



PRME Report 2009

Leipzig, Germany, October 2009

HHL – Leipzig Graduate School of Management at a Glance

- HHL – Leipzig Graduate School of Management was founded in 1898 as Germany's first business school.
- We hold leading positions in German university rankings.
- In April 2004, HHL received the highly-respected accreditation by AACSB International. The accreditation was re-awarded for a further five years in April 2009.
- HHL has set itself the goal of educating effective and responsible business leaders through its "Integrated Management" approach. In addition to its international focus, the synthesis of theory and practice is central at HHL.
- Departments: Accounting & Auditing, Applied Economic Theory, Economic and Business Ethics, Economics and Information Systems, Financial Management, IT-based Logistics, Macroeconomics, Marketing Management, Microeconomics, International Entrepreneurship, Strategic Management.
- HHL offers an 18-month Master Program in Management leading to the degree Master of Science (M.Sc). In addition, HHL has an 18-month full-time (24-month part-time) Master Program in General Management (MBA) for professionals. A three-year doctoral program, which can also be completed by professionals with the appropriate qualifications, tops off HHL's portfolio of degree programs. HHL's subsidiary HHL Executive GmbH offers company-specific and open enrollment executive education.
- About 120 students are enrolled each year.
- Our 1,200 alumni are ambassadors for HHL worldwide, working in and representing dozens of countries, and a variety of high-value industries. Also, HHL counts among its alumni some of the most dynamic German entrepreneurs who have founded more than 70 companies and created over 1,500 jobs in the past ten years.
- HHL offers a global experience on campus and at more than 100 partner universities.
- Further information: www.hhl.de

Note from the Dean

HHL is one of Germany's leading business schools. We are regarded as the cradle of business administration in Germany and celebrated the 110th anniversary of the founding of *Handelshochschule Leipzig* (HHL) in 2008. As a state-recognized university with the right to award doctorates, we aim for the highest quality. Our accreditation by the renowned American organization AACSB International underlines our claim to educate business leaders who can master the management challenges of the 21st century effectively and responsibly. Since HHL has committed itself to educate future managers who are aware of the ethical, ecological and social impact of their decisions, the PRME principles can be seen as a basis for our teaching. HHL has integrated numerous ethical and philosophical elements into its curricula, supports charitable student activities and takes responsibility for the local community. Furthermore, HHL introduced an "HHL Scholarship for Effective and Responsible Leadership" as another means to promote its mission. The following report highlights the initiatives taken to assure sustainable and responsible education at HHL.

Hans Wiesmeth

Prof. Dr. Hans Wiesmeth
Dean
HHL - Leipzig Graduate School of Management

Our Mission

"We educate effective and responsible business leaders through excellence in teaching, research and practice."

This mission implies that the business leaders we educate have clear values and adhere to high ethical standards. They are responsible economically, socially and environmentally and endeavor to run their businesses in a sustainable manner.

We have committed ourselves to continuous improvement and to the application of the Principles for Responsible Management Education (PRME) because we believe that excellent leadership not only requires knowledge, competence and skills but also a strong sense of responsibility. Our aim is to promote and support the development of our students with regard to their professional as well as their personal capabilities.

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.

At HHL – Leipzig Graduate School of Management we strive to educate future managers in such a way that they learn to be responsible business leaders and contribute to the creation of sustainable economic and social value. In our compulsory courses we introduce all HHL students to the concepts of corporate social responsibility.

HHL Courses

In HHL's academic programs, core and elective courses address ethical issues and questions of sustainability in the context of business and economics, sensitizing the students, stimulating their commitment and strengthening their sense of responsibility. About one-third of our core and elective courses address social, environmental, and ethical issues either directly or indirectly.

Integral part of all study programs is the course business ethics.¹ Why is ethical behavior for companies not just a nice add-on but an essential aspect of business? In this lecture it is argued that Ethics is an important topic for companies since they can't afford to ignore the requirements from society in their own interest. If they neglect societal demands, companies "license to operate" is at risk. This doesn't mean that companies have to fulfill all those requirements - an analysis of the specific situation is necessary. The core question is how responsibility can be realized under the pressure of competition. The lecture starts with conceptual considerations of Ethics. Building on this theoretical foundation, the notion of corporate responsibility and its implications are explained and exemplified. This lecture builds the foundation of all other courses addressing ethical issues.

¹ We offer the lecture in the MSC, MBA as well as Part-time MBA program. Addressing the different participant's backgrounds, the focus of the course might lead in different directions (e.g.: Part-Time MBA more practically oriented) and therefore might have different terms. Nevertheless, the underlying theory stays the same in every course.

As doctoral students do not necessarily have a degree from HHL (and therefore might have not studied ethics before depending on their educational background), we also integrated business ethics in the doctoral program. This course is called Philosophical Underpinnings in Management. The aim of this course is to deepen participants' understanding of the methodological as well as ethical presuppositions of economic theories and their application.

HHL Welcome Days

Under the theme "Sustainability and Responsibility in Day-to-Day Business" the second day of HHL's Welcome Days is dedicated to communicate to the newly enrolled students from day one that sustainability and responsibility are central both to day-to-day business and university education alike. HHL is convinced that this is the key to long-term success. Participants are given a glimpse into corporate responsibility and sustainability activities within the participating companies. In 2008, for example, the Welcome Day was conducted with Porsche Leipzig as Partner. It included discussions focusing on the subject of CO₂ emissions and on the effect of the European CO₂ emission standards for automobiles and small commercial vehicles in general and for Porsche in particular. Based on this topic the students were also shown that profit and ethics do not necessarily contradict each other, but can be linked in a fruitful way. Overall, the new students experience the beginning of studies in a way that is characteristic for HHL - with a close interlacing of theory and practice and the promotion of values that will be imperative for its students' professional futures. The subject of 2009's Welcome Day was the so called "Wittenberg process of the German chemical industry". This process aims at a deepening of the value basis of Germany's social partners: the national German employers' association of the chemical industry (Bundesarbeitgeberverband Chemie, BAVC) and the union of mining, chemical industry and energy (Industriegewerkschaft Bergbau, Chemie, Energie, IGBCE). Accordingly, the day took place with representatives of organizations as well as BASF and Evonik as committed firms.

HHL Scholarship for Effective and Responsible Leadership

In 2009, for the first time HHL - Leipzig Graduate School of Management offered three one-year scholarships, each to the value of EUR 15,000, to outstanding applicants for the 18-month Master Program in Management (leading to the degree M.Sc.). These scholarships will now be offered annually. The "HHL Scholarship for Effective and Responsible Leadership" targets high potentials. Selection criteria include a first degree in business or economics, a high GMAT score as well as the submission of an essay in English on the topic "What do you see as important impediments for effective and responsible leadership?". Candidates chosen for the final round are invited to a scholarship selection day at HHL and are expected to demonstrate leadership qualities, willingness to achieve high goals, as well as commitment in the area of sustainability.

United Generations – a Charity founded by HHL alumni

The ageing of the population and its consequences have become an issue of enormous importance for policy-makers. In April 2002, the United Nations General Assembly convened the Second World Assembly on Ageing in Madrid, in order to present recommendations concerning how best to combine socioeconomic development and demographic ageing. One of its most important outcomes was the approval of the Madrid International Plan of Action on Ageing, which includes the consideration that intergenerational solidarity in households, communities and nations is fundamental if our societies are to be inclusive of all age groups.

The association United Generations aims to make a contribution to the efforts undertaken by the United Nations to facilitate the construction of societies for all ages. Founded in 2008 by three HHL Alumni, the not-for-profit organization's core activity is to foster intergenerational programs (IPs) with a compelling value proposition, more specifically to develop, pioneer, rollout and promote new IPs and to integrate and enhance existing IPs. United Generations (UG) is represented by a growing number of volunteering members around the world. The UG team consists of professionals, academics and students who voluntarily contribute their free time and expertise to create value for society. HHL supports the young charity organization and encourages students, alumni and its staff to become socially active within UG. For further information, see

www.unitedgenerations.org.

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.

We seek to incorporate the values of the UN Global Compact and especially the PRME by providing curricular opportunities for our students to familiarize themselves with principles of ethical value-oriented leadership and issues in business ethics.

HHL Summer School 2008: “Ethics in Global Leadership” July 20 – 26, 2008

The summer school aimed to give budding business leaders the opportunity to deliberate on the challenges and opportunities of the 21st century. The participants gained an understanding of the functional logic of the different sectors of society. Moreover, they were provided important insights into the conditions that sometimes induce individual actors (in business, politics, media and civil society) to act in a way that is harmful to the community as well as – in the long run – to themselves. Topics explored during this summer school included:

- **“Entrepreneurial Spirit”** - addressing the individual determination to overcome political, economic, social, institutional and organizational constraints that deter individual actors from investing in promising projects that could better their lives and those of others.
- **“New Governance”** - focusing on the political processes, partnerships, and institutions needed to better empower cooperation and development for mutual advantage, on the local, national, and global level.
- **“Corporate Responsibility”** - underlining the role of the private sector in fostering sustainable development. The companies’ social responsibility requires entrepreneurial leadership.

- **“Sustainable Development”** – addressing the political, social, economic, and ecological dimension of promoting long-run prosperity with higher living standards on a global scale under conditions of globalization.

Principle 3:

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

By means of initiatives to incorporate community projects into the curriculum, HHL aims to instill a sense of social responsibility in future leaders. Our numerous Field Projects bear testimony to the increased action taken to transport universal values. Furthermore, HHL sees co-teaching as an opportunity to link different fields of study and thereby to create an educational framework which provides an integrated, responsible, and effective management education.

HHL Student Field Projects**Selected project profile 2009: Development of a communication strategy for SIFE Germany**

The field project supervised by the DOW Research Professorship of Sustainability and Global Ethics was conducted by a team of MBA students together with SIFE Germany. The uniqueness of SIFE (Students In Free Enterprises) lies in the fact that it combines entrepreneurship with corporate social responsibility. It brings together a diverse network of university students, academic professionals and industry leaders around the shared mission of creating a better, more sustainable world through the positive power of business. The key goals of the project were first to analyze the operations of SIFE in Germany, assess the prevailing conditions for expansion and to discover ways and means of promoting the organization in Germany among SIFE’s major target groups, namely students, companies and universities. The second goal was to create a marketing and development strategy for SIFE Germany, with the main focus on communication. Attention was also paid to the SIFE World Cup and to enhancing communication with various target groups.

Further examples of HHL Student Field Projects:

2008:

- Sustainability index for cities (Veolia Wasser GmbH)

2007:

- Efficiency of business development in the region Leipzig/Halle (IHK Leipzig, IHK Halle)

2006:

- Economic effects of social standards in the textile industry (Gesellschaft für Technische Zusammenarbeit (GTZ))
- LEIFEID - Leipzig initiative for basic ethical values and inter-religious dialog

2005:

- Management impulses for "KunstRäume Leipzig" (KunstRäume Leipzig e.V.)
- Business Development in the Rural District Leipziger Land (Landkreis Leipziger Land)
- Developing a financing concept for the edificial reconstruction of a public school (Wilhelm-Ostwald-Gymnasium)
- Analysis of socio-economic effects of large events like World Cup 2006 (City of Leipzig)

2004:

- Protestant Parish of St. Thomas, Leipzig
- GET UP - START UP - Reviving the Entrepreneurial Spirit in Leipzig

2002:

- Development of a long-term financing plan for the Leipzig Association of the Handicapped and Disabled (Leipzig Association for Handicapped and Disabled)

Co-teaching at HHL

For several years now HHL has been gradually expanding its institutional co-teaching, i.e. the joint teaching of courses by faculty from different areas of expertise. Students are very interested in understanding interfaces between different disciplines, such as the interaction between Ethics and Financial Management, Marketing Management, Strategic Management, Accounting, or Logistics Management.

In the framework of its integrated management approach, HHL encourages its faculty to come together in the classroom to co-teach key courses which they have jointly designed. Examples include the incorporation of a session on ethical approaches in a marketing management module and the discussion of financial theory from a business ethics point of view. HHL is in the early stages of this development, but believes that co-teaching is an invaluable educational tool, and essential for the fulfillment of HHL's declared mission to educate effective and responsible business leaders. Through co-teaching, students can vividly explore the areas of business life in which an ethical, sustainable approach in fact reveals investment opportunities which pay off for companies, society and individuals in the long term.

Co-teaching lectures held this year:²

- Marketing and Customer Relationship Management (Marketing and Ethics):
Marketing for the Poor
- Finance (Finance and Accounting): Performance Measurement/EVA
- Economic Incentives and Information (Economics and Ethics): S. Ghoshal's critique of management theories
- Business Ethics (Ethics, Finance and Economics): Financial Crisis
- Microeconomics (Economics and Ethics): The Prisoner's Dilemma and How It can be Overcome in a Repeated Context
- Strategy (Strategy and Economics): Game Theory in Strategic Management

A deepening of this concept which integrates more courses and coordinates the relevant content is aimed for during the next years.

² Main lecture stated first, chairs involved mentioned in brackets.

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.

HHL's Chair of Economic and Business Ethics engages in research in the field of ethics, corporate social responsibility and sustainability together with the Wittenberg Center for Global Ethics.

Dr. Werner Jackstädt Chair of Economic and Business Ethics

The chair, headed by Prof. Dr. Andreas Suchanek, centers its work on the theory-practice dialog concerning corporate responsibility: On the basis of a theoretical conception the chair orients towards the practical problems and, thus, works on the question how profit and morals can be made prolific. Here, the golden rule is applied: *Invest in the conditions of social cooperation for mutual advantage!*

Research includes:

- Economic and business ethics
- Corporate responsibility
- Management of trust and integrity
- Methodology of social sciences
- Theoretical foundations of institutional economics
- Theory of sustainability

Courses include:

- Ethics
- Business Ethics
- Corporate Responsibility in a Globalized World
- Philosophical Underpinnings in Management



Wittenberg Center for Global Ethics

The Wittenberg Center for Global Ethics focuses on strengthening the ethical competencies of present and future decision makers in business, politics, and society. The center aims to increase awareness of social issues, to foster open, transparent discussion and to offer possibilities of responsible action. Founded on solid theoretical concepts - economic ethics approach - it creates opportunities to foster and implement ethics and morality under the conditions of globalization, competition and market economy.

The Wittenberg Center was founded in 1998 at the initiative of Andrew Young, former US Ambassador to the United Nations, and Hans-Dietrich Genscher, former German Foreign Minister. Individuals from politics, business, academia and faith-based organizations as well as corporations and organizations support the mission of the Wittenberg Center. It is an independent, international, not-for-profit and inter-denominational organization. There are three legal authorities: A German Association, a German Foundation and an American Foundation.

Prof. Dr. Andreas Suchanek, economist and ethicist, has been a professor at HHL since 2004. He is also a Member of the Management Board of and contributor to the Wittenberg Center for Global Ethics.

Selected articles and books by HHL faculty and the Wittenberg Center:

Andreas Suchanek, Manfred Kirchgeorg (2009): Marketing und Corporate Responsibility, Journal Article.

Nick Lin-Hi (2009): Fair Trade: Herausforderungen und Chancen des Massenmarktes – zur Bedeutung von Standards.

Torsten Briegel (2009): Einrichtung und Ausgestaltung unternehmensinterner Whistleblowing-Systeme: Eine ökonomische Analyse

Andreas Suchanek, Hans-Christian Erdmann (2009): Globalisierung, Sozialpolitik und Verantwortung von Unternehmen, Book Chapter.

Nick Lin-Hi (2008): Eine Theorie der Unternehmensverantwortung – Die Verknüpfung von Gewinnerzielung und gesellschaftlichen Interessen.

Markus Wolf (2008): Business Angels, Startups und Vertrauen - eine theoretische Betrachtung aus interaktionsökonomischer Perspektive

Andreas Suchanek (2008): Business Ethics and the Golden Rule. Publication 08-3 - Wittenberg Center for Global Ethics.

Andreas Suchanek (2008): Die gesellschaftliche Verantwortung von Unternehmen in der Marktwirtschaft, Book Chapter.

Andreas Suchanek (2008): Corporate Responsibility in der pharmazeutischen Industrie, Book Chapter.

Andreas Suchanek (2008): Die Bedeutung von Unternehmensverantwortung, Book Chapter.

Andreas Suchanek (2008): Das Problem der Rohstoffknappheit aus wirtschafts- und unternehmensethischer Sicht, Book Chapter.

Nick Lin-Hi (2008): Corporate Responsibility – An Investment in Social Cooperation for Mutual Advantage. Wittenberg Center for Global Ethics (Ed.), Discussion Paper No. 2008-6 of the Wittenberg Center for Global Ethics.

Andreas Suchanek, Klaus Kerscher (2007): Der Homo oeconomicus: Verfehltes Menschenbild oder leistungsfähiges Analyseinstrument? Book chapter

Stefanie Muche (2007): Corporate Citizenship und Korruption – Ein systematisches Konzept von Unternehmensverantwortung

Andreas Suchanek, Nick Lin-Hi (2007): Corporate Responsibility in der forschenden Arzneimittelindustrie, Journal Article.

Andreas Suchanek (2007): Die Relevanz der Unternehmensethik im Rahmen der Betriebswirtschaftslehre, HHL Working Paper No. 81, <http://www.hhl.de/fileadmin/texte/publikationen/arbeitspapiere/hhlap0081.pdf>.

Andreas Suchanek (2005): Is Profit Maximization the Social Responsibility of Business? Milton Friedman and Business Ethics, HHL Working Paper No. 69, <http://www.hhl.de/fileadmin/texte/publikationen/arbeitspapiere/hhlap0069.pdf>.

Manfred Kirchgeorg (2005): Sustainability Marketing for the Poorest of the Poor, Journal Article.

Steffen Hermann (2004): Corporate Sustainability Branding – Nachhaltigkeitsorientierte Profilierung von Unternehmensmarken, Doctoral Thesis.

Manfred Kirchgeorg (2004): Talents for Sustainability, Book Chapter.

Principle 5

Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6:

Dialogue: We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

The HHL maintains close relations with managers of leading business companies and facilitates the dialog with the business world. Furthermore, HHL strives to create platforms enabling dialog and debate among corporations, professors, students and members of the public.

HHL Annual Discourse on Corporate Responsibility

The HHL Discourse Round Table provides a forum for the exchange of ideas between representatives from the business world, professors, students and members of the public on topics as diverse as globalization, the future of labor, the opportunities and risks associated with biotechnology, and corporate responsibility. The annual event takes place with high-profile guests from business, the media, politics, and non-government organizations. Today companies are often challenged to explain their actions and decisions, and not all of them are able to do so in a satisfying manner. Stakeholders, politicians, and the public expect truthful and responsible actions. It is sometimes quite difficult for companies to understand what exactly is expected of them in terms of corporate social responsibility, to determine what actions they can reasonably undertake, and to find ways of effectively communicating these.

HHL Welcome Days

This annual event for new students is organized by the Dr. Werner Jackstädt Chair of Economic and Business Ethics and is designed and conducted in cooperation with partner companies. It aims to instill in students from their very first day at HHL an understanding of the importance of sustainability and responsible leadership in everyday business life. The participants learn how and why companies invest in striving to harmonize profitability with ethical values. (See Principle 1)

HHL Summer School 2008: “Ethics in Global Leadership” July 20 – 26, 2008

The Summer School aimed at giving young leaders the opportunity to deliberate on the advancement of science, technology, the economy and culture by creating a forum which offers heuristics for changing existing paradigms to promote consciousness for global issues, mutual dependencies, and worldwide inclusion as well as to empower participants with the necessary entrepreneurial spirit for both individual and collective action. The courses, lectures and case studies were aligned in order to deepen the students' understanding of the Golden Rule and its implications. In addressing Entrepreneurial Spirit, New Governance, Corporate Responsibility, and Sustainable Development, the Wittenberg Center together with experts and practitioners from academia, business, politics, media and civil society provided a conceptual basis with an atmosphere for participants to develop a deeper understanding of the foundations of global cooperation as well as innovative tools needed to manage diversities and complexities in business, politics and civil society. (See Principle 2)