

**Communication of Progress  
on  
Principles For Responsible Management Education (PRME)  
at  
EUROPEAN BUSINESS SCHOOL (EBS)**

**Our Mission**

*We develop leaders who*

- ...respect the integrity and the freedom of individuals affected by their decisions.*
- ...have the knowledge and the discipline to act as professionals in their respective fields.*
- ...who inspire their team to deliver results beyond expectations.*
- ...make things happen..*
- ...are humble enough to accept that they too have limitations.*

*This understanding - in particular the first characterization - implies that leaders have clear values and adhere to high ethical standards, are aware of the serving character of economy, are socially and environmentally aware and thrive for sustainable management.*

*We have committed ourselves to engage in a continuous process of improvement of the Principles for Responsible Management Education (PRiME) and their application because we believe that excellent leadership does not only include competence and skills but also personality and a strong sense of responsibility. Our challenge as a university is to foster and support the development of our students with regard to their professional as a well as their personal skills.*

## Presidents Note

Wiesbaden/Oestrich-Winkel, Germany, September 2009

The business world today is a global one with its interconnected character and strong international interdependence. Therefore, it is of high importance to be able to rely on a common set of strong ethical, social and ecological values to sustain these business relationships. The free trade of goods and the international relationships offer tremendous opportunities for humanity as a whole. We should take care to use these chances not only for the well-being of some but of all human mankind. This will create a sustainable base for long-term freedom and property around the globe.

Therefore, EBS has committed itself to educate future managers who are aware of the ethical, ecological and social impact their decisions have. While EBS has integrated philosophical and ethical elements throughout its curricula for quite some time already, we have more than increased our efforts in the past months to attain this goal. Initiatives such as the studium universale, service learning, an assurance of learning project that respects the PRME principles and many other projects shall support us in making things happen. This report highlights those activities that have been realized to implement the Principles of Responsible Management Education at EBS.

*Christopher Jahns*

Prof. Dr. Christopher Jahns  
President  
EBS European Business School

## Principle 1

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.

*At European Business School (EBS) at Wiesbaden/Rheingau - one of Germany's leading business schools - we want to enable all motivated students to become globally responsible leaders. We have therefore made the responsibilities of leaders and companies an explicit topic of study. In addition our students can also explore and develop a strong sense of practical social and global responsibility.*

*In our courses on "Cross-cultural Communication & Management" and "Foundations of Science", the basic theories of philosophy and questions of business ethics are addressed. All students undergo this „studium universale“, which lays the philosophical foundation for rational choice analysis of social structures and semantics.*

*Via mandatory courses on business and society we introduce the concepts and ideas of Corporate Social Responsibility (CSR) to all students of EBS. Furthermore students are asked to join research projects on CSR in various departments and to address ethical problems and approaches in their thesis. We also foster a strong sense of community and responsibility by demanding and inviting our students to become engaged in charitable and social activities and to reflect their experiences with regard to their future careers.*

### *Processes*

#### **Studium universale**

Our "studium universale" is specially tailored to business administration courses. Students sharpen their view of corporate social responsibility by taking a look beyond business administration. They are introduced to the methodical principles of scientific theory and the methodological fundamentals of management science and learn to deal with important philosophical and ethical issues.

#### **CSR-Core Courses**

Our mandatory courses on "Corporate Accountability" and "Corporate Social Responsibility" "Business and Society", and "Cross-Cultural Communication and Management" deal explicitly with various business ethics issues at an international level. CSR-topics are also addressed in the context of other courses and within various disciplines (Finance, Human Resource Management, Marketing, Entrepreneurship etc). Even today a significant, steadily growing proportion of academic papers and thesis topics deal with CSR-related issues in various areas of business administration.

## **Service learning**

Since 2007 we are offering “Do it!” - Service Learning at EBS. “Do it!” contributes to civic learning, i.e., coming to understand how a community functions, what problems it faces, and the importance of individual commitments of time and energy to enhancing community life by letting students volunteer in welfare organizations nearby. This experience helps to gain a better understanding of culture, society and oneself and may open up opportunities for new careers. The program provides a certified, structured experience of service and reflection and consists of four elements:

- Opportunities of Service at local organizations will be presented in an introductory workshop.
- After choosing a place for service, students will be volunteering in that welfare organisation for two months.
- A mid-term follow-up workshop will reflect the social experience.
- A final reflection workshop will deepen these insights.

Workshop-attendance is mandatory. Students participation in this program is so far voluntary and addresses students and international guest students of the third semester and above. By 2010 we intend to integrate our service learning activities into the curriculum of EBS as an elective course in the studium universale.

## Principle 2

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.

*We seek to incorporate the values of the UN Global Compact and especially the PRME by communicating them clearly to all stakeholders of EBS and by active participation of the whole faculty and administration of EBS.*

*In order to mainstream responsible management education we have communicated the PRiME to all faculty-members of EBS and asked for a preliminary feedback. As a second step we have launched an „Engaged Departments Initiative“ where each colleague is asked to define his or her efforts in terms of teaching and research on sustainability and ethical issues within its discipline (see Appendix).*

*Since we also take part in den UN Global Compact as a company owned by the non-profit Foundation for the Advancement of European Business School we have informed all executives in the administration in order to issue a first sustainability report on our own organization. With these measures we hope to increase the overall awareness in terms of global responsibility at EBS and amount of measures in order to comply to the UN GC principles and make advances regarding the education of globally responsible managers.*

### *Processes*

#### **Davos Oath**

Integrity, honesty, reliability and responsibility – in the wake of the financial crisis the role model of the "honourable merchant" has gained new significance throughout the world. The markets have focused far too long on generating quick profits and shareholder value. The World Economic Forum intends to counteract this with the so-called "Davos Oath", a Hippocratic Oath for managers, whereby managers and business school graduates affirm their commitment to a common Code of Ethics. An international project team comprising top managers, management consultants and government members is concerned with the development of this code of conduct. Harvard and Thunderbird represent business schools in North America, INCAE in South America, and EBS will be representing Europe.

#### **EBS academic activities with regard to responsible management education (in selection):**

Prof. Dr. Hans-Gerd Dücker, Department of Business Law, is providing students not only with juridical knowledge but also with the capacity to critically reflect the guiding norms and principles for juridical decision-making.

Prof. Dr. Ulrich Grimm, Department of Strategy, Organization and Leadership, is referring to global social responsibility throughout his lectures on Strategic Management (Multi-Stakeholder-Management, Sustainable Management) and on theories of Social Systems (systemic developments through constitutive sense-making, embeddedness of social systems). He also invites students to write their final thesis on issues of global social responsibility.

Prof. Dr. Sabine Klein, Department of Strategy, Organization and Leadership, leads seminars on Corporate Governance of family firms and explores aspects of “Longevity” and “Sustainable leadership in family firms”.

Prof. Dr. Roland Mattmüller, Department of Market-Oriented Marketing, teaches Marketing based on a stakeholder oriented approach. Specifically doctoral students are offered participation in research and studies on Global Responsibility. Students at Bachelor- and Masterlevel are also invited to write their final thesis on a CR-related theme.

Prof. Dr. Inga-Lena Darkow and Prof. Dr. Michael Henke, Department of Supply Chain Management, are engaged in research activities concerning CSR and sustainability in logistics and supply chain management. They offer students to participate in their research and to write their final thesis about related issues.

Dr. Christine Papadopoulos, Department of International Business Languages, lets students work together on projects where they have to put themselves into different ethical and cultural situations in order to become aware of cultural and ethical differences in the area of international management and leadership.

Dr. Dr. Holger Patzelt, Strascheg Institute for Innovation and Entrepreneurship, introduces the concepts of sustainable and social entrepreneurship to students at EBS and conducts research projects in the areas of Social and Sustainable Entrepreneurship.

#### *Further developments*

After having received the second feedback as a result of an intense brainstorming within each department, we hope to set up a CR-hub by connecting engaged teachers as well as engaged leaders of globally responsible companies and other stakeholder-groups as an **Ethics Education Resource Center**.

We are also developing a strategic plan in order to broaden our CR-portfolio in teaching and research and to intensify the fostering of personal moral development of our students. So far about one tenth of all students at EBS finish their studies by exploring an ethical or CSR-related issue in their final thesis supervised by one of the teachers mentioned above. We plan to increase this percentage significantly.

## Principle 3

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

*By means of initiatives to incorporate universal values into the curriculum and research, EBS aims to be a pioneer in the development of practices which sharpen the sense of responsible business strategies, sustainable management systems, as well as promote integrated thinking and acting. Our efforts in developing new teaching materials and frameworks take a threefold direction. First of all we are developing ethical case studies within the studium universale. Secondly there is an emphasis in order to employ and develop more business ethics and CSR-Case Studies that can be used to demonstrate the business case of CSR. Thirdly we aim at providing our students with hands on experiences in terms of social responsibility and good citizenship. A new programme called educare /ɛduka:rɛ/ has been set up for this.*

### *Processes*

#### **Studies in Social Entrepreneurship**

Students in free enterprises (SIFE) is one of the largest student organisations and is active in more than 40 countries. Since 2006 the EBS has had its own SIFE team. The EBS SIFE team is led by faculty advisors from the chair of entrepreneurship and they are challenged to develop community reach projects related to SIFE's five educational topics: Market Economics Success Skills, Entrepreneurship, Financial Literacy and Business Ethics. The SIFE team consists of around 20 undergraduates who use their personal educational experiences, the expertise of their faculty advisors, and the resources of their institutions to implement programmes that create real economic opportunities for members of their communities. The ongoing projects of the EBS SIFE team therefore focus on local schools and kindergartens.

#### **educare /ɛduka:rɛ/**

From fall semester 2009, EBS incorporates into its academic activities educare /ɛduka:rɛ/, a programme whose main scope is to foster student's responsible behavior and reflects its impact on society and learning. educare /ɛduka:rɛ/ is a special project which aims to promote global social responsibility. It is a programme different from the others as it enables students, through discovery and impact, to make a substantial contribution and a meaningful difference to their learning. It helps broaden one's horizon and develop a well-rounded personality. Via successful implementation of project work, and critical reflection and assessment of learning gains, it promotes responsible leadership and self-development. The experience and personal advancement gained from educare /ɛduka:rɛ/ can among others enhance personal traits such as enthusiasm, commitment, confidence, ability and communication. EBS aims through this project to provide all the necessary skills for the development of future global leaders.

educare /ɛduka:rɛ/ is offered to all incoming bachelor students as an elective programme from fall semester 2009. After the successful implementation of the project work, students are expected to communicate and reflect on the learning gains, the discovery and the impact of their work. Projects with the substantial impact and discovery will be presented at the EBS symposium.

## Principle 4

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.

*Various departments and institutes at EBS are engaged in research about the role, dynamics and impact of corporations in the creation of sustainable, environmental and economic value. Again we pursue a threefold strategy:*

- *Philosophical research on business and ethics is conducted by the Department of Strategy and Leadership.*
- *Research on experiential learning and on business ethics issues, such as corruption and Value-based-Management is done by the Institute of Business Ethics (IfU).*
- *Research on CSR as integrated into core business issues is undertaken by academic experts in their fields, such as Strategic Management, Market Oriented Marketing, Logistics, Supply Chain Management and Entrepreneurship. (see also Principle 2 / Processes).*

*From autumn 2009 onwards, a chair in sustainable logistics and supply chain management will be established.*

### *Processes*

#### **Selected articles by EBS faculty:**

Bremer D., Lüdtker J.-P., Schäffer U. (2009): Who disciplines the CFO? An Assessment of Stakeholder Power in Corporate Governance. EBS Research Paper No. 09-05, April 5.

Collins, J., Uhlenbruck, K., & Rodriguez, P. (in print): Why firms engage in corruption: A top management perspective. *Journal of Business Ethics*.

Demougin, D. & Helm, C. (2006): Moral hazard and bargaining power. *German Economic Review*, 7(4), 463-470.

Deffains, B. & Demougin, D. (2008): Legal competition, political process and irreversible investment decisions. *European Journal of Political Economy*, 24(3), 615 - 627.

Dittrich, Marcus & Markwardt, Gunther (2004): „Arbeitslosigkeit und Kriminalität: Eine mögliche „Doppelte Dividende“ der Arbeitsmarktpolitik?“, ifo Dresden berichtet 6/2004, 11-17.

Füss, R., & Hecker, A. (forthcoming): Profiling White-Collar Crime: Evidence from German-Speaking Countries. *Corporate Ownership and Control*.

Henke, Michael / Luibl, Simone (2008): Wir erkennen Nachholbedarf bei Green Procurement. In: *technik + Einkauf*. Heft 5, 19-20.

Huhtala, H. & Parzefall, M.R. (2007): Promotion of employee wellbeing and innovativeness: an opportunity for a mutual benefit. *Creativity and Innovation Management*. 16 (3), 299 – 307.

Luibl, Simone / Marlinghaus, Sven T. / Henke, Michael (2008): Nachhaltigkeitsstrategien sichern die Wettbewerbsfähigkeit: Grün – die Farbe der Zukunft. In: Beschaffung aktuell. Vol. 8, 18-20.

Klein, Sabine B. (2008): Embeddedness of Owner-Managers: The Moderating Role of Values. In: Tàpies, J.; Ward J.L. (Eds.): Family Values and Value Creation. The Fostering of Enduring Values Within Family-Owned Business, Palgrave Macmillan, 2008, 155-165.

Kreikebaum, Hartmut (2008): Corruption as a moral issue: Social responsibility Journal, Vol. 4 N0 1/2, 1747 -1117.

Kreikebaum, Marcus (2009): Ansätze des Service Learning in deutschen Hochschulen, in: Altschmied, K., Miller, J. Stark, W. (Hg). Raus aus dem Elfenbeinturm? – Entwicklungen in Service Learning und bürgerschaftlichem Engagement an deutschen Hochschulen, Beltz Bibliothek, Weinheim, 40-47.

Raatzsch, Richard (2009): The Apologetics of Evil, The Case of Iago. Princeton Monographs in Philosophy, Princeton University Press, Princeton and Oxford.

Urchs, Max (2006): Just Lying. In: Logic and Logical Philosophy 15/1, 67—89.

Rottke, N. (Hrsg.)(2009): Ökonomie versus Ökologie – Umwelteffizienz in der Immobilienwirtschaft?, Köln.

Reichardt, A. & Rottke, N. (2009): Umwelteffizienz in der Immobilienwirtschaft: Implementierung des Nachhaltigkeitsgedankens in der Immobilienwirtschaft. In: Rottke, N. (Hrsg.), Ökonomie versus Ökologie – Umwelteffizienz in der Immobilienwirtschaft? Köln.

Reichardt, A. & Rottke, N. (2009): Umweltbewusstsein in der deutschen Immobilienwirtschaft: eine empirische Untersuchung. In: N. Rottke (Hrsg.), Ökonomie versus Ökologie – Umwelteffizienz in der Immobilienwirtschaft? Köln.

Seeck, H. & Parzefall, M.R. (2008): Employee agency: Challenges and opportunities for psychological contract theory. Personnel Review,37(5), 473 – 489.

### *Further developments*

Research activities with firms concerning their corporate global responsibility are for example carried out by faculty members of the Department of Logistics, Information Systems and Innovation, who set up new Chairs for Sustainable Supply Chain Management and Social Entrepreneurship. This may serve other departments as an example of best practice. A full account of CSR-related research at EBS will be handed in by fallterm 2011.

## Principle 5

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.

*EBS entertains close relations with members of the board from leading business companies as well as the state of Hesse and the communities of Oestrich-Winkel, Wiesbaden and Frankfurt as some of its most prominent stakeholders. In order to extend the knowledge of the challenges of our partners in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges we engage in many volunteering activities.*

### *Processes*

#### **Sustainable Business Institute**

The Sustainable Business Institute (SBI) was founded in 1987 as Institute for Environmental Management and Business Administration at the European Business School (EBS). Since that time the institute provides for an active contribution to the development of environmental management as well as for the integration of the environmental dimension in the economy and a sustainable basis of economics. In the past years, the institute has worked on a wide spectrum of issues along with leaders from businesses and politics. Among these were:

- Climate change and corporate finance – Climate Change Financial Forum
- Sustainable investment
- Corporate responsibility / Sustainable and environmental management
- Environmental economics and politics – voluntary agreement
- Environmentally oriented mobility arrangements

#### **EBS Institute of Business Ethics**

The EBS Institute of Business Ethics has been founded in 2007. It addresses managers of business corporations and students of business administration who are interested in ethical programs, ethics management, and corporate social responsibility. In order to help them to meet their social and environmental responsibilities today and in the future. Its research efforts focus on the critical analysis of already existing ethical programs. The institute also assists in establishing new programmes, projects and partnerships. It is supported by a Board of Trustees, whose members contribute substantially to the development of the institute and supervise its activities.

### *Further developments*

Almost every professor at EBS is to some extent involved in the extension of knowledge about the current challenges of businesses. Some of them are already exploring approaches regarding the specific social and environmental challenges that companies face (see Principle 2/*Processes*). We plan to increase this number with our “Engaged Department Initiative” (see Principle 3 / *Context*) and will communicate the progress in our next report.

## Principle 6

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.

*As an organization that is largely driven by its stakeholders we are constantly engaged in dialogues with business leaders concerning current and future global challenges. In addition many members of the staff, faculty and students are active in local clubs, corporations and organizations. EBS students and the university itself are also involved in a range of extracurricular good citizenship projects at both local and global level.*

### *Processes*

A good example for an ongoing dialogue between EBS and NGO's is rendered by the student association Make A Difference e.V. (M.A.D.). It was founded at European Business School in 2005 after 15 students had spent one week of their first semester in a ghetto and build a house for and together with an impoverished family. Since then, the association has grown to a total of over 100 members, with an increasing proportion of EBS' alumni. Five house building trips have been made, funded by the participants and their engagement in fundraising activities. In addition to the house building trips M.A.D. is also concerned with other projects that promote the association's objectives. In November 2008, for instance, a panel discussion on the topic of 'Social Entrepreneurship' was held at European Business School, and other local relief activities are currently being planned. M.A.D.s objectives are Sensitize - Help - Connect People, Worlds, and Efforts. In connection with extending the scope of projects and the association's vision, planning is underway to extend activities to other campuses and to found a company to ensure financial independence of the association in the long term. Further information is available on our homepage [www.mad-ev.org](http://www.mad-ev.org).

In order to facilitate the discussions between engaged students and responsible business leaders the EBS Institute of Business Ethics has started a Business Ethics Roundtable in 2007. It meets twice a year and provides an open forum for the exchange of ideas and concepts regarding ethics and corporate responsibility between committed business leaders, faculty members and students of EBS.

### *Further developments*

EBS students host the annual International EBS Symposium, which takes place every fall. It is a three-day event and features many prominent speakers, company presentations, and panels. Among the topics that are discussed at the EBS Symposium are always some that facilitate and support dialogue and debate on critical issues related to global social responsibility and sustainability. In the future we intend to continuously work towards the inclusion of these discussions as main topics of the annual EBS Symposium.

## Appendix

### **A. Questionnaire for the assessment of ethical and CSR-related themes among faculty members**

1. What are the most pressing conflicts and challenges regarding corporate responsibility and sustainable development within your field? What are frequently asked questions of students regarding ethics and CSR-issues in your courses?
2. To what extent are ethical oder CSR-related themes discussed within your courses?
3. What are the research questions regarding ethics, CSR- and sustainability-issues in your discipline?
4. Are you currently engaged in any kind of research that advances an understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value?
5. Are you currently engaged in any kind of 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?
6. Are you currently engaged in interactions with managers of business corporations who take on challenges in meeting social and environmental responsibilities and if yes, how?

### **B. Questionnaire for brainstorming on possibilites, regarding the implementation of ethical issues and CSR-related themes within teaching & research activities of faculty members**

7. What could be a new focus of interest in your discipline, arising from this discussion?
8. Are there any options for further research, regarding ethical issues, CSR and sustainable development within your disciplin?
9. How could you reflect on these issues in the classroom?
10. What kind of new course offerings could be made in order to intensify the reflection of these issues?
11. What kind of new teaching methods could be employed to foster a strong sense of responsibility among the students?
12. What are the pressing conflicts and challenges regarding corporate responsibility and sustainable development within your field?
13. What could be a new focus of interest in your discipline, arising from these discussions?
14. Are you currently engaged in any kind of 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?
15. Can you image to become engaged in research within your field that advances an understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value? And if yes, what kind of research would that be?
16. What kind of new course offerings could be made in order to intensify the reflection of these issues?
17. What kind of new teaching methods could be employed to foster a strong sense of responsibility among the students?