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The implementation of Principles for Responsible Management Education in practice – research results

1. Introduction

The beginning of the current decade was replete with numerous corruption scandals and a financial crisis, which became premises for questioning the goals, stances, and curricula of business schools. Such concerns were bolstered by a seeming ethical disorientation by many businesses and businesspeople.

Universities have always been preeminent in leading individuals to better lives. Indeed, they are seen as having in their mission the discovery and promulgation of truth and knowledge. Their graduates are hoped to have places as educated citizens who help improve their societies. However, over the last few years the educational system generally and business education particularly have been criticized for failing to inculcate students in moral conduct [Gardner, 1991] and even as having weakened the moral character of students [Etzioni, 2002].

Consequently, business ethics education has faced the necessity of reflection, and drawing lessons that might mitigate its weaknesses in educating honest and responsible businesspersons. Although some initiatives dedicated to the improvement of business education processes exist, such as the *Principles for Responsible Management Education* (PRME)¹, there remain many open questions

¹ The PRME initiative is in significant part the result of the efforts led by the UN, AACSB International, EFMD, the Aspen Institute's Business and Society Program, EABIS, GMAC, GRLI, Net Impact, and other institutions. These organizations have conducted some of the major learning and educational initiatives on responsible management worldwide. The PRME project consolidates, frames and gives new momentum to this joint initiative, framing it entirely by internationally accepted values such as those portrayed in the United Nations' Global Compact on *Human Rights, Labour, Environment and Anti-corruption*.

and doubts about business ethics education in the aftermath of numerous corruption scandals.

We should devote all our efforts not only to addressing lessons learned from the most recent business corruption scandals and financial crises, but also question in far-reaching ways what and why are we teaching now, and what and why should we be teaching future business leaders to have them best prepared to cope with the challenges of leading with integrity in the global environment.

2. Research results²

A notable preliminary step that has moved us closer to answering such questions is the identification of best practices for the Principles for Responsible Management Education framework, which was based on an analysis of 115 Sharing Information on Progress reports. These constitute an important element of the PRME initiative. The analysis stemming from these reports was premised on the six PRME initiative framework principles, which were extended into 54 criteria for report assessment. Criteria development was based on in-depth analysis of organizational practices in the reports and each was paired with the most appropriate principle. Additionally, categories from reports were used in the articulation of the general criteria. The criteria are presented in Table 1.

Table 1. Criteria for Sharing Information on Progress reports analysis

General info	message from Executive Dean
	mission statement
	core values
	future perspectives

More about the Principles of Responsible Management Education see: Stachowicz-Stanusch, Wankel [2010] and at website: <http://www.unprme.org>.

² Research was conducted with the participation of M.Sc.Eng. Anna Sworowska (Silesian University of Technology).

Principle 1	Purpose We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.	Through students' initiatives	student clubs and organisations
			students' participation in conferences, workshops, competitions and other events
			students' organization of conferences, workshops, competitions and other events
		Through curricula solutions (different ways for gaining capabilities)	case studies in curriculum
			(team) projects in curriculum
			projects for a company (or other organization)
			other curriculum elements
Principle 2	Values We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.	In curricula (content)	ethics and/or CSR courses in curriculum
			legal responsibility issues in curriculum
			financial (and fiscal) responsibility issues in curriculum
			environmental responsibility issues in curriculum
			special programs for MBA
			practicum, internships
		values in strategy	
		values in code of conduct/ethics	

Principle 3	Method We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.	Institutional solutions	unit or person responsible for responsible management <u>education</u>
			procedures and norms connected with social responsibility implemented within educational <u>process</u>
		Evaluation	indicators, committees, surveys focused on evaluating responsibility of <u>educational processes</u>
		Infrastructure	laboratories, libraries, databases containing resources on responsible management
		Educational practices	conferences, seminars, symposia, discussions as <u>educational practice</u>
			e-learning, webinars as educational practice
			study tours as educational practice

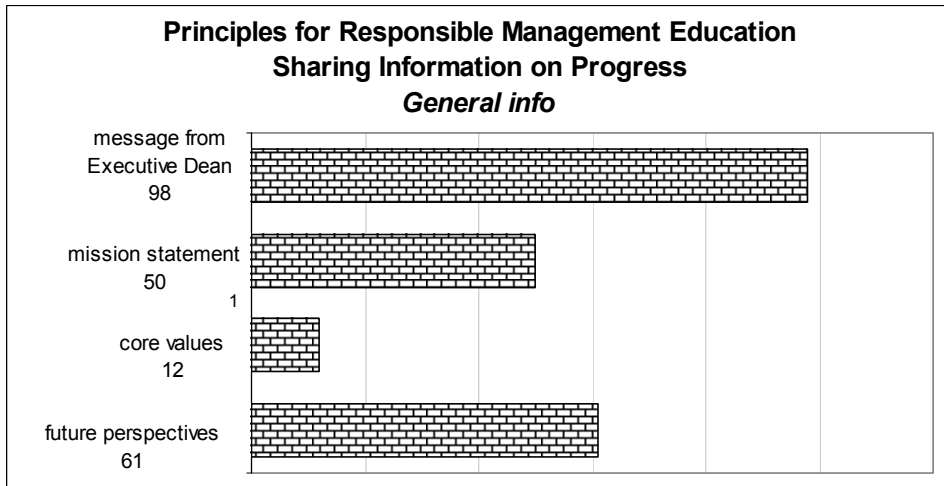
Principle 4	Research We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.	Internal support	research unit (e.g. institute) focused on ethics/responsibility
			(financial) support for research teams
			(financial) support for research projects
			research agenda/plan focused on ethics/responsibility
		Research results	publications and conference presentations
			gained awards for research activity
currently conducted research on ethics/responsibility			
Principle 5	Partnership We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.	unit or person responsible for contact with stakeholders	
		Partnership with business	education executives
			joint projects with business
			including business in educating process (e.g. leader speakers series)
			awards and other (financial) support for business
		Partnership with science and other schools	joint projects with science and schools
		Partnership with (local) government	educating officials
			joint projects with government

		Partnership with students	co-operation with student organizations		
			awards and other (financial) support for students		
			student exchange		
			networking, discussions and other of views exchange with students		
		Partnership with other organizations	joint projects with other organizations (NGOs)		
			awards and other (financial) support for organizations		
		Principle 6	Dialogue We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.	Communication tools	symposia, conferences, seminars as communication tool
					blogs, newsletters, websites as communication tool
magazines, reports as communication tool					
Best practices (exemplification)	use of renewable energy, emission reduction, etc.				
	responsible HR policies				
	contributions to society				
	other examples of campus best practices				

Source: author's own study based on <http://www.unprme.org/the-6-principles/index.php>

Analyzed reports in most cases (98 schools or institutes) include a message from Executive Dean or President of School (see: Figure 1).

Figure 1. Results for criteria included as General info in Sharing Information on Progress reports analysis



Source: authors' study based on conducted research analysis

Nearly half of the research sample includes mission statements in the Sharing Information on Progress reports. Such as:

ASB contributes added value to society through research, education and dialogue on companies and organisations and their surroundings. Together with the rest of Aarhus University, we develop knowledge, welfare and culture through research and research-based education, dissemination of knowledge and consulting.

Aarhus School of Business, Aarhus University (Denmark)

ESADE's mission is to promote teaching and research in the areas of business management and law, in order to contribute to the scientific, social and personal education of highly professional individuals fully aware of their responsibility in the development of a society that upholds people's dignity according to humanistic and Christian traditions, and in a context of intercultural dialogue.

ESADE (Spain)

Quite rarely the reports include the articulation of core values. However, there are some examples:

The school promotes the principles of stimulation, authenticity, openness, performance, competitiveness, solidarity and responsibility. Not only are these values important in Brittany but across the world as well.

ESC Bretagne Brest (France)

Respect: respect for people, individual characteristics and talents, focusing on corporate value.

Listening: discussion, listening, curiosity: the valorisation and sharing of knowledge and knowhow.

Passion: heart, courage and steadfastness on which our commitment and work are based. Work seen as a source of opportunities for selfrealisation, personal gratification and production of social value, as well as profit and development for companies.

Intellectual and professional rigour: reliability and understanding as fundamental elements of every decision and action. Research and experimentation as the only way to grow constantly.

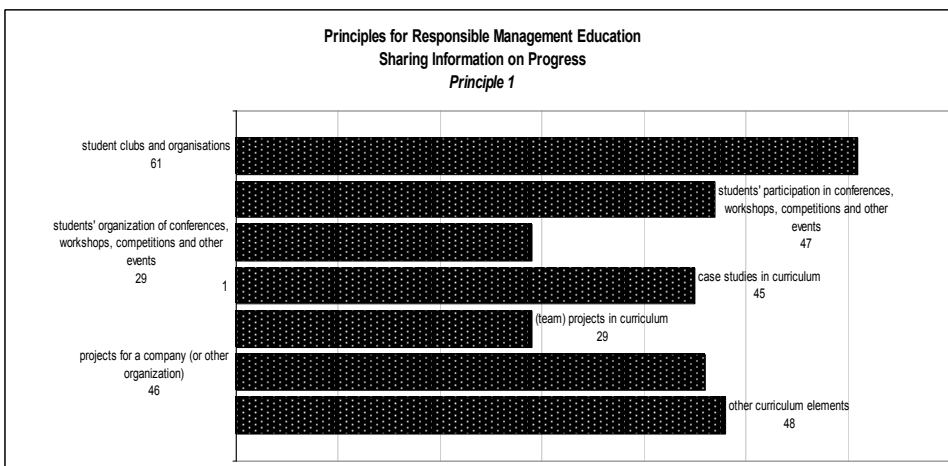
Ethics: individual responsibility for the quality of life both personally and as part of the community that has been entrusted to them.

These values influence the way we plan our training courses, most of which have been redesigned along with our mission in order to “train” actual and future managers to be able to pursue economic objectives taking into consideration also their impact on the environment and the society as a whole.

ISTUD Foundation (Italy)

Within the **Principle 1** the very popular students’ initiatives indicated in reports were students’ clubs and organizations most of which were associated in Net Impact and Students in Free Enterprise (SIFE). Those initiatives were also connected with students’ participation in events such as Aspen Case Competitions or Annual Net Impact Conferences. Among many curriculum solutions that influence students’ capacities quite widespread within analyzed institutions were advisory projects (see: Figure 2) focused on CSR or environmental issues realized with a company or NGO as well as other curriculum elements such as role playing exercise, simulation games, mentoring programs and service learning. The last of mentioned activities were directed to local or abroad communities.

Figure 2. Results for criteria included as Principle 1 (Purpose) in Spring Information on Progress reports analysis



Source: authors’ study based on conducted research analysis

Examples of such contribution to society provided by engaged students were

for example preparation of tax returns for local community members, completing an economic analysis for environmentally nonprofit organizations or teaching citizens in countries with developing economies from African, Asian or South American countries. Just like in below examples:

Each year, for instance, curriculum based service-learning courses are offered in South Africa and Ghana, respectively, in which students study the economies, histories, and cultures of the countries while teaching entrepreneurship to youth in disadvantaged areas (South Africa) or to community members (Ghana). In this way, students put their classroom knowledge of entrepreneurship to use by teaching citizens in countries with developing economies, while also gaining cross-cultural knowledge and skills that come with a traditional study abroad experience. Another off-shore course offers students the opportunity to travel to Norway to study environmental entrepreneurship, and Babson has developed a new course, Social Responsibility through Eco-Enterprise in Turkey, in which students learn about Turkish culture and society while also working with a local women's business that makes marketable goods from post-consumer and industrial waste.

Babson College (USA)

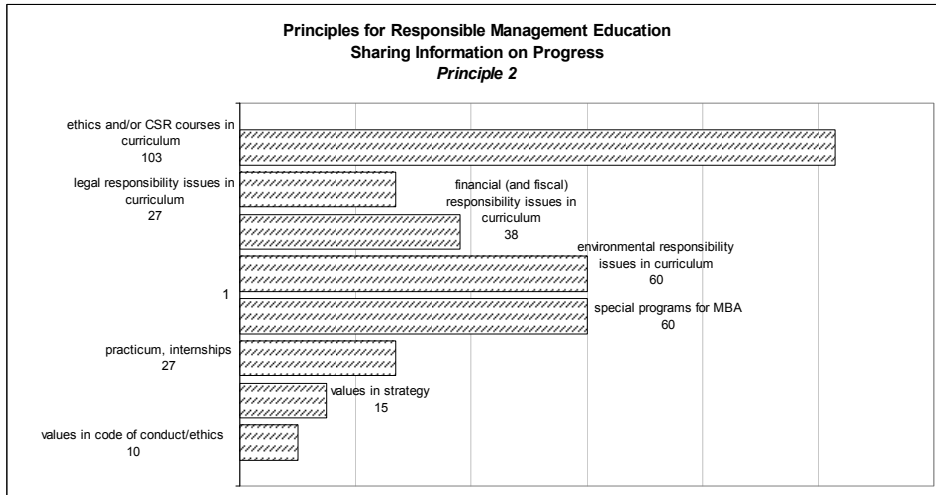
[The] course aims to view low income consumers in a different light, and discuss business practices and tools that enable companies to understand and address the challenges of serving this market. Field visits to poor communities are required to pass the course. Includes visits to firms serving this market and homes of poor consumers. Students must prepare a business plan to serve new markets.

IESA (Venezuela)

The **Principle 2** regards the content of curriculum connected with responsibility as well as it investigates if values of global social responsibility are incorporated in organizational documents such as strategy and code of conduct or ethics. In many cases curriculum is based on Aspen Institute's Giving Voice to Values curriculum materials and usually includes ethics/CSR courses (103 reports), environmental issues and special programs for MBA studies (60 reports) as it is presented in Figure 3.

Giving Voice To Values (GVV) is an innovative, cross-disciplinary business curriculum and action-oriented pedagogical approach for developing the skills, knowledge and commitment required to implement values-based leadership. Drawing on the actual experiences of managers as well as multi-disciplinary research, GVV helps students identify the many ways to voice their values in the workplace. It provides the opportunity to script and practice in front of peers, equipping future business leaders not only to know what is right, but how to make it happen. Moreover, the GVV curriculum is free to educators. Today the curriculum, which was launched by Mary C. Gentile at the Aspen Institute with Yale School of Management, is housed at Babson College, with pilot programs in over 100 schools and organizations on five continents.

Figure 3. Results for criteria included as Principle 2 (Values) in Sharing Information on Progress reports analysis



Source: authors' study based on conducted research analysis

Although in reports it is rarely mentioned that organizational documents include the responsibility issue there are some. For instance:

The 2009-2012 strategy for Aarhus School of Business defines 'sustainable growth through innovation' as a core value and focus point for the entire business school – our research, study programmes, organisation and culture.

In 2010/2011, we will continue to work on the implementation of the strategy and further develop our activities.

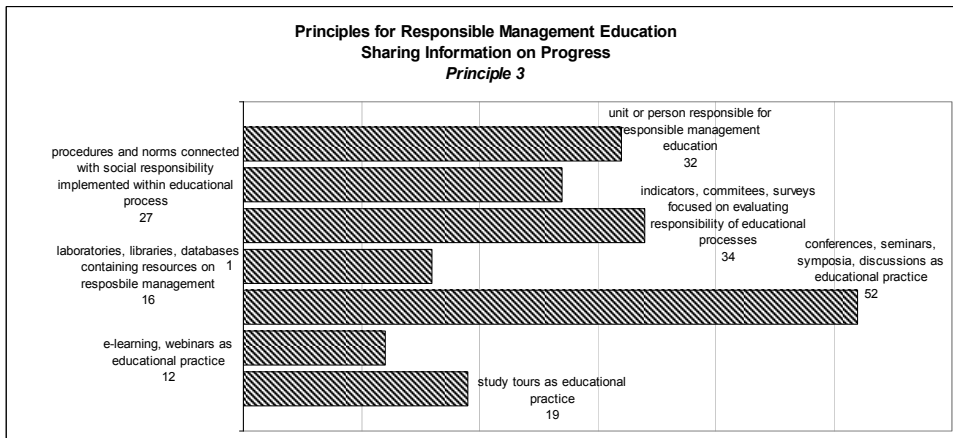
Aarhus School of Business, Aarhus University (Denmark)

AIM's Career Management Services Office continues to follow and implement the Placement and Internship Code of Ethics established in 2006. This aims to put in perspective deliverables from both students and recruiters, and to ensure that students and recruiters comply with placement rules.

Asian Institute of Management (Phillipines)

Methods used in responsible education are usually educational practices such as conferences, symposia and seminars, often with lectures conducted by representatives of companies (called e.g. as Leader Speakers Series). Moreover, schools evaluate their responsibility of educational processes with the use of some surveys and indicators such as the rank position in Beyond Grey Pinstripes Global Top 100 ranking (Aspen Institute) (see: Figure 4).

Figure 4. Results for criteria included as Principle 3 (Methods) in Sharing Information on Progress reports analysis



Source: authors' study based on conducted research analysis

Beyond Grey Pinstripes is an independent, biennial business school survey and ranking managed by the Aspen Institute's Center for Business Education. Results are published every other year.

Findings from the survey highlight how academic institutions prepare students to meet the business challenges of tomorrow. Beyond Grey Pinstripes is unique—Aspen celebrates coursework, research and activities that prepare MBAs for social, ethical and environmental stewardship. Aspen evaluates business school programs on the following metrics:

- Required and elective courses with innovative content addressing relevant issues in mainstream, for-profit business
- Faculty research on social, ethical and environmental topics published in peer-reviewed business journals.

Quite rare but interesting teaching method are the study tours with different destination:

2009 Global Study Trips Included:

Japan: Summer 2009

- *Course in Global Economics at Rikkyo University, a Tokyo 6 school*
- *Corporate visits to Panasonic, Toshiba (parent company of Westinghouse), and Mazda*
- *Cultural experiences in Hiroshima, Kyoto and Tokyo*
- *Anthropological tour of rural farmlands in Mizusawa*

India: Summer 2009

- *Course in Global Economics at Saintgits Institute of Management*
- *Collaboration with MBA students from the International Management Institute*
- *Corporate visits with Tata Group and Ernst & Young Consulting*

- *Cultural and educational experiences in Cochin, Kottayam, Kumili and New Delhi.*

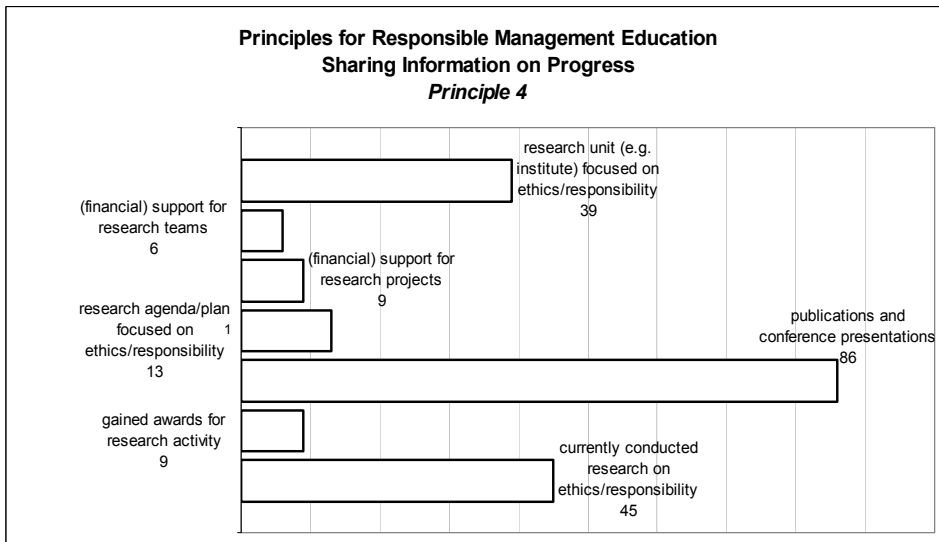
Duquesne University, Palumbo-Donahue School of Business (USA)

Student Study Tours: Our Student Study Tours to Brazil and Chile in 2009 were arranged to ensure that students gained experiences and cross cultural awareness of business practices in dealing with sustainable development with hands on experience in terms of social responsibility and good corporate citizenship. Thus the role of business in society was underscored and our students were exposed to how private sector entities can facilitate societal development in a sustainable manner, particularly in developing economies / societies.

Arthur Lok Jack Graduate School of Business (Trinidad & Tobago)

Research activity in the field of social responsibility of scrutinized schools is usually presented in reports in a form of list of publications and conference presentations (86 cases) and currently conducted research (see: Figure 5).

Figure 5. Results for criteria included as Principle 5 (Research) in Sharing Information on Progress reports analysis



Source: authors' study based on conducted research analysis

Only nine entities pride themselves with gained award for research achievements in discussed area, such as:

The active research on corporate responsibility at the Discipline of Organizations and Management was rewarded with two significant awards in the year 2009. The leader of the group, Professor Minna Halme received a personal award of the Academy of Finland for her merits in improving the societal impact of science through participation in public

discussions and distributing understanding of her field e.g. by popular writing (thus also serving the principle 6). The whole research group received an award of the Foundation of the School of Economics for good scientific quality and significant societal impact on a demanding field.

Helsinki School of Economics (Finland)

2009 Moskowitz Prize for Socially Responsible Investing

Graziadio professor Meretno (Augus) Harjoto researched the possible link between corporate bottom-lines and the actual performance by companies aspiring to be more socially responsive, as impacted by pressures on their corporate reputation. The study earned Harjoto and his co-authors, the prestigious 2009 Moskowitz Prize for Socially Responsible Investing at the SRI in Colorado, the largest and longest-running sustainable and responsible investing conference in the world. The Moskowitz Prize is awarded annually by the Center for Responsible at UC Berkeley's Haas School of Business in cooperation with the Social Investment Forum. The prize is the only global award recognizing outstanding quantitative research in the field of socially responsible investing.

Graziadio School of Business and Management (USA)

The institutional support for the research activity is quite limited because though in 34 cases there were established special research units (institutes, departments, research teams) focused on ethics/responsibility, just in few reports there was declared a financial or other support for research teams (6 cases) and projects (9 cases). There are the examples:

Jacksonville University is currently offering (Fall 2009) a special topics course, EPA P3 Special Topics Course: Residence-To-Garden Greywater Delivery System. An interdisciplinary team of students and faculty is working together to design a system to capture rainwater, air conditioning water, and laundry wastewater to irrigate a garden on campus. Funding was secured by a grant.

Davis College of Business, Jacksonville University (USA)

The Applied Research & Innovation Department was established in 1995 and has conducted since then more than 30 research projects. Most of the applied research projects are financed by Public Funding Bodies such as the EC or Greek Ministries. However, there is a number of research activities which are self-funded by ALBA and focus on the creation of new knowledge for the societal well-being.

ALBA Graduate Business School (Greece)

Partnership with various kinds of stakeholders (business, other schools and organizations) is extensively declared (see: Figure 6).

The joint projects are often connected with jointly conducted research or organized events as well as joint conduct of educational processes. School often cooperate in elaborating a common curriculum, business representatives participate in conducting lectures and NGOs provide with business schools projects based on students' service-learning:

A good example for an ongoing dialogue between EBS and NGO's is rendered by the student association Make A Difference e.V. (M.A.D.). It was founded at European Business School in 2005 after 15 students had spent one week of their first semester in a ghetto and build a house for and together with an impoverished family. Since then, the association has grown to a total of over 100 members, with an increasing proportion of EBS' alumni. Five house building trips have been made, funded by the participants and their engagement in fundraising activities. In addition to the house building trips M.A.D. is also concerned with other projects that promote the association's objectives.

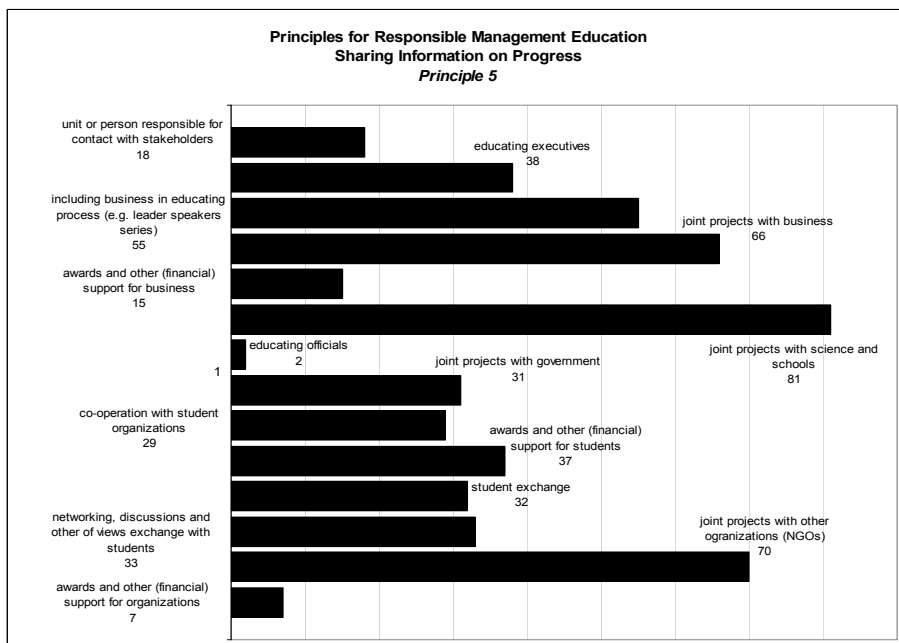
European Business School (Germany)

Partnership with students is usually connected with support directed to them in a form of various scholarships as well as with the possibility of study abroad within the student exchange programs, as for instance:

SFU Business and the Learning Strategies Group (Executive Education) have a history of partnering internationally, from student exchange programs and field schools to customized executive programs tailored specifically to organization and Government needs. In the previous year, the School hosted an executive program for Nigerian senior leaders, with a key theme being business sustainability and ethics.

SFU Business Simon Fraser University (Canada)

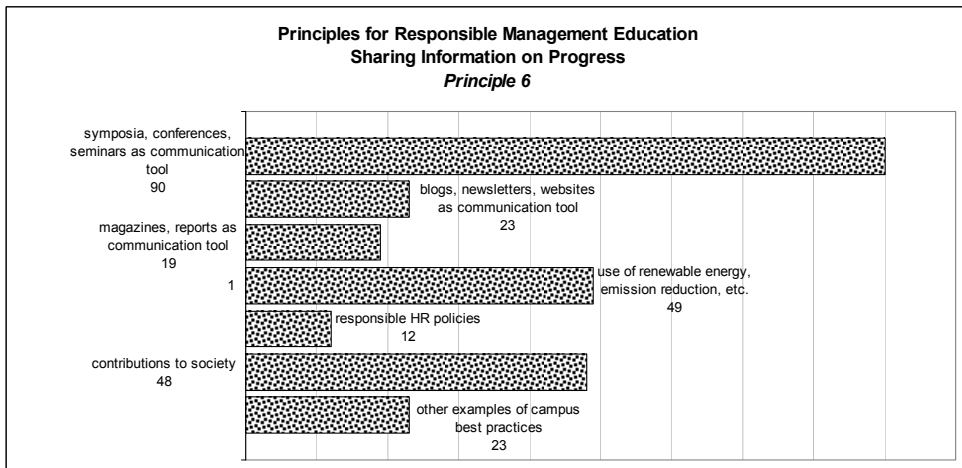
Figure 6. Results for criteria included as Principle 5 (Partnership) in Sharing Information on Progress reports analysis



Source: authors' study based on conducted research analysis

Analyzed schools provide their **dialogue** with environment with the use of tools (of which most popular are organized conferences, seminars and forums) as well as with their own examples of responsible conduct (Figure 7).

Figure 7. Results for criteria included as Principle 6 (Dialogue) in Sharing Information on Progress reports analysis



Source: authors' study based on conducted research analysis

Those best practices capture initiatives such as green campus (including activities such as the use of renewable energy, emission reduction, etc.), contributions to society (in many cases it is a result of service learning – services are provided by students) as well as other unique ideas such as:

- a car-sharing station on the university campus

Responsible transport:

Setting up a Car-sharing service at BEM, in partnership with the cooperative AutoCool: since October 2009 BEM has had the first car-sharing station on the Bordeaux university campus.

BEM Bordeaux Management School (France);

- film festival on global responsibility

In order to raise the awareness of the current economic, social and environmental challenges, the students of Audencia's Global Responsibility Track organize an annual film festival in the area of Global Responsibility.

Audencia Nantes School of Management (France)

- or fair-trade products at the school's cafeteria

One of Audencia's first priorities when implementing the Global Compact was to promote fair-trade products. The school has decided to act as an example.

Since the end of 2005, it is possible to buy fair-trade coffee and tea at the school's cafeteria. All coffees, teas and orange juices the school offers to its numerous guests are fair-trade products.

Audencia Nantes School of Management (France).

3. Conclusions

The Wall Street Journal argues that business schools, by failing to systematically and critically discuss issues such as executive incentive programs, have contributed to the financial crisis [Jacobs, 2009]. Likewise, *The New York Times* wonders whether “the way business students are taught may have contributed to the most serious economic crisis in decades” [Holland, 2009]. The bottom line is that we cannot solely neglect that business schools have a responsibility to train their students in a responsible way. As James Post [2009] remarked recently in the *Financial Times*, “schools must now reinvent themselves as part of the solution”. Similarly, Angel Cabrera [2009], President of Thunderbird School of Global Management, argued recently: “Let’s not waste a good crisis!”. We should not waste this opportunity to finally put responsible management education in its rightful place: at the strategic core of business school curriculum [Rasche, Escuero, 2010].

Thus, although it is generally acknowledged that integrity “is at the heart of what effective business and education is all about,” executives seem ill-prepared to cope effectively with the challenges of leading with integrity in a global stakeholder environment. Furthermore, relatively little is known about how management education can prepare managers and professionals for those challenges [Stachowicz-Stanusch, Wankel, 2010].

Principles for Responsible Management Education are one possible agent to drive this process. The PRME embody a voluntary set of to which business schools can adhere in the interest of providing future leaders with the necessary insights and skills to reflect upon; critically analyze, and provide leadership with regard to corporate responsibility [Rasche, Escuero, 2010].

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www.unprme.org

www.unprme.org/the-6-principles/index.php

Abstract

In the paper author presents organizational and educational best practices applied by entities that adopted Principles for Responsible Management Education and published in Sharing Information on Progress reports. The analysis was based on over a hundred reports from 34 countries and was conducted in terms of over 50 criteria.

The research is financed from the Polish science budget resources in the years 2010-2012 as the research project „The impact of national cultures on anti-corrupt management and its reporting in contemporary enterprises” N N115 211039.