



United Nations Global Compact

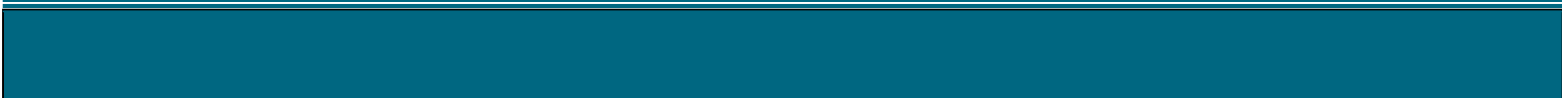
PRME Principles for Responsible
Management Education

The Principles for Responsible Management Education (PRME)

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25 July 2008 - "Unternehmens- und Wirtschaftsethik in der
wirtschaftswissenschaftlichen Ausbildung", Berlin



Agenda

1

Responsible Management Education - Where Are We?

2

The Principles for Responsible Management Education

3

Looking Into the Principles - Selected Experiences

Status Quo - Resistance to Rigorous Business Ethics Education

External Impediments

Missing Pressure from Accreditation Agencies (Things Are Only Gradually Changing)

Missing Direct Pressure from the Business Environment Towards Schools and Students

Internal Impediments...

Resistance of Faculty From Traditional Disciplines to Teach Ethics in Their Courses

'Tight' Curricula of Business Schools / No Additional Resources Forthcoming

'Ethics Cannot Be Taught', Hence: A Business Ethics Course Does Not Produce Ethical Leaders, BUT:
Does A Leadership Course Produce Great Leaders?

Results of a Neglect of Business Ethics Education

Wrong Signals

Addressing Ethics 'In Some Way' Signals a Lack of Importance to Students / Often Students Are Already Indoctrinated in Narrow Economic Theory Before Ethics is Taught

Tacit Beliefs

Assumptions Are Not Necessarily Wrong, But Remain Tacit / Economic Assumptions Can Become Self-Fulfilling and Reshape Behavior Accordingly / Problems Recognizing Ethical Dilemma

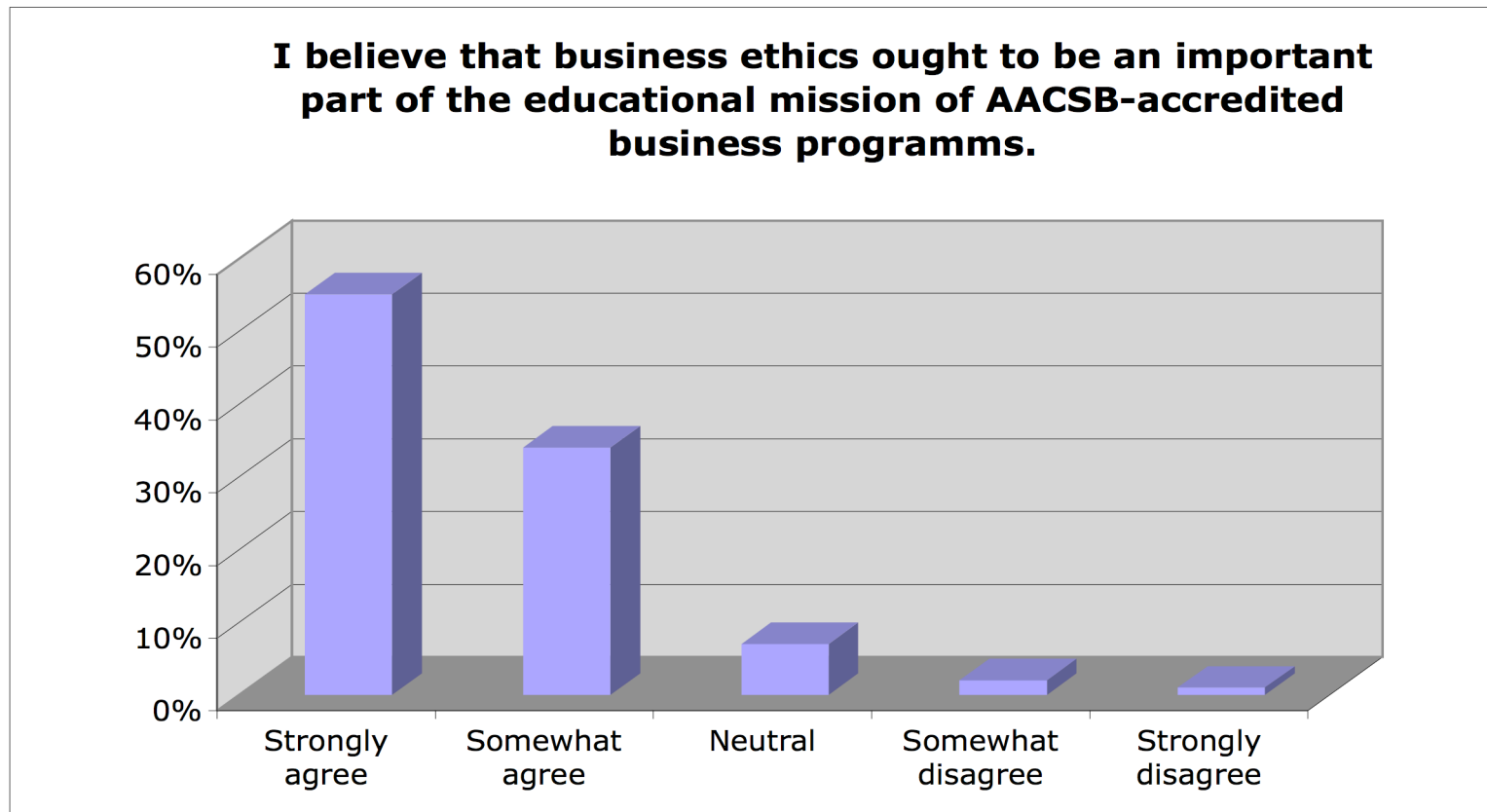
Assessment Problems

Delivering Ethics in an Unsystematic Way Makes It Hard to Assess Learning Outcomes

Missed Relevance

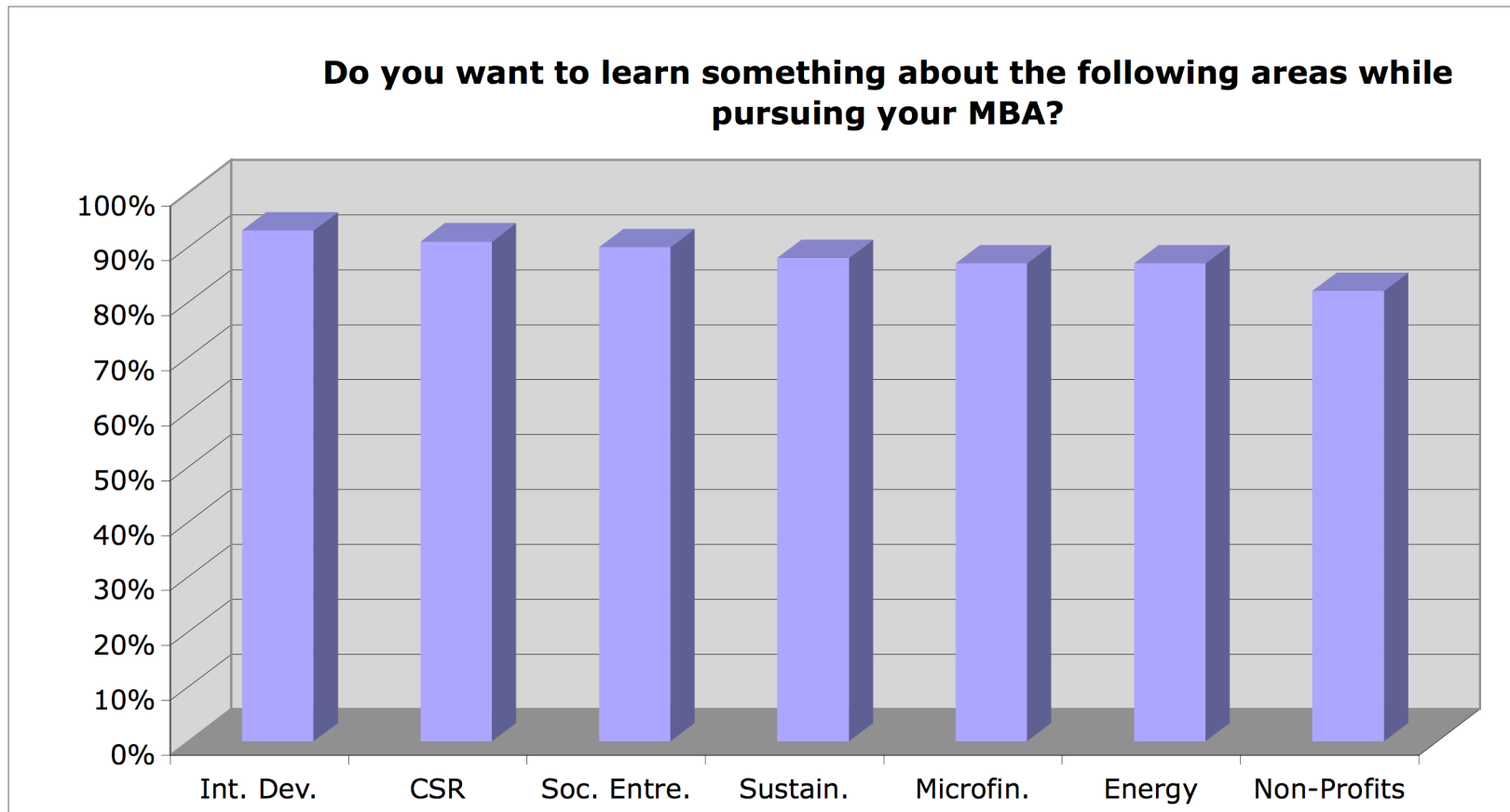
Due to Changes in Regulations (e.g., Sarbanes Oxley Act of 2002) Ethics Is Relevant in Practice and Provides Career Opportunities

Deans are Recognizing the Importance of 'Ethics' (Although Faculty Often Neglects It)



© 2003 AACSB Survey of 295 Deans of Accredited Business School (Evans & Weiss 2008)

Students Are Expressing Interest



© 2006 Survey by Net Impact (N=2104)

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The Principles for Responsible Management Education - Some Facts

- 1 Not an Accreditation System, But a Complement (Not Substitute) to Existing Accreditation and Quality Assurance Systems
- 2 Mission: Inspire and Champion Responsible Management Education, Research, and Thought Leadership
- 3 Underlying Belief: Business Ethics Has Yet to Become Part of the Strategic Core of Management-Related Education
- 4 Framework for Continuous Improvement in the Area of Global Citizenship Education and Research

PRME - The Process of Development

Developed by an International Task Force of Sixty Deans, University Presidents, and Official Representatives of Leading Business Schools

A number of Institutions Co-Convened the Drafting Process and Later Endorsed the Final Document



Officially Launched at the 2007 Global Compact Leaders Summit in Geneva

The UN Global Compact and the PRME



The Principles for Responsible Management Education (PRME)

Principle 1	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.	Purpose
Principle 2	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.	
Principle 3	We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.	Method & Research
Principle 4	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.	
Principle 5	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 towards meeting these challenges.	Partnership & Dialogue
Principle 6	We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global responsibility and sustainability.	

Adopters from Five Continents

International Adopters

ESSEC
BUSINESS SCHOOL
PARIS-SINGAPORE

Griffith
UNIVERSITY



INSEAD

SDA Bocconi
School of Management



UNIVERSITEIT
STELLENBOSCH
UNIVERSITY

London
Business
School



UNIVERSITY OF
NOTRE DAME

130
Business
Schools

German Adopters

WIP | Ingolstadt School
of Management
Wirtschaftswissenschaftliche Fakultät



UNIVERSITÄT
MANNHEIM

HHL...
International University · Schloss Reichartshausen

European Business School
International University · Schloss Reichartshausen

INTERNATIONALES
HOCHSCHULE
INSTITUT
h ZITTAU

The PRME Engagement Model



'Walking the Talk'

- 1 Commitment of the top administrators to the implementation of PRME is significant.
- 2 Identify champions and leaders among faculty, administrators, alumni, students, and donors to help lead implementation.
- 3 Foster dialogue across the organization and academic disciplines on the six principles.
- 4 Identify key aspects of the organization's activities that must be changed.
- 5 Plan and build reporting systems to regularly communicate on progress.

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Looking Into the Principles - Selected Experiences

Integrating Business Ethics Into the Core Curriculum I

Principle 2

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.

‘You may not be able to change character, but you can teach people what’s expected of them as professional managers. They may choose not to meet these expectations, but we have an obligation to make sure they at least recognize an ethical problem when it arises.’

Richard Schmalensee (Dean MIT Sloan, 1998-2007)
2002, *Boston Globe*

Integrating Business Ethics Into the Core Curriculum II

Principle 2

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.

A Required,
Stand-Alone,
Foundational
Ethics Course

Integrating Ethics
Across the
Curriculum with
Oversight

Guest Speakers,
Service Learning
Projects, Foster
Dialogue

Making Ethics Education Part of the Strategic
Core of Management Education

See Swanson & Frederick (2005)

Integrating Business Ethics Into the Core Curriculum III

Principle 2

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.

	Finance	Marketing	Supply Chain Manag.
Prevent	Insider Trading	Targeting Vulnerable	Child Labor
	Unethical Investments	Overpricing	Supplier 'Squeeze'
	Balance Sheet 'Polishing'	Deceptive Advertising	Health and Safety Conditions
Enable	Responsible Investment	Social Marketing	Capacity Building

Designing an Ethics Course I

Principle 3

We will create **educational frameworks, materials, processes and environments** that enable effective learning experiences for responsible leadership.

Context

Mandatory Course Early in the Curriculum (2nd Year Undergraduate Education / 1st Year MBA) / Goals: Identify Ethical Problems in Context, Raise Awareness, and Present Possible Solutions

Content

Need for Ethics in the Global Context / Levels of Analysis: Individual, Organization, Society / Introduction of Initiatives: SA 8000, Global Compact / Constraints of Ethics Management

Process

Cases, Videos, Newspaper Which Relate to the Presented Theory / Writing Intensive Classes / 'Ethics Debate' and Interactive Teaching / Service Learning and Follow-Up Writing

See Weber et al. (2008)

Designing an Ethics Course II

Principle 3

We will create **educational frameworks, materials, processes and environments** that enable effective learning experiences for responsible leadership.

Teaching Tool	Used by..
Business Speakers	32%
CSR Case Studies	25%
NGO Speakers	20%
CSR Professional Speakers	17%
Internships	6%
Communications/Media Speakers	5%

2003 Survey of CSR Education in Europe (n=166) / Matten and Moon (2004)

Business Ethics Research - Four Organizational Challenges

Principle 4

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.

REWARD
Empirical and
Conceptual Research

HIRING
Explicit 'Ethics' Faculty
Who Focus Research

COLLABORATE
With Business Community
and Other Institutions

FOSTER
Dialogue Across Faculty on
Ethics Research

Responsible Management Education is Based on Dialogue and Partnership

Principle 6

We will **facilitate and support dialogue and debate** among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global responsibility and sustainability.

Why Dialogue and Partnership?

- identify problems and opportunities - both are context-specific
- share best practices and innovative solutions
- foster discussion among students - learning requires engagement!

How Dialogue and Partnership?

- invite practitioners to share their knowledge with students (e.g., ex-convicts)
- organize multi-stakeholder events (e.g., conferences)
- build partnerships with firms (e.g., organize 'field visits')

Save the Dates! - Upcoming Events

9 Aug. 2008
AOM Meeting,
Anaheim

All-Academy PDW on 'Implementing the *Principles for Responsible Management Education* - The Questions We Have Not Asked (Yet)'
Presenters: Carolyn Woo, Manuel Escudero, Greg Unruh
Facilitators: Joshua Margolis, Hans van Oosterhout and others

4-5 Dec. 2008
UN HQ,
New York

Global Forum for Responsible Management Education
Organizers: Global Compact Office and Co-Convening Institutions



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