Engaging with responsible management in development economics using a student-led pedagogic tool [version 1; peer review: 1 approved, 1 approved with reservations]

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Abstract

This paper proposes the development of a student-led pedagogic tool in an undergraduate development economics module offered in a UK business school. It uses the developing country informal sector as an illustrative example. The informal sector plays a huge role in contributing towards job creation, income generation, and poverty alleviation in developing countries. The overall goal of the tool is to propose recommendations of mechanisms that can be used to incentivise the informal sector to embed responsible management in their practice. The tool is to be jointly developed with students and other stakeholders in a developing country. Students are expected to acquire skills related to researching pertinent topics in the development economics field, critiquing policies and frameworks developed by global intergovernmental organizations such as the United Nations, and engaging with global stakeholders who are directly and indirectly impacted by these policies and frameworks. The paper highlights the connection between development economics, the 2030 Sustainable Development Goals (SDGs), and the United Nations (UN) Principles for Responsible Management Education (PRME). The development of the tool also provides an avenue for business school students to bridge current gaps in educational institutions in developing countries in engaging with the PRME. The activities discussed in the paper present opportunities for business schools to be innovative and flexible in how they deliver responsible management education. This can ultimately expand the diversity of stakeholder involvement in contributing towards the SDGs and responsible management.

Keywords

responsible management, informal sector, development economics, pedagogic tool, student-led
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Introduction

The current paper proposes the development of a student-led pedagogic tool in an undergraduate development economics module offered in a UK business school. In the current paper this tool is formulated using the developing country informal sector\(^1\) as an illustrative example. However, the tool can be applied to other topics in development economics. The scarcity of responsible management studies based on developing contexts presents an opportunity to enhance the education offering of business school students (and students from other disciplines) enrolled in development economics modules and interested in pursuing careers in international development. Such students may end up employed in, for example, charity organizations, government departments, policy think tanks, and intergovernmental organizations. The current paper proposes the development of a student-led pedagogic tool that students can build on to undertake research activities that could culminate in a final year research project, for example.

The approach proposed in the current paper recognizes and engages with the principles articulated in the United Nations (UN) Principles for Responsible Management Education (PRME). The developing country informal sector is used as an illustrative example as it is a sector of substantial importance in contributing towards achieving the United Nations’ Sustainable Development Goals (SDGs). The proposed student-led pedagogic tool will incorporate the voice of the informal sector in developing contexts into responsible management and potentially advocate for the explicit acknowledgment of the informal sector in the UN PRME.

The UN PRME were developed in 2007 with the objective of transforming management education globally by transmitting universal values in education systems across the world (Godemann et al., 2014). Sustainability, inclusivity, environmental and social responsibility are at the core of the principles. PRME is therefore closely linked to the SDGs, which were adopted by member states in 2015. The SDGs are a call for global partnership between developed and developing countries to end poverty and other deprivations alongside improving health and education, reducing inequality, stimulating economic growth, while tackling climate change and working to preserve our oceans and forests. Thus, responsible management education as articulated in the PRME framework can contribute towards achieving the SDGs. Studies such as Storey et al. (2017) view the SDGs as a frame for responsible management education and explore the role of PRME as an agent in this field. Development economics as a subject recognises the SDGs as important components of the development process of developing countries and uses them as a benchmark to assess progress in various economic development metrics.

Despite the obvious connection between development economics, the SDGs and the UN PRME, in most UK business schools PRME seems to be referenced more within business, management, accounting, and finance degrees. This may partly be because accreditation bodies such as the Association to Advance Collegiate Schools of Business (AACSB), European Foundation for Management Development (EFMB), and Association of MBAs (AMBA) are a key part of the PRME governance structure and mandate evidence of responsible management education as part of the accreditation process. Such accreditation is typically recognized and valued in the above-mentioned degree programmes and their related professions (see, e.g., Ellington & Williams, 2017; Hunt, 2015; Trifts, 2012). However, accreditations are often not viewed in the same light within the economics disciple, though valued and recognized when economics departments are part of a business school. Therefore, even though the same principles of sustainability, inclusivity, environmental and social responsibility are at the core of economics education, economics courses may not always explicitly reference or engage with initiatives such as PRME in their curriculum delivery. Development economics, for example, reverberates the PRME principles and specifically considers the behaviour of individuals and households in developing countries and their impact on society, the economy, and the environment, for instance (see, for example, Bardhan & Udry, 1999; Todaro & Smith, 2015). Concurrently, the same topics that are articulated by the SDGs constitute most of the topics taught in development economics.

Thus, it is evident that responsible management education is closely aligned with development economics. Considering this, the current paper sets out to propose an approach of how responsible management education can be explicitly incorporated into the curriculum of an undergraduate development economics module which has students on different programmes both within and outside the business school. However, given most students are coming from developed economy contexts it can be difficult for them to relate with the individual and household perspectives of people in the developing contexts they study. The approach proposed in the current paper gives them an opportunity to closely engage with stakeholders in developing countries. SDG 17 calls for global partnership between developed and developing countries for sustainable development and the need for multi-stakeholder partnerships that mobilize and share knowledge and expertise to support the achievement of the SDGs in all countries, particularly in developing countries. The approach proposed in the current paper directly facilitates partnership between a UK university and a university in a developing country for the purposes of sharing knowledge and developing joint solutions to challenges faced in developing economies.

\(^1\) The International Labour Organization (ILO) definition of informal sector is used in the current paper. The informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantee.
Given the above, the current paper sets out to outline an approach for undergraduate students to develop a pedagogic tool that illustrates the application of responsible management education for a topic in development economics. For illustrative purposes, the topic chosen is the developing country informal sector. Students will be provided the opportunity to develop links with other students in a developing country, work collaboratively to appraise and critique existing frameworks, undertake data collection and analysis, and develop their own framework which incorporates the voice of the informal sector in the responsible management education agenda.

**Responsible management in the informal sector: a student-led pedagogic tool**

The purpose of the tool is for students at a UK institution to work collaboratively with students in an institution in a developing country to undertake activities that recognise the need for an inclusive and sustainable global economy (PRME principle 1). The overarching objective is to develop student capabilities to critique global frameworks in the development economics field using informed judgements that are based on practical applications that engage with a variety of stakeholders. A number of undergraduate students who take development economics express a desire to pursue careers in international development, for example, in government, charity organizations, think tanks and development agencies. Developing this pedagogic tool will enable students to gain first-hand experience working with stakeholders in developing countries for the purposes of tackling global challenges that typically drive the mission and values of the aforementioned institutions.

The approach also directly incorporates the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact into academic activities and curricula (PRME principle 2). The approach also engages with PRME principle 3 through the creation of educational material and processes and an environment that enables effective learning experiences for responsible leadership. Students will also engage in conceptual and empirical research (PRME principle 4) with a focus on the informal sector. In addition, engaging the voice of the informal sector may potentially lead to joint solutions to the challenges faced by the informal sector in participating in environmental and social responsibilities (PRME principle 5) and thus enabling them to engage in dialogue with a variety of stakeholders (PRME principle 6).

In developing this tool, students are expected to achieve the following learning outcomes:

(i) Engage collaboratively with stakeholders in a developing country to examine and critique the principles of responsible management.

(ii) Extrapolate the relationship between responsible management and the developing country informal sector.

(iii) Generate ideas and explore methods for assessing and measuring the role of the developing country informal sector in responsible management.

(iv) Acquire experience engaging with global stakeholders who are directly and indirectly impacted by policies and frameworks developed by global intergovernmental organizations such as the United Nations.

The approach starts out by setting up a group-based challenge in a development economics module where students at a UK university work collaboratively with students at a university in a developing country enrolled on a comparable module. The ultimate objective is for each group to build a student-led tool that encompasses the voice of the developing country informal sector in responsible management. This tool should be replicable in other contexts and can be enhanced over time.

A suggestive approach in developing this tool is as follows:

(i) Students from a UK university and a developing country university will work jointly to define and express the importance of responsible management in the context of a developing country. They will also critically engage with PRME.

(ii) The students will work collaboratively to understand the nature, contributions, and challenges of the informal sector in the developing country.

(iii) The students will investigate the views of informal sector workers about responsible management and its importance. A variety of methods could be employed to here. For example, students could jointly develop a questionnaire to be administered by students in the developing country on a sample of informal sector workers.

(iv) Given findings in (iii), students will work collaboratively to find ways of incentivising informal sector businesses to incorporate the most important aspects of responsible management in their operations.

(v) Students will work collaboratively to write a case study on their findings and develop a framework of responsible management for the informal sector in a developing context that engages with PRME.
Table 1. Mapping of Principles for Responsible Management Education (PRME) principles to learning outcomes and methods of assessment.

<table>
<thead>
<tr>
<th>PRME Principle</th>
<th>Learning outcome</th>
<th>Method of assessment/impact measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Purpose</td>
<td>“We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.”</td>
<td>All</td>
</tr>
<tr>
<td>2 Values</td>
<td>“We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the UN Global Compact.”</td>
<td>(2) Extrapolate the relationship between responsible management and the developing country informal sector</td>
</tr>
<tr>
<td>3 Method</td>
<td>“We will create educational frameworks, materials, processes and environments that enable the effective learning experiences for responsible leadership.”</td>
<td>(3) Generate ideas and explore methods for assessing and measuring the role of the developing country informal sector in responsible management</td>
</tr>
<tr>
<td>4 Research</td>
<td>“We will engage in conceptual and empirical research that advances our understanding about the role, dynamics and impact of corporation in the creation of sustainable social, environmental and economic value.”</td>
<td>(3) Generate ideas and explore methods for assessing and measuring the role of the developing country informal sector in responsible management</td>
</tr>
<tr>
<td>5 Partnership</td>
<td>“We will interact with managers of business corporation to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.”</td>
<td>(1) Engage collaboratively with stakeholders in a developing country to examine and critique the principles of responsible management (PRME). (4) Acquire experience engaging with global stakeholders who are directly and indirectly impacted by policies and frameworks developed by global intergovernmental organizations such as the United Nations.</td>
</tr>
<tr>
<td>6 Dialogue</td>
<td>“We will facilitate and support dialogue among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.”</td>
<td>(1) Engage collaboratively with stakeholders in a developing country to examine and critique the principles of responsible management (PRME). (4) Acquire experience engaging with global stakeholders who are directly and indirectly impacted by policies and frameworks developed by global intergovernmental organizations such as the United Nations.</td>
</tr>
</tbody>
</table>

(vi) The findings in (v) will be reviewed by faculty members and enhancements suggested.

(vii) Interested students will then be given opportunities for further research, e.g., collaboratively with faculty, or as part of a longer project such as a final year dissertation.

(viii) Subject to funding some students may undertake more substantive data collection and further develop their research.

Rationale of using the developing country informal sector as an illustrative example

As business schools, we have a responsibility to equip students to analyse and critique current definitions and frameworks of responsible management, and to develop potential solutions to enhance responsible management globally. The existing gap in the literature regarding responsible management in the informal sector of developing economies presents an opportunity for students to engage on a pertinent topic in development economics, which is under-researched.
According to the International Labour Organization (ILO), globally two billion workers are employed in the informal sector and account for 61% of the global workforce (ILO, 2020). In the 1990s, the informal sector accounted for about a third of GDP in developing economies. By 2010, the informal sector had increased substantially to approximately 50% of GDP (Charmes, 2012). In Africa the extent of informality ranges from 22.57% in Mauritius and 25.9% in South Africa, to 60.6% of GDP in Zimbabwe (Medina & Schneider, 2018). The number of people employed in the informal sector in South Africa increased from 2.1 million in 2009 to 3 million in 2019 (Maluleke, 2019). However, regardless of the magnitude and importance of the informal sector in sustaining the livelihoods of households in developing countries and contributing to economic growth, there seem to be few studies that have explored the role of the informal sector in contributing towards achieving the SDGs (for example, Adeola et al., 2019; Charmes et al., 2018; Inyang, 2013). The number of people employed in the informal sector is likely to increase due to the negative impact of the COVID-19 pandemic on formal sector jobs.

In addition, it is not clear whether and to what extent the informal sector participates in responsible management. While responsible management is a high priority on the global agenda as reflected in the SDGs, it has so far been taken up primarily by formal businesses in developing countries despite the magnitude and importance of the informal sector (Amaeshi et al., 2016; Jamila et al., 2017). For example, studies such as Slack (2011) and Ite (2007) have looked at corporate social responsibility (CSR) amongst mining companies and Nair & Sodhi (2012) study small to medium enterprise CSR practices in India. Idemudia (2011) discusses the disjuncture between the priorities and needs of the South and the mainstream CSR agenda. Visser (2005) and Adeola et al. (2019) show that mainstream CSR practices often fail to adequately capture the types of CSR practice in the informal sector. This calls for the need to establish a South-centred CSR agenda for the informal sector which reflects the realities of developing countries.

Moreover, despite how clearly aligned the PRME and SDGs are, very few educational institutions in developing countries have signed up to the PRME. For example, out of a total of 510 universities that have signed up to the PRME, only 7% are in Africa, compared to 33% in Western Europe, and 22% in North America (Godemann et al., 2014). The current paper proposes a mechanism by which students in a business school can participate in bridging these knowledge and engagement gaps. The extant literature also recognises the substantial educational opportunities the informal sector provides for management and organization theory, research, and practice (Darbi et al., 2018).

Furthermore, as discussed in the introduction, in most business schools, responsible management education seems to be referenced more within business, management, accounting, and finance degrees. Much of the literature which looks at ways in which business schools can participate in responsible management education by preparing students to engage with the SDGs focuses on the impact of graduates on their employers, with an implicit assumption that most of these employers are in private sector, for-profit businesses (Storey et al., 2017). Storey et al. op cit. notes that business graduates go on to play key roles not only in private business, but also in civil society and public policy. As such, it is important for the outcomes of responsible management education to address the diversity of students’ future needs, rather than solely focussing on the characteristics required by private business. While there tends to be consensus around the SDGs as a global frame for societal challenges, there is less consensus within the literature about how business schools should best respond (Storey et al. op cit). However, a lack of consensus provides an opportunity for business schools to be innovative and flexible in how they deliver responsible management education. This can expand the diversity of stakeholder involvement in contributing towards the SDGs and responsible management.

**Conclusions**

This paper highlights the role played by the informal sector in developing country economies. Many workers in developing countries are employed in the informal sector. The paper suggests the developing country informal sector should be more explicitly incorporated into the responsible management education of business school students. A natural starting point for this is in an undergraduate development economics module.

The paper proposes the development of a student-led pedagogic tool that engages with various stakeholders in a developing country. The challenge entails jointly defining responsible management in the developing country context, investigating challenges faced by the informal sector in incorporating responsibility in their operations using a variety of methods, and finding ways of incentivising the informal sector to be more responsible. Students will then compile their findings and present them in the form of policy briefs and presentations that target policymakers in developing countries and international development agencies in the UK as their audience. Some students may also further develop their findings into more substantive research. The findings may also provide opportunities for educators to further explore how to better educate students and facilitate engagement with stakeholders that are impacted by topics related to responsible management and covered in the business school curriculum. The findings may also provide an avenue into advocating for a more explicit incorporation of the informal sector voice into formulating responsible management as reflected in, for example, the PRME.

**Data availability**

No data are associated with this article.


Medina L, Schneider F: Shadow economies around the world: what did we learn over the last 20 years? 2018.


Konan Anderson Seny Kan
Otago Business School, University of Otago, Dunedin, New Zealand

How responsible management education could be integrated into university curricula? The author intends to answer this question through a pedagogical device based on development economics students in the UK partnering with their counterparts in a developing country to investigate informal sector businesses. Students work will be guided by the United Nations (UN) Principles for Responsible Management Education (PRME).

The paper crosses two pieces of literature: that on education for responsible management and the management of the so-called "informal" activities in the so-called "informal" sector in Africa. It would have been desirable for the author to also integrate the lessons from recent debates on African management (e.g., Nkomo, 2015; Seny Kan et al., 2015), management in the African informal sector (e.g., Galdino et al. 2018; Musara & Nieuwenhuizen, 2020), and management education in Africa (e.g., Nkomo, 2018; Safavi, 1981; Thomas et al., 2016).

Values advocated in PRME/SDGs are not alien to Africa, yet the way they are articulated in the context African labour process is much of a matter of idiosyncrasies. Adopting a labour process approach that is external to Africa might undermine African local contingencies. This is exactly what the African management literature is debating with the idea that African management can be understood as an act of emancipation and resistance to the supposedly universal management models. The author's argument bears a strong assumption, assuming that "informal" businesses are voided of responsible management. Yet solidarity binding families and communities is among factors that determine the existence and maintenance of "informal" businesses in Africa (Galdino et al., 2018). Could one argue that solidarity is not an act of responsibility? I do not think so. The substantiation of the choice of a developing country presupposes that development is a final state of nature, hence supposed developed countries do not have developmental/organisational concerns to address. And yet irresponsible behaviour of formal enterprises in the developed countries is regularly reported by academics and in press magazine. That is to say that a developed country is also a valid research site for this innovative pedagogic tool author intends to develop. Finally, the claim that Africa has its own labour process supports the need for specific management education to Africa. This leads to the following point: "informal" sector in
developing country as the research site for this project could be further justified as a developed
country is equally a valid unit of analysis. Every sector in every country can contribute to
PRME/SDGs. I am not denying the need to better understand the functioning of “informal"
businesses. In fact, such a perspective is even an act of responsibility per se due to the substantive
contribution of “informal” business in African socio-economic development, yet marginalised as to
now.
It is precisely the premises of the sole economic development agenda imposed on Africa that has
contributed to the marginalization of the entire part of its socio-economic dynamic labelled as
"informal". I, therefore, think that an interdisciplinary approach in this student-led pedagogic tool
could be of an invaluable contribution, in terms of equipping students with a fine-tuned critical
thinking mindset.

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   6 (3): 194-213 Publisher Full Text
   Publisher Full Text
   6 (2). Publisher Full Text

Is the topic of the opinion article discussed accurately in the context of the current
literature?
Partly

Are all factual statements correct and adequately supported by citations?
Yes

Are arguments sufficiently supported by evidence from the published literature?
Partly

Are the conclusions drawn balanced and justified on the basis of the presented arguments?
Partly

Competing Interests: No competing interests were disclosed.

Reviewer Expertise: African Management, African Accounting Polycentricity, Corporate
governance/CSR in Africa

I confirm that I have read this submission and believe that I have an appropriate level of expertise to confirm that it is of an acceptable scientific standard, however I have significant reservations, as outlined above.

Reviewer Report 23 March 2021
https://doi.org/10.21956/emeraldopenres.14919.r27217

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Mohamed Saeudy
University of Bedfordshire, Luton, United Kingdom

The author should better explain how PRME mechanism could emerge (in the development countries in more critical ways) and then provide a proper discussion in the rationale section. In the current form the data does not support these sentences.

How to identify the target stakeholders of PRME and how to influence the policy makers to improve people's life and wellbeing.

You raise a number of observations in the rationale of using developing countries informal sector, but I didn't think they were particularly well organised. CSR and SDGs are introduced, for example, but they do not appear to be carefully argued and delineated.

Is the topic of the opinion article discussed accurately in the context of the current literature?
Yes

Are all factual statements correct and adequately supported by citations?
Yes

Are arguments sufficiently supported by evidence from the published literature?
Partly

Are the conclusions drawn balanced and justified on the basis of the presented arguments?
Yes

Competing Interests: No competing interests were disclosed.

Reviewer Expertise: sustainability, corporate governance and accounting and finance
I confirm that I have read this submission and believe that I have an appropriate level of expertise to confirm that it is of an acceptable scientific standard.