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Teaching Inclusive Business Strategies Through Collaborative Group Projects

The Sustainable Development Goals (SDGs) are an interconnected network of targets crucial to the systemic well-being of the world. Each goal and target relies on one another to achieve the equilibrium of economic, social, and environmental sustainability envisioned by the United Nations. The SDGs are ambitious, comprehensive, and complex, and require the active participation of all sectors to ensure that the world is better place for everyone, everywhere, with no one left behind.

Together the goals and targets can be seen as a network, in which links among goals exist through targets that refer to multiple goals (Le Blanc, 2015). Le Blanc utilized network analysis techniques to map out the critical connections amongst the goals and their targets, located in Figure 1 and Figure 2. Using these maps to visualize the way each goal references alternative goals highlights the web of connections that exists within the network and reiterate the need to view global development holistically.

The Stokholm Environment Institute further examines the connections global issues have to one another with the Nexus Approach. Through this approach, it is evident that not only do the SDGs explicitly reference one another, they interact in one of three ways: interdependence, imposing conditions, and reinforcement. When one or more goals are interdependent, one target has to be realized in order for another to be viable. To impose conditions or restraints, a goal's success is contingent upon the condition of another goal as a prerequisite. Reinforcement is apparent when goals strengthen and support one another, thus highlighting their synergies. In any of these interactions, there are critical trade-offs and conflicts, specifically when resources are scarce or difficult to access (Weitz, 2014). Figure 3 illustrates these types of connections when considering the issues of water, energy, and food. Recognizing these distinct relationships is critical for any lasting progress to be made in achieving the Sustainable Development Agenda because it makes it clear that each issue does not exist on its own.

As stated earlier, achieving the Sustainable Development Goals cannot happen without the active participation of all sectors. Unlike their predecessor, the Millennium Development Goals, the creation of the SDGs heavily considered the role the private sector plays in shaping global development.

The explicit role of the private sector is clear when examining the connections the SDGs have to one another in Figure 1. Here, it is clear that goal number 12,

Sustainable Consumption and Production (SCP) explicitly references 12 other sustainable development goals, making it the most connected goal. Sustainable consumption and production can be defined as production and use of products and services in a manner that is socially beneficial, economically, viable and environmentally benign over their whole lifestyle (Terracycle, 2016). Sustainable Consumption and Production is closely tied to the private sector, since business objectives for maximizing profit and minimizing production costs often contradict with sustainable consumption and production methods. Recognizing the connectivity of global issues, specifically sustainable consumption and production, can strengthen the case that businesses involvement in working toward achieving the SDGs should be mandatory.

According to "State of Play" by the Institute for Human Rights and Business, "sustainable development does not simply require greater business involvement per se – but the right sort of business involvement: quantity with quality, returns with responsibility, investment with ethics and with development purpose. Growth is important but must be inclusive, jobs matter but must be properly rewarded and workers treated fairly and with dignity, energy must be provided but more sustainably. In short, the SDGs need business but not business as it is (or often is)" (2016).

Achieving the Sustainable Development Agenda is impossible without businesses recognizing their connection with global development issues, rapidly adapting to meet the demands on businesses to be socially responsible, and making a purposeful shift towards inclusive growth.

Businesses throughout the world have recognized the need to give back and "do well by doing good" through Corporate Social Responsibility (CSR), or business initiatives that benefit society. Pirsh, Gupta & Grau argue that CSR programs can fall along a continuum between two endpoints: Institutionalized programs and Promotional programs. Promotional programs are designed to generate short-term effects such as increased purchase intent while Institutionalized programs embrace CSR throughout the organization, and generate policies and programs for all stakeholders that support their social position. It is argued that Institutional CSR programs are most effective at increasing customer loyalty, improving attitude toward the company, and minimizing the level of consumer skepticism about the company's motivation for developing a CSR program, rather than increasing immediate product sales (2006).

On the continuum of CSR initiatives, businesses involvement in the SDGs must be an institutionalized program in order for the progress to be lasting and sustainable. This is not insinuating that the initiative should not be promoted to its stakeholders, but its strategies should be weaved into the core operations of the business and promotion should come from within.

A study surveying 1,000 businesses by PriceWaterhouse Cooper found that businesses are aware of the SDGs and are planning to take action. However, they are at risk of overlooking the connectivity that exist with the Sustainable Development

Agenda and "cherry-pick" the goals they choose to take on. Figure 4 represents the responses to the question, "How do you plan to assess your impact on the SDGS?" Only 2% answered that they plan to assess their impact on all 17 SDGs and indicators. Instead, businesses are likely to take on the one or few goals that are explicitly related to their businesses. Though this may be a more straightforward, easier approach, "a goal-focused process is likely to lead to a long list of disparate goal proposals, with often redundant, and even conflicting, targets" (Weitz, 2014). Instead, the goals should be taken as an entry point to explore their connectivity in relation to the whole web of global development so that impact will truly be sustainable.

To that end, the GlobeScan, SustainAbility and Sustainable Brands 2016 Sustainability Leaders Survey solicited responses in an online questionnaire from 907 qualified sustainability experts from March-April 2016. 44% of respondents suggest that the most effective way for companies to make a positive contribution towards the Sustainable Development Goals (SDGs) is through pursuing partnerships and developing products and services. Additionally, since 2012, expectations for business and governments is shifting. Business has seen a steady rise in expectations for sustainability leadership in the last 4 years while the level of responsibility placed on national governments has been declining. The call for multi-sectoral partnerships has also been on the rise since 2012.

"Sustainable development requires working together towards a shared goal as well as individual sector-specific goals," said Lynne Gaffikin who works as a technical advisor helping to strengthen health systems in Botswana through the Global Health Fellows Program II, which is implemented by the Public Health Institute and funded by USAID. She says people need to avoid slipping into a "laser focus" on the individual aims of their programs. "Partnerships, especially ones that cut across domains or sectors, can help avoid this slippage," she added. (Devex, 2016)

Recognizing the interconnectivities of the Sustainable Development Goals by using multi-sector partnerships to create institutionalized CSR initiatives is in the best interest of businesses, their stakeholders, and the overall success of the Sustainable Development Goals and can best be done by engaging in Inclusive Business.

Inclusive business models include poor at the base of the economic pyramid into a company's supply chains as employees, producers and business owners or develop affordable goods and services needed by the poor. Here, human and business development go hand in hand (Brokering Inclusive Business Models, 2016). Engaging with the bottom of the pyramid touches those who are most adversely affected by the economic, social, and environmental issues outlined in the SDGs.

As mentioned earlier, recognizing the interconnectivities of the issues affecting those at the bottom of the pyramid, specifically related to goal 12 of Sustainable Consumption and Production, is important for inclusive business to be successful because economic growth is accompanied by an increase in resource consumption.

The challenge of sustainable business models is to decouple economic development from the unsustainable use of natural resources. Well-being for all people on the globe can only be achieved with smart technologies, products, and processes that spare natural resources. The development of an inclusive business requires a systemic perspective on processes of consumption and production (Brokering Inclusive Business Models, 2016).

In order to maximize and capitalize on innovative inclusive business models, businesses cannot act alone. Inclusive business takes place at the intersection of business and development work, so multi-sector partnerships are necessary in order for them to be successful.

On the continuum of CSR initiatives from promotional to institutionalized, it is clear that inclusive business strategies go beyond immediate profit of promotional programs and work to strengthen supply chains, improve reputations, drive innovations and retain employees. Additionally, the poor benefit in a number of ways, such as satisfying basic needs, increasing productivity, generating incoming, and empowerment. Arguably, inclusive business goes even beyond institutionalized CSR programs on the continuum since companies do not just consider inclusive business as peripheral CSR-projects but as a vehicle to future markets (Brokering Inclusive Business Models, 2016).

Business schools have the greatest opportunity to help recognize the value of Inclusive Business to drive socially inclusive economic growth in a way that does not exclude one development issue over another. Currently, there is a lack of consideration in standard business school teachings of the challenges associated with operating in underdeveloped regions, and the resulting need for innovative problem solving, tends to leave managers ill-prepared for impactful investment in low-income countries (Business Schools for Impact, 2015).

Business Schools for Impact, an organization that creates awareness, delivers educational resources to drive business schools to action, and aims to equip future business leaders with the necessary skills to impact the SDGs believes that students need to be taught to develop viable businesses to serve the Base of the Pyramid and to look for new ways to satisfy the needs of underserved consumers. They should also be equipped with an entrepreneurial spirit, BoP-relevant problem solving skills, resilience and a long-term outlook of performance goals common in corporate environments (Business Schools for Impact, 2015).

To best introduce the idea of inclusive business to business students and achieve these goals, business schools should utilize collaborative learning methods. The term "collaborative learning" refers to an instruction method in which students at various performance levels work together in small groups toward a common goal. The students are responsible for one another's learning as well as their own. Thus, the success of one student helps other students to be successful (Gokhale,1995). Like the Sustainable Development Goals, partnerships, data sharing and collaboration

maximizes innovation and encourages sustainable learning.

Proponents of collaborative learning claim that the active exchange of ideas within small groups not only increases interest among the participants but also promotes critical thinking. According to Johnson and Johnson (1986), there is persuasive evidence that cooperative teams achieve at higher levels of thought and retain information longer than students who work quietly as individuals. The shared learning gives students an opportunity to engage in discussion, take responsibility for their own learning, and thus become critical thinkers (Totten, Sills, Digby, & Russ, 1991).

According to Vygotsky (1978), students are capable of performing at higher intellectual levels when asked to work in collaborative situations than when asked to work individually. Group diversity in terms of knowledge and experience contributes positively to the learning process. Bruner (1985) contends that cooperative learning methods improve problem-solving strategies because the students are confronted with different interpretations of the given situation. The peer support system makes it possible for the learner to internalize both external knowledge and critical thinking skills and to convert them into tools for intellectual functioning (Gokhale, 1995).

This paper proposes a semester-long collaborative group project to teach business students the value of engaging in inclusive business to drive inclusive growth, the importance of cross-sector collaborations, and how to recognize the interdependence of global development issues to ensure businesses are operating as responsibly as possible.

Students will be divided into small groups to work in throughout the semester. Each group will represent a company of their choice that is responsible for generating socially inclusive growth through multi-sector partnerships in one of seven clusters: Developing Countries, Economy, Environment, Health Workers, Liveable Cities, Women and Girls, and Youth. This approach mirrors the creation of the Sustainable Development Goals through the Open Working Group, a 30-member group tasked with preparing a proposal for the Sustainable Development Goals by dividing global development issues into several thematic clusters and allowing registered Major Groups, including NGOs, non-profits, and the private sector, to provide input on the issues they'd like to see reflected in the SDGs.

Each group member will be assigned a position to contribute to the work: Partnership Officer, Economic Broker, Social Broker, and Environmental Broker. A broker is responsible for facilitating partnerships between civil society, and the public and private sectors. The activities of a broker may include convening potential partners, researching context and feasibility, building the capacity of participating organizations, acting as a promoter to ensure progress of the overall initiative and monitoring the implementation of new partnerships (Brokering Inclusive Business Models, 2010). The economic, environmental, and social brokers in each group will work together to create

an inclusive business program for their company by aligning its core business practices with economic, social and environmental development, respectively.

To create these inclusive business programs, students will strategically facilitate partnerships with organizations outside of the private sector, including: national, city, or local governments, the United Nations, NGOs, International financial institutions, independent research and academic organizations, social entrepreneurs, and multi-lateral organizations. When deciding which organizations to choose as a partner, students should examine how the core operations of their businesses are related to each SDG, search for connectivity between those global development issues and other goals, and use those connections to maximize the economic, social, and environmental benefits of their program through the partnerships they create.

Emphasizing the need for multi-sectoral partnerships is crucial because according to Le Blanc, "lack of integration across sectors in terms of strategies, policies and implementation has long been perceived as one of the main pitfall of previous approaches to sustainable development. Insufficient understanding and accounting of trade-offs and synergies across sectors have resulted in incoherent policies, adverse impacts of development policies focused on specific sectors on other sectors, and ultimately in diverging outcomes and trends across broad objectives for sustainable development" (2015).

The Partnerships Officer in the group has the unique responsibility of participating in the class UN Council, where each group's Partnerships Officer will meet to share knowledge, ideas, expertise, technologies and resources, as well as seek opportunities for cross-sector partnerships and innovations with other groups in the class. The UN Council mirrors the variety of resources available for businesses in sustainable development today, including but not limited to Global Compact, Sustainable Brands, SustainAbility, and GlobeScan. Meeting to share information can open the groups up to engaging in partnerships with others, thus scaling up their own inclusive business strategies and maximizing the class' overall impact on the Sustainable Development Agenda.
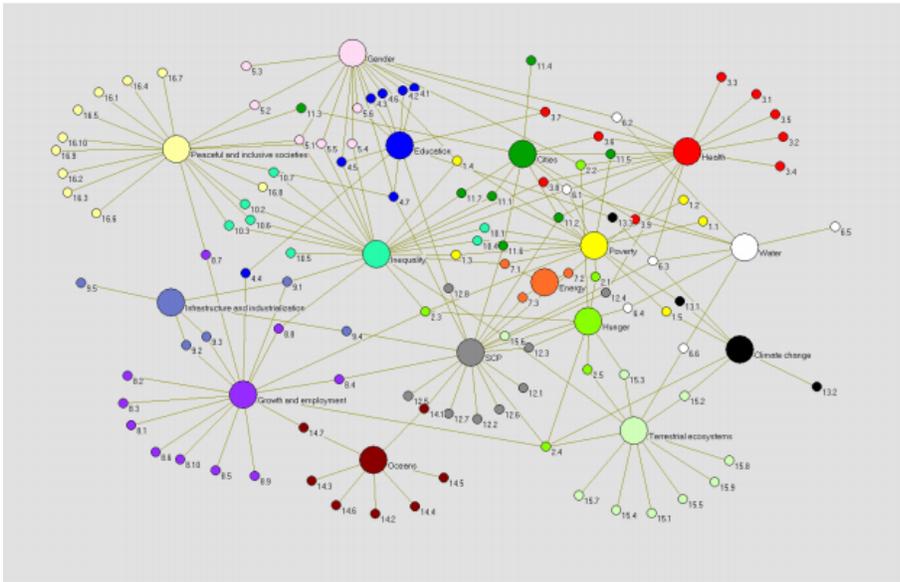
At the end of the semester, student assessment will be done on two levels: each group is first assessed for its ability to design and broker an inclusive business model by aligning the core operations of their business with the economic, social, and environmental development of their cluster through multi-sector partnerships. The entire class will also share a grade for its participation on the UN Council throughout the entire semester and their capacity to collaborate to maximize sustainable development across every cluster to support the global development agenda as a whole.

Final products will be a group presentation and a paper organized as a case study following Harvard Business School model.

This group project assesses the two prevailing obstacles facing inclusive business implementation: sustainability and scale (Santos, 2016). By recognizing the
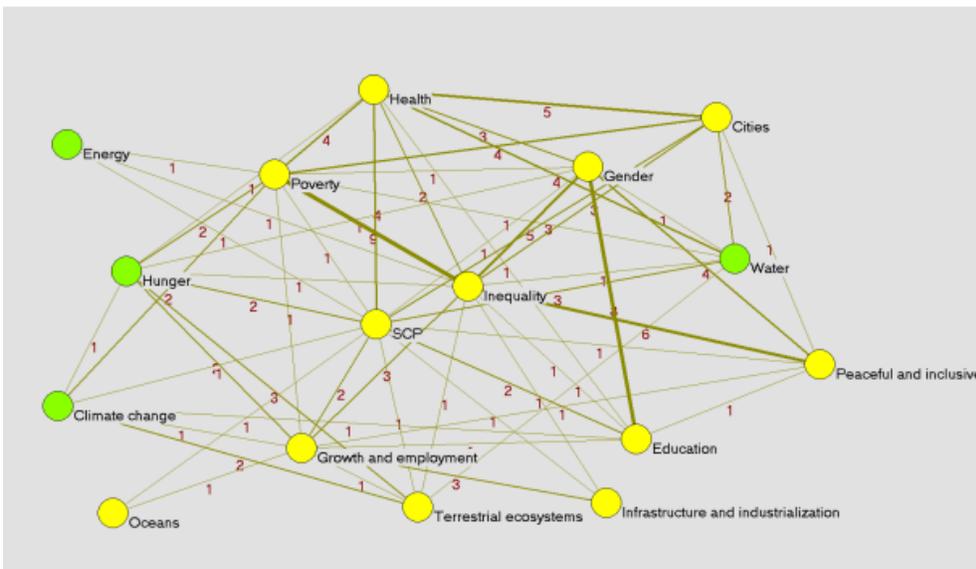
interconnectivity of global issues, students are privy to the idea that businesses have the responsibility to go beyond promotional CSR to drive long-term and inclusive growth in low-incoming communities through inclusive business. Using a collaborative group project as the teaching method mirrors the mandate for cross-sector partnerships in achieving the highest attainable level of inclusive sustainable development, specifically for those at the bottom of the economic pyramid. These practical lessons will follow the students not only throughout their academic career, but when they become business leaders in the future.
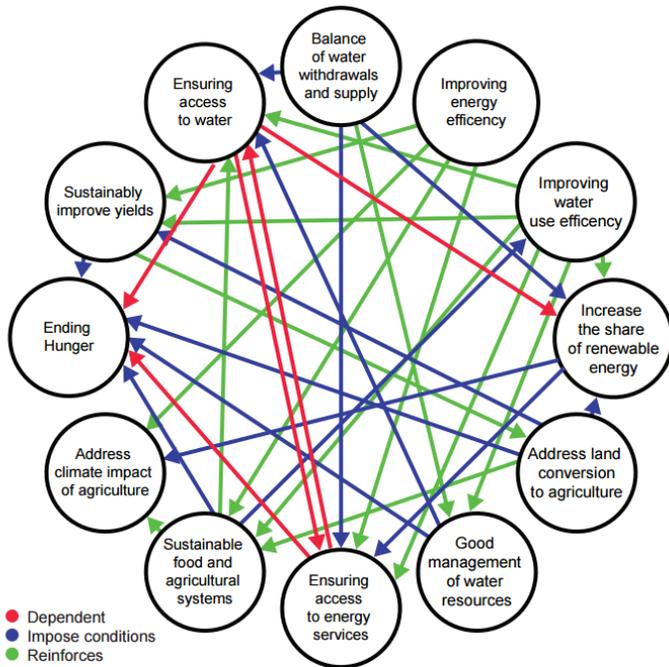
Figure 1

Figure 2

Figure 3

Source: Weitz, N. "Cross-sectoral Integration in the Sustainable Development Goals: A Nexus Approach." Cross-sectoral Integration in the Sustainable Development Goals: A Nexus Approach, 2014.

Figure 4
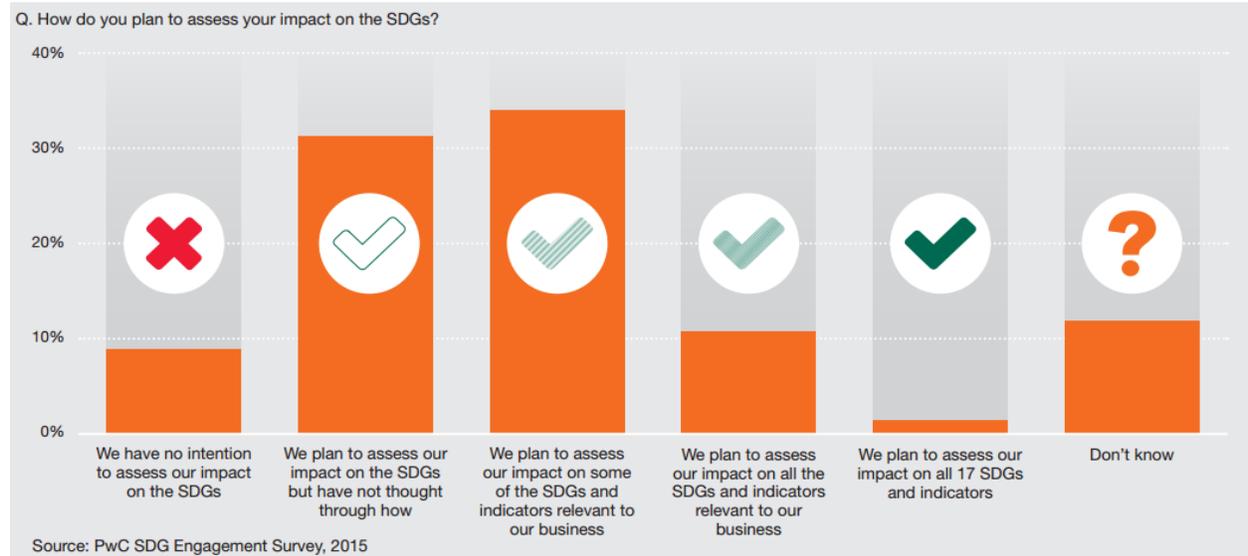
Source: "Make It Your Business: Engaging with the Sustainable ..." Accessed August 15, 2016. https://www.pwc.com/gx/en/sustainability/SDG/SDG Research_FINAL.pdf.

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