



A GLOBAL INITIATIVE— A GLOBAL AGENDA

PRME

Principles for Responsible
Management Education

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For more information on the Principles for Responsible Management Education please visit: www.unprme.org

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The Principles for Responsible Management Education

The mission of the Principles for Responsible Management Education (PRME) initiative is to inspire and champion responsible management education, research and thought leadership globally.

Being driven by international values, such as the Principles of the United Nations Global Compact, the PRME initiative seeks to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders.

In the current academic environment where the trend of corporate sustainability and social responsibility has entered the classrooms but has yet to become part of the strategic core of management-related education, the PRME are a timely global call for business schools and management-related academic institutions to gradually adapt to the new business challenges and opportunities.

The PRME are a global call to transform curricula, research and teaching methodologies on the basis of universally recognized values of sustainability, social responsibility and good corporate citizenship. Any school which is willing to engage in a gradual but systemic manner is welcome to join the initiative.

The Changing Nature of Management Education

Being a good corporate citizen has never been more relevant than it is today. As the world faces serious economic, social, and environmental challenges, an increasing number of companies — from large multinationals to small and medium-size enterprises — are beginning to address these challenges strategically and in their day-to-day operations. There are promising trends indicating a premium for companies which proactively progress towards sustainability and social responsibility — by developing and implementing strategies that mitigate risks, stabilize the business environment, and seize previously untapped opportunities for value creation. A company's ability to compete, gain trust and ensure long-term viability is today more clearly linked to responsible business behavior and accountability. This heralds new ways of doing business which benefit both the company and society.

As the corporate sector requires new solutions, knowledge and new holistic ways of thinking, management-related academic institutions, and in particular business schools, are uniquely positioned to address these needs:

- Through education, academia has a core role in shaping the skills, competencies and the decision-making capability of future business leaders.
- Through research, academia can develop means and frameworks for responsible business practices.
- Lastly, academia is a key actor in advocating the new values and ideas of responsible business.

Through these means and by serving as a positive example within their own operations, academic institutions have the potential to generate positive change on a large scale.

Management-related academic institutions have already embarked on a long-term mission to adapt their roles as educators, researchers and advocates. Topics such as business ethics, business and society, environmental and sustainability studies or social entrepreneurship are increasingly being integrated into academic curricula. However, in most cases these issues are neither part of the core courses, nor have they been integrated as new basic values of more traditional subjects — from financial analysis and accounting to marketing, operations or human resources.

In this current academic environment the trend of corporate sustainability and responsibility has entered the classrooms but has not become part of the strategic core of management education.

Given this reality, the Principles for Responsible Management Education (PRME) are a timely global call for business schools to gradually adapt to the new business challenges and opportunities.



Georg Kell, Executive Director, United Nations Global Compact

"Enabling future business leaders to learn about the importance of universal principles to master environmental, social and governance challenges is critical for market sustainability and humanity's future"



John Fernandes, President and CEO, AACSB International (The Association to Advance Collegiate Schools of Business)

"Society needs future leaders to build an environmentally sustainable, socially responsible world. The emphasis on long-term sustainability and corporate citizenship is being recognized by shareholders as more valuable than short-term results. It's time

for business schools to proactively embrace the PRME so they can prepare students to address tomorrow's global challenges and be responsible corporate citizens."



Prof. Dr. Eric Cornuel, Director General and CEO, EFMD

"The emerging generation of responsible leaders needs guidance to maximize their potential in a global context. This necessitates profound rethink within business schools to develop the relevant research agendas, curricula and pedagogy. As a founding partner, together with the UNGC, of the 'Globally Responsible Leadership Initiative', EFMD is happy to endorse the PRME."



Dr. Manuel Escudero, Head of the PRME Steering Committee Secretariat

"With more than 100 participating academic institutions since its inception, the PRME is becoming a truly global movement that will innovate management education and create a new generation of leaders and professionals championing a sustainable and responsible corporate world."

The PRME: A Nascent Initiative

Acknowledging the potential benefits of the PRME, **UN Secretary-General Ban Ki-moon** said during his closing remarks at the 2007 Global Compact Leaders Summit in Geneva: “The Principles for Responsible Management Education have the capacity to take the case for universal values and business into classrooms on every continent.”



The idea of developing a principle-based global engagement platform for academic institutions follows from a recommendation by all academic stakeholders of the UN Global Compact. It was first introduced by the Global Compact Office at the Global Forum “Business as an Agent of World Benefit” at Case Western Reserve University (Cleveland/OH) in October 2006. Under the coordination of the UN Global Compact and leading academic institutions, the PRME task force developed a set of six principles which lay the foundation for the global platform for responsible management education.

The PRME were developed by an international task force of sixty deans, university presidents and official representatives of leading business schools and academic institutions from around the world.

The following academic institutions co-convened the drafting process together with the UN Global Compact, and later endorsed the final document:

- AACSB International — Association to Advance Collegiate Schools of Business
- European Foundation for Management Development (EFMD)
- The Aspen Institute’s Business and Society Program
- Globally Responsible Leadership Initiative (GRLI)
- European Academy of Business in Society (EABIS)
- Net Impact

The PRME were first presented at the 2007 Global Compact Leaders Summit in the presence of UN Secretary-General Ban Ki-moon and more than 1000 business, civil society, and government leaders in Geneva, Switzerland.

Academic delegation at the 2007 Global Compact Leaders Summit in Geneva after presenting the PRME to UN Secretary-General Ban Ki-moon (center). Photo: Global Compact/Guaresi



Governance and Future Development

Since the launch of the PRME, the Global Compact Office has been hosting the PRME Secretariat and participates as a member of the PRME Steering Committee, along with AACSB International, the EFMD, the Aspen Institute's Business and Society Program, EABIS, the Graduate Management Admission Council (GMAC), the GRLI and Net Impact.

During this year, the PRME initiative seeks to give adopting business schools a leading role in setting the stage for a **Global Forum for Responsible Management Education**, to be held on 1-2 December 2008 at UN Headquarters in New York.

The Global Forum will bring together business schools and academic institutions that have adopted the principles, as well as main stakeholder groups, such as faculty representatives and students.

"The mission of the PRME initiative is to inspire and champion responsible management education, research and thought leadership globally. Being driven by international values, such as the Principles of the United Nations Global Compact, the PRME initiative seeks to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders."

PRME Steering Committee, Chicago Meeting, 8 September 2007

Student leaders at the 2007 Net Impact Conference: Building a Sustainable Future: What will you do next? in Nashville, USA. Photos courtesy of Patricia Nason/ Net Impact



The Six Principles for



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"To date, the PRME initiative has been very well received by the global business school community. I believe that the initiative can serve as an effective guiding framework for a systemic curriculum change in the spirit of the Global Compact principles."

UN Secretary-General Ban Ki-Moon

As institutions of higher learning involved in the education of current and future managers we are voluntarily committed to engaging in a continuous process of improvement of the following Principles and their application, reporting on progress to all our stakeholders and exchanging effective practices with other academic institutions:

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.

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.

Principle 3

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

Responsible Management Education

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.

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.

Principle 6

Dialogue: 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 social responsibility and sustainability.

We understand that our own organizational practices should serve as example of the values and attitudes we convey to our students.



"In a knowledge era, competitive advantage is derived entirely from recruiting, developing and retaining the best human capital. As socially responsible business practices become an imperative in a competitive marketplace, companies will seek candidates from programs that

embrace the principles for responsible management education."

David A. Wilson, President and Chief Executive Officer, Graduate Management Admission Council®, GMAC®



"The level of student demand and agreement on the PRME is high. Across all demographics, the majority of students tell us that corporate social responsibility is a topic that should be integrated into core curriculum classes at MBA programs, and that business schools should

place more emphasis on training socially and environmentally responsible individuals than they currently do."

Liz Maw, Executive Director, NetImpact



"We started in 2001 with five pioneer business schools and five supporting companies on a journey to transform business education and management development in Europe. Today we have been joined by more than 50 schools and universities and over 30 companies

from Europe and beyond. Seven years on, the progress in research, education and development has been impressive and far-reaching. As co-conveners of the PRME we are fully supportive of its guiding principles and committed to drive for worldwide implementation."

Professor Gilbert Lenssen, President, European Academy of Business in Society

The Case for Adopting the PRME

The benefits of adopting the PRME for a business school or a management-related academic institution are to a certain degree similar to the benefits for a business engaging in responsible business practices:

- 1) Businesses which incorporate values of sustainability and corporate citizenship into their core strategy and daily operations are the forerunners of a necessary adaptation process of the corporate world. Likewise, leading schools that want to stay "ahead of the curve" are adopting the PRME as an internationally recognized framework for adaptation and change.
- 2) Business schools and management-related institutions are by definition closely connected to the community they serve: the corporate world and their key stakeholder organizations. This is why they need to focus as much on the excellence of their basic research as on the relevance of applied research to new needs and changing operating environments of business. It is the same reason why schools strive to strike the right balance between sound scholars and excellent practitioners within their faculty. Given the growing demand by business to develop new approaches on how to integrate environmental, social and governance issues, it is in the best interest of business schools striving for excellence to adapt and serve this new demand.

- 3) The PRME are a call to encourage and facilitate large-scale progress of business schools towards a new approach in education that meets the new needs and expectations of the business world and the demands of a new generation of students with regard to sustainability and good corporate citizenship. Until this new value proposition becomes mainstream, schools that lead the change will have a competitive advantage. Leading corporations will welcome the emergence of a new generation of professionals whose vision, knowledge and skills are suited for the new opportunities of value creation in the 21st century. In sum, the PRME are an initiative that will increasingly enhance responsible performance, adaptation to changing demands, and competitiveness in the market.

Model of Engagement

The PRME can serve as a framework for systemic change for business schools and management-related institutions, on the basis of three distinctive characteristics of the initiative:

Continuous Improvement: Any school that is willing to engage in a gradual but systemic manner is welcome to join the initiative. Implementation of the Principles should be understood as a long-term process of continuous performance improvement.

A Learning Network: The PRME initiative also functions as a learning network. By collecting and channeling good practices, it will facilitate an exchange of existing and state-of-the-art experiences within the PRME network.

Report to Stakeholders: Adopting the PRME implies that the signatory school is willing to report regularly – annually – on progress to all stakeholders. Public reporting is the best way to ensure the credibility of the initiative and allows giving recognition to good performances.

Adopting the PRME

The PRME is a voluntary engagement platform for business schools and management-related academic institutions. An academic institution that signs on to the PRME expresses its conviction that academic institutions, through integrating universal values into curriculum and research, can contribute to a more stable and inclusive global market and help build prosperous and thriving societies.

In order to join the PRME initiative, an academic institution is asked to:

- Send a letter of support signed by the highest executive (together with a short questionnaire) to the PRME Secretariat (see the PRME website at www.unprme.org for a template and online questionnaire).
- Set in motion changes so that the PRME become part of the institution's operations, curriculum and research.
- Commit to report regularly on the progress made to all stakeholders.
- Publicly advocate the values of the PRME.

In addition, PRME signatories are asked to engage in a variety of ways to maximize the benefits of participation.



"In 2004, with the EFMD and the UN Global Compact, 21 pioneering business schools/ learning institutions and companies set off on a mission to make global responsibility a core dimension in the education and training of a next generation of leaders and business managers. Today we have taken a further step by formulating a first set of Principles for Responsible Management Education. Everyone dedicated to this mission should be proud and satisfied with what has been accomplished so far. But, principles need to be put into

practice. This work has just begun. All of us will now continue to work together for the implementation of the PRME."

Prof. Dr. Anders Aspling, GRLI Secretary General, and Mark Drewell, Chairman of the GRLI Board

"Walking the Talk"

Although each academic institution has to find its own approach to implementing the PRME, there are some general success factors:

- The commitment of the top administrators to the implementation of the PRME is a first, crucial condition for progress.
- Identify champions and leaders among faculty, high-ranking administrators, and students or outside stakeholders (e.g. financial donors) to help in the initial steps of adoption and implementation of the PRME.
- Create a vision of what must be achieved in terms of the organization's operations and services (curricula, research, and advocacy).
- Identify key aspects of the organization's activities that can be changed.
- Plan and build the operating, accountability and reporting systems to put the vision into practice.
- Integrate and align efforts across the organization and its key decision-making processes by forming a multi-stakeholder, multi-disciplinary approach team, including administrators, faculty, and students.
- Regularly assess and report progress to all stakeholders.



"Issues of social impact and responsible management are in most cases present in some form at business schools throughout the world. The coming challenge is to move these issues from an oft-isolated silo into the mainstream disciplines of management education."

Rich Leimsider, Associate Director, Business and Society Program, The Aspen Institute

A Global Initiative – A Global Agenda



"The process of adopting PRME and supporting the Global Compact for us at Notre Dame enabled faculty to voice their deep desire for their work to make lasting contributions to the good of society and to develop students for that purpose. It has fostered energetic commitment and a highly systematic approach for assessing what we are currently doing and how we can step up an integrated manner to generate scholarship of enduring significance."

Carolyn Woo, Dean, Mendoza School of Business, University of Notre Dame



"The process of adopting the Principles can be as important as the adoption itself. The PRME framework offers a unique opportunity to ask some fundamental questions about our educational mission, to test some of the core assumptions that currently

dominate our curriculum and research, and to generate a multi-stakeholder conversation to drive change."

Angel Cabrera, President, Thunderbird, The Garvin International School of Business



"Social responsibility, environmental preservation, and innovation-driven business performance including economic, social and ecological bottom line indicators, are all vital elements of a sustainable future for corporations, NGOs, universities, government and society as a whole. Education to design and develop this sustainable future implies proactive engagement of business schools. The PRME provide an intellectually robust reflection on the future of our world, and define a very clear

action-oriented direction for business school strategy and learning imperatives. As action-oriented business schools let us not wait for the future to come; let us design the future by educating students and developing faculty to be the co-creators of sustainable futures for business, government, and society NOW."

Jaime Alonso Gomez, National Dean and Professor of International Management, EGADE, Tecnológico de Monterrey, Mexico





"Adopting PRME seemed to be natural to ESSEC, because the institution has been inspired by European humanism since its creation. The horizon of educating business people who act as economic agents *and* as enlightened citizens is part of our identity. The various faculty representatives and the Deans perceived it would just be impossible for ESSEC not to

declare ourselves as adopting the PRME, as a whole academic body. Of course now we feel committed to progress in a direction we have claimed publicly as ours." **Pierre Tapie, Dean & President, ESSEC, France / Singapore**



"The Principles were embraced by all members of our faculty as the PRME confirms the very foundations of our programmes. It is most effective to recognize our efforts to be in line with other leading schools across

the globe, triggering motivation among our stakeholders to take our joint efforts to the next level."

Takashi Ishigami, Dean, Graduate School of Environmental Management, Hosei University Tokyo, Japan



"Adoption of PRME at Griffith is highly symbolic but it also, quite rightly, creates new expectations both within the University and the Business School. The Principles

provide a framework for us to develop and coordinate our commitment to responsible management education and research and remind us that we need to practise what we preach. We are now leading the way in moving the whole university towards the adoption of environmentally and socially sustainable practices. Our commitment to PRME also provides us with the necessary lever to undertake the curriculum reform across our business programs. We believe, also, that our commitment to PRME will enable us to build critical external linkages with business and industry leaders who now acknowledge the criticality of sustainable and responsible practices in the current dynamic environment. With PRME at the forefront, we are engaging in public seminars and workshops, and developing partnerships with key leaders around these issues."

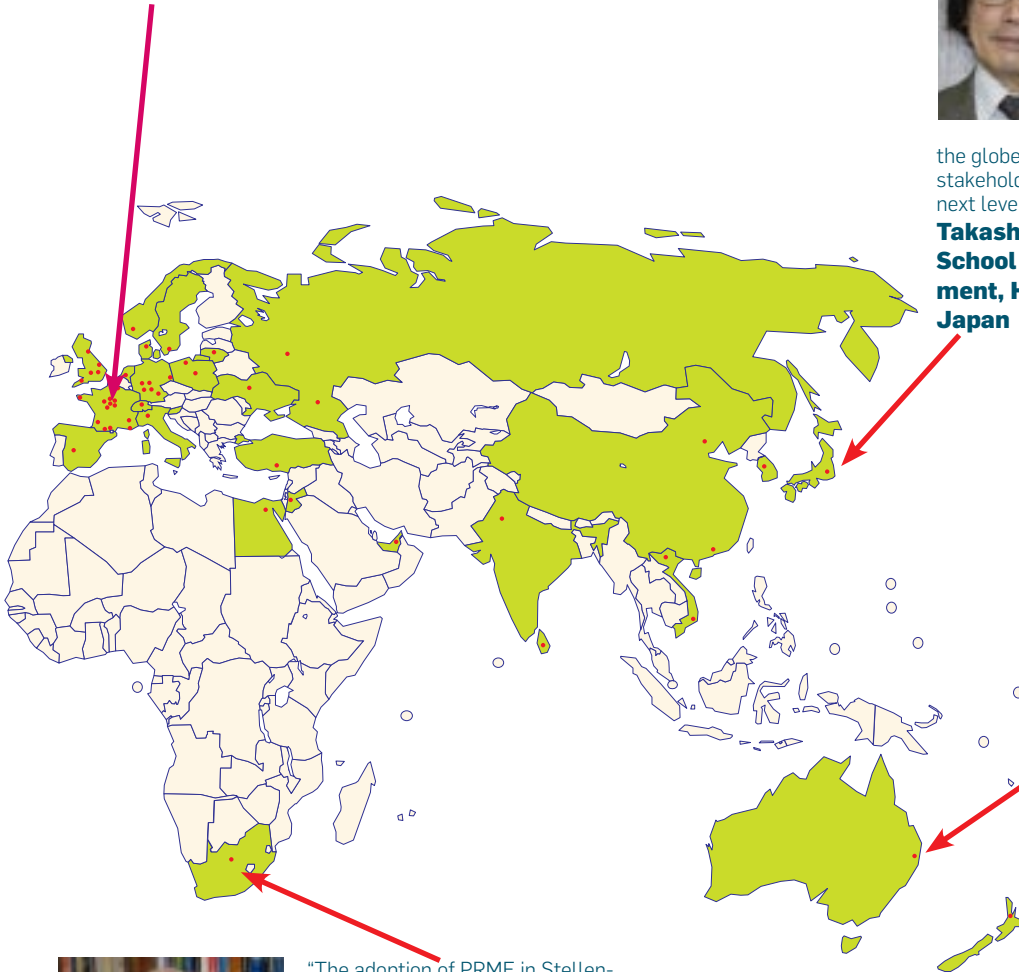
Michael Powell, Professor and Pro Vice Chancellor (Business), Griffith University, Australia



"The adoption of PRME in Stellenbosch University Business School was followed, first, by the creation of intellectual capacity to support research, partnerships and dialogue based on the values and attributes we wish to develop in our students, and, secondly, by the creation of

effective learning experiences in responsible leadership. The intellectual capital has found an organisational home in three new research centres, the Centre for Development Policy and Partnership, the Africa Centre for Dispute Resolution and Arbitration, and the Africa Centre for Corporate Governance. Although still relatively new, these initiatives have already assisted in catapulting USB into the World Top 100 Schools in terms of the Aspen Institute's BeyondGreyPinstripes Rankings."

Eon Smit, Director, University of Stellenbosch Business School, South Africa





Global Forum for Responsible Management Education

SAVE THE DATE!!

1-2 December 2008

United Nations Headquarters, New York City, USA

After the first year of the Principles for Responsible Management Education initiative, the co-conveners of this global initiative call for a first Global Forum of Deans and Administrators of Business Schools and other stakeholders, to:

- 1) Design a future roadmap for the initiative, on the basis of the experience gained by participating academic institutions.
- 2) Decide on the contribution of management-related academic institutions to the global agenda.
- 3) Articulate the way forward for a profound transformation of management education in line with the new environmental, social and governance concerns of the corporate world.

UN Secretary-General, Ban Ki-moon is expected to meet with participants during the closing plenary session.

Co-convening organizations



United Nations Global Compact



THE GRADUATE MANAGEMENT ADMISSION COUNCIL



PRME Principles for Responsible Management Education

www.unprme.org

The Six Principles for Responsible Management Education

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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.

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We understand that our own organizational practices should serve as example



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