

# Global Responsibility



The GRLI Partner Magazine

Uwe Steinwender talks about Daimler's work on GRL and hosting the 11<sup>th</sup> GRLI General Assembly

George Kell and Jonas Haertle reflect on the successes of PRME and look to the future

Grant Jones on how the global concept of responsibility break the nexus-distributing obligation

Rudolf Gabrich, Claudio Boechat & Izeusse Braga on CoRAs in Latin America

Richard Barrett on the characteristics of successful leaders

Mark Drewell says that GRLI is a "do-tank" effecting change at the systemic level

Ana Magyar discusses how Petrobras developed and implemented the GRL Manual

Rajkumar Janagam, Jui Gangan, Jyotika Bhatia on what it means to be a responsible manager

# *The Whole Person Learning Manual*

By

**BRYCE TAYLOR**

*Whole person learning sees the human being as existing in a network of relationships, interconnecting arrangements and interdependent systems. We are born incomplete and unfinished. The human individual is unique and unrepeatable. I need you to become me. I need you to become you in order for me to also become me. We need each other to become more than we currently are. Persons are persons only in so far as they are persons in relationship.*

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# On Responsible Leadership

Dear Reader,

Global Responsibility is not Corporate Social Responsibility. The two terms are not interchangeable. The former stands for engaging with the world's challenges head on, the latter for peer comparison in a broader system.

Is this perhaps harsh? I do not believe so. In this edition of Global Responsibility, I hope that you will find yourself agreeing with Grant Jones and Rudolph Gabrich that they are talking about something very different from CSR. Cycle Chalao!, winners of the GRLI Ambassadors Award, demonstrate that entrepreneurial creativity can make the apparently impossible happen – bike sharing schemes in the developing world. Richard Barrett has developed a superb manual for leaders in his new book and the Jo(h)ns (Rayment and Smith) identify leadership failings under their term “MisLeadership.” Ana Magyar and Uwe Steinwender talk about how their companies are engaging with the deep questions of Global Responsibility.

Global responsibility begins with a question; “What kind of world do we want to build with the enormous resources we master?” This question challenges us at a personal level. CSR does not. CSR allows the best organisations to sit cocooned in bubble wrap on an island surrounded by a sea of broken glass. On CSR Island, we benchmark against our peers, write our reports using the Global Reporting Initiative framework, fill in the Dow Jones Sustainability Indexes questionnaires and write Communications on Progress for the UN Global Compact. On CSR Island, the best of us believe we are at somewhere near 95 out of 100 in our performance.

But if we step off of CSR Island into Global Responsibility we are in a sea of broken glass. Our bubble wrap-cocoon of self congratulation and behavioural complacency is ripped to shreds on the shards of a world where social justice for all seven billion of us human beings is at best a distant dream and where we continue to focus our extraordinary creativity and energy to grow an economic system which is already hell-bent on destroying the natural world on which we depend for our existence.

When the bubble wrap bursts and we ask the question of what kind of world we want to create, we realise that the best of us will score five out of a hundred. We are forced to re-examine the twin absurdities that there can be infinite growth on a finite earth, and that we must have such growth, because shopping is what makes us happy. We are challenge to rethink the idea that GDP growth IS the purpose of our great human enterprise. Only then we are on the journey towards global responsibility. Only then we can set goals for ourselves and our organisations of which we will be proud when we are frail and old. **This is global responsibility and it is not CSR.**

Mark Drewell,  
Chief Executive, GRLI

If you would like to know more about the work of the GRLI, visit us online at [www.grli.org](http://www.grli.org).

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The GR LI Partner Magazine N° 4

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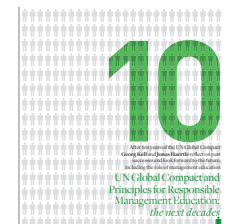
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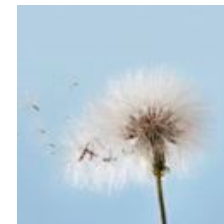
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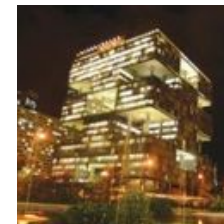
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# Call for papers



## Journal of Global Responsibility

**Editor:** Dr Grant Jones, Australian Catholic University, Australia

**Deputy Editor:** Professor Gayle Avery, Macquarie Graduate School of Management, Sydney, Australia



We are currently seeking papers for a new journal launched in 2010 and closely aligned with the goals and objectives of the Globally Responsible Leadership Initiative (GRLI).

### Editorial scope and objectives:

Organizations can become conditioned by competitive pressures to narrow their goals and adopt an overly instrumental logic, stripped of any meaning beyond simple profit. The survivalist impulse is self-contradictory, because it reduces longer-term viability. It also reduces the organization's legitimacy, because a narrow focus diminishes the net contribution that the organization can make to society. The adoption of global responsibility is therefore an act of leadership, a voluntary and willful deployment of the resources of an organization towards building sustainability.

*Journal of Global Responsibility* defines a globally responsible organization as one with a clear business case for sustainability.

Articles would be welcome from the traditional management disciplines – accounting and finance, operations, human resources, organizational studies, marketing and strategy – where the articles build on our model for sustainable development. It is also recognized that the development of global responsibility may also be directly informed by more

fundamental disciplines such as sociology, politics, psychology, history or philosophy.

### Coverage includes, but is not limited to, the areas of:

Ethics, new mental models, governance, strategy, public policy, corporate social responsibility, human rights, workplace spirituality, employee/community engagement, transparency, resource management, environmental impact, organizational development, change, human resource management and development, social entrepreneurship, innovation and creativity, social marketing, action learning, management education, cross-cultural management, organizational change, leadership theory and leadership development.

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Research you can use

# soundbite

This book is for those wishing to reflect on and develop their own and others' leadership abilities. It introduces a new approach to a key element of management thinking in a way that encourages and empowers individuals to think on a different scale and challenge

assumptions. The authors take a fundamental and critical approach, arguing that a lot of current "leadership" is in fact *MisLeadership*, evidenced by the global financial crisis and range of urgent major issues facing everyone and everything on our planet. A wealth of examples and case studies relates the authors' ideas to practice and enable leaders, followers and trainers to gain insights into the prevalence and causes of *MisLeadership* and ways in which it can be identified and overcome.

John and Jon have identified four types of *MisLeadership*: missing, misguided, misinformed and Machiavellian. The first three are unconscious, embedded in us throughout our upbringing, socialisation, education and employment such that they can be seen as "Institutional *MisLeadership*." Machiavellian leadership is perhaps even worse – a deliberate attempt to deceive followers so as to achieve hidden agendas. It is commonly recognised in

individuals attempting to achieve personal agendas within an organisation, but can go as high as the leaders of one group of countries or organisations attempting to achieve advantage for themselves and selected followers by exploiting others – in their own and other countries or organisations.

The four forms of *MisLeadership* are matched by the four elements of Holistic Leadership introduced – effective decision making, adoption of a global perspective, move to a new economic and social paradigm, and commitment to a contemporary mission. Decision-making approaches currently available to leaders may omit some of the most important facets of humanity, be based on invalid assumptions and targeted at invalid objectives. The requirement for a global perspective includes the need for a world-wide viewpoint but also consideration of all aspects of humanity including the physical, mental and spiritual

fitness of individuals, groups and societies.

For more information or to purchase a copy please contact either [John.Rayment@anglia.ac.uk](mailto:John.Rayment@anglia.ac.uk) or [Jonathan.Smith@anglia.ac.uk](mailto:Jonathan.Smith@anglia.ac.uk)





image courtesy: Daimler



image courtesy: Daimler

# Daimler on Global Responsibility and hosting the 11<sup>th</sup> GRLI General Assembly!

UWE STEINWENDER



image courtesy: Daimler

In more and more companies the topics of global responsibility and sustainability are becoming a major factor of economic life. The executives of many firms believed in the past or even still believe that this is just a “fad” and that with a little cosmetic treatment, especially on the communication side, the subject could be easily dealt with. In the meantime, it has become obvious that we are on the threshold of a true paradigm shift and that a real change in thinking is imperative if one wants to remain successful in business in the long term.

Especially in the automotive industry, which is perceived as one of the big contributors of CO<sub>2</sub> emissions, it is crucial to think about this topic. As the inventor of the automobile, Daimler believes that we have a special obligation to come up with innovations to solve the issues around mobility. So within an engineering company it is quite normal that the focus is very much on technical approaches. But only looking at technical solutions has a limited reach because the issues are very much interdependent.

The challenge from an executive education perspective was to create a program to raise awareness about the

complexity of the topic and the paradoxes a manager has to deal with, and also to reflect on the required advanced or even new leadership approach – not only for sustainability but beyond. This approach is what we call Globally Responsible Leadership (GRL).

As no programme was available on the market fitting these specific needs, the Daimler Corporate Academy developed its own programme based on its work with GRLI. Together with John Alexander, former CEO of the Center for Creative Leadership, we developed a half-day workshop as an in-company version to raise awareness and create a basic understanding of the topic. This is still the starting point and integral part of the seminar, which stimulates the participants to identify the drivers of change and understand their impact on the economy. By analysing accompanying challenges and paradoxes, the participants are able to visualise possible necessary changes in the existing business model. In order to shape these developments actively and successfully participants reflect on their own understanding of leadership and integrity, and their views of humanity play a central role.

The two pilot programmes last year were very successful. So this year we decided to incorporate the Globally Responsible Leadership seminar into our regular program portfolio and will run it for example in Germany, Singapore and Portland.

Daimler decided to join the Global Compact Lead Group. With that Daimler committed itself to take a leading role in the corporate world to actively support the millennium goals. Therefore, it is a great opportunity for Daimler to host the 11<sup>th</sup> General Assembly of the GRLI. One of our training venues, located in the black forest, is exclusively booked for this year's General Assembly, 1<sup>st</sup> – 4<sup>th</sup> October, 2011.

Currently, we are planning an additional GRLI Ambassador event in which we will invite approximately 100 students and young professionals from around the world for dialogue about globally responsible leadership. It will be held at the Daimler museum in Stuttgart on 5<sup>th</sup> October, 2011. This event will showcase the new GRLI Ambassadors' concept. The idea is to invite students from around the world to meet in the corporate



image courtesy: Daimler



image courtesy: Daimler

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The idea is to invite students from around the world to meet in the corporate world for dialogue. Companies need to find these next generation leaders, who are willing and capable to play an active part within the companies

world for dialogue. As companies need to find these next generation leaders – who are willing and capable to play an active part within the companies for their movement towards even more sustainability/global responsibility – these firms are looking for efficient ways to get in contact with them.

Global companies work continuously to position itself as an employer of choice with this new generation of students. With the unique branding of GRLI and its network reaching almost all business schools around the world through EFMD, the Ambassadors program is intended to bring these two worlds together for their mutual benefit.

One of the event's key elements will be the application of GRLI's newly developed tool, the GRLGrid. The Grid was developed to explore individual and/or collective values and actions taken in terms of global responsibility. It gives people the structure and guidance to think and talk about their globally responsible leadership behaviour and actions. It leads participants through a variety of perspectives and dimensions, provides a sense of the interconnectedness of all aspects, assists in self-reflection and self understanding, and helps to co-create mutual understanding among larger groups of people. It can be utilised in seminars as a short intervention to raise awareness or as a longer intervention to gain deeper understanding. It can also be used in strategy development settings (1-2 days) to co-create a joint vision as a starting point for sustainability strategy or defining leadership criteria / indicators. The GRLI Grid is the starting point within a larger set of tools designed to increase individual/collective awareness of GRL fitness and/or to assess individual and/or collective commitment to GRL. (More information will be provided in a subsequent article).

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# To Be A Responsible Leader

GRANT JONES

To take on a responsibility is a voluntary and conscious choice. It is an act of will, but generally flows from a raising of consciousness: for many it is a transcendent experience inasmuch as the leader accepts responsibility for a wider range of issues and will include in decision making a wider range of interests, not because s/he must but because s/he can. Global responsibility goes beyond the more traditional notions of corporate social responsibility, which has largely been imposed on corporations by an increasingly educated and empowered populous. If the idea of being a globally responsible leader has personal attraction, the first step is to understand the dimensions of global responsibility and in particular what makes it global. It is then possible to reflect upon what that means for the role of the leader.

Global responsibility is a relatively recent movement (Biefnot 2003; de Woot 2005; Hellsten 2005; Perez 2003; Thevenet 2003; Antal and Sobczak 2004). The idea was initially germinated by a religious, interfaith dialogue in the 1990s (see Kung 1991) and has since been secularised. Kung argued that a more peaceful world could be led by religious traditions establishing a dialogue that would help define universal ethical truths. It was such a cross faith dialogue that led the Dalai Lama to suggest to a Christian President of the United States that the

best response after 9/11 might be forgiveness. At the time people laughed. They are not laughing now.

Kung took two particular positions that were important to the widening of interest in global responsibility. While seeking to find common ethical elements, he nonetheless accepted cultural relativism. He also argued the theological point that people did not necessarily need religion to be ethical. Both of these intellectual positions enabled global responsibility to be inclusive inasmuch as a person did not need a religious identity to participate. Indeed, to be anything else but inclusive would have been self-contradictory.

Today, the sense of responsibility is seen as global if it is characterised by a planetary mindset, particularly if it is aware of and concerned with the effects and secondary effects of action as they ripple around the world. However, responsibility is global in another sense just as critical for human progress; global thinking implies an awareness of a diverse range of stakeholders. The word “global” also means “inclusive,” and the attached ethical imperative is to learn to appreciate other’s values and work collaboratively with a wider range of interests. The very term CSR tended to pin responsibility on corporate entities and grant rights to others. A more global concept of responsibility

breaks this nexus-distributing obligation: corporate entities also have rights and others also have responsibilities. This mutuality has increased the attractiveness of global responsibility to business organisations and has encouraged them to both participate and contribute their massive resources to the cause. There are now over 7,500 organisations that have signed up to the UN Global Compact.

Global responsibility recognises the growing potency of the global corporation, its ability to direct resources and its capacity to generate wealth. Logically this enhanced reach and capacity to act means that companies can effect change beyond their locality and moreover carries the normative prescription that they should do so. Peter Singer (1972) once asked why a person would instinctively save a child drowning in a neighbour's pool but not feel the same obligation to save a child starving in a far off country. Now the person might respond that s/he has the capacity to save the drowning child by direct action, but how can s/he save the child at a distance? Money given to relief efforts might be siphoned by corrupt intermediaries or lost in poorly directed efforts. However, responsibility can also be global in the sense that it is shared. Once responsibility is shared it becomes subject to systems thinking. It becomes part of our global responsibility to act individually to strengthen the connections that make global institutions functional.

The fact that many companies still don't act from this more global sense of responsibility is no excuse. Singer goes on to say that you would not excuse yourself and fail to save the child because others are standing in the same area and doing nothing.

The connection between the corporately embodied human and the privately embodied human is not so essential to Corporate Social Responsibility because the responsibility is embedded in the organisation's behaviour. However, it is essential to Global Responsibility. There is no tolerance for the person who can go to church on Sunday and say "this is me" and then go to work on Monday and say "I now act on behalf of the company." All action needs to be integrated if it is to be both sustainable and sustaining of people and their communities.

Global responsibility is an obvious lens through which to evaluate global policy making and in particular distributional arrangements between the developed and developing world, and studies of this nature are beginning to emerge (Saloman 2008; Parvoti, Madge and Moxolo 2009). Global responsibility is also compelling collective action on climate change, where the influence of systems thinking is being felt (see for example Olausson 2009; Destephaon and Miccoli 2010).

What then makes a globally responsible leader different? The model is more personally integrated than the highly fragmented corporate functionary, whose only responsibility is to profit and the law. The globally responsible leader gets out of bed every day and goes to work energised by a sense of purpose. S/he has a strong enough sense of self not to subordinate personally important values but to impose those values on production. Production becomes an expression of

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The globally responsible leader gets out of bed every day and goes to work energised by a sense of purpose. S/he has a strong enough sense of self not to subordinate personally important values but to impose those values on production



personal identity. The globally responsible leader knows how to make a profit and can act strategically so that all the available resources are not needed just for survival. There is spare capacity that can be shared. Moreover, global responsibility is not just a characteristic of a leader, but rather of leadership. Globally responsible leadership is a shared activity. Leadership is not just a quality of an individual, it's a collective capacity. It arises from the social dynamics of the organisation. It is manifest in collaboration and learning. It creates a discourse from which a shared vision emerges.

The globally responsible organisation is integrated with its community. It does not externalise its costs because, as part of that community, it feels the effects of both good and bad decision-making. If it exploits the community or uses it as a dumping ground, it engages in an act of self-mutilation. People who work within globally responsible leadership are renewable resources. They engage in work in a way that stimulates thinking and continuously renews their sense of vocation. They are engaged by the organisation in whole person learning, which is an experience that engages the intellectual, emotional and spiritual capacities in the process of reaching new understandings. Similarly leadership becomes a more holistic enterprise. If this sounds daunting in its scope, it is, but it is not something that be expected to be attained overnight and by decree. It is a goal that needs a long-term horizon but starts with a single step.

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The fact that many companies still don't act from this more global sense of responsibility is no excuse

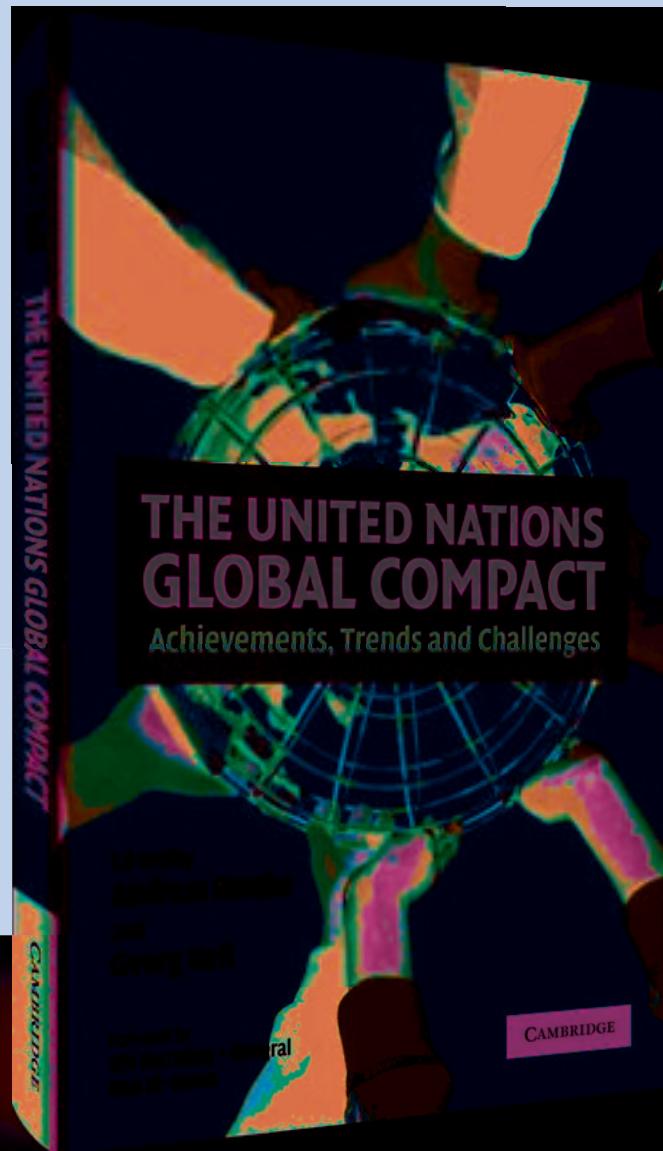
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After ten years of the UN Global Compact **Georg Kell** and **Jonas Haertle** reflect on past successes and look forward to the future, including the role of management education

## UN Global Compact and Principles for Responsible Management Education: *the next decades*



**Last year marked the tenth anniversary of the United Nations Global Compact. As we embark on the initiative's next decade, we have reached a critical juncture in the history of the global economy.**

In some ways, the current atmosphere is unnervingly similar to that of a decade ago: national barriers are rising in the aftermath of painful financial adjustments; public discontent over corporate mismanagement and investor greed is widespread; and there is a pervasive mood of uncertainty over the course of globalisation.

As a result, efforts to reach global climate and trade agreements, to eliminate poverty and hunger, and to safeguard against systemic market failures have yet to come to fruition.

Yet, over the past ten years fundamental shifts have occurred, and we are convinced that corporate responsibility – defined as a company's delivery of long-term value in financial, social, environmental and ethical terms – can address some of the current challenges.

And as corporate responsibility moves to the mainstream, the implications for management education are significant.

Let us look at corporate responsibility first. This is a dynamic field and many trends have shaped the agenda over recent years. Throughout the past ten years, the Global Compact has witnessed a number of critical developments:

**Corporate responsibility has gone global**

» Beginning with only 44 companies at its launch in 2000, the Global Compact has today become the world's largest corporate responsibility initiative with over 6,000 business participants and non-business stakeholders from over 130 countries.

» Participating companies represent nearly every industry and sector and are based in developed, emerging and developing economies. Emerging economies, especially China, Brazil and India have entered the corporate responsibility universe and started to build localised knowledge and best practices.

**From morality to materiality**

» While working for the common good remains integral to the corporate responsibility agenda, it is no longer the only selling point. Today, corporate responsibility has turned into a strategic and operational concern of companies, whether small suppliers or large transnationals. Corporations join the Global Compact to better recognise and mitigate risks and to seize opportunities.

» The two most recent Global Compact Implementation Surveys further show that many have begun integrating corporate responsibility issues into their corporate strategies while driving implementation through their value chains.

**The link between financial markets and corporate responsibility is growing stronger**

» Until a few years ago there was no framework to mobilise investors around environmental, social and governance (ESG) issues. Yet the recent global financial crisis has reinforced the need for long-term, sustainable investment strategies over short-term considerations.

» Today, through the Principles for Responsible Investment (PRI), more than 800 institutional investors representing roughly \$20 trillion in assets are placing ESG considerations at the centre of their investment analysis and decision making. Collectively, they are leveraging their influence to encourage improvements in corporate sustainability performance.

» Improved governance of financial markets cannot only rest on voluntary initiatives such as the PRI. It must be backed by legislation. But there is no doubt that the recognition of ESG issues by the investment community has acted as a strong driver for the corporate responsibility agenda.

**The environmental and corporate responsibility agendas are conflating**

While a few years ago social issues largely dominated the corporate responsibility field, environmental issues are increasingly recognised as being an integral part of corporate responsibility.



# 370

PRME, launched in 2007 is now endorsed by over 370 institutions from over 60 countries

In sum, what began as a peripheral movement around business ethics has evolved into mainstream corporate practice around the world.

Today, there is growing recognition that embedding human rights, labour standards, environmental stewardship and anti-corruption measures into strategy and operations is good for business and society.

Consequently, management education has to adapt to this new reality.

The Principles for Responsible Management Education (PRME), launched in 2007 and now endorsed by over 370 business schools and management-related academic institutions from over 60 countries, serve as guidelines for management education providers to enhance curricula, pedagogy, research and incentives to prepare organisational leaders who will balance economic with societal goals.

PRME participants are challenged continuously to improve their efforts to incorporate sustainability and corporate responsibility issues in curricula and research. As a network of networks, PRME relies on the actions of its partner organisations such as EFMD, AACSB International, AMBA, CEEMAN, CLADEA, Aspen Institute’s Business and Society Program, the Globally Responsible Leadership Initiative, EABIS as well as student organisations such as Net Impact and oikos International.

Thankfully, an increasing number of examples and good practices in business schools and other organisations around the world provide not only hope but also concrete evidence that the envisioned transformation of management education is happening. The following are examples of PRME signatories’ work on the six Principles: \*

### Principles 1 (Purpose) & 2 (Values)

» Over the past four years, PRME signatories have undertaken a variety of efforts to embed the values of sustainability and corporate responsibility in their curricula and academic activities. Some have included corporate responsibility topics more thoroughly in existing courses (undergraduate, graduate and PhD) while a few signatories have created completely new programmes based on these values.

» Also, a number of signatories have initiated specific activities to make their participation in PRME as well as the UN Global Compact or the UN Millennium Goals visible to students and faculty.

### Principles 3 (Method) & 4 (Research)

» PRME signatories report using a variety of teaching methods, which in many cases involve experiential learning approaches such as service learning, field research projects, local and global competitions, business simulations and outdoor experiences to stimulate their students’ understanding of their role in society.

» PRME signatories have been involved in diverse initiatives to support, encourage or initiate research on topics related to responsible management. These have involved faculty and student efforts such as realigning current research centres, or even creating new ones, with research on PRME topics; creating multidisciplinary research teams to understand pressing issues (such as the relationship between business and climate change); participating in national and international research networks; competing for grants with proposals on PRME-related issues; involving students in field research; and offering regular faculty research seminars.

### Principle 5 (Partnership) and 6 (Dialogue)

» Among the diverse partnership initiatives developed by PRME signatories, the following are most promising: appointment of industry professionals with expertise in sustainability to university governance bodies; partnerships with corporate responsibility related centres and networks; and collaborations with company departments dealing with corporate responsibility.

» Beyond that, PRME signatories have engaged in many activities to foster dialogue with multiple stakeholders. They have also closely collaborated with governments, regional networks, associations, trade unions, NGOs and media organisations.

In sum, while we see many positive developments and innovations, we have to recognise that corporate responsibility has not yet become mainstream in management education around the world.

Further integration and adaptation – especially in light of next year’s Rio+20 UN Conference on Sustainable Development where PRME will convene its third Global Forum on Responsible Management Education – is called for. **gf**

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*\*The authors would like to thank Jose Manuel Alcaraz and Magdalena W Marcinkowska of the PRME SIP Working Group for providing the findings in this section, which are based on the Sharing Information on Progress (SIPs) reports by PRME signatories.*



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# Developing Corporations Communities of Responsible

RUDOLF GABRICH, CLAUDIO BOECHAT AND IZEUSSE BRAGA

Spreading responsible leadership in a global context requires the engagement of businesses and schools at the regional and national levels. In 2007, Fundação Dom Cabral (FDC) and Petrobras were invited to set forth a pilot project for the development of globally responsible leadership throughout the company's value chain. This project gave rise to the Petrobras' Globally Responsible Leadership Manual (see Ana Lucia Magyar piece in this edition on page 34) and was the seed of the Latin America's Community of Responsible Action (CoRA). In 2009, this work began to be spread to the oil and gas companies in Latin America, supported by ARPEL (Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean)

and CIDA (Canadian International Development Agency).

Since 2005, GRLI has been an active community addressing the question of "how to develop a next generation of globally responsible leaders." This has helped GRLI gain a strong reputation globally for the application of concept development, thus allowing it to attract more business schools and global companies to the initiative every year. In 2005 the GRLI encouraged its Partner to look for ways to bring together organisations interested in furthering the work of the initiative within their local geographical areas. The objectives of these newly formed Communities for Responsible Action (CoRAs) were to further the mission of GRLI and to extend the reach

# of the 21<sup>st</sup> Century and Action in Latin America





... (CoRAs) are intended to further the mission of GRLI and to extend the reach of the global initiative through the active involvement of individual partners and associate partners

of the global initiative through the active involvement of individual partners and associate partners.

Encouraged to develop a pilot project in Brazil, Petrobras and Fundação Dom Cabral accepted the challenge. Starting in late 2007 and throughout 2008, they carried out a series of workshops with senior management of the company, which resulted in the Petrobras Globally Responsible Leadership Manual. This is used by the company’s Corporate University to train multipliers in the principles of Globally Responsible Leadership (GRL). This manual has been delivered by Mr. Gabrielli (Petrobras’ President) to Mr. Ban Ki-moon, UN General Secretary, at the Global Compact Leaders Summit in July 2010 and today is a public document, available for consultation and use by any company or educational institution.

In June 2009, ARPEL heard about the project developed in Petrobras and became interested in bringing to their members technical assistance based on the GRL principles. To achieve this, ARPEL received financial support from the CIDA. The first ARPEL member companies who were interested in this work were the Costa Rican Petroleum Refinery (RECOPE), the Colombian ECOPE TROL and the Uruguayan National Administration of Fuels, Alcohol and Portland (ANCAP). With the goal of developing both companies and business schools in their respective countries, local schools were contacted to join the work – INCAE (Costa Rica),

UniAndes (Colombia) and Universidad de la Republica (Uruguay).

All three companies were interested in defining strategic objectives that could help them act in a globally responsible way. The challenge was to define a specific contribution companies would give to their communities, either locally or nationally. Two tools were developed to guide this task – the Positioning Matrix for the Globally Responsible Company and the Materiality Map. These tools proved very useful in the fieldwork.

**Creating the sense of urgency – The Positioning Matrix for a Globally Responsible Company**

One of the most important issues for an executive is to be able to determine where the company is positioned in relation to globally responsible leadership. In order to provide a structured answer to this question, Fundação Dom Cabral has established a simple assessment tool – the Positioning Matrix for a Globally Responsible Company, which is based on two axes: the development stages and the areas of Globally Responsible Leadership.

DIMENSIONS OF THE DEVELOPMENT STAGES	ELEMENTARY	COMMITTED	TRANSFORMATIVE
<b>Time</b>	Past	Present	Future
<b>Performance area</b>	Individual and Organisational	Society	Humanity
<b>How companies perform</b>	Meets the legal norms aspects. Takes past solutions and suits them to the present reality	Criticizes and enunciates existing gaps in order to take advantage of the potential that exists in reality	Creates new realities in order to take ownership of what can be done and generates longevity and sustainability

Figure 1: The development stages of the Globally Responsible Leadership

### Development Stages of Globally Responsible Leadership

The Globally Responsible Leadership development stage of a company can be divided into elementary, committed or transformative, as shown in Figure 1.

Companies in the *elementary stage* pay special attention to individual and organisational performance. They do not pay attention to the aspects of the societies in which they operate or to society as a whole. Knowledge in these companies is focused on legal and normative issues, that is, they live exclusively in the present and survive thanks to past successes.

Companies in the *committed stage* place added attention on their performance for the society in which they function. These companies are concerned with criticising and enunciating existing gaps in order to take advantage of this potential.

The companies in the *transformative stage* add attention to what would happen to the humanity. These companies are concerned with the creation of new realities in order to take ownership of what can be done, thus generating longevity and sustainability.

### Areas of Globally Responsible Leadership

According to the 2008 GRLI's Call for Action, globally responsible leadership requires that cultural and mental changes be based on the analysis of three areas. First, the organisation's *reason for being* is to contribute to general well being through economic progress. Entrepreneurship is defined by initiative, dynamism and innovation, and should be at the heart of company's action to create economic and social progress in a sustainable and globally responsible way. Second, *responsible leadership* implies basing actions on a value system that recognises societal interdependence and long-term sustainable development. The major ethical issue of our time is how to choose the type of world we want to build together, taking into account the vast range of resources that we have at hand. Third, *corporate statesmanship* refers to the organisation as an

active contributor to social development and well being. A responsible company commits itself to conduct an open debate as long as its actions can bring important social consequences. This includes paying close attention and contributing to the public debate.

Crossing the development stages with the areas of Globally Responsible Leadership will result in the Positioning Matrix for a Globally Responsible Company, as shown in Figure 2. This matrix may be used to assess the current and desired (future) position of the company in each of the three areas, thus enhancing the sense of urgency for the change.

### Defining the Specific Contribution from the Company – The Materiality Map

The Material Map is a tool that enables us to visualise and prioritise the global sustainability challenges, in terms of their importance in relation to the company and to society. The Map is built in a simple way. First, the most and least important challenges that the country currently faces are identified. Reports of international bodies such as UNDP may contribute to this evaluation. In the second step, the major and minor challenges that are currently most important for the company are identified. The reconciliation of the results led us to the Materiality Map of sustainability challenges, which represents a structured image of the most important points, as shown in the Figure 3.

In the “Positive Agenda”, the challenges that are considered are those that are the most important for the country and the company, and which may serve as a common ground for cooperation. This means that the challenges in this field, being of concern to all, represent opportunities for the company's participation in the drive for common needs.

In the area defined as “Social Agenda” are condensed the challenges considered the most important for the country,

Area / Stage	Company's Reason for Being	Leadership and Ethics	Corporate Statesman
<b>Elementary</b>	Essentially financial logic. Meets legal norms.	Protects the interests of the company in a market ideology.	Direct impacts in the stakeholders linked to the presence of the company in the market.
<b>Committed</b>	Commitment to competitiveness within the value chain to improve its position in the market.	Recognizes the company as an independent social body and generates value in the present.	Direct and indirect impacts, considering the market and societal agents.
<b>Transformative</b>	Commitment to a global vision of social process and sustainable development.	Supports proactive actions and strategies in a system of values that recognizes societal interdependence and long-term business development. Projects new realities for the future.	Active contribution to social well being. Open debate and political will to change the social regulation and the governance in a local and global scope.

Figure 2: The Positioning Matrix for a Globally Responsible Company

even if they are not necessarily the most important challenges for the company. This means that the challenges in this field, being elements of concern for humanity, represent opportunities for the company's contribution to social and sustainable development of external needs, most likely by acting as a pivot between businesses, governmental and nongovernmental organisations.

The area defined as "Corporate Agenda" combines the challenges considered as the most important for the company, but that are not the most important for the country. This means that the challenges in this field present commercial opportunities and are aligned with the needs of

the planet, deserving some investment by the company.

And, finally, the area defined as "Blind Agenda" combines the challenges considered as less important for the country and the company. The challenges in this field, being elements of global concern, present opportunities for the company to adopt a vanguard position in relation to the needs of the planet.

Once the specific contribution of the company in relation to sustainability challenges is determined, we could move to the formulation of strategic objectives through a traditional process of strategic planning. The results of the application of

these tools in ARPEL affiliates are described below.

#### Costa Rica – The RECOPE Case

The first assistance under the agreement was realised in late 2009 at RECOPE along with INCAE Business School. We helped the company include sustainability in its strategic planning and deploy objectives and an action plan. INCAE was expected to support its implementation in the future.

Costa Rica's state oil refinery RECOPE engages in the import, refining, transportation and sale of oil and derivatives. During 2007 the company underwent a

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Companies in the *committed stage* place add attention on their performance for the society in which they function. These companies are concerned with criticising and enunciating existing gaps in order to take advantage of this potential

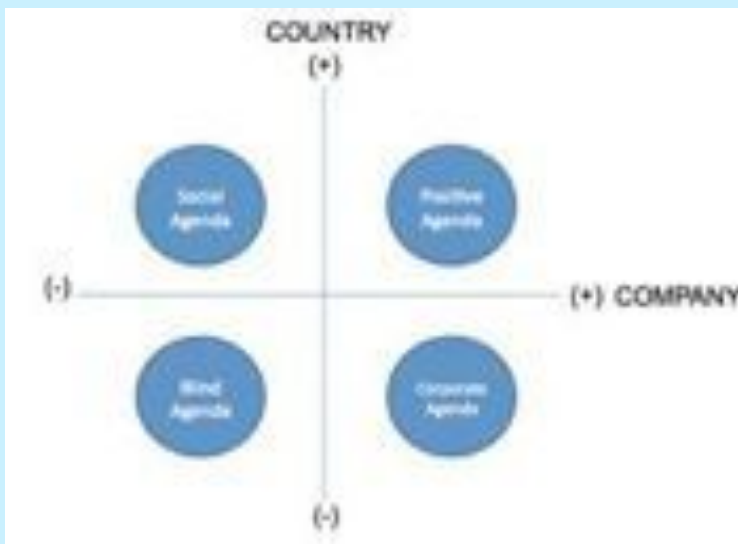


Figure 3: The Materiality Map

strategic diagnosis through a participative process. As a result, the Corporate Strategic Plan 2009-2013 arose, which looked to improve business management under various dimensions – organisation, infrastructure, leadership, and technological resources, among others.

With this strategic plan as the starting point and the challenges that sustainability represents for the company, RECOPE’s Sustainability Committee understood that the assistance offered by ARPEL in partnership with CIDA and Fundação Dom Cabral could help them establish strategic objectives to guide the participation of the company in regional and world markets in a sustainable way.

The work was thus formatted with this objective and carried out in three principal stages. In the first stage, interviews were conducted with 11 collaborators from the company over a period of two days. In the second stage, a one-day workshop was held with senior

management, in which four strategic objectives for the development of globally responsible leadership in the company were established. In the third stage, a two-day workshop was held with the company’s senior managers, and 36 actions and projects for the implementation of these objectives were established and prioritised.

**Colombia – The ECOPETROL Case**

The second assistance occurred in the second semester of 2010 at ECOPETROL along with Universidad de los Andes. ECOPETROL is the largest company and the main oil company in Colombia. It belongs to the 40 largest oil companies in the world and is one of the four largest in Latin America. The company’s vision is to achieve a production of 1.3 million “clean” barrels – which means with no accidents, no environmental incidents, in harmony with stakeholders – with normal labour relationships and taking in consideration three dimensions: economic, environmental and social.

Taking this strategic goal as the starting point and the challenges that sustainability represents for the company, the ECOPETROL’s Sustainability Committee understood, from our interaction with them, that the company could do much more for the environment and for the Colombian society. We then decided that the first step in this direction would be to perform a participative assessment of three management instruments used to guide the company’s action: Strategic Planning, the Leadership Model and the CSR Plan.

The work was designed with this objective in mind and carried out in three stages. In the first stage, interviews were conducted with 12 collaborators from the company, over a period of two days. In the second stage, a one-day workshop was held with the Executive Board. Besides

exploring the concepts of the GRL and giving feedback on the interviews, we defined in this workshop the current and future positioning of the company from the GRL standpoint, and discussed the guidelines required for this development. In the third stage, two workshops (one day each) were held with the company senior managers, exploring the concepts of GRL, assessing the management instruments and discussing proposals for reviewing them.

At the present stage, we are working with ECOPEPETROL's Corporate University to provide continuity and to expand the program – that is, to create a CSR module that cover both the the leaders of the company as well as the workers from their value chain.

#### Uruguay – The ANCAP Case

The third assistance under this agreement was realised in late 2010 at ANCAP along with Universidad de la Republica. Taking into the consideration UNDP reports for Uruguay, we assisted ANCAP in defining their specific contribution to the country's society and in consolidating a plan of action for medium term (two to three years). Also, ANCAP decided to create an association with Universidad de la Republica for the ANCAP Centre of Globally Responsible Leadership, a seed for a CoRA in Uruguay.

ANCAP is a state enterprise whose businesses are fuel, lubricants, gas, alcohol and Portland cement. The company has recently modified its organisational structure and created a CSR department to coordinate actions in this field. The company's vision is to “be an integrated energy company, state owned, leader in the Uruguayan market of fuels and lubricants, in the Portland cement market, and in the development of biofuels; with regional vocation, focusing on the customer and on environmental and social value creation, and which contributes to productive and social development of the country.”

With this vision as starting point, ANCAP Sustainability Committee, Fundação Dom Cabral and Universidad de la Republica decided that the technical assistance should focus on raising awareness of the Board and senior managers about the concepts of GRL and defining initiatives that could be included in the company's strategic planning. Also, incentives should be created for the development of training initiatives.

The work was carried out in three stages. In the first stage, interviews were conducted with thirteen employees of the company over a period of two days. In the second stage, a one-day workshop was held with the Executive Board. Besides exploring the concepts of the Globally Responsible Leadership and giving feedback on the interviews, we took advantage of this meeting to define the current and future positioning of the company, from the GRL standpoint, and discuss the guidelines required for this development. In the third stage, one two-day workshop was held with the company's senior managers, assessing the PNUD reports for Uruguay and discussing the potential initiatives for ANCAP to contribute more actively to the nation.

Developing the businesses of the 21<sup>st</sup> century and the CoRA has proven a major challenge in Latin America, which ultimately depends on the quality and effectiveness of those involved.

The partnership with ARPEL and the biggest companies in the region has proved to be an excellent starting point to spread the concepts of Globally Responsible Leadership, which we expect to enhance in the near future.

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# Building a High Performance Organisation to Withstand Turbulent Times

RICHARD BARRETT

**G**one are the days of stability when you could develop a strategy and confidently plan the growth of your business over a five-year period. We are now living through a different period of history – a period that is marked by unanticipated events with regional and global impacts on business. Events such as the economic crash of 2008, rapidly fluctuating currency rates, the volcano eruption in Iceland in 2010, and in 2011, the earthquake and tsunami in Japan, the chaos that has enveloped the Middle East in the people's struggle for democracy and the UK government's rigorous budget cutbacks. It makes it really hard to run a business when you are constantly being sideswiped by unanticipated events that have an impact on your market place.

As a CEO, what can you do to protect your company from this chaos and turbulence? What can you do to survive and thrive? Complacency won't help you and maintaining the status quo will be a recipe for disaster. So, what can you do?

There is only one thing you can do: focus on building a resilient company that is designed to withstand market shocks. But how do you do that? Well, one resource you might turn to are the principles that have guided 14 billion years of successful evolution.

## **What has evolution to teach us about organisational resilience?**

There are three principles and five strategies behind all successful evolution.

At each stage of evolution an increase in the level of complexity of external conditions demanded an increase in the level of complexity of the internal decision-making capacity. In other words, as our physical world evolved from energy to atoms, to molecules, to cells, to organisms, to creatures, the

internal worlds of these entities also evolved. Put very simply, every stage of physical evolution was accompanied by an equivalent stage in the evolution of consciousness – in the evolution of the mind's capacity to handle complexity.

The three universal principles of evolution are as follows:

Stage 1: Individual entities must first learn how to become viable and independent in their normal framework conditions of existence.

Stage 2: As changes take place in an entity's framework conditions, challenging the entity's ability to survive and thrive due to an increase in complexity and external threats, entities learned how to increase their resilience by bonding with other compatible entities to form a group structure.

Stage 3: As further changes took place, creating more complex and threatening life conditions, group structure's learned how to increase their resilience by cooperating with other similar and compatible group structures to form a higher order entity.

We see this three-stage pattern of evolution throughout the whole of evolution. After atoms became viable and independent in their framework of existence, they bonded with other atoms to form molecules. As framework conditions became more threatening, molecules adapted by learning how to cooperate with each other to form a higher order entity called a cell. Once cells had become viable and independent in their framework of existence, they bonded with each other to form organisms. As framework conditions became more threatening, organisms adapted by learning how to

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## As a CEO, what can you do to protect your company from this chaos and turbulence? What can you do to survive and thrive?

cooperate with each other to create a higher order entity called *Homo sapiens*.

What does this mean for your organisation? Simply this:

First, you must encourage your employees to become viable, independent entities so they can be relied on to fulfil their roles in the company in a responsible, agile and accountable manner. They must be empowered to make decisions as and when necessary without having to traverse layers of hierarchy or bureaucracy.

Second, you must create a shared sense of mission and a shared set of values that enable your employees to bond together to form viable independent group structures such as teams, divisions and business units. Team spirit and trust are vitally important.

Third, you must create the conditions whereby your teams, division and business units are encouraged to cooperate with each other for the good of the whole – to create a higher order entity, known as the organisation. To meet this need you will need to develop a high degree of empathy.

### **Characteristics of successful leaders**

To promote this way of being, you will need to find and develop leaders who embody the five strategies necessary for successful evolution.

The five strategies that must be embodied for successful evolution are as follows:

*Adaptability:* Adaptability is the ability of an entity to maintain internal stability and external equilibrium when changes occur in its external environment. There are two components to adaptability: speed and resilience. The speed or agility with which a leader is able to adapt is very important in improving the organisation's chances of survival. The resilience of an organisation is a measure of the scope or range of changes or shocks that it can successfully withstand and



quickly bounce back to internal stability and external equilibrium. The more resilience an organisation possesses, the greater will be its ability to survive.

*Continuous Learning:* The second-most important quality is continuous learning. There are two important components to successful continuous learning. First, the ability of an organisation to institutionalise (store in memory) its learning about maintaining or enhancing internal stability and external equilibrium so that it can repeat successful responses to changes in its environment and avoid responses that were not previously successful – the ability of the leader to learn from mistakes. Second, the ability of an entity to use whatever it has learned in the past as a platform for future learning through the use of fuzzy logic

– reasoning that is approximate rather than precise. This means being able to use past learning to help determine a response to a new situation that has never been encountered before. This quality lies at the core of innovation, the principal manner in which adaptability manifests.

*The Ability to Bond:* Bonding is an important adaptability strategy in evolution because it builds resilience. Whenever the framework conditions that an entity encounters are more complex than it is used to handling and threaten its internal stability and external equilibrium, then the ability to bond with other entities for the purpose of mutual survival is very important. Successful bonding requires an alignment of values. Successful bonding maximises the amount of energy that is available to the bonded entities for responding to external challenges and, at the same time, minimises the amount of energy that is required for maintaining internal stability. Bonding can be a strategy for both maintaining (surviving) and enhancing (thriving) external equilibrium. For human beings, strong bonds require a high degree of trust.

*The Ability to Cooperate:* Cooperation is also an important adaptability strategy in evolution. Whenever the framework conditions that a group structure encounters are more complex than it is used to handling and threaten its external equilibrium, then the ability to cooperate with other group structures for the purpose of mutual survival is very important. Successful cooperation requires an alignment of purpose. Not only does cooperation enable surviving, it also enables thriving. When the framework conditions are favourable and group structures are aligned, then cooperation allows you to build a resilient higher order entity. For human beings, cooperation requires a high degree of empathy.

*The Ability to Handle Complexity:* The ability to survive and thrive in increasingly complex framework conditions lies at the core of evolution. This means being able to handle the internal complexity of a group structure as well as the external complexity of the framework conditions. Unlike the other four qualities, as far as humans are concerned, the ability to handle complexity to a certain extent is age-dependent and depends on wisdom. We can develop our adaptability, continuous learning, bonding, and cooperating skills at almost any age. Our ability to handle complexity, however, develops gradually and naturally as we grow older through experience.

Because these are the most important characteristics for evolution, they are also the most important characteristics for talent selection. Selecting leaders who embody these characteristics and training them to enhance these qualities is vital for your survival.

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image courtesy: photos.com

# Reflections on the Journey

MARK DREWELL



**T**he GR LI community has been working for the past seven years on the question of how to develop a new generation of globally responsible leaders. Our intervention point has been businesses and business schools and from our humble beginnings in 2004 with 21 organisations from around the world we have grown to 68 Partners today.

We are not a think tank or an academy. We are a “do-tank” – a community of action interested in effecting change at a systemic level.

The challenge of change starts with a recognising the flaws in the overall economic system. I highlight two:

**The first is that we cannot have a perpetual growth economy.** Paul Gilding puts it succinctly in his newly published book **The Great Disruption**. The opening line says it all: “The earth is full.”

Yet every nation on earth has GDP growth as it’s primary goal.

Why did we develop this system and why is it perpetuated?

First, we developed it because it did the job of addressing human needs. Second, developed it because we didn’t imagine that there we would ever reach a point where we would have an economy so big that it would outgrow the natural system on which it depends on for its existence. Formally, we didn’t know that until the Club of Rome’s seminal work on the limits to growth culminated in the publishing of a book by the same name in 1972.

Since 1972 we have known – at least environmental scientists have known about what is commonly termed **the limited earth problem**. However, our economic policy makers and experts have chosen to ignore the information.

In other words, our global policy making system has chosen to remain, broadly speaking, ecologically illiterate.

I would like to suggest that the reason for this can be found in the second “problem of our system.” This lies in a different kind of illiteracy – social illiteracy. We are socially illiterate in that we design and manage our economy on the assumption that “shopping makes us happy”. Economic growth, which should be a means to an end, is now, as it has been since at least the Second World War, THE goal. This is social illiteracy of the most basic kind because the evidence is clear from the social sciences that shopping **does not** make

image courtesy: photos.com

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**Social scientists will tell us, if we bother to listen, that for all human beings irrespective of religious beliefs or lack of them, the things that really matter are love (family and relationships), being in community, learning new things, doing meaningful work and serving others**

us happy. It is notable that, when we allow ourselves to measure success by material wealth the depressing fact is that the only time we can observe any real satisfaction is when we are better off than those around us. It's like a kind of social arms race where instead of feeling safe if I have more nuclear weapons than you do, I feel happy if I have more and newer cars and fridges.

Social scientists will tell us, if we bother to listen, that for all human beings irrespective of religious beliefs or lack of them, the things that really matter are love (family and relationships), being in community, learning new things, doing meaningful work and serving others. And to that we might add being connected in a profound sense to nature.

In fact there is considerable evidence that all of these things (love, community, learning, meaningful work, service and connecting with nature) are equally important even when your basic needs are not met. Personal observation of the townships of South Africa over many years confirms my sense that this is true.

The interesting thing is that growing numbers of people across the world in all societies are beginning to understand that the economic system is built on these two fundamentally flawed premises – perpetual growth is possible and it is desirable because having more stuff is what it is all about.

And the encouraging thing from a change perspective is that as we reach the limits to growth, more and more people are starting to ask deeper questions in the search for solutions. This is creating conditions in the system where profound change is not only necessary, but now inevitable.

**I would like to make some observations on the development of leadership.**

Our work at the GRLI over the past few years has led us

to the conclusion that the large scale development of new leadership capabilities is the key to enabling an effective societal response, moreover we are generally developing leaders capable of making sense of the logic of the last economy, not the logic of the emerging one.

We call the newly required capability Globally Responsible Leadership as it reflects the nature of the problems confronting us being both interconnected and global and therefore demanding solutions even at a local level, which reflect this reality.

The development of globally responsible leaders needs to be explicit and structured around three core areas.

First, it begins with a deep questioning of purpose. This process has two dimensions – an inward journey of exploration of self – who am I, what do I believe, what kind of world do I want to live in. This is unfamiliar territory to most people and unfamiliar for most mainstream teachers who lack the pedagogical knowledge to be able to enable such reflection. I say enable, because this is not a cognitive intellectual transfer of knowledge from expert human being A to ignorant human being B. It is a deep conversation amongst fellow human beings about hopes, dreams, fears and values.

Coupled with the journey of the individual, is a re-examination of purpose of the organisation in the context of societal need. This conversation is enabled through developing ecological and social literacy amongst leaders (especially in terms of the challenges the world is facing) and then asking in that context, what could be a reconceived purpose for the organisation. The good news for traditional academics is that the social and ecological literacy required is pretty basic stuff and can easily be obtained by even a brief engagement with fellow academics in the appropriate disciplines.

The second dimension of the development of globally responsible leaders is a deeper understanding of



## Our analysis shows that this kind of leadership development is lacking in all societies and across most organisations. It is, we believe, critical to enabling the capacity for leaders to act to change the system in which they work

leadership and to anchor it in values. In this context leadership is about sense making – understanding what is going on in the world – and sense giving – translating that context into something, which an organisation can then act upon.

The reason values come into the equation is that values or ethics lie at the heart of connecting cognitive understanding of what an organisation can and should do, with the will to act. And the better news is that there is substantial evidence from the work of the Barrett Values Centre that companies which are purpose led and values driven, are invariably high performing. This is both good for the planet and society and good for business.

The third element to add to re-examining purpose and deepening the understanding of leadership as sense making and sense giving rooted in values is the concept of statesmanship. Statesmanship is the process of acting on behalf of the common good over and beyond the immediate interest of the organisation. Statesmanship is where leaders in society join forces to change the system even where there is potential that their own immediate interest may not be served by doing so.

Our analysis shows that this kind of leadership development is lacking in all societies and across most organisations. It is, we believe, critical to enabling the capacity for leaders to act to change the system in which they work.

This is a substantial task.

In the words of the writer Paul Hawken: “The great thing about the dilemma we are in is that we get to re-imagine every single thing we do. There isn’t one single thing we make, or one single system we have, that doesn’t require a complete remake. What a great time to be born, what a great time to be alive because this generation gets to essentially completely change the world.”

Paul Gilding argues that we are already in a fundamental transition where the new landscape is emerging bottom up from a growing critical mass of people deciding to shop less, live more, raise children and build more community and make their lives more connected, make good companies grow stronger and bad companies go broke, elect good political leaders and throw out bad ones, roll out technologies that work and phase out those that don’t.

This is the future beyond fund manager capitalism. This is the landscape of opportunity for businesses in every part of the world.

Business schools can choose to develop a next generation of business leaders who are socially and ecologically literate and know how to operate in this emerging new world. And business schools have an opportunity to develop globally responsible leaders who see themselves as statesmen for the common good and will decide to act to take us into a socially just and ecologically sustainable future.

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#### ABOUT THE AUTHOR

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Chief Executive, GRLI Foundation

Footnote: The insights offered in this opinion piece are drawn from the author’s experiences in business and society and the context of working in the GRLI since its foundation in 2004.

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# Petrobras Globally Responsible Leadership Manual: *History of its construction and implementation*

ANA MAGYAR

According to the commitment made by Petrobras's President José Sergio Gabrielli de Azevedo at the UN Global Compact Board on June 28, 2006, Petrobras University Business and Management School launched the "Globally Responsible Leadership in Petrobras" project in association with Dom Cabral Foundation. Its purpose was to incorporate the Global Compact principles into the company's various programs and initiatives.

This project included the construction of a Petrobras Globally Responsible Leadership Manual, which serves as a reference that is compatible with the organisation's values and culture. Didactic case studies related to issues of environmental and social responsibility were applied both in the courses and in the projects developed by Petrobras University and by the company as a whole. These actions also finally culminated in a Globally Responsible Leaders Development Program in Petrobras.

The Company's Executive Managers and General Managers were invited to take part in four eight-to-sixteen-hour long Executive Seminars in 2007 and 2008. In these programs they discussed



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This project included the construction of a Petrobras Globally Responsible Leadership Manual, which serves as a reference that is compatible with the organisation's values and culture



image courtesy: Petrobras

the conceptual basis that informed the writing of the Manual. In these meetings they also selected the projects and subjects to inspire the writing of eight case studies. In association with Dom Cabral Foundation, these contents were systemised and, in a subsequent phase, sanctioned by the Petrobras Board, having been officially handed to the UN and to GRLI in June 2010.

In its current phase, the Petrobras Globally Responsible Leadership project intends to qualify multipliers for the Global Compact principles. This effort, will enable the wide dissemination of this content throughout the Petrobras system. Similar to the Ethics Code and the Company's Social Responsibility Policy, which permeate every activity developed in the country and abroad, this project intends to instil the concept of responsible leadership in employees and suppliers. When applied to their actions and routines developed in the work processes, it will actually serve as an agent of change.

In addition to providing an alignment with the Global Compact principles aided by the perspective of the company's managers, the Manual presents a definition of globally responsible leadership specifically for Petrobras. This definition incorporates and complements the guidelines of Petrobras Environmental and Social Responsibility Policy, as well as the guidelines of the Ethics Code:

"Globally Responsible Leadership is to manage the company in an integrated, ethical and transparent manner, in business activities and relationships with all the stakeholders, supporting human rights and citizenship, respecting human and cultural diversity, preventing discrimination, degrading work, child and slave labour, respecting the environment, contributing to sustainable development and to the creation of social and economic values, reducing social inequalities in Brazil and in the other countries where the company is present"





image courtesy: Petrobras

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Similar to the Ethics Code and the Company's Social Responsibility Policy, which permeate every activity developed in the country and abroad, this project intends to instil the concept of responsible leadership in employees and suppliers

Along with the Case Studies, the Manual is a teaching tool to be used in Petrobras University's programs, not only in its continuous education and specialisation courses, but also in the Supervisors and Managerial Development Programs, and in other Qualifying Programmes.

In relation to the Qualifying Programmes, it is worth pointing out that Petrobras Corporate University's Qualifying Courses are pre-requirements and the "entrance door" for new employees, who in great majority are part of the so-called "Y-Generation". This group generally has a more realistic and attentive perspective about the problems and afflictions of the 21<sup>st</sup> century when compared to previous generations, – for example, on issues such as pollution, water shortage, poverty, etc. It is a generation born with an ever-growing awareness of social and environmental problems. This generation is therefore, theoretically more likely to be emotionally moved by the principles and concepts described here, though that premise must be verified.

Furthermore, both internal and external teachers at Petrobras University should be equally qualified, so they have incorporated the responsible leadership principles into their specific subjects, in order for them to teach/convey the relationship that is established between the concepts and the importance of being ethical and responsible.

Regarding the Supervisors and Managerial Development Programs, the relevance of qualifying mainly the medium management cohort stands out. The Coordinators, Supervisors and Sector Managers, who are the most representative target groups in terms of quantity and work area, represent these managers at Petrobras. The middle managers play an essential part in the organisation because they are the ones who translate the higher management strategies into concrete business plans. They also communicate with the employees and their teams and directly manage the business. These managers are essential to organisational improvement and ensuring that employees commitment to organisational performance. They have access to the higher management perspective and also to the problems and challenges of the other employees in the fulfilment of their duties. They are, therefore, the ones who have priority in terms of the multipliers, and the ones who will have the greatest need of support and structure to produce the expected results. In relation to Petrobras Executive and General Managers, these managers may have specific qualifications to be determined in accordance with each person's availability and the business area to which they belong.

The training of multipliers is crucial for the implementation of this ambitious work, which commenced in March of this year. The first step of the multipliers program consists of an approximately 15-day asynchronous guided study. In this study the history of GR LI in the United Nations and in Petrobras will be discussed – supported by available documentation such as the Responsible Leadership Manual. This study aims to line up the understanding of the concepts and guidelines of the Global Compact and responsible leadership at Petrobras. The second step consists of a 32-hour on-site course, to be distributed in eight-hour weekly classes. The third step consists of attending the two-day final course,

which is the course that will be replicated by the multipliers in the classroom. Finally, each multiplier who has graduated to this step will perform a pilot demonstration of these 16-hours to be formally certified.

This project's workgroup comprises the employees and the Manager and the Coordinator of Petrobras University's Business and Management School, the employees and managers from the Petrobras Social Responsibility Communication Area and Professors from Dom Cabral Foundation.

The next steps for the project will be to organise the material for the Guided Study, as well as to select and invite the potential candidates for the qualification course and stimulate their commitment. It is expected that 2011 will be the company's turning-point year for this purpose – that is, to enable responsible and qualified leaders to act as agents of change. This goal is governed by President José Sergio Gabrielli in compliance with the efforts and the results already achieved by the successful HSEE policy (Health, Safety, Environment and Energy Efficiency) and Environmental and Social Responsibility policy, as well the Ethics Code. The inclusion of Petrobras in the Dow Jones Sustainability Index in 2006 reflects the progress achieved with these initiatives over the years.

The multipliers and the GR LI concepts dissemination project require a great deal of effort to achieve the perspective, the mission and the strategies defined in the 2010-2014 Petrobras Business Plan and in the 2020 Strategic Plan. These plans challenge Petrobras to be an international reference on social responsibility in business management, contributing to the country's sustainable development and to the communities where it has a presence. In short, it is a continuous learning process and a challenge to pursue.

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Research you can use



image courtesy: Cycle Chalao!

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Frustrated with their daily experiences, they decided to list all the various problems and hurdles faced by Mumbaikars in their daily commute and finally zeroed in on “traffic” as one of the major issues causing commuting problems

# What Does it Mean to be a Responsible Manager?

RAJKUMAR JANAGAM, JUI GANGAN , JYOTIKA BHATIA  
**2010 GLOBALLY RESPONSIBLE LEADERSHIP INITIATIVE (GRLI) AND  
 NET IMPACT YOUNG AMBASSADOR RECIPIENTS**

The Globally Responsible Leadership Initiative (GRLI) and Net Impact are pleased to announce the winner of "Shaping Tomorrow's Leaders - the GRLI and Net Impact Challenge", a team-based competition where students and young managers were given the chance to present their views on **"How can next generation leaders contribute to the development of globally responsible leadership?"**

"Cycle Chalao!" is the winning project, selected from among 39 strong proposals from all over the world, submitted by three students in the MBA

programme in Social Entrepreneurship from the Narsee Monjee Institute of Management Studies (NMIMS), Social Entrepreneurship Cell, based in Mumbai, India. They are Rajkumar Janagam, Jui Gangan and Jyotika Bhatia. All three are involved in the management of this social business that was awarded the inaugural GRLI and Net Impact award because it is a concrete, hands-on, replicable and inspiring initiative that proves how students can set an example of being a globally responsible leader.



image courtesy: Cycle Chalao!



## the team came up with the concept of renting bicycles for short-distance travel, and thus the concept of ‘Cycle Chalao!’ was born

Cycle Chalao! is the flagship project of I-initiate (<http://www.i-initiate.org>) and Impact Carbocuts Pvt. Ltd. The founders – Rajkumar Janagam, Jui Gangan and Jyotika Bhatia – have a shared vision to create social change models by involving and empowering youth to take action.

### **The evolution of Cycle Chalao!**

As students, team members have faced lot of commuting problems while going to their college. Frustrated with their daily experiences, they decided to list all the various problems and hurdles faced by Mumbaikars in their daily commute and finally zeroed in on “traffic” as one of the major issues causing commuting problems. The team started looking for practical and feasible ways in which this issue could be resolved. Consistent deliberations and discussions led them to come up with the solution, which was tested and tried in many parts of the world, and that was the use of a bicycle sharing programme. Rajkumar recalls that the “statistics showed phenomenal increase in the number of bike sharing systems worldwide in the last decade. There are so many models, from state-sponsored to purely entrepreneurial ones, our dilemma was thinking not just about feasibility but about which model should be adopted and applied.” With this in mind, the team came up with the concept of renting bicycles for short-distance travel, and thus the concept of ‘Cycle Chalao!’ was born.

### **Need assessment & market research**

In 2009, under a youth fellowship programme from PUKAR (Partners for Urban Knowledge and Research), Cycle Chalao! conducted research on the attitude of urban youth towards riding a bicycle to determine the project’s feasibility. The team surveyed 315 students, call center professionals, and sports club members across four different colleges, sports clubs and call centers in Mumbai and the suburbs. The research findings revealed that 53% of the respondents were willing to switch to a non-motorized mode of transport for short distance travel provided such service was available. Subsequently, the team mapped locations which were safe for bicycle riding in Mumbai. Apart from the PUKAR’s research, the team also undertook secondary research to understand other bike sharing programmes that are operational across the globe in countries like the Netherlands France, and Spain. This review enhanced the team’s knowledge in the areas of

management of operations, financials system and risk factors that were involved in bike sharing models.

### **Pilot project**

Mulund (the central suburbs of Mumbai) was selected to launch the Cycle Chalao! pilot project because of favourable factors such as: support from the local social workers; permissions from the BMC and Vaze Kelkar College<sup>1</sup> to start the service; availability of parking space; and environmental and bicycle friendly lanes.

### *Launch of the pilot project*

The pilot project was launched on 25<sup>th</sup> January, 2010. It created huge impact in the first month by having more than 250 unique rides and more than 150 students opting for the service, which helped the project achieve break-even status in the first month of launch.

### *Social Marketing*

Social Marketing played an important role in promoting the concept of Cycle Chalao! among the students of Kelkar College and in other parts of the city. Through these awareness drives we are constantly trying to share information about Cycle Chalao! and understand the attitude of the general public towards riding bicycles

### *Current Operational Structure*

The service is established at two spots at Mulund – one near the railway station (Mulund East) and second spot near the V.G. Vaze Kelkar College, renting bicycles to only Kelkar college students. The students take the bicycles from the station while going to their college and leave the bicycle at the college spot, and vice versa. The rental charges are 10 INR-, 45 INR and 175 INR for daily, weekly and monthly usage.

### *Target Audiences*

The target audiences for the project are the following:

- Students: Secondary Schools, Junior, Graduation and Post Graduation Colleges
- Environmentally-conscious people: Individuals and civil societies
- Courier boys, food delivery service people and postmen, etc.
- Professionals working in large commercial offices
- Fitness conscious people

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## Cycle Chalao! is planning to scale up its operations at different places in Mumbai and Pune by the end of 2011 and has the possibility of getting investment from different sources

### Management team

The current core team consists of Rajkumar Janagam, Jui Gangan and couple of interns from Mumbai. They have been studying for a part-time MBA in social entrepreneurship and working in the development sector for the past four years. The roles and responsibilities of the team are as follows:



*Relations, Human Resource and Operations Director*

**Rajkumar Janagam**, founder of Cycle Chalao!, has an academic background in Social Entrepreneurship at NMIMS and four years of experience in the development sector, particularly in transparency and accountability.

Through Right To Information he brings a lot of expertise of project management, campaigning & strategic planning into the organisation. Currently Raj spends most of his time steering the overall strategy and investor relations. Find out more about Raj on LinkedIn: <http://in.linkedin.com/in/janagam>



*Marketing and Outreach Director*

**Jui Gangan**, co-founder of Cycle Chalao!, is a student of social entrepreneurship at NMIMS University. She managed her family business in a retail chain of outlets by supporting retail marketing strategies. She has contributed to the organisation in resource mobilisation, social marketing and volunteer management. Jui also looks after

finance and compliance as well. Find out more about Jui on <http://in.linkedin.com/pub/jui-gangan/18/134/9b8>



*Co-founder*

**Jyotika Bhatia**, co-founder of Cycle Chalao! and the former *Finance and Compliance Director* has worked in the development sector for the past two and half years. Her academic background in social entrepreneurship at NMIMS and psychology coupled with her creative and analytical skill in financial controls add professional

credibility to the organization. Find out more about Jyotika on <http://in.linkedin.com/pub/jyotika-bhatia/b/9ab/407>

*Spot Managers*

Cycle Chalao! employs people from economically deprived backgrounds to work as spot managers – issuing bicycles, collecting rentals, keeping a balanced number of bicycles by coordinating with fellow spot managers, and securing and maintaining bicycles and parking spots.

### Challenges

The following are the various challenges that the project is currently facing:

#### (a) Internal challenges

*Operational Challenges:*

Recruiting appropriate, efficient and effective manpower to manage its routine operations as well as security of the bicycles are the most important challenges the team is currently facing. The project needs trustworthy spot managers who will be able to manage routine operations of renting bicycles, maintenance of the bicycles, keeping registers and other tasks. The team is also looking for security guards who can take care of the bicycles at night. Further, the project needs an operations manager who can look after the entire ground activities including managing and coordinating with the spot managers, security guards, dealing with the local government authorities, and on the like.



### Scaling up

Cycle Chalao! is in the process of scaling up the project by launching the service at different places in Mumbai and Pune by end of 2011. The team is facing two major hurdles in terms of expansion: funds and technology. The team is currently devising a fundraising strategy. Second, the team is looking for a cost-effective form of technology – such as swipe/smart cards and tracking systems – for the easier, faster and transparent way to provide the service. This will help the team to not be dependent on the spot manager for collection of rentals.

### (b) External challenges

#### Permissions

Getting permissions from the Brihanmumbai Municipal Corporation for dedicated parking space for bicycles is one of the major challenges the team is facing. Partnering with the railways to provide parking space for bicycles at the railway stations for scaling up the project is also a challenge.

#### Local Competition

Cycle Chalao! does not have any local competition to date, but scaling up of the pilot project may lead to competition from the local auto rickshaw, taxi and other modes of public transport. Moreover, there are three bike sharing systems which have developed since the launch of Cycle Chalao!

#### Seasonal Impact

Market demand for the bicycles is seasonal. The service experiences low usage during monsoons and vacations. Hence the services of Cycle Chalao! might have to close down due to erratic temperatures. During these seasons the team is trying to arrange tours, expeditions and weekend trips.

### User experience:

Customer satisfaction has always been the top priority for Cycle Chalao! The project's success depends primarily on the attitude of the target audience. The feedback from users helps the project be more efficient and effective in delivery of services. The following are some of the user experiences shared by our target audience at Kelkar College:

Sparsh, final year student of Mass Media, comments "Cycle Chalao! helped me and my group a lot! The people of Cycle Chalao! are highly co-operative. I had a very good experience and am extremely impressed with the management. It's good that people are promoting cycling as a mode of transport for short distances as it is a social and eco-friendly cause. Also it is economical."

Ms. Shalaka Patarkar, final year student, enjoyed the experience of cycling and says, "I am really thankful to the Cycle Chalao! team as they have made me go back to my childhood days and enjoy riding a bicycle. I feel really fresh and peaceful to ride cycle at 6.45 am, as I can even do my daily exercise and keep myself fit. It is also convenient to use this service as the promoters of this service are

very friendly and are always there to help us out in the best possible way. Apart from this I feel happy and satisfied now because I don't have to deal with the auto rickshaw guys." (Find more user testimonials on Cycle Chalao! website: [www.cyclechalao.com](http://www.cyclechalao.com))

### Future plan

Cycle Chalao! is planning to scale up its operations at different places in Mumbai and Pune by the end of 2011 and has the possibility of getting investment from different sources. The team is working on developing a strategy to mitigate the current challenges and expand so as to achieve its vision of integrating bicycles into mainstream public transport in India.

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### ABOUT THE AUTHORS

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# Globally Responsible Leadership Initiative

*developing a next generation of globally responsible leaders*



## ABOUT Globally Responsible Leadership Initiative ([www.grli.org](http://www.grli.org))

The Globally Responsible Leadership Initiative (GRLI) is a worldwide partnership of companies and business schools/learning organisations working together in a laboratory of change to develop a next generation of globally responsible leaders. The GRLI engages in thought leadership, advocacy and projects to achieve measurable impact. Founded in 2004 by EFMD and the UN Global Compact, today it comprises 70 partner (member) organisations who join based on their commitment to transforming leadership development. It is a member organization, a foundation, an advanced laboratory and a movement.

Over the past years the GRLI has developed the concept of global responsibility as a higher order of responsibility beyond CSR and catalysed the creation of two new academic journals (*Journal of Global Responsibility* and *The Sustainability, Accounting, Management and Policy Journal*). Its current work includes a framework to measure global responsibility (The GRID) which has been successfully tested in a number of organisations.

Current projects and activities include faculty development, the establishment of a worldwide network of local Councils for Leadership, Business Summits, Academic Conferences, research into the Corporation of the 21<sup>st</sup> Century, a young ambassadors programme, blueprinting the business school of the 21<sup>st</sup> century and a book series. The GRLI meets twice per year in General Assemblies hosted by a member partner. The next meeting takes place 1-4 October 2011 and is hosted by Daimler in Stuttgart, Germany.

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