GLOBALLY RESPONSIBLE MANAGEMENT EDUCATION:
FROM PRINCIPLED CHALLENGES TO PRACTICAL OPPORTUNITIES

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ABSTRACT

Responsible management education is a crucial step in shaping our common future. This article reviews how the Principles of Responsible Management Education (PRME) offers a platform for institutional commitment and leadership engagement toward business ethics and poverty alleviation. Specifically, this work critically analyzes the challenges and opportunities in adopting the educational principles for practical outcomes in the context of other trends in socially responsible global engagement. Through a review of the institutional trends in relation to PRME, the author offers practical opportunities for curricula development, academic engagement and ethical education for the 21st century.

INTRODUCTION

Management education is first and foremost about leadership development for social impact. In the ever-changing complex world, management education should challenge those candidates whose priority is simply self-enrichment. It should prepare students to be responsible leaders in the world. Even within traditional fields like finance, accounting, business administration, and public service, management programs emphasize their social and global responsibility for a shared sustainable future. A growing
number of studies have been highlighting these trends in the possibilities and responsibilities that management education has for world benefit and global prosperity (Muff et. al. 2013; Werther & Chandler, 2014; Williams, 2014). These trends are already visible in numerous managerial and leadership practices of corporations engaged in sustainable development, human rights, labor rights, and anti-corruption agenda of the United Nations Global Compact (Lawrence & Beamish, 2013; Rasche & Kell, 2010). However, many worldwide management programs still have to make several changes in their curricula offerings and strategic priorities to become more relevant to the global responsibility trends for sustaining profits, people, planet and partnerships (Fisk, 2010; Sosik & Jung, 2010; Wankel & Stachowicz-Stanusch, 2011; Wankel & Stoner, 2009).

The United Nations’ Principles for Responsible Management (PRME) emerged from the United Nations’ Global Compact (UNGC) in 2007, in order to offer a shared platform for academic institutions to engage in globally responsible management education. Through a set of shared common principles and a commitment to regularly shared information with its stakeholders on the progress made in implementing the principles, PRME is becoming a valuable tool in shaping the future of responsible management education. “The PRME is the first organized relationship between the United Nations and management-related academical institutions, business schools, and universities” (PRME Secretariat, 2014). The PRME’s objective is to increase social responsibility and sustainability in management education; both are concepts that acknowledge managers as moral actors (Lavine & Roussin, 2012) and socially responsible agents (Katamba, 2012).

The idea that business schools have a role in educating socially responsible managers and leaders engaged in sustainable development is relatively new. For example, at the 1992 UN Rio Earth Summit there was a marked absence of business school representatives. In contrast, twenty years later, a conference entitled “PRME Global Forum” in which 300 attendees from some of the most prominent business schools in the world came together at UN Rio+20 Earth Summit. Now, there is a rapidly growing acceptance of business school’s role in sustainable development starting from the private sector. This acceptance has helped make PRME into an important base for business educators and has given management education a role in positive, progressive social change (Kelley & Nahser, 2014).

Much of this acceptance can be attributed to the mid-2000’s financial crisis which led business educators to ponder whether the curriculum was adequately addressing bad management practices, or if it was even encouraging these practices. However, most of the ethical implementations in management curricula have been simply a ‘patchwork’ without fully integrating ethics across the curricula (Boylan & Donahue, 2003) or placing ethics as a world benefit at the core of good management education (Melé, 2012). In addition, much of the teaching resources devoted to ethics centers around individual-level values with an emphasis on short-term exercises, rather than focusing on the interconnectedness of individuals and their organizations with long-term, in-depth projects which equip students with an understanding of the complex issues regarding business and society (Lavine & Roussin, 2012).

Currently, more and more business schools and management programs have joined or are in the process of joining the movement to partner businesses with socially responsible principles. PRME, along other similar engagement initiatives for academia and corporations, is a realization of the effort to provide a principled platform for socially responsible global engagement. In the following sections we will examine how the ethical values and practical possibilities of adopting the principles and engaging in a shared process to foster sustainable and socially responsible educational practice. Although the institutional reasons for joining and ultimately the level of commitment of PRME academic institutions may vary, the basic principles offer a common basic ground for expressing their specific commitments in line with the initiative’s purpose. Similar to the voluntary participation of corporations in the United Nations Global Compact (UNGC), academic institutions following PRME engaged in an open stakeholder disclosed forum aimed at sharing best practices and promoting effective strategies. Ultimately, the goal of such academic institutions in
educating leaders and managers should be aligned with PRME’s shared aim at developing globally engaged leaders and socially responsible managers.

Do these trends represent a beginning of a 21st century education more centered on sustainability, social responsibility and ethical practices? According to the Aspen Institute’s biennial Beyond Grey Pinstripes (BGP) Survey, more and more business management schools integrate social responsibility into their education. The Institute’s 2011-2012 report shows that management curricula are changing with a striking increase in social, ethical and environmental contents (Aspen, 2012). Such trends appear to overcome the narrow interpretations – almost paternalistic and non integrated - in corporate social responsibility (CSR) (Laszlo, 2003, 2008; Laszlo & Zhexambyeva, 2011). They also challenge Milton Friedman’s controversial statements which argued that business’s social responsibility was only to increase its profits. Various business ethicists have challenged such dichotomous or narrow interpretations of CSR (Werhane, 1999) defining it as a “truncation of the moral imagination that virtually precludes the possibility of sustainable value creation” (Kelley & Nahser, 2014). The PRME affirms the opposite idea, that business can maximize profits while responding to societal ills such as local and global poverty. It proposes that the management curricula can and should be a source for innovation in solutions to social problems, and that business schools indeed have an essential role in the creation of sustainable value. Although some academics still question the importance of ethics and social responsibility in management education, there is a progressive transformation occurring.

THE ‘DOING GOOD’ ETHICAL CHALLENGE OF MANAGEMENT EDUCATION

Integrating ethics into management education has become a priority in many academic programs and institutions. Numerous studies have highlighted the growing importance of integrating social responsibility in management education (Forray & Leigh, 2009; Giacalone & Thompson, 2006; Waddock, S. 2006; Wankel & Stachowicz-Stanusch, 2012). Teaching ethics in management education is more than imparting students with an ethics code. It is about creating a principled culture for ethical practices, global responsibility and sustainability. The debate on the role of ethics in business ethics is not as central as the practical, institutional and pedagogically effective implementation of educational programs that teach good management knowledge relevant to the most pressing needs of our societies. Therefore the ethical challenges are not just about ‘avoiding wrong doing’ but mostly about how to ‘do most good’. Such a shift from a negative ethics view to a positive ethics view in management education requires more than a simple set of courses and programs. It requires institutional commitments to basic global responsibility principles which in turn aim at engaging academic institutions to becoming collaborating agents for world benefit. The stakes are high and the pressure is on for creating a more sustainable, secure, inclusive and possible future for all. As the population continues to grow, development requires more resources, and the complexity of relations requires more accountability; academic institutions have an all important educational challenge. Acknowledging how societies rapidly evolve into more globalized systems with shared challenges, the main responsibility of academia is to prepare current and future generations of managers and leaders to be positive agents for a better world - for all.

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 (Cooper- rider, Whitney, Stavros, & Ebrary Inc., 2008). The real challenge and responsibility of management education is therefore not simply to develop good MBAs but to create 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 administratos and faculty to direct their programs and institutions through their discernments, priorities and decision-making.
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 to effectively engage 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 the 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).

Hans Küng (1998, 2004) has highlighted the importance of creating new political and economic ethical systems to adequately answer the main moral dilemmas of our globalized societies. The pressing challenges of the 21st century revolve around development, human rights, sustainability, climate change and human security. Globalization has created numerous opportunities but also exasperated issues such as inequality, corruption, urbanization, climate change, and state fragility. The United Nations has been on the forefront to creating a common plan in the Post 2015 development agenda. The 2012 Rio+20 conference, following other important milestones, represented a groundbreaking moment to finally integrate the priorities for human development with sustainable development. Other elements, however, especially in the area of human rights and human security would need to be further integrated in the global priorities and the formation of adequate educational management programs (Tavanti & Vendramini, 2014).

The integration of ethics across the curricula, global social responsibility, multi-sector partnerships, sustainable development, poverty reduction, human rights and human security would need to be included in current and future management degrees including masters in business administration (MBA), public administration (MPA, MPP), nonprofit / nongovernmental (MNA, MNM) but also specialized degrees in law (LLM) and development (MDP). Responsible management education offers some general guidelines for institutional commitment that should be the foundation to formulating adequate curricula responses, which effectively integrate the preparation of managers and leaders with solutions for world problems.

**RESPONSIBLE MANAGEMENT EDUCATION**

Responsible management education faces 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 provide opportunities for students to learn appropriate competencies in order to develop globally responsible leaders and organizational practices for world benefit. These include, 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 2014) 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 creates 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, “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 simply a “buzz” word in management education (Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007). It reflects a fundamental shift in our societies and economic systems that will hopefully 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 the 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 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 the social responsibility of academia in relation to management education, the PRME is reviewed in the values and meanings of each principles. We will then 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 recent corporate scandals and the current economic crisis compel us to revisit management education. The PRME offer a framework and an opportunity to help make academia an agent for world benefit by educating socially responsible leaders and engaging in poverty reduction.
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 understood 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 goal oriented 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.

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 provides 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)

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. Several management programs have been joining PRME and most of them maintain very informative annual or bi-annual Sharing Information in Progress (SIPs). The growth of the number of PRME participants and the submissions of SIPs are evident in Figure 1. As of April 2014, more than 550 academic institutions
and management programs have joined PRME and almost 600 SIPs were submitted.

**Figure 1: PRME Membership and Reporting**

![PRME: Growth of participants and SIPs](image)

Author’s illustration – data retrieved from the PRME website (April 2014)

The process of joining and reporting on PRME also generates 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 that want to adequately respond to the growing demands of a new generation of students more concerned 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.
**Figure 2: PRME Values and Commitments**

**The Principles of Responsible Management Education (PRME)**

<table>
<thead>
<tr>
<th>Principle 1 Purpose:</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 2 Values:</td>
<td>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.</td>
</tr>
<tr>
<td>Principle 3 Method:</td>
<td>We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.</td>
</tr>
<tr>
<td>Principle 4 Research:</td>
<td>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.</td>
</tr>
<tr>
<td>Principle 5 Partnership:</td>
<td>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.</td>
</tr>
<tr>
<td>Principle 6 Dialogue:</td>
<td>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.</td>
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</tbody>
</table>

Source: Adapted from www.unprme.org

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 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 won’t find “what to do” in the six principles. Rather it is the responsibility of the diverse worldwide institutions to complete 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 create a framework for implementing long term 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 sup-port 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 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 (Winkel & 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 sectorial 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 institutions.

**ADOPTION AND RECOGNITION OF PRME**

The 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 the 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 acts 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’s 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 their educational mission. By adopting the PRME in both the principles and the processes connected to it, business and public service management curricula could receive positive support to integrate ethics, sustainability and social responsibility across the curricula. Martell and Castilheira (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 starting 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 institutions sensitive to these trends will likely participate in important forums and networks created by the PRME and their corresponding contexts of the UN Global Compact and the UN Millennium Goals.

THE PRINCIPLED AND PRACTICAL CONTEXTS FOR PRME

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. Clearly, the adoption of PRME only in principles but without a commitment to align such principles with actual institutional commitments, strategic planning, and effective enhancements of management curricula and programs is not enough. To aid academic institutions and management program to properly engage in global social responsibility, other important global and academic initiatives align with PRME goals. In addition to the 10 principles of the United Nations Global (UNGC), PRME parallels others initiatives to engage academic institutions in global social responsibility. One of those is the United Nations Academic Impact (UNAI), an initiative to align institutions of higher education, scholarship and research with the sustainable development, the Millennium Development Goals (MDGs) and the United Nations’ global mandate. In the words of United Nations Secretary-General Ban Ki-moon: “The Academic Impact aims to generate a global movement of minds to promote a new culture of intellectual social responsibility. It is animated by a commitment to certain bedrock principles. Among them: freedom of inquiry, opinion and speech; educational opportunity for all; global citizenship; sustainability; and dialogue” (Ki-moon, 2010).

Although still in its infancy and exclusively targeting academic leadership, UNAI attempts to extend academic engagement into academic social responsibility beyond management and into other global areas of concerns of the United Nations (UNAI, 2014). The value added of the UNAI is to bring academic institutions closer to the actual core activities of the United Nations and to establish a leadership dialogue for leveraging education with the important pressing issues of the world today. UNAI too has a set of principles, ten, as a commitment to promote and advance both theoretical understanding and practical solutions for poverty, sustainability, human rights, peace and conflict resolution. Specifically, UNAI asks academic institutions to align its educational missions along the United Nations Charter (Principle 1) and to engage in the capacity development of other higher education institutions throughout the world (Principle 5). Although UNAI asks partnering institutions to demonstrate activities in line with at least one of the ten principles, the general expectation is to align administrative academic leadership with the global values of the United Nations and promote integration of academic programs with the UN mandate.

In the United States, other initiatives have emerged to engage academia in global social responsibility and practical solutions for development. Among them is the Higher education solutions network (HESN) and the Higher Education for Development (HED). Both connected to the United States Agency for International
Development (USAID), these initiatives have been instrumental for engaging academia with innovative solutions for poverty reduction and for supporting capacity development through North-South academic partnerships. HESN is a USAID group of seven Development Labs that capture the intellectual power of American and international academic institutions. The Labs “focus on the development and application of new science, technology, and engineering approaches and tools to solve the world’s most challenging development problems (USAID, 2014). Today, discovering and sharing innovative, efficient and accessible solutions to development challenges in areas of health, food security, and chronic conflict is essential to fight global poverty. Outdated development assistance models have perpetrated well-known systemic problems (Moyo, 2009; Easterly, 2006) making ending poverty, the main possibility and responsibility of our generation, a slower and less effective process (Sachs, 2005; Collier, 2007). Although academics thrive on theoretical debates, it is the creation of sustainable solutions that is a priority. USAID-HESN recognizes the vital role that academic institutions have not only for vetting theoretical economic models, but also for providing concrete innovative solutions to the problems affecting bottom billion countries and the poorest populations on earth. The network enables the aid agency to improve its understanding of development problems, test, evaluate, and catalyze technology for development, design, create new approaches to change and promote entrepreneurship to sustain these tools and approaches (USAID, 2014).

The Higher Education for Development (HED) initiative aims at practically engaging higher education institutions in development projects worldwide. The model is based on establishing financed innovative partnerships between U.S. colleges and universities with institutions of higher learning in developing countries. The level of engagement is more than principles. It is based on concrete capacity development partnerships with shared resources of U.S. higher education engaged in global development. For HED, these partnerships address a broad range of development goals across the globe. By forming, supporting and promoting partnerships between U.S. institutions and institutions in the global South, HED provides a platform for developing human and institutional capacity to make an impact on world poverty through education. In 2011, the HED initiative engaged 58 US higher education institutions in partnerships with 81 host-country institutions. Programs ranged from programs focusing on environmental concerns to workforce development and civil society capacity development. The partnership fosters new possibilities for sustainable relations beyond the short-term project.

PRME, UNAI, HESN and HED are principled and practical examples of academic global engagement for a better world. They are expressions of the social and global responsibility that academic institutions have toward to the current and future challenges of our global communities. 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. ASR includes social responsibility elements like (1) the provision of affordable quality education, (2) the alignment and integration of teaching, research and service to find solutions for global and community problems, (3) the institutional commitment, strategic planning and sharing of resources toward societal benefits, and (4) the provision of multi-sectorial dialogues and collaborative initiatives for promoting intellectual and engaged global social responsibility (Tavanti & Mousin, 2008).

To fully understand and integrate academic social responsibility with global social responsibility is instrumental to place PRME and other academic-based initiatives in the development, human rights and academic contexts. Figure 3 illustrates how the relationship between socially responsible initiatives shares a continuum relation between the trends in academia (management programs) and development (corporations). Though many disciplines carry a role in the global social responsibility call for discovering and implementing solutions for global poverty, human rights, climate change and human security, management programs have a particularly responsibility as they are closely connected to CSR. In addition to responding to the call of management scholars to renew management education and integrate it into more sustainable practices for world benefit, PRME represent an entry step into the larger contexts of multi-sector partnerships (represented by the UNGC) and the sustainable development challenges (represented by the
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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.

**Figure 3: The Context of Responsible Management Education**

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The idea of engaging private sector organizations and management educational programs for global social responsibility originated from the United Nations Global Compact (UNGc). 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. With the creation of the Global Compact (UNSG, 1999) the United Nations officially recognized the importance of the private sector to collectively achieve more humane, sustainable and responsible globalization. Since its foundation on July 26, 2000, the UNGC has been 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. As results of various collaborative initiatives, UNGC created numerous documents and forums providing concrete solutions for integrating business practices with human rights, labor rights, sustainable development, and anti-corruption. In addition, the UNGC has provided collaborative initiatives that generated guidance in other key areas such as sustainability leadership, sustainable supply chain, business partnerships, and women empowerment among others (UNGc, 2014).

The Global Compact recognizes how academia adds critical dimensions to their objective and has been instrumental in the creation of PRME. Moreover, UNGC offers academic institutions the possibility to participate directly in the 10 principles through the Global Compact Academic Network. Such a 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.

The UNGC human rights principles were strengthened by the work of United Nations Secretary General’s Special Representative on Business & Human Rights, John Ruggie. Dr. John Ruggie, Professor in Human Rights and International Affairs at Harvard’s Kennedy School of Government, was appointed as Special Representative from 2005 to 2011. During this time he proposed a policy framework for better managing business and human rights challenges based on three complementary and interdependent pillars: “the state duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and the need for greater access by victims to effective remedy, judicial and non-judicial” (Ruggie, 2013). Although recently developed and approved by the UN Human Rights Council the Ruggie “Protect, Respect and Remedy” Framework has been applied by a variety of stakeholders including academia.

The PRME, along the UNGC, the Ruggie Framework and other initiatives have the potential of engaging academia – both in principles and practices – in global development, social responsibility and poverty reduction. They are complementary to the core mission and main responsibility of higher education - educating engaged scholars and competent practitioners equipped to tackle the problems of this and future generations.

**CONCLUSION**

Through the analysis of PRME principles, their practical implications and contexts for academia and development we have argued how PRME offers a platform for developing globally responsible managers and leaders. Indeed, PRME represents a timely initiative to stimulate and assist management schools and universities worldwide to make these integrations more relevant to their curricula, research, teaching methods and institutional planning. However, merely signing to PRME or even just reporting about a few initiatives reflecting the 6 principles will not be enough to integrate management education with business ethics, sustainable development and poverty reduction. Undeniably, sustainable values, global ethics, and
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social responsibility have entered into most management education programs but they have not been fully integrated with the mission and main objectives of academia. PRME offers a principled platform along with the possibility of engaging with other contexts for practical solutions for development and human rights practices. In addition, PRME recognizes the importance of dialogue, implementing social responsibility in education, and involving multiple stakeholders and sectors in partnerships.

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 the student’s career (Parkin, 2010, p. 123). Courses in related fields to business ethics, social entrepreneurship, sustainable business or socially responsible investing still occupy a marginal or elective role in most MBAs. Even in most MPA program, which should be centered on public service, ethics, good governance, sustainability and multisector partnerships for poverty reduction are still not fully integrated in their curricula (Bowman & Menzel, 1998; Plant & Ran, 2009). In addition, the promises of higher salaries, quicker promotions or personal decisions in a degree programs for business administration (MBAs) and public administration (MPAs) should not be replaced by marketing strategies centered on innovation for social benefits and positive impact on world society. 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 “engaging.” 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 the curricula and experiential learning opportunities can engage leaders for world benefit. Recent analysis of worldwide higher education indicates 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 ethics 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 the 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’s values, meaning and practical application in academic engagement 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.
REFERENCES


partners/business/IMD.shtml


**ADDITIONAL READING**


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 intergovernmental 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.