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An Action Plan for Implementing Responsible Management Education in Business Schools in the UK and Ireland[1]

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Abstract

Recent corporate scandals have resulted in criticism of business schools for graduating students who put too much emphasis on shareholder value and profit maximisation but neglect the broader social and environmental context in which businesses operate. The Principles for Responsible Management (PRME) are a set of voluntary standards developed in 2007 under the coordination of the UN Global Compact, to address weaknesses in ethical education. This paper reviews the context of the PRME principles and UK and Irish school signatories' approaches to implementation through a review of their reports to PRME to outline the range of options available to a business school considering implementing the principles across all aspects of the education portfolio. The paper concludes with an implementation strategy for a business school considering PRME membership.

Introduction

The Principles for Responsible Management (PRME) were launched at the United National Global Compact Leaders' Summit in 2007 to support ethical business education (Waddock et al. 2011; Hühn 2013). Over 500 leading business schools and management-related academic institutions from over 80 countries across the world are signatories to PRME. PRME is a set of voluntary standards providing a framework for a gradual and systemic change in business schools and management-related institutions. The benefits of implementation of PRME include increased student demand (ISSE 2014; Waddock et al. 2011), positive reputation affects (Rasche 2011), increased business demand (HEA 2015), enhanced support for ethical culture change, and the PRME support network. The Principles are designed to help educate future managers and leaders to combine profitability with social justice and sustainability. The PRME principles are outlined in Appendix 1.

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Outline of Paper

The objective is to review implementation approaches of PRME signatories, identify learnings and outline an implementation strategy for a business school. Signatory schools are required to submit Sharing Information on Progress Reports (SIP) to PRME every 24 months to retain membership. The SIP reports are the basis for this review and a sample of schools was selected based on two factors, Membership of the Association of MBAs (AMBA) and school and institutions located in Ireland and the UK. The dual requirement resulted in a sample of 23 schools in Ireland and the UK and a review of over 50 SIP reports submitted by March 2015. A comprehensive analysis and comparison of each of the selected schools SIP reports and approaches to implementation was undertaken and the key findings are summarised by PRME principle below.

PRME Principle 1 Purpose

The first PRME principle is "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".

The reviewed institutions main focus under this principle was curriculum. The approaches varied considerably and may reflect the diverse views on whether ethical issues are best addressed as stand-alone modules and programmes or integrated within modules (Ritter 2006; Waddock et al. 2011; Birtch & Chiang 2014; Sigurjonsson et al. 2014). Schools highlighted dedicated electives supporting PRME principles, such as Ethics & Sustainable Accounting in business programmes or dedicated programmes, such as an MSc in Sustainability and Management or modules on Energy Policy and the Environment. Where ethical modules are stand-alone, consideration must also be given to making them core to the programme or optional (Hühn 2013; Vendemia and Kos 2013; Sigurjonsson et al. 2014). One method to support the stand-alone ethical modules is to include ethics in learning objectives for all modules in the business schools programmes which increases awareness of ethics and helps to hold faculty accountable for student learning on ethical issues (Waddock et al. 2011; Sigurjonsson et al. 2014; Vendemia & Kos 2013). The institutions reviewed generally recognised the limitations of the bolt-on approach of stand-alone ethical modules and highlighted efforts to and successes in embedding the PRME principles in the broader business curriculum.

PRME Principle 2 Values

The second PRME principle states that "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 reflects that business schools have the opportunity to develop and influence students characters (Crossan & Mazutis 2012) and the importance of establishing a consistent ethical culture throughout the institution (Floyd et al. 2013).

Signatories responded to Principle 2 by identifying institution level changes (Aberdeen SIP 2014), including PRME principles in their strategy or mission statement or including PRME principles in graduate attributes, for example, developing "responsible citizenship actively engaging with issues of equity, social justice...and sustainability" (Oxford Brookes PRME SIP 2012). A practical stepping stone to wider strategic institution changes and raising awareness is by including PRME on the agenda of all staff consultation and programme meetings (Durham PRME SIP 2014). Reviewed schools also emphasised membership of relevant organisations, their position in relevant school comparison rankings or success in relevant competitions as demonstration of their values, for example, membership of European Academy of Business in Society (Nottingham PRME SIP 2013), Global Green MBA Ranking (Exeter PRME SIP 2014). These measures were frequently supported by dedicated resources, for example, Director of Sustainability (Leeds PRME SIP 2014), PRME Advocate (Sheffield PRME SIP 2011) or the creation of new academic positions, for example, Lecturer in Sustainable Business (Exeter PRME SIP 2012).

Highlighting the successes of alumni in the areas of sustainability and responsible management demonstrates adherence to the PRME values (Royal Holloway PRME SIP 2012; Nottingham 2010 PRME SIP). It also focuses on the positive impact of business school graduates and responds to media and academic literature critiques on the contribution of graduates from leading business schools to the financial crisis by (Schumpter 2009; Crossan & Mazutis 2012).

The implementation of Principle 2 indicates that signatories employ a top-down approach by seeking to include PRME principles in institutional strategies but may also be recognition of the importance of clear consistent messaging to ensure embedding of values within a signatory institution. However, this is not always a first step for a signatory and can be incorporated at a later stage of implementation of PRME or in line with the school or institutions normal strategic review timelines.

PRME Principle 3 Method

The third principle states "We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership". This principle moves beyond the curriculum content and encourages signatories to consider learning methods and challenges the effectiveness of existing methods at encouraging responsible leadership. Alternate methods to the traditional focus on theoretical and conceptual analysis is more effective with consideration for more interactive, inclusive and problem based approaches (Birtch & Chiang 2014). Signatories highlighted methods supported by literature, for example, case studies (Hühn 2013), ethical case competitions (Dzuranin et al. 2013), active learning (Dzuranin et al. 2013), experiential methods (Crossan & Mazutis 2012), extra-curricular (Birtch & Chiang 2014), and guest speakers and speaker series (Crossan & Mazutis 2012; Dzuranin et al. 2013; Sigurjonsson et al. 2014). Other methods highlighted were graduate and undergraduate awards for sustainable and responsible management efforts, and relevant student competitions, for example, One Planet Sustainability Challenge (Exeter PRME SIP 2014). However, many of these approaches may not have been embedded in modules or programmes and students or faculty may thus not engage with these methods reducing their effectiveness. Greater integration of these initiatives into programmes and modules would generate a greater return for the efforts in creating and maintaining these initiatives (Waddock et al. 2011).

PRME Principle 4 Research

The fourth principle states "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." Many of the signatories demonstrated commitment and deliverables against this principle and in all cases relevant research or research clusters were established in the signatory institutions. These were supported with specific funding and support, such as, staff bursaries or PhD grants for sustainable and responsible research, or support for undergraduate dissertations with PRME themes (Exeter PRME SIP 2012). Most signatories listed relevant research publications, books or seminars by faculty. Other areas highlighted included faculty recruitment criteria requiring a research record in sustainable and responsible management (Cranfield PRME SIP 2010), hosting or significantly supporting large events, for example, symposiums or conferences, with sustainability and responsible management themes, for example, SustaiNEXT 2012 (DCU PRME SIP 2014), and monitoring use of key words in school research records to demonstrate an increased research focus on PRME themes (Bristol PRME SIP 2014).

PRME Principle 5 Partnership

The fifth and sixth PRME principles have an external focus. Principle 5 states that "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."

The measures pursed by the signatories included hosting alumni events with relevant themes and speakers, student business plan competitions with relevant theme and prizes, support for Enactus, a student, academic and business community organisation supporting entrepreneurial activity to support a sustainable future (Nottingham PRME SIP 2014; Sheffield PRME SIP 2010); collaboration with various companies and sector bodies to address relevant critical issues (Aberdeen PRME SIP 2014); partnership with companies to provide tailored programmes and modules for their staff and engaging in joint research on sustainability issues (Royal Holloway PRME SIP 2010). This principle may require a wider institutional involvement, beyond the business school, and although not requiring a top-down approach, leadership support to increase effectiveness and relevant engagement with business is beneficial.

PRME Principle 6 Dialogue

The final PRME principle has a broader reach than Principle 5 and the potential to highlight to a wider audience the school as an ethical institution. This principle states that "we will facilitate and support dialog and debate among educators, students, business, government, consumers, media, and civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability."

Responses to this principle included hosting relevant industry seminars, lectures series open to community and wider public (Strathclyde PRME SIP 2013; Oxford Brookes PRME SIP 2012); membership or links with relevant organisations, for example, Institute of Business Ethics (Durham PRME SIP 2014), and international exchanges by faculty and students with PRME signatories.

The diversity of approaches to partnership and dialogue by signatories may indicate an opportunity for institutions to pursue an institution wide strategic approach and potentially increase the return on investment in this and other PRME areas by delivering benefits to the wider institution.

PRME Implementation Challenges

Two main approaches to implementing PRME were highlighted in the review, a top-down or a bottom-up approach. The top down approach is where the Dean/President or senior executive signs

the business school up to PRME while the bottom up approach involves engagement with stakeholders to build a strategy and plan for implementation (Rasche 2011, Waddock et al. 2010). Although leadership support is essential for PRME implementation, the necessary curriculum changes, development of new content and modules, incorporation of new teaching methods, and engagement with stakeholders requires all staff and faulty to be involved (Penaskovic et al. 2014). In particular, implementing curriculum changes and including new materials can be difficult where programmes are already overloaded (Waddock et al. 2011; Maloni et al. 2011; Sheffield PRME SIP 2011).

Disengaged students can impede the effectiveness of implementation, and a situation of "preaching to the converted" can arise, as highlighted by several signatories. Initiatives and approaches must be adopted to ensure engagement, which is essential to improving the ethical mind-set of all graduates, and include consideration for compulsory ethics modules, embedding ethics in core modules, or additional credit for students engaging in activities that support PRME. Staff surveys to assess engagement and student surveys to measure impact and change on student ethical learning provides data on the effectiveness of PRME initiatives and opportunities for further development (Sheffield PRME SIP 2011).

Institutions which do not have a dedicated research resource centre may experience limitations in providing resources to support PRME implementation and find adherence to Principle 5 and 6 more challenging. The development of a strategy to support engagement with faculty is required as faculty are central to the dialogue and partnership principles in addition to being essential for curriculum changes.

PRME Implementation Recommendations

The PRME process is a compliance measurement system and the principles are designed to allow signatory institutions the freedom to identify and implement solutions within each institutions unique context (Waddock et al. 2011). The following recommendations are built on the review of the sample schools while acknowledging each schools unique approach to PRME implementation.

1. Approach

A blend of a top-down and a bottom up approach is recommended for successful ongoing development of the PRME initiative to ensure engagement with faculty, wider stakeholders and support from the executive leadership. Senior executive support, leadership and resources must be

secured to lead the process, while also engaging key stakeholders, to support the sometimes difficult changes necessary to maintain the strategic pressure for effective implementation of PRME (Waddock et al. 2011).

2. Steering Group

After securing the commitment of the senior executive, the establishment of a steering group is a necessary first step. An initial roundtable to communicate the objectives and benefits of PRME and engage stakeholders is recommended. The initial make-up of the steering group should reflect the core stakeholders of business faculty and management. The steering group should identify champions from faculty, administration, students and other key stakeholders. A commitment to resourcing the work of the steering group is required due to the size and scope of the challenge, as is a broad reach of stakeholders actively engaged in the steering group. The business school may consider appointing specific personnel to drive the PRME initiative either as full appointment or in addition to their existing duties supported by the steering group and the champions.

2. Audit

It is recommended that the steering group undertakes an audit of relevant activity and the initial report to PRME includes an overview of current activities that meet the PRME principles. The first two area of focus should be the curriculum and research as these are reflected in PRME principles 1 to 4.

The curriculum audit should consist firstly of identifying stand-alone programmes and modules within programmes that are PRME supportive within the business school. This will highlight obvious gaps in student exposure to PRME principles and generate objectives and targets. The next stage should review stand-alone modules and programmes offered by the institution overall and all programmes and modules in the business school to identify content and learning outcomes that are PRME supportive. A research audit of published and ongoing research by faculty and any graduate research or research groups or clusters that is PRME supportive should be undertaken. These audits will also highlight opportunities which the implementation group can then capture to make recommendations.

3. Engaging Stakeholders

The steering group should identify levels of stakeholders and the nature of engagement required. This may include relations with suppliers, community business leaders, governmental organisations, corporate partners and graduates with the objective of creating a two-way dialogue with

stakeholders. An agreed framework and implementation plan for PRME can then be developed, creating targets to be reported against in the bi-annual Statement of Progress Reports to PRME.

Conclusion

PRME is a journey and each business school that undertakes to adhere with PRME will have a unique journey. Reports highlight accomplishments but there is less detail on how these accomplishments are achieved. The demoting of two of the schools in the reviewed sample may be an indicator of the challenges and the risk in seeking PRME status and more research on the difficulties signatories encounter and how these have been overcome is required. Moving beyond the audit of current activities and encouraging interdisciplinary activity and engagement with the wider community are common challenges across institutions, with reporting against Principles Dialogue and Partnership the least detailed and least developed between reports. This may reflect underreporting or may indicate barriers to further progress. Commitment at each level in the business school is necessary for initial application success and for the ongoing journey and long-term benefits that PRME membership can deliver.

Appendix 1: The PRME Principles (PRME Six Principles)

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 dialog and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

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