

BUSINESS EDUCATION

Executives shown a fresh perspective on sustainability

The Global Institute For Tomorrow hopes that its experiential education programmes will help to change the way people think, writes **Ben Bland**

Executive Dennis Chang was sceptical when his bosses at MasterCard asked him to sign up for a \$14,000 experiential education programme run by the Global Institute For Tomorrow, a think-tank that is highly critical of western capitalism.

The man charged with spearheading the US credit card company's drive into China's booming market was unsure what useful lessons he could acquire from an organisation whose founder has literally written the book on the perils of consumerism in Asia.

And having completed several mini-MBA-style executive education courses before, Mr Chang was not convinced that he could learn much by doing another programme that lasted less than three weeks.

However, halfway through Gift's "Young Leaders Programme", which combines classroom learning in Hong Kong with fieldwork in a developing country, Mr Chang admits he has been proved wrong.

"It has been really good," he says, wearing a traditional batik bandanna and sitting on the floor of the main communal hut in the mountainous Indonesian village of Ciptagelar.

Mr Chang and the 21 other participants – who mostly hail from Asia – work for multinational companies such as NEC, the Japanese electronics company, and BASF, the German chemicals group. They have come to Ciptagelar to help the local commu-

nity draw up a business plan for small hydroelectric power plants.

"In most business education, you're doing classroom debates and people can act very differently. This is more real and you have a sense of responsibility to get it right," he says.

In recent years, "experiential learning experiences" have become *de rigueur* at leading business schools such as Harvard and London, as professors seek to move their curriculums beyond classroom case studies and better equip their students to operate in unpredictable emerging markets.

Typically the business schools send their students overseas for a few weeks – often to developing countries – to work with companies, government or non-governmental organisations to draw up business plans or product launches.

Gift, which was set up in Hong Kong by former environmental consultant Chandran Nair, claims to offer something more immersive and with more impact, both for the participants and those they work alongside.

On its programmes, executives work with Gift staff and local NGOs in developing countries to come up with business models for small community projects that can make returns for investors while fulfilling a wider social need.

"Executives who go to business schools are being taught all this hubristic nonsense out of the US," says Mr Nair. "Then they go to third-world countries, take some nice photos and write hypothetical business models."

Mr Nair says that his programmes, of which he has run more than 30 since 2006, are more focused on generating a solid "social investment" business plan that can be rolled out in other communities – and changing the



Far sighted: executives on the Gift programme are helping to draw up a hydropower business plan in West Java

way people think. The programmes are designed to help participants develop a better understanding of long-term sustainability, pick up leadership skills and learn how to adapt their business models to succeed in new markets.

Malaysia-born Mr Nair is the author of the book *Consumptionomics* in which he seeks to debunk the received wisdom about "the Asian century" by arguing that the world will be heading for calamity if the densely populated continent continues to follow the western model of consumption-driven development.

Based in the smog-ridden, concrete jungle of Hong Kong, he insists he is not a "pot-smoking, bicycle-riding hippy" but a pragmatist on a mission to promote sustainable business models that have social benefits.

"After 20 years as an environmental consultant, I felt our thinking needed to change and that we had to move beyond report writing," he says. "Our output is not an application to the UN or the World Bank for money but a

business plan we can pitch to our network of patient investors."

On the Indonesia course, Gift is working in a remote part of West Java with Ibeka, a local NGO, and the traditional Kasepuhan community, which eschews modern agriculture and chooses to be ruled by a king despite the advent of direct local democracy.

When the executives, mostly in their late 20s and early 30s, talk to the villagers it becomes clear it will not be easy to draw up a hydropower business plan that will meet their needs and generate attractive returns, even for socially-minded, long-term investors. But, the business plan aside, the setting and the clash of cultures pushes the participants' conversations into surprising directions.

"The king faces a dilemma because he wants to use technology to improve people's lives but he doesn't want to lose the traditional culture," says Bei Hu, a Chinese executive who works for BASF in Singapore. "It's very similar to China."

Later he explains the advantages of attending this kind of programme. "It's really hands-on out here in the field and it makes you think differently," he says. "Asia can't just be like the US where every family has several cars. There aren't enough resources. We need to know what the opportunities are really going to be like for us in Asia."

It is this practical element of the courses that Mr Nair says has attracted the backing of companies such as BASF, which is one of several that have hired Gift to run tailored courses. In the case of the German chemicals group, it asked Gift to conduct a programme in Mongolia to help the group better understand the social realities of the resource-rich country before BASF entered the market.

"Rather than get McKinsey to do a report for \$5m, why not take your best 25-50 people from around the world and we'll facilitate a programme where the traditional biases will become less obvious," adds Mr Nair.

He says it is becoming easier to sell his executive education programmes as more multinational companies start to see sustainability as a crucial business challenge rather than a public relations exercise to be handled by the social responsibility department.

While issues such as climate change, resource constraints and overpopulation are hardly novel, many of the participants on the Indonesia course say this is the first time they have considered them in a business context.

"I'm a corporate banker so I'm very used to a dog-eat-dog world," says El Regina Tajudin, who works for Malaysia's Maybank in Kuala Lumpur. "I'd never thought about the social aspects of the economy before but this has opened my eyes."

After a week of classroom learning in Hong Kong, followed by several days in the field in Indonesia and then a week of discussions to formulate the business plan, she says that she has acquired a number of different skills.

"I've learnt a more structural approach to planning as well as how to better manage people and understand wider social issues."

Mr Chang echoes this view. Experiential learning can give executives a rare chance to escape from the day-to-day pressures of revenue targets and key performance indicators and focus on bigger challenges.

"Big businesses can be too complacent," he says. "We need to start thinking about sustainability as part of our strategy because the expansion of the population in Asia will have a very significant business impact. Ultimately, how we react will decide who survives and who dies."

'Executives who go to business schools are being taught all this hubristic nonsense out of the US'