

# 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 21<sup>st</sup> 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 21<sup>st</sup> 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

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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).

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