



## SESSION NOTE

# Developing responsible leadership: the role of business schools

Co-organised by the OECD and UN PRME

30 June 2017 - 13:10-14:20

Room CC1 - OECD Conference Centre

At the 2017 World Economic Forum, Klaus Schwab, Founder and Executive Chairman, made a call for responsive and responsible leadership. When it comes to responsible business conduct, the business community itself recognises that new targets for approaching social and environmental concerns in business are being set and CEOs notably “recognise the role of personal leadership and accountability for sustainability performance”.<sup>1</sup> Business and management education is an important means for building responsible business leadership.

Business schools have been judged by some as being too “customer-focussed and too business-focussed, at the expense of a truly professional orientation focussed on the common good”<sup>2</sup> and critical voices have described management students as being “weak in their capacity to care about the world beyond themselves and to effectively contribute to its betterment”<sup>3</sup>. Business schools seem to face a number of challenges in addressing this assessment, and many initiatives still lay at the margin of business education rather than at the core.

Conducting business responsibly implies a diverse pool of skills, such as understanding how to identify and prevent adverse social and environmental impacts, communicating adequately with stakeholders, and long-term thinking. It requires going beyond introducing a course on “sustainability” or “ethics”. In the last decade, new approaches to business education, initiatives and tools have emerged.

Organised in collaboration of the United Nations Principles for Responsible Management Education (PRME), the purpose of this session is to look at the expectations from society and future employers for business schools in shaping responsible leaders. It will also discuss some of the different approaches to integrating RBC in business programmes examples of existing supporting initiatives and tools.

### Different approaches to integrating responsible business education in business programmes

- **Understanding the role of business in the broad societal context** can be an essential step to more responsible business conduct. This involves shifting away from an instrumental view of business education. Faculty can work towards developing analytical thinking, creativity, empathy, multiple framing and reflection to give students an integrated vision of society, which addresses broad societal challenges and expectations.<sup>4</sup> For example, learning to use systems thinking to integrate different stakeholders expectations and consider complex supply chains can be valuable for future business decision-making. Certain new programmes focus on developing compassionate leaders, for example through establishing special contextual tracks that run parallel to the main business stream.<sup>5</sup>
- **Ensuring that responsible business is part of the core rather than treated at the margin** of business education is key for reaching all students. This means ensuring that the integrated knowledge on responsible management is relevant, useful and practical for students from different business disciplines.<sup>6</sup>

- **Involving stakeholders in business programmes and curriculum development**, such as from civil society broadens exposure to societal challenges and nurtures critical thinking. For example, involving partner NGOs on the school board and proposing practical hands-on projects such with social partners<sup>7</sup> develops adapted curricula and problem solving skills to tackle a diversity of societal challenges. Encouraging student initiatives that promote responsible initiatives and leadership can also be a way to spread awareness while developing entrepreneurial skills.

### Supporting initiatives and tools examples

- **The Principles for Responsible Management Education task force (PRME)** was founded in 2007 under the coordination of the UN Global Compact. PRME embeds corporate responsibility in education, research, and campus practices. This initiative, which sets out 6 principles for responsible management education, has since been joined by more than 650 institutions, including leading business schools such as the CEMS Alliance for International Management, Kedge Business School, HEC, INSEAD, Cornell University and many others around the world. [www.unprme.org/](http://www.unprme.org/)
- **Developing “sustainability literacy”** can contribute to the implementation of international standards such as the Sustainable Development Goals. Supported by several UN bodies, the Sulitest is used by schools to get to know the level of “sustainability literacy” of incoming students and as a teaching tool to raise awareness amongst students.<sup>8</sup>

### Resources

- Anne Colby et al. (2011), *Rethinking Undergraduate Business Education: Liberal Learning for the Profession*
- Thomas Dyllick, (2015), *Responsible management education for a sustainable world: The challenges for business schools*
- Joanne Laurence and Paul Beamish (2012), *Globally Responsible Leadership: Managing According to the UN Global Compact Principles*
- Giselle Weybrecht (2016), *The Future MBA: 100 Ideas for Making Sustainability the Business of Business Education*
- [The Sustainability Literacy test](#)
- [Friends of the OECD Guidelines for Multinational Enterprises](#)

### Notes

<sup>1</sup> The UN Global Compact-Accenture Strategy [CEO Study 2016 reports..](#)

<sup>2</sup> Thomas Dyllick , (2015) "Responsible management education for a sustainable world: The challenges for business schools", Journal of Management Development, Vol. 34 Iss: 1, pp.16 – 33 (page 28).

<sup>3</sup> Colby, A., Ehrlich, T., Sullivan, W. M., & Dolle, J. R. (2011). Rethinking undergraduate business education: Liberal learning for the profession (Vol. 20). John Wiley & Sons (page 40).

<sup>4</sup> Ibid.

<sup>5</sup> See for example Stockholm School of Economics’ [“Global Challenges” track in the Bachelor program in Business and Economics.](#)

<sup>6</sup> See Giselle Weybrecht’s [recommendations for reaching all students.](#)

<sup>7</sup> See for example CEMS business student projects with Transparency International and the Business Projects by HKUST on Improving Digital and Mobile Literacy amongst Garment Factory Workers in SouthEast Asia. [www.cems.org/sustainability/implementation/mim](http://www.cems.org/sustainability/implementation/mim)

<sup>8</sup> [www.sulitest.org](http://www.sulitest.org)