Teaching Ethics in Business and Management Education

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Chapter 31

Responsible Management Education in Practice:
The Principles and Processes for Educating Socially Responsible and World Engaged Leaders

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ABSTRACT

The Principles of Responsible Management Education (PRME) offer a platform for institutional commitment and leadership engagement toward business ethics and poverty alleviation. The author reviews the principles in light of a need for a renewed management education centered on social responsibility, sustainability and partnership values. The PRME present a possibility for universities to engage with United Nations Global Compact (UNGC), the Millennium Development Goals (MDGs) and other multi-stakeholder partnerships. The participating institutions share a commitment for a renewed management education where private organizations become positive agents for world benefit. The process of adopting and integrating the PRME into existing programs and curricula is instrumental for educating ethical, sustainable, and socially responsible leaders for the 21st century.

INTRODUCTION

Responsible management education is both a challenge and an opportunity. The time has come for business schools and public service management programs to center their education around global challenges of sustainability and poverty reduction. Social responsibility and ethics are no longer electives in the business of adequately preparing 21st century leaders (Gasparski, 2008). Social responsibility pertains to all stakeholders but it begins with a value-based commitment of management faculty and program administrators. Academia can therefore provide opportunities to learn appropriate competencies for developing globally responsible leaders and promoting organizational practices for world benefits, actively contributing to poverty eradication, replenishing

and restoring nature, and building foundations for peace (BAWB, 2006). These renewed management values are already priorities among the 363 academic institutions and programs (as of April 2011) who adopted the Principles of Responsible Management Education (abbreviated PRME and pronounced PRIME). Developed in 2007 by the academic institutions connected to the United Nations Global Compact (UNGC), the adoption of principles create opportunities for participating academic institutions to exchange best practices in teaching, learning and engaging for world benefit.

The idea of the PRME was introduced by the UNGC at the Global Forum "Business as an Agent of World Benefit" at Case Western Reserve University in October 2006. Inspired by the internationally accepted business values of the 10 principles of the United Nations Global Compact (UNGC) and the 8 Millennium Development Goals (MDGs), the PRME offer a boost for making management education an engaged, responsible and sustainable response to world poverty and inclusive development. The PRME were developed in July 2007 by an international task force consisting of 60 deans, university presidents and official representatives of leading business schools (PRME, 2007). At their official launch during the Global Compact Leaders Summit in Geneva, UN Secretary-General Ban Ki-moon said that 'The Principles for Responsible Management Education have the capacity to take the case for universal values and business into classrooms on every continent' (Forray & Leigh, 2010).

Today, PRME represents a growing movement of academic institutions and management programs committed to the promotion and integration of socially responsible principles and practices. They represent a platform for dialogue and implementation of social responsibility in education and for making management education relevant to local and global poverty reduction and sustainable development. Social responsibility and sustainability are not a fashion in management education (Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007). They reflect fundamental shifts in our societies and economic systems that will surely develop in the years to come. The PRME offer an engagement model for management schools and academic institutions who want to stay "ahead of the curve" by integrating sustainability and social responsibility into their learning outcomes and programs (PRME, 2011b).

The PRME are part of a growing movement promoting education for global citizenship, sustainable development, social accountability and leadership for common good (Ball & Osborne, 2011; Godfrey & Grasso, 2000). The late-2000s financial crisis is also a 'good' opportunity to get serious about business ethics and placing social responsibility and sustainability at the core of management education (Rasche & Escudero, 2010, p. 244). Dr. Ángel Cabrera, president of Thunderbird University and a strong promoter of the PRME, has made sustainability and social responsibility values the hallmarks of his academic institution, a leader in global management education. Commenting on PRME, he argued that 'the time is ripe for change' to professionalize business schools by starting a reform process towards accepting the broader responsibilities of management in society (Cabrera, 2009). As demonstrated by innovative leaders such as Mohammad Yunus (Yunus & Weber, 2010), profit maximization can be aligned with alleviating poverty and systemic solutions to societal problems (Wankel, 2008; Werhane, Kelley, Hartman, & Moberg, 2010). Dr. Cabrera explains well how the 'private' interests of business can be in line with a responsibility for the 'common' good. "A professional ideology of service to the greater good is not at odds with the principle of shareholder value creation. It actually grounds shareholder value morally and integrates it in a richer multidisciplinary context. It reaffirms the importance of shareholder value as both a source of societal prosperity in itself as well as an indicator of other forms of value. But it acknowledges that businesses create multiple forms of value and it attributes to managers responsibilities that go beyond profit maximization" (Cabrera, 2009).

This analysis of the PRME assumes that management education, through the right principles and processes, can be instrumental in advancing sustainable solutions to world problems. It offers a review of the principles in their values and practical application for educating managers and leaders engaged in world poverty reduction. After framing the connection between social responsibility of academia in relation to management education, the PRME is reviewed in the values and meanings of each principles. We will than make a case for adopting the PRME beyond 'moral' principles and in relation to the beneficial processes for engaging the entire management program and academic institution to center education around social responsibility and sustainability. The benefits of adopting PRME are reviewed in relation to practical possibility of engagement for poverty reduction and in relations to the United Nations Global Compact (UNGC) and the Millennium Development Goals (MDGs). The many global challenges, along with the past corporate scandals and the current economic crisis compel to revisit management education. The PRME offer a framework and an opportunity to make academia an agent for world benefit by educating socially responsible leaders and engaging in poverty reduction.

THE SOCIAL RESPONSIBILITY OF MANAGEMENT EDUCATION

Is management education at a tipping point for poverty reduction, social responsibility, sustainability, ethical leadership and common good? Foregoing the formulation of the PRME, the 2006 Global Forum *Business as an Agent of World Benefit* suggested that we are indeed at the tipping point (BAWB, 2006). Management guru Peter Drucker too recognized the urgency for socially responsible management when, shortly before his passing in 2005, 'he spoke passionately about the distressed state of the world with corporate meltdowns and

a world where billions are condemned to lives of grinding poverty' (BAWB, 2006, p. 3). He invited all of us to aim higher as 'management is a matter of world affairs' and 'every single pressing social and global issue of our time is a business opportunity' (BAWB, 2006).

Dr. Jeffrey Sachs (2005) and UN Millennium Campaign in support of the MDGs emphasize that working toward the most pressing world problems, especially alleviating poverty, is the most pressing social responsibility of our generation. For the first time in human history, our generation has the knowledge, capacity and responsibility to halve extreme poverty by 2015 and end it by 2025 (Sachs, 2005, p. xiv). Therefore, the social responsibility toward poverty reduction is both an ethical challenge and an economic possibility for businesses to create 'inclusive capitalism' (Hart, 2005) and working for prosperity while serving humanity's most pressing needs (Yunus & Weber, 2010). As suggested by C. K. Prahalad's *The fortune at the bottom of the pyramid: Eradicating poverty through profit* (2005), the right mixture of innovation and entrepreneurship is a business opportunity of the 21st century.

Successful businessman and famous Harvard dropout Bill Gates challenged a university education that does not focus on world problems. During his remarks at the 2007 Harvard University commencement ceremony he confessed to having had a big regret:

I left Harvard with no real awareness of the awful inequities in the world – the appalling disparities of health, and wealth, and opportunity that condemn millions of people to lives of despair. I learned a lot here at Harvard about new ideas in economics and politics. I got great exposure to the advances being made in the sciences. But humanity's greatest advances are not in its discoveries – but in how those discoveries are applied to reduce inequity. Whether through democracy, strong public education, quality health care, or broad economic opportunity – reducing inequity

is the highest human achievement. I left campus knowing little about the millions of young people cheated out of educational opportunities here in this country. And I knew nothing about the millions of people living in unspeakable poverty and disease in developing countries. It took me decades to find out (Gates, 2007).

The original purpose of management education to link economics, professionalism and universities has a new fundamental challenge today. David Cooperrider calls it a challenge of making business a positive (appreciative) agent for world benefit linking the power of transformation of organizations into ecology, peace and poverty (Cooperrider, Whitney, Stavros, & ebrary Inc., 2008). The real challenge and responsibility of management education is therefore not simply developing good MBAs but transformational agents and committed global leaders for a better world (Pless & Maak, 2009). Responsible management education is more than an ethical call for willing individuals – it is a systemic responsibility for administrators and faculty to direct their programs and institutions through their discernments, priorities and decision making. As Gates suggested to Harvard University's administrators and faculty in his remarks:

Let me make a request of the deans and the professors – the intellectual leaders here at Harvard: As you hire new faculty, award tenure, review curriculum, and determine degree requirements, please ask yourselves: Should our best minds be dedicated to solving our biggest problems? Should Harvard encourage its faculty to take on the world's worst inequities? Should Harvard students learn about the depth of global poverty … the prevalence of world hunger … the scarcity of clean water …the girls kept out of school … the children who die from diseases we can cure? (Gates, 2007).

Should management education share the responsibility to address world problems? The answer merging from this analysis of the PRME initiative is that the adoption of the principles and the processes connected with it, offer an opportunity for effectively engaging in addressing word major problems. As Schram and Harney (2003) highlight in their review of 2,300 research papers, most business and manager researchers focus on solving 'small technical problems' like product placement and supply chain, while failing to examine the larger social and political questions that could provide fundamental answers about how to create a better world. The PRME are about revising teaching and researching in management programs so that academic institutions and leaders engage in solving global social problems and serving the common good. (Godfrey & Grasso, 2000).

PRINCIPLES AND PROCESSES OF THE PRME

The PRME include simple and straightforward values for orienting education toward societal and global responsibility. However, they do not include any specific technical insights of teaching and learning methods. The principles are not meant to be taken as a set of measurable standards for ranking classification or the like (Waddock, Rasche, Werhane, & Unruh, 2011, p. 14; Wolfe & Werhane, 2010, p. 146). Much like the UNGC 10 principles, the PRME six principles are more aspiration and voluntary than prescriptive and compulsory. Building on the Global Compact mission to inspire responsible management practices, the PRME aims to "inspire and champion responsible management education" (PRME, 2008, p. 2). The premise of both the UNGC and the PRME is that businesses and management education can be powerful forces to creating socially responsible leaders engaged to make the world a better place.

Under the guidance of Dr. Manuel Escudero, Head of Academic Initiatives of the UN Global Compact, the many institutional representatives convened in Geneva in July 2007 developed six key principles focusing on: (1) creating the necessary capabilities among students so that they can become inclusive and sustainable value leaders; (2) incorporating into the education programs the values of global social responsibility as illustrated by initiatives like the UNGC's 10 principles around human rights, labour rights, ecological sustainability, and anticorruption; (3) creating methods, educational processes and material that enable effective and responsible leaders; (4) engaging in research that advances understanding about the impacts of companies in creating sustainable social, environmental, and economic value; (5) interacting in partnerships with managers and academics to meet environmental challenges and social responsibilities; and (6) facilitating dialogue among stakeholders representing multiple sectors on critical social and sustainability issues.

Much more than a general organizational value statement, the formulation of these principles are more like a commitment for participating academic institutions to practice these values and share their practices.

The PRME offer an opportunity to inspire educators, administrators and professionals to embed the values of sustainability and corporate responsibility into the core mission of management education programs. They offer a timely global call to business schools and management programs to gradually but systemically adopt values and practices for sustainability, social responsibility, human rights, labor rights, environmental rights and anti-corruption mechanisms. Beyond the adoption of the principles, the process of engaging the whole institution or program toward a commitment for socially responsible education can be transformative. The PRME offers a framework for engagement of management related academic institutions at three levels:

1. 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 and the PRME can provide a framework of general principles through which to engage faculty and staff, and build institutional support.

2. 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.

3. 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 (PRME, 2011a)

The process could also generate innovative ways of integrating sustainability and ethics across the curricula and in the learning outcomes of the program(s) (Matchett, 2008; Swanson & Fisher, 2011). Business ethics, social responsibility and corporate sustainability have entered into the teaching of most management programs, however, they have not become an integral part of the strategic core of most management education colleges and universities. Social entrepreneurship, business ethics, green business and sustainable development management are increasingly present topics in management courses and curricula worldwide, but they are often relegated to electives and not placed at the center of the core courses and competencies of the programs (Net Impact, 2008). The adoption of the PRME can enhance these processes in academic institutions who want to adequately respond to the growing demands of a new generation of students more concerned

Figure 1. The Values and Commitments of the PRME. Source: Adapted from www.unprme.org

Participating Commitment:
As institutions of higher education involved in the development of current and future managers we declare our willingness to progress in the implementation, within our institution, of the following Principles, starting with those that are more relevant to our capacities and mission. We will report on progress to all our stakeholders and exchange effective practices related to these principles 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.

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.

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

on sustainability and global citizenship values. The voluntary adoption of the Principles along with the institutional commitment to engage in the processes of PRME can provide dynamic opportunities for preparing world engaged, socially responsible and sustainable business leaders for the 21st century.

In tackling sustainable and inclusive solutions to complex world problems like world poverty and exploitative and unsustainable business practices, the PRME recognizes the importance of involving multiple stakeholders and sectors. The representatives of key institutions in the steering committee and larger academic network point out to the need of multi-stakeholder dialogue and worldwide collaboration. Currently the PRME Secretariat works in coordination with PRME steering committee representing the United Nations Global Compact (UNGC), the Association to Advance Collegiate Schools of Business (AACSB International), the

European Foundation for Management Development (EFMD), the Aspen Institute's Business and Society Program, Globally Responsible Leadership Initiative (GRLI), the European Academy of Business in Society (EABIS), Association of MBAs, Central and East European Management Development Association (CEEMAN), Latin American Council of Management Schools (CLADEA) and Net Impact, a student organization with more than 13,000 members (PRME, 2011c). The effective education of future socially responsible leaders requires the commitment of current higher education leaders, administrators and scholars of key organizations and institutions (Khurana, 2007; Nemerowicz & Rosi, 1997).

MEANINGS AND VALUES OF THE PRME

The principles, which appear to be very general at first, provide undersigning institutions with a holistic perspective on responsible management education. Adopting these principles gives institutions the possibility to integrate ethics, social responsibility and sustainability into the curricula; promote and engage cutting edge socially responsible research and establish dialogues and collaborations between academics and practitioners. Institutions of higher learning involved in the education of current and future managers cannot find in the six principles 'what to do'. Rather it is the responsibility of the many, diverse and worldwide institutions to 'fill' these six principles with contextualized meaning based on reflections and discussions (Rasche & Escudero, 2010). In his analysis of German Universities, Andrew Rasche (2010b), recognizes how the PRME are a practical call to action. The principles have an emphasis on 'what' are the values of social responsibility and sustainability; on 'how' to implement these principles and 'within' what institutional and social sectors they can best be put into practice (p. 9). The meaning and values of the six Principles

are therefore a framework for implementing a long term process academic social responsibility (PRME, 2007, p. 4).

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.* This principle summarizes the primary purpose of PRME to provide academic conditions for developing sustainable and engaged leaders. The most important aspect here is to engage all parts of the academic program (faculty, staff and administrators) in a process to integrate the principles in the curricula and educational support services. This engagement process is critical especially for those disciplines that traditionally do not include ethical issues in their courses (e.g., finance, accounting and marketing). The principle can be integrated into the course by including reflections on the school's mission in relation to the PRME.

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.* This second principle explicitly recognizes the UN Global Compact values as foundation for socially responsible education. The UNGC principles along with the values of human rights, labor issues, environmental issues, and anti-corruption act like a 'moral compass' for concerned institutions. These values are not exclusive. Other value-based practices like fair trade, sustainable development and peace could also well integrate the purpose of the 'values' principle.

Principle 3 Method: *We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.* Teaching responsible management and sustainable ethics can take many shapes and forms. Most top-ranked MBA programs worldwide teach ethics and social responsibility as an integrated unit across the curricula (Christensen,

et al., 2007). Many professors resist this integration as they find it burdensome to include ethics systematically in their area of expertise (Swanson & Fisher, 2011). PRME can not only help to initiate a process to integrate ethics across curricula but it also helps create collaborations among institutions for travel courses, international development projects and other innovative teaching methods in the field of management (Rasche, 2010b).

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.* The practical application of teaching through real project is inherent to management education (Wankel & DeFillippi, 2005). Yet, integration of research that benefits not only organizations but adequately responds to communities in developing countries, for example, needs to be coordinated by competent and collaborative institutes and centers. Unfortunately the coordination between business ethics centers with other institutes working on human rights, intellectual property or community development is often limited by the sectoral fragmentation of the disciplines. Effective engagement in complex and multifaceted problems like poverty reduction requires coordinated multidisciplinary and multi-stakeholder efforts across universities and in collaboration with businesses, government agencies, international nongovernmental organizations and local nonprofits. PRME with the United Nations support has the possibility to assist academic institutions to act as agents for change through their engaged research across disciplines.

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.* Although partnerships are important for the necessary practical and hands-on purpose of good management education, it cannot be limited to business corporations. The UNGC, although primarily targeting for-profit organizations attempts to engage them in a larger dialogue with NGOs, academic institutions and government and inter-governmental agencies. The United Nation's broad experience offers numerous opportunities to engage in multi-sector partnerships.

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.* The most important value added by PRME is that of engaging institutions and leaders in dialogue toward cutting edge education trends in sustainability and social responsibility. The recently concluded 2nd Global Forum for the Responsible Management Education is an example of the benefits produced by these intersectoral partnerships and international dialogues. This is accompanied by the growing importance of the exchange of best strategies shared in the required self-reporting of participating institutors.

ADOPTION AND RECOGNITION OF THE PRME

PRME can also serve as a framework for systemic change for business schools and management-related institutions on the basis of three distinctive characteristics of the initiative. First, PRME can provide schools and universities a gradual but systemic trajectory for a long term process for continuing performance improvement. Second, PRME can function as a learning network collecting and exchanging good practices and effective strategies across institutions, programs and national education systems. Third, PRME can engage educational institutions and communities of stakeholders through the required public annual reporting. Although self-reporting, PRME public reporting is the best way to monitor institutional commitment and progress over time. It also gives

institutions opportunities to highlight their social, ethical and environmental stewardship practices through curricula, research, service and administrative commitments (PRME, 2011a).

Dr. Ángel Cabrera recognizes the importance of adopting PRME not just on the values and meaning of the 'principles' as much as they are a useful framework to engage a university in the 'process' of educating socially responsible leaders: "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" (PRME, 2008, p. 4).

The benefits of a school adopting PRME resemble the strategic advantages that a business has to adopt socially responsible and sustainable business model (Olson, 2010; Tan & Geh, 2008). First, they can become leading institutions ahead of competition, in line with important trends and along internationally recognized standards (Rasche, 2010a). Second, business schools and management-related institutions can increase their visibility and effectiveness in engaging with stakeholders and local and global communities they serve. In the same way that most schools strive to balance sound scholarship with excellent practice, PRME offers a context for appreciating research that is relevant to world problems (either in the pure or applied research modes). Third, PRME gives scholars, schools, students and practitioners the platform to seriously invest in socially responsible and sustainable development educational practices. Taking part of the PRME networks and publically reporting on the progress forces participating institutions to go beyond superficial 'green-washing' in reference to sustainability or 'blue-washing' in reference to the relation with the United Nations. Taken into account that PRME is at its beginning stages, it already represents and will surely stimulate new

processes for enhancing, measuring, teaching, researching and practicing socially responsible management in schools and society.

Although accreditation bodies like the Association to Advance Collegiate Schools of Business (AACSB), the Association of MBAs (AMBA) and the European Foundation for Management Development (EFMD) have endorsed the principles, the PRME is not a certification/verification standard. While the provision of general principles act as a catalyst for the formation of innovative education practices championed by leading institutions and scholars, this strength can also be considered a weakness of PRME. It is understandable that the PRME seeks to act more as a vehicle for reflection and action rather than a measuring stick to enforce practices. However, the principles need to be accompanied and reinforced by a process (not necessarily headed by PRME) that stimulates measurement, accountability and criteria for assessing achievements (Waddock, et al., 2011). Indeed, the PRME will acquire more practical relevance as clearer assessment criterion are developed for measuring progress on faculty development, curricula integrations, research accomplishments and community engagement (Wolfe & Werhane, 2010).

The PRME do not intend to create criteria for program accreditation and ranking. However, with the adoption of these values, along with the participation in their global networks, management educational programs and institutions could enhance their academic quality while refocusing on their ethical mission. Swanson & Fisher's (2008) comprehensive analysis of administrators of AACSB accredited business programs, finds that 80% of administrators believe that business schools should place more emphasis on ethics education. They conclude that accreditation agencies have contributed to management schools' lack of integration (or superficial adoption) of business ethics, social responsibility and sustainability in their curricula. For example, the Association to Advancement College Schools of Business (AACSB)

in their attempt to become the primary accrediting body of business schools internationally did not emphasize ethics and social responsibility in their standards (Swanson & Fisher, 2008, p. 44). The National Association of Schools of Public Affairs and Administration (NASPAA), the main accreditation body for public service programs, appears to face similar challenges in their internationalization of accreditation standards (McFarland, 2007). In the shift from 'mission-driven" accreditation to "quality standards" even public service management programs risk undermining the ethical foundation and service orientation of its educational mission. By adopting the PRME in both the principles and the processes connected to it, business and public service management curricula could receive a bust for integrating ethics, sustainability and social responsibility across the curricula. Martell and Castiñeira (2011) suggest that the use of PRME could be instrumental in directing the qualifications of a management program more toward the alternative ranking of ethics and social responsibility as measured by the Aspen Institute's Beyond Grey Pinstripe (p. 110).

PRME is gaining momentum by offering participating institutions the possibility to excel in socially responsible management education through global forums, shared best strategies and worldwide cutting edge trends. The growing interest in socially responsible themes is also clearly manifested in the growing participation of member institutions associated with PRME (Wolfe & Werhane, 2010). In less than 4 years, the initiative witnessed a tremendous growth going from 40 to more than 360 participating institutions (PRME, 2011b). Most of the participating academic institutions and management programs are from Europe (38%) and United States (23%), but there is a large representation also from Latin American and South-East Asia. Of the 364 participants, 138 (38%) have completed an annual public report on their progress showing some good practices in implementing the PRME across the curricula and in the service of communities

(PRME, 2011b). The growing relevance of the PRME in management education is also reflected by the high participation rate in the first and second Global Forum for Responsible Management Education held at UN headquarters in December 2008 and 2010, respectively.

The PRME reflects also the new generation of management students' growing interest and demand for social responsibility, business ethics and sustainability education. The 2008 Net Impact survey of more than 2,980 MBA students across 95 programs showed that 60% of students indicated a strong interest to learn more about concepts such as social entrepreneurship, environmental sustainability and Corporate Social Responsibility (CSR) (Net Impact, 2008). Academic institution sensitive to these trends will likely to participate in important forums and networks created by the PRME and their corresponding contexts of the UN Global Compact and the UN Millennium Goals.

ACADEMIC SOCIAL RESPONSIBILITY FOR POVERTY REDUCTION

The PRME go beyond merely adopting general ethical principles. They attempt to inspire academic institutions to rediscover their educational mission in the context of their social responsibility for poverty reduction. Academic social responsibility (ASR) is therefore a practical challenge for universities in general and management programs in particular to create the appropriate educational opportunities to engage with other sectors of society in solving social problems. Although deferring to the decision and adaptation of each individual institution, the PRME invite participants to avoid the temptation to engage in shallow sustainability PR (the so-called 'green-washing') or superficial international relations – what some have called 'blue-washing' in reference to the UN blue flag (Bruno & Karliner, 2000).

To fully understand and integrate responsible management values into education we need to understand the contexts and challenges represented by the UN Global Compact and Millennium Development Goals (MDGs). In addition to responding to the call of management scholars to renew management education and integrate it into more sustainable practices for world benefit, the PRME represent an entry step into the larger contexts of multi-sector partnerships (represented by the UNGC) and the sustainable development challenge (represented by the MDGs). These contexts are reinforced by and connected with the growing trends in management education advocating for programs in line with sustainability, business ethics and social responsibility.

The UNGC is a strategic policy initiative to engage businesses committed to fulfill the 10 universally accepted principles in the areas of human rights, labor justice, environmental sustainability and anti-corruption. By doing so, the United Nations recognizes the importance of the private sector to collectively achieve a more humane, sustainable and responsible globalization. They do so by engaging corporations and business organizations in a global platform of dialogue and collaboration with various inter-governmental agencies of the United Nations, nongovernmental organizations (NGOs) and academic institutions. Global Compact recognizes how academia adds critical dimensions to their objective and advances the UNGC agenda at the local and global level. They can do so through commitment of academic leadership, socially responsible research, shared educational infrastructure, and educational programs in line with the Global Compact's 10 principles on human-labor-environmental rights and anti-corruption. In addition, academia plays an important role in shaping future business leaders and educating them on the importance of responsible citizenship. The participation in the Global Compact Academic Network is open to all those universities, colleges, and business schools; university departments, research departments willing to collaborate as strategic partners and committed to implementing the 10 principles.
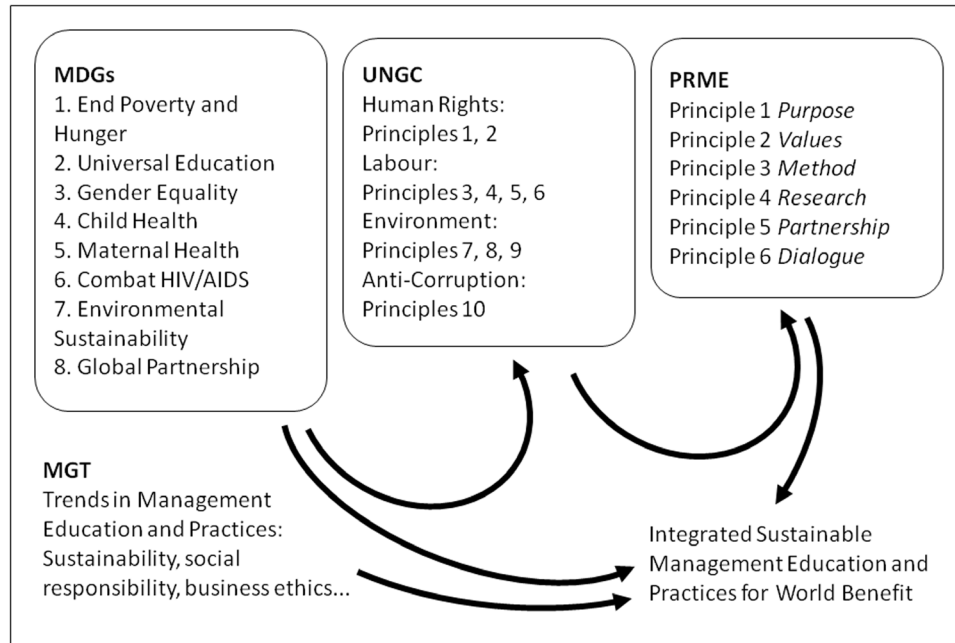
Facing the enormous challenges of global markets and increasing global inequalities, former UN Secretary General Kofi Annan launched the challenge of the global compact at the 1999 World Social Forum in Davos inviting business leader to commit to human rights, labors standard and environmental practices:

I believe what I am proposing to you is a genuine compact, because neither side of it can succeed without the other. Without your active commitment and support, there is a danger that universal values will remain little more than fine words -- documents whose anniversaries we can celebrate and make speeches about, but with limited impact on the lives of ordinary people. And unless those values are really seen to be taking hold, I fear we may find it increasingly difficult to make a persuasive case for the open global market (UNSG, 1999).

After 10 years, the words of Kofi Annan continue to inspire true world engagement welcoming these principles not through superficial undersigning but through corporate commitment and systemic practices. Since its foundation on July 26, 2000, the UNGC has grown exponentially representing six UN agencies at its core and engaging more than 8,000 participants, including more than 5,300 businesses in 130 countries around the world. Participating academic institutions have numerous engagement possibilities going from exchange of best strategies in the Communication of Progress to influencing global trends in the 2010 UN Global Compact Leaders Summit (Rasche & Kell, 2010).

The challenge of poverty reduction, education access, global health and sustainable societies can only be reached through global commitments. Academic institutions play a vital role not only for exposing students to the realities and possibilities of international sustainable development and

Figure 2. The Context of Responsible Management Education. Source: Adapted from www.un.org/millenniumgoals, www.unglobalcompact.org, and www.unprme.org

global social entrepreneurship, but also by offering practical opportunities for experiential learning and transformative world engagement initiatives. Although not as formalized as in the PRME and UNGC, management schools can engage in practical partnership initiatives for poverty reduction like those of the United Nations Development Programme promoting inclusive markets and growing sustainable businesses (UNDP, 2011).

In 2010, the PRME Secretariat joined CEEMAN, the international development association and accreditation agency, in sponsoring a Survey on Management Education and Poverty Reduction. The study builds on the first global survey to explore the relationship between poverty alleviation and business education conducted by CEEMAN in 2008. The major findings in that first study which surveyed 154 individuals from 33 countries were that: (1) The issue of global poverty was a legitimate topic for management education; (2) Courses on corporate social responsibility and business ethics were said to be the most logical "homes" for this discussion; yet

(3) Innovations in teaching about global poverty were occurring in business courses outside of the ethics and corporate social responsibility course (CEMANN & PRME, 2010).

At all teaching levels of management (undergraduate, MBAs, Executive MBAs and Ph.D.s) students expressed a clear and strong preference to 1) Increase the number of study travel trips that have a business and poverty focus (respectively 34%, 45%, 42%, 41%) and 2) Increase the number of student consulting projects to NGOs/governments/corporations that focus on poverty (respectively 23%, 23%, 22%, 22%). They also expressed interests in adding new assignments that deal with poverty, new cases that address the issue of poverty and articles and/or books that discuss poverty. Some other suggestions that came from the surveyed management students included the importance of added service learning in an organization that deals with poverty, increase the number of sessions taught by outside experts in poverty and increase the number of sessions taught by faculty experts on poverty (pp. 21-23).

CONCLUSION: TOWARDS A WORLD ENGAGED EDUCATION

Beyond diverse economic theories and systemic change methods, the fundamental management education question remain: *what kind of person should an MBA or MPA graduate be if she/he is ultimately going to help shape the direction of our world's most powerful organizations and institutions?* Unfortunately, most business school discourse today emphasizes a narrow technical vision over a broader overview of the principles and social values behind their career (Parkin, 2010, p. 123). Courses in related fields to business ethics, social entrepreneurship, sustainable business or socially responsible investing still occupy a marginal, elective role in most MBAs. Even with their emphasis on public service, most MPAs still experience the challenge of effectively integrating ethics and social responsibility in their curricula (Bowman & Menzel, 1998; Plant & Ran, 2009). In addition, the promises of higher salaries, quicker promotions or personal decisions to in a degree programs for business administration (MBAs) and public administration (MPAs). Henry Mintzberg, in his critique of management education, invites educators to rethink the wrong approaches and make room for a more engaged type of managers and leaders:

The trouble with "management" education is that it is business education, and leaves a distorted impression of management. Management is a practice that has to blend a good deal of craft (experience) with a certain amount of art (insight) and some science (analysis). An education that overemphasizes the science encourages a style of managing I call "calculating" or, if the graduates believe themselves to be artists, as increasing numbers now do, a related style I call 'heroic.' Enough of them, enough of that. We don't need heroes in positions of influence any more than technocrats. We need balanced, dedicated people who practice a style of managing that can be called "engag-

ing." Such people believe that their purpose is to leave behind stronger organizations, not just higher share prices. They do not display hubris in the name of leadership. The development of such managers will require another approach to management education, likewise engaging, that encourages practicing managers to learn from their own experience. In other words, we need to build the craft and the art of managing into management education and thereby bring these back into the practice of managing (Mintzberg, 2005, p. ix).

Increasing complexity and interdependence requires new approaches in management education (PRME, 2007, p. 4). The complexity of world problems requires the integration of environmental, social, and governance responsibility with strategic thinking and hands-on educational opportunities both locally and globally. With new emerging human development inequities, the threats of climate change, energy and food shortages and the international financial markets crisis, we cannot continue to do business as usual. The creation of sustainable and responsible societies with appropriate principles, practices and institutions begins in academia (Global University Network for Innovation., 2009). Management programs in particular have the possibility and responsibility to shape the values, attitudes and behavior of managers and leaders that can generate a new wave of positive change worldwide. With the integration of socially responsible principles and practices into their curricula and experiential learning opportunities can engage leaders for world benefits. Recent analysis of worldwide higher education indicate the need for programs to be more clearly directed toward human and social development, civic engagement and sustainable development (Global University Network for Innovation., 2009, pp. 55-56).

World engaged and competent leaders for the 21st century require more than the usual managerial skills. Twenty-first century leaders need to

develop values, skills and attitudes capable of effectively engaging in complex international environments, multi-sector collaborations and multicultural contexts. 'They require talented and ethical leaders who can not only advance organizational goals and fulfill legal and fiduciary obligations to shareholders, but who are also prepared to deal with the broader impact and potential of business as a positive global force in society' (PRME, 2007, p. 4).

Management programs and business schools have the primary responsibility to revisit the effectiveness of their education programs in developing socially responsible managers and engaged value leaders. They have the responsibility to adequately prepare students for a more integrated and interdependent world. As the corporate scandals at the beginning of the 21st century suggested a prioritization of ethics in management curricula, the current crisis should remind us that the interdependence of our global economy and the necessary integrated look at the economic factor in relation to social and environmental consequences. Business scandals and economic crises should be strong reminders of the importance of teaching integrated systemic analysis of ethical and practical managerial education centered in 'social responsibility' and 'sustainability' principles.

Social responsibility and sustainability are not just business ethical buzzwords. They are an opportunity to transform our management programs into laboratories for engaged world leaders capable of promoting sustainable business and societies. The growing awareness and interest in sustainability of young leaders and students entering management programs in business and public service should suggest a stakeholder approach for adopting PRME in academic institutions. Following the example of Thunderbird School of Global Management and other best practices in adopting PRME, management programs and institutions can implement university-wide processes for integrating sustainable management and socially responsible leadership into their

management education. The European Foundation for Management Development (2006) has recognized the crucial role of academia in making the idea of responsibility a cornerstone for global leadership development:

Globally responsible leaders at all organizational levels face four key challenges. First, they should think and act in a global context. Second, they should broaden their corporate purpose to reflect accountability to society around the globe. Third, they should put ethics at the centre of their thoughts, words and deeds. Fourth, they - and all business schools and centres for leadership learning - should transform their business education to give corporate global responsibility the centrality it deserves (European Foundation for Management & Global, 2006, p. 2).

Academic institutions and management programs have the social responsibility to develop engaged world leaders, globally responsible and sustainability leaders. This requires the right vision, oriented by sound universal principles and values as expressed in PRME, the UNGC and the MDGs. The pursuit of experiential and principles-based leadership development programs oriented toward economic and societal progress and sustainable development is based on the recognition of prioritizing management practice in a global context. The foundation of capable, globally responsible, engaged world leaders must be value-based. Hence the process toward the integration of socially responsible practices in management education must be principle-based. This overview of the PRME in their values, meaning and practical application in academic engagement for poverty reduction exemplify a trajectory toward world engaged management education. Working for the common good is at the core of public service careers, but also the foundation for renewed socially responsible managers and leaders. Young leaders have the right to receive an education that is not just based on skill-management trainings but also

values, principles and engaging experiential learning capable of inspiring them toward the creation of economic and societal progress in a globally responsible and sustainable way.

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KEY TERMS AND DEFINITIONS

Academic Social Responsibility: A concept extending the educational mission of academic institutions into actively engaging for the benefits of society though teaching, research, service and partnerships.

MDGs: The United Nations Millennium Development Goals include eight international development goals and 21 targets that all 192 United Nations Member States have agreed to achieve by the year 2015. The goals include eradicating extreme poverty, reducing child mortality rates, fighting disease epidemics such as AIDS, and developing a global partnership for achieving sustainable development worldwide.

Poverty Reduction: Also called poverty alleviation, is a process which seeks to reduce economic and non-economic poverty levels in groups of people, communities or countries. Poverty reduction strategies may include program in education, health, entrepreneurship, technology, income redistribution and various forms of economic development.

PRME: The six Principles for Responsible Management Education. They are about purpose, values, method, research, partnership and dialogue to implement socially responsible organizational practices as models for students.

Social Engagement: A concept referring to the individual, collective or institutional relations or involvements with some elements of society particularly communities and social service organizations.

Social Responsibility: An ethical theory that an individual, organization, or institution (including a university) has the obligation to act positively act to benefit society at large. Although some interpret it simply as passive value, avoiding engaging in socially harmful acts, it includes an active obligation to perform activities that directly advance social goals.

Sustainable Education: A concept that involves active academic participation to create economic, social and environmental programs improving life standards, generating empowerment and respecting interdependence.

UNGC: The United Nations Global Compact conveys businesses, academic institutions, non-governmental organizations and inter-governmental agencies and programmes of the United Nations around ten principles the areas of human rights, labour, the environment and anti-corruption.

World Benefit: It implies leadership and commitment toward producing positive impact to the planet, people and the economy and promoting initiatives for poverty alleviation, peace building and the promotion of human rights.