reports is two-fold (UN PRME SIP, 2012): a key learning opportunity through sharing experience and good practice among the PRME network and the provision of a regular account of achievements made by the signatories to all the stakeholders (at least every 24 months, although yearly communication is encouraged).

Though management education, as a discipline, has established itself by providing knowledge for optimizing resources and maximizing economic returns through knowledge and skills of business management, it is still grappling with the challenge of developing appropriate curriculum and andragogy for imparting management education for responsibility and sustainability. This is important as Amartya Sen said, 'A business world without moral codes would not only be poor from a regulatory point of view but also very weak in terms of performance' (Sen, 2001). There has been a lot of churning among academics across the globe as to how to develop responsible managers for the future. The consensus seems to emerge that it is through the curriculum and andragogy that the foundations of responsible management could be laid among business students.

The next question emerges is 'How this curriculum is going to be different and what are the competencies that need to be developed'. 'A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation' (McClelland, 1973).

Based on her earlier works on competencies (Sharma, 2002, 2008, 2011a, 2011b, 2012, 2013, 2014, 2015; Sharma & Boyatzis, 2011; Sharma & Mukherjee, 2010),

Sharma (2015)[2] has developed a competency framework and a competency model for PRME. As the framework is based on principles for responsible management education, it can be applied to all the management institutions across geographies irrespective of the school's membership of PRME network.

The competency model presented in Figure 2 comprises competencies which are visible or observable and others which are embedded in the individual (Figure 1) and influence his/her behaviour. These are described below.

Competencies Framework for PRME

The competency framework developed on the principles of PRME can be applied in the development of curriculum, pedagogy, teaching–learning material, co-curricular activities, internship training and faculty development and administration of the institute. Competencies for PRME can be classified into four broad clusters as discussed below:

1. **Cluster of Cognitive Competencies**
   Cognitive competencies (C) comprise knowledge of responsible management, corporate social responsibility and sustainability linked with domain knowledge (inspired by PRME Principles 1 and 2). Some of these are identified below:

   - Principles of responsible management
   - Knowledge about sustainability
   - Integration of responsibility and sustainability with domain knowledge
   - Corporate social responsibility
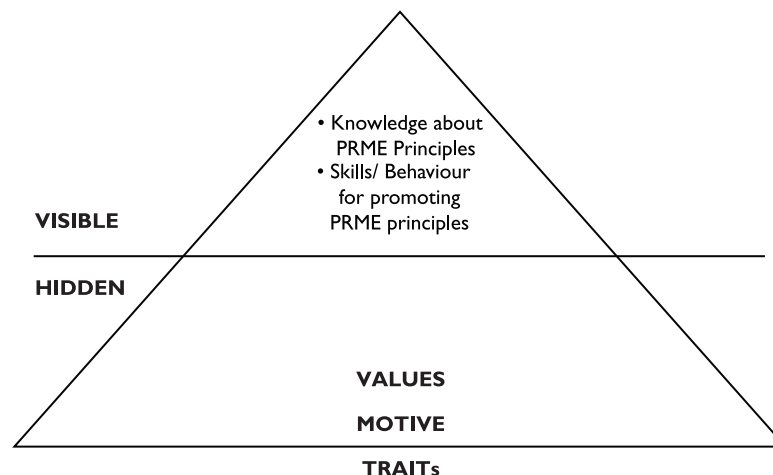   - Embracing responsibility for society
   - Cognitive empathy

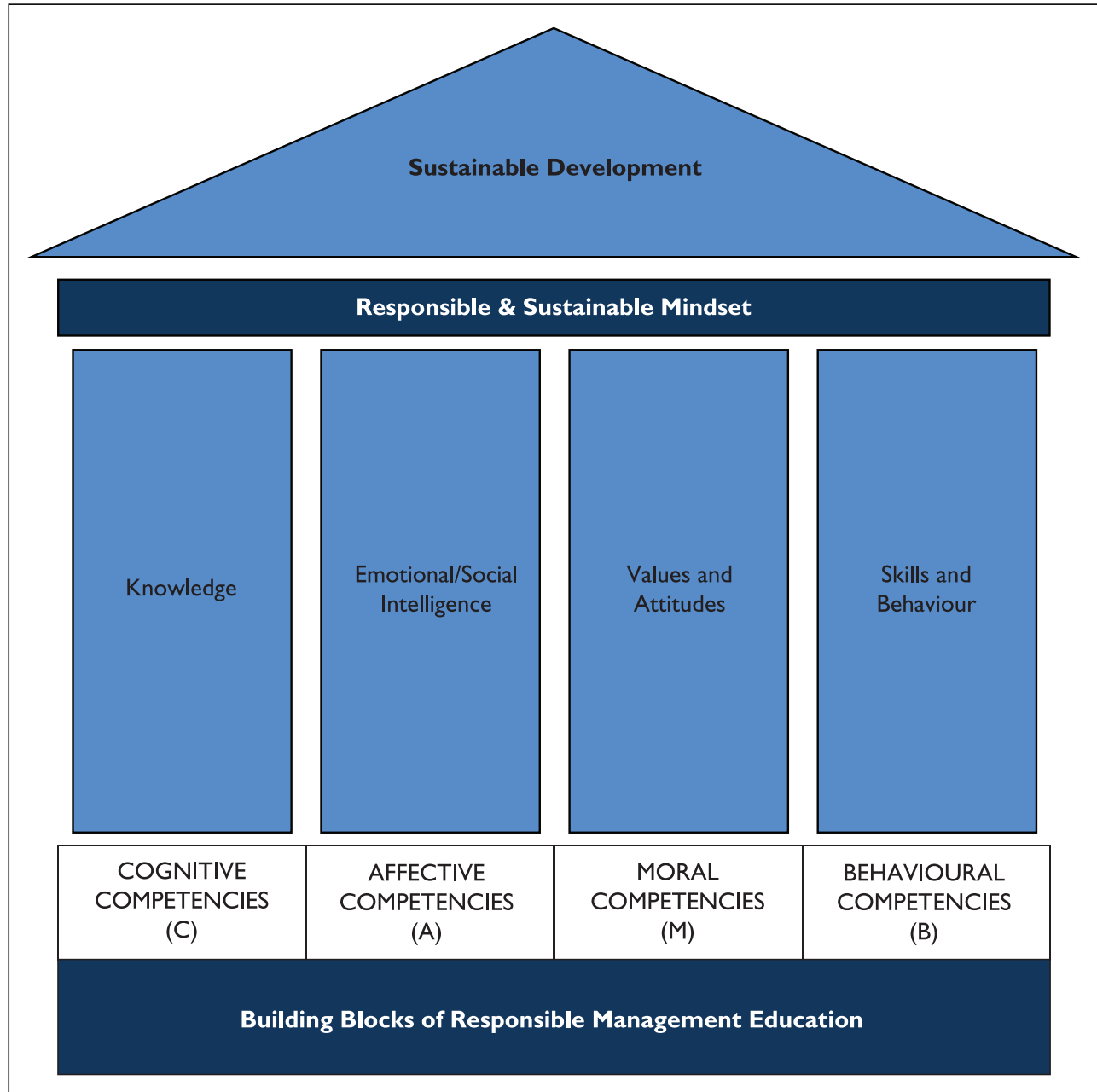**Figure 1.** Nature of PRME Competencies
Source: Developed by Sharma (2015).

Figure 2. CAMB Competency Model for PRME
Source: Developed by Sharma (2015).

2. **Cluster of Affective Competencies**
   Affective competencies (A) involve emotional/ social/spiritual competencies such as empathy, relationship orientation, humaneness, compassion, generosity, service to community/society, not driven by job responsibility (inspired by PRME Principles 1, 2, 3 and 4).

   • Empathic concern
   • Emotional sensitivity
   • Idealized influence

   • Care and concern for others
   • Emotional maturity
   • Humanism
   • Transcendence
   • Open mindedness
   • Acknowledging diversity
   • Ability to let go of one's own mistakes
   • Ability to let go of others' mistakes

3. **Cluster of Moral Competencies**
   Moral competencies (M) consist of honesty,

integrity, conscience, values and virtues (inspired by PRME Principles 1, 5 and 6).

- Integrity
- Values and beliefs
- Truthfulness
- Righteousness
- Acting consistently with principles
- Keeping promises

4. **Cluster of Behavioural Competencies**

   Behavioural competencies (B) comprise skills and behaviour for responsibility such as initiatives for social, economic and environmental sustainability, ethics, transparency, standing up for what is right, etc. (inspired by PRME Principles 1, 5 and 6).

- Taking responsibility for personal choices
- Taking organizational/social responsibility
- Admitting mistakes and failures
- Standing for and providing justice
- Fairness
- Building relationship/team
- Developing others
- Conflict management
- Transparency
- Partnership and dialogue with stakeholders

Based on the competency framework presented above, the following CAMB model has been developed by Sharma (2015) for PRME but it can be applied to other management institutions and their stakeholders across geographies. The competencies identified under this framework are relevant not only for the students but also for faculty, educators, employers and the self-employed. A common understanding of competencies for responsibility and sustainability will help create a conducive environment; therefore, academia and industry need to work in tandem to develop and strengthen these competencies to promote a responsible and sustainable society.

In order to develop these competencies, the book *Managing for Responsibility: A Sourcebook for an Alternative Paradigm* (Business Expert Press, 2017) provides necessary inputs in the form of concept, theories, recent developments, national and international perspectives with illustrations from a variety of organizations from across geographies to prepare management students to develop responsible and sustainable mindset. It would sensitize educators and educational administrators to promote responsibility and sustainability in the teaching–learning processes and in the culture of the institution. The conceptual inputs have been supplemented with discussion questions, cases, simulation exercises and project work. A stand-alone course on ethics, CSR or social responsibility is not enough to develop integrity, empathic concern and attitude for responsibility and sustainability. It needs to be supplemented with creating a 'culture of integrity and responsibility' (McCabe, Ingram & Dato-on, 2006) and

that is possible through responsible management education as management students come from and go back to corporate settings (Treviño, Butterfield & McCabe, 1998). They can explore it further with dialogue and project work and a core course on affective competencies for developing emotional and social intelligence competencies.

Notes

1. CEEMAN is an international management development association established in 1993 with the aim of accelerating the growth in quality of management development in central and eastern Europe.
2. Sharma (2015) presented 'Competency Framework & Competency Modelling for Principles of Responsible Management Education' at the sixth PRME Asia Forum on towards Responsible Management Education in support of Sustainable Development Goals on 27–28 November 2015.

   At the 75th Academy of Management (AOM) Conference, she had made a round table presentation on 'emotional and social intelligence competencies' during professional development workshop on 'Responsible Management Education in Action: A Competence-based Approach' (AOM submission 11289) at Vancouver, Canada, on 8 August 2015.

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