



China Europe International  
Business School  
CEIBS

Communication on Progress Report  
2008



**United Nations Global Compact**

**PRME** Principles for Responsible  
Management Education

August, 2009

## **A Note from the Dean of CEIBS**

Since its launch in 1994, the China Europe International Business School (CEIBS) has built a solid reputation as the leading international business school in Asia. CEIBS is a not-for-profit joint venture of the Chinese Government and the European Commission. It is the only China-based business school that has achieved top-tier global rankings for its MBA, EMBA and Executive Education programs. The school has held the ranking of #1 in Asia for its MBA program since 2004 and was ranked #8 worldwide in 2008 by the *Financial Times* annual global survey. CEIBS is the only business school in mainland China that has earned internationally-recognized accreditation both by EQUIS and AACSB.

Its affiliation with PRME cemented CEIBS' focus upon educating responsible business leaders. Issues of corporate social responsibility, sustainability and business ethics are woven through the curriculum and the fabric of daily life and interactions among our multi-cultural, diverse student and faculty populations. The result is a unique learning environment that is a microcosm of the global business community.

It is impossible to discuss business in China and with China without the inclusion of public policy implications at both the local and global level. China took two decades to demonstrate to the rest of the world that it will play a pivotal role in the 21st century. Today, the business community is looking to the East and trying to understand and anticipate the messages and actions emanating from China that influence world politics, economics and business. CEIBS is the leading center in the region for organizing forums that bring together industry leaders, senior government officials, renowned academics and business students in an open, neutral environment to discuss and debate hot issues facing China and the world. This report summarizes the myriad activities occurring in 2008 that relate to and support the Principles of Responsible Management Education (PRME) set forth in the United Nations Global Compact. We are proud of our progress and look forward to furthering our already energetic efforts.

Rolf D. Cremer, Dean  
China Europe International Business School

## **The Mission of CEIBS**

To support China's economic development and to further China's integration into the world economy by preparing highly competent, internationally-oriented business leaders capable of working within the Chinese economic environment, while adapting to the driving forces of business globalization, international competition, and international co-operation.

## **Introduction to the Communication of Progress Report**

China Europe International Business School (CEIBS) became a signatory institution of United Nation's Principles of Responsible Management (PRME) in the spring of 2008. By virtue of being immersed in the business, educational and government community, the school is at the center of conversations related to public policy and emerging trends, such as sustainable business and corporate social responsibility.

Adoptions of the six principles are a continuous work-in-progress. This first annual report to all stakeholders outlines the actions and activities undertaken within the school to support, abide by and promote the six principles of PRME. This report is organized by the respective principles and will serve as a benchmark for continuous improvement in each of these six pivotal areas.

### **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.

A variety of activities outside of the classroom are provided to students in their pursuit of understanding, participating in and assuming a leadership role in an ethical and sustainable business world. A primary focus of activity within the school is to support the development of inclusive business practices among diverse partners. Programs are designed to further the enhancement of China's business environment while contributing to the understanding of international norms and building harmony among diverse cultures, viewpoints and behaviors. The school environment is a living context for learning, understanding and applying strategies and tactics that promote and further cooperation among diverse and culturally-distinct professionals.

The following areas are particularly applicable to this process:

#### **CEIBS Community Donation Drive for Earth Quake Victims**

The CEIBS community rallied to the aid of the victims of the earthquake that hit the Sichuan Province on May 12, 2008 by initiating a donation drive. Collections approached RMB 2,140,000 (313,000 USD) from the school's alumni, students and faculty. The school's faculty and staff initially raised RMB 300,000 (43,900 USD) in a three-day fundraising campaign following the earthquake. CEIBS alumni and students also supported the effort. All contributions were donated to the State Charity for the Relief of Earthquake Victims to help the victims of this extraordinary disaster. In addition, the CEIBS students who were medical doctors went to the site to help.

## **Case and Business Competitions:**

*Innovate China Global Challenge* was founded in 2008 as the first Chinese student-run international business competition designed for MBA students from around the world. It created a platform for top business minds to interact with each other and create innovative solutions to real life problems with a China focus. In addition, it drew global attention to the Chinese market and create innovative ideas that can make a difference.

This first competition attracted participants from 82 business schools across four continents, including Harvard, London Business School, MIT Sloan, and INSEAD -- as well as Top Asian schools such as Tsinghua SEM, Fudan IMBA, and Shanghai Jiao Tong University MBA. Each team was challenged to provide the best plan for how a Chinese company, EVOC Intelligent Technology Co. Ltd, could spend 100 million RMB on an innovative and sustainable CSR project that reflects the company's values and capitalizes on its core competencies.

## **Student Initiated Activities :**

Students at CEIBS are an international, diverse population of Mainland Chinese, other Asians, Europeans and North and South Americans. This talented and lively population has demonstrated both interest in and proclivity toward the topics of Corporate Social Responsibility, Business Ethics and Sustainable Business. Following is an enumeration of activities initiated and led by students during 2008.

*The 2008 Being Globally Responsible Conference (BGRC)* was held June 6 and 7 on the Shanghai campus. Launched by a CEIBS student in 2006, the conference is the first and largest student-organized CSR conference in the Asia-Pacific region. BGRC 2008 focused on questions related to the receptivity and enactment of CSR in China.

Organized by CEIBS MBA students, the conference featured 34 international CSR experts speaking from their backgrounds in NGOs, government, business, or academia. Some 300 students, corporate executives and media members turned out for the event. Included were 130 visiting MBA students from 36 top business schools in Mainland China, Hong Kong, Taiwan, Thailand, Japan, South Korea, Thailand, Philippines, Malaysia, Singapore, India, Australia, Denmark, Spain and the United States.

The *Being Globally Responsible Conference* was initiated in 2006 by CEIBS MBA students together with Asia Link and Professor Bala Ramasamy. The goals of the conference are:

- ✧ to provide an open forum for MBA students to exchange ideas with experts and practitioners on social responsibility;

- ✧ to promote Corporate Social Responsibility in the Asia-Pacific region;
- ✧ to encourage, recognize and involve MBA students -- the future business leaders of Asia -- in preparing to incorporate globally responsible principles into their future business practices;
- ✧ to ensure that CSR policies and practices are formulated as an effective corporate strategies that are actually put to use.

*Student-Initiated Green Campus Program:* CSR-minded CEIBS MBA students launched a Green Campus Campaign in May of 2007. The Green Campus Campaign was developed after students came together during the winter to share ideas on creating a more environmentally friendly school. Since then, the group has worked regularly with the CEIBS Logistics Department on partial steps to launch the campaign. A Green Campus Committee was created which includes the Dean, External Communications Director, a faculty representative, a logistics department representative, and student representatives.

The Green Campus Committee designed, printed, and displayed a series of attractive green-and-white stickers with reminders to either recycle (paper, cans and bottles) or reduce resource usage (electricity and water). New bins were put into each campus building specifically for collecting paper and containers for recycling. Students continue to work on initiatives improve and expand the school's "green" practices.

#### *Bekaert Window Filming Program*

In December of 2008, a 0.05 mm thick film was installed on all outward-facing windows and doors on the CEIBS Shanghai campus. This was a to the school of Solar Gard materials supplied by Bekaert. Representatives of the company expect the window filming to cut energy used for heating and cooling the campus buildings by 10 percent annually - a savings of up to ¥400,000 per year or almost \$60,000 U.S..

More than 3,000 square meters of filming were installed throughout the CEIBS main campus. The project was part of the school's Green Campus Initiative launched by MBA students in 2007 and continued by the 2008 class. The initiative seeks to incorporate environmentally friendly practices into campus life at CEIBS. The window filming project, in which Bekaert donated ¥600,000-worth of film (\$87,780), plus labor, was part of the Belgium-based company's CSR efforts. As Bekaert Asia President and Group Vice President Herman Vandaele explained, the move dovetails well with the goals of the Chinese government to reduce energy consumption per unit of GDP by 20 percent before 2010.

## **Student Clubs:**

There are over thirty *Student Clubs* within CEIBS with a variety of interests and activities. Those with particular focus upon CSB and sustainability are the following:

*The Energy and Environment Club* brings together students and professionals with a common interest in the Energy and Environment sector together. Its goals are:

- ✧ To raise awareness among CEIBS students about environmental and energy issues.
- ✧ To provide students with insights into the global energy and environment industry including career opportunities.
- ✧ To facilitate networking with leading Chinese companies in the Energy and Environment sector.

*The CSR Club* promotes social responsibility among students and the businesses world. The CSR club aims to encourage and support CEIBS students and organize events to further explore and contribute to those activities and business that are related to Corporate Social Responsibility (CSR), Social Venture, Environment Sustainability, Non-Governmental Organization (NGO) and Charity. Annual events include:

- ✧ Corporate CSR engagement & NGO cooperation
- ✧ Charity Bazaar
- ✧ CSR business forum
- ✧ CSR and social venture competitions

*The CEIBS Entrepreneurship Club* has the mission to create a platform that fosters business idea generation and allows members to easily access the resources needed to start a new venture. As part of the CEIBS Entrepreneurship Club, members grow their network and learn how to start a business through experience sharing, open discussions, and hands-on experience. Annual events include:

- ✧ Guest speakers from all fields including entrepreneurs, investors, and lawyers
- ✧ Experience sharing from experienced entrepreneurs
- ✧ Open Forums with specified topics
- ✧ Start businesses to help with entrepreneurial learning
- ✧ Trips to local start-up companies
- ✧ Networking outside CEIBS

*The Healthcare Club* is a non-official, non-profit, learning-oriented organization operated by CEIBS MBA students. The group focuses on the operation of global healthcare business, performance and efficiency. Through experience sharing and group discussion, Club members work toward accumulation of knowledge and skills related to the management of the healthcare business in China.

*The Human Resources Club* serves the professional interests of CEIBS students, helps schoolmates prepare for the future career, provides networking activities and ensure professional competence is shown in interview process as well as encourage members to take a global strategic perspective in supporting their development as future organizational leaders.

*China Business Club* provides CEIBS students with the platform to enter the Chinese Business Culture and helps them learn and appreciate the different trends of the industries within the current Chinese economy. This group organizes forums related to the specific industries in China, holds events to set up the platform for connections and networking and organizes workshops on the Chinese business environment and culture.

### **Intern Scholarships:**

Two Intern Scholarships offer Chinese students the opportunity to work in Europe for a multi-national company for several months.

- ✧ *LVMH-CEIBS Summer Internship.* LVMH, a European fashion giant, awarded three Chinese MBA students with Intern Scholarships. Each of the winning students spent two months in summer working for a division of the company in Paris. Mr. Andrew Wu, the China Group Director of LVMH, indicated that, for the past 25 years, LVMH has sponsored scholarships for European students keen to learn about Asia. The company's scholarships to CEIBS students allow them with an opportunity to learn about LVMH and business values in Europe and also to enhance their capacity to become global citizens.
- ✧ *CEL-CEIBS Private Equity Scholarship.* China Equity Links, the first independent continental Europe Private Equity fund dedicated to China, offered scholarships to two CEIBS MBA students interested in the private equity sector. The two laureates spent their 2008 summer internship with CEL / CEL Partners, with two months spent in the PRC office in Beijing and one month in its Paris office.

### **Scholarships:**

To enhance the diversity of the CEIBS MBA student body, scholarships are given to both Chinese and overseas students. These scholarships are a cooperative effort between China and other countries, companies and institutions. Some examples are:

- ✧ European Union-China Business Management Training (BMT) Project Scholarships. Twelve full and partial scholarships were awarded to mainland Chinese candidates from economically disadvantaged regions. All are highly-talented and motivated students who pursued their MBA degrees full time at CEIBS. The BMT project aims to encourage scholarship recipients –

outstanding candidates who were born, study or work in less-developed areas of China – to contribute to the future development of these regions.

- ✧ Shanghai Municipal Government Scholarship (for International Students Only)
- ✧ La Caixa and Casa Asia Scholarships (for Spanish candidates only)
- ✧ Liu Ji Education Fund Grant (for mainland Chinese candidates only)
- ✧ OCBC Bank Scholarship
- ✧ Omnicom Scholarship
- ✧ Wu Jinglian Education Fund (for Chinese candidates only)
- ✧ EU-China BMT MBA Exchange Scholarship. The European Union awards 10 exchange scholarships per year for the duration to deserving CEIBS MBA students who undertake a one-semester international exchange at business schools in the EU. The selection criteria are the students contribution to the CEIBS community and financial need.
- ✧ Emerson Scholarship. Three scholarships were awarded to students based upon their meritorious academic performance and their contributions to the *Being Globally Responsible Conference* and the creation of the first annual *Innovate China Global Challenge* competition.

## **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.

Curriculum initiatives in all of the programmatic areas demonstrate the commitment of the school to social responsibility and sustainability. The following gives the details of how these are incorporated into each program.

### **MBA Curriculum**

*Comprehensive Final Project:* The MBA program, as well as the EMBA curriculum, has required modules that include Ethical Leadership, Corporate Social Responsibility, Sustainability and Corporate Governance. In addition, both include a comprehensive business plan, which is constructed in consultation with a local business. Several of these efforts were related to not-for-profit institutions and sustainability.

During the 2008 academic term teams worked on an initiative led by Nancy Barry and Associates (NBA) on a project labeled Enterprise Solutions to Poverty (ESP). This massive project mobilizes the talents of MBA students from leading institutions across the world. The primary objective of ESP is to have a positive impact on the incomes and assets of at least 50 million low income people by 2012 in the six focal countries of China, India, Mexico, Brazil, Columbia and Kenya. Students built business plans in one of four areas: agribusiness, creation of decentralized distribution systems, innovations in micro-finance and the improvement of

communication and enterprise networks. In each project a team of students prepared a “live case” and proposed recommendations for the case study.

*Curriculum Revision:* Revision of the MBA curriculum took place during 2008 with the goal of delivering a curriculum that is aligned with contemporary business practices and economic developments. As part of a process of continuous improvement, the 2009 curriculum reform was presented in November 2008, the result of a year-long collaboration that included input from faculty, recruiters and current students.

The reform focuses on changes in the following several areas:

- ✧ **Redesign of the Student Orientation.** Added was a half-day session on the Concept of Values and an Ethics Day to introduce the concepts that are woven throughout the curriculum.
- ✧ **China focus.** CEIBS teaches the most advanced international business theories while attaching great importance to the practical application of these skills in the cultural context of the growing and developing economy of China. Specific elements added to the MBA curriculum are:
  - Chinese language competency for foreign students in order to improve cultural understanding and the ability to interact in China's economy.
  - China HR, as this area is deemed the most difficult aspect of managing in the Chinese business environment.
  - “China Within the World,” a course that emphasizes economic, political, cultural and trade issues that impact those who do business with and within China.
  - China Discovery Week, an intensive lecture series that explores contemporary issues in China business, will be an annual event.
- ✧ **Cross-functional curriculum integration**

The most challenging business problems cut across functional lines of responsibility. To solve them, management must be competent in cross-disciplinary analysis, solution generation and communication. The new CEIBS curriculum includes several applied integration modules that require students to innovatively and systematically solve practical business problems using knowledge and skills they've acquired in earlier business courses. The modules are spread throughout the MBA curriculum to reinforce and build upon each stage of learning.
- ✧ **Entrepreneurship**

Entrepreneurs play an increasingly important role in China's economic growth, both by starting new ventures and refreshing existing businesses.
- ✧ **Strengthening of soft skills and analytic capabilities**

A foundation module emphasizes the skills and understanding needed to successfully apply business knowledge in the workplace. Cultural understanding, teamwork, leadership, and presentations skills are honed as well as quantitative methods and spreadsheet analyses.

### ✧ **Flexibility in Year Two**

The second year of the CEIBS curriculum is flexible, allowing for graduation in 18 or 20 months depending on the student's choice of electives and work experiences. Elective credits can be as few as 18 or as many as 36. A summer internship is optional. Students can design their own course of study to best meet their interests and career needs.

## **EMBA Curriculum**

The EMBA Curriculum has several areas devoted to responsible leadership, CSR and sustainability:

- ✧ Orientation to the program includes a half-day session on the Concept of Values. Challenges in social responsibility are elucidated through the discussion of cases.
- ✧ A Business Ethics module is incorporated into the curriculum early in the program.
- ✧ All EMBA students engage in a personal leadership development exercise. Surveys on their performance and leadership-style and capability are sent to at least 10 stakeholders in the company to gain honest assessment of their strengths and areas for improvement in their management.
- ✧ Comprehensive group projects are part of the capstone experience in the curriculum and its outcome and process are both vital for the program. Students are not only required to solve a practical problem with the theoretical tools learned in class, but also to rethink and renovate decision-making models with the research methodology. An EMBA project is completed by a group comprised of 4 to 5 students and requires about fourteen months. A successful research project demonstrates both academic achievements made in a management field by EMBA students and their research competencies to analyze and solve business problems. Sustainable and responsible solutions are expected.
- ✧ Overseas modules in either the United States or the European Union, in partnership with a leading business school allow participants to visit leading multinational firms of the host country. Discussions of global management issues and values are conducted with senior executives. In addition, students network with EMBA students of the partner business school.

## **Executive Education (EDP):**

Non-credit, continuing education and customized programs are designed to meet the specific needs of clients. A notable contribution to business education on sustainability was conducted for Carrefour. A custom Executive Development Program was implemented in March, 2008 to help Carrefour seamlessly integrate its global strategy into its operational practices in China. The Executive Education

Program was tailor-made for the company's mid- and top-level China managers. The Carrefour executives worked closely with Professor Mark Colgate, a long-term visiting professor at CEIBS and the major designer and instructor of the program, entitled "Service Marketing."

### **EU-China Business Development Certificate Program**

The EU-China Business Development Certificate Program provides practical but rigorous training for business managers in disadvantaged regions of China. Focusing on training participants for planning, funding and managing new business, the program offers nine courses with six intensive modules each in entrepreneurship, business finance, and international management in selected cities in the Western, Central and North-Eastern regions of China.

The Certificate Program was designed and the training materials developed to suit the profile and needs of students from disadvantaged regions. The program team comprised of professors from CEIBS, Frankfurt School of Finance and Management (FS) and Zhejiang University. The committee decided that the 6 modules that would form the certificate program are as follows:

- Module 1: Financial Reporting & Managerial Accounting  
Managerial accounting helps management to use cost information of a company for managerial decision making, internal planning and control, and performance evaluation purposes. It determines how management perceive the firm, and what resources are available to accomplish the firm's objectives. An appreciation of the role of Managerial accounting in our economic system, and insights into how such information is used by decision makers of the firm, are essential to success as a professional manager.
- Module 2: Business Finance & Funding  
This module is to provide participants with a survey of the basic principles of financial management and efficient funding, and enable them to acquire the core skills of business finance. A combination of necessary theories with real business cases will help sharpen the skills of executives. With the cases study, participants will obtain profound knowledge about the finance and funding instruments, and strengthen their practical managerial capabilities.
- Module 3: Organizational Behavior & HR Management  
This module is designed to enhance the forecasting, guiding and behavior controlling power of executives so as to meet the expected organizational targets, and improve the performance and satisfaction of staff. Participants will learn to understand the characteristics and rules at different levels of an organization, such as the individual, team and company. They will learn to mobilize the others to be active and creative with some effective organizational and managerial methods. Their managerial competence will

thus be enhanced. A discussion on how to sharpen one company's competitive edge via HR management will also be carried out.

- Module 4: Marketing & Sales Management  
Marketing refers to a series of management behavior to facilitate the value exchange made between certain company and its customer. To create value for customers remains the core of marketing activities, and the company will obtain profits in return. Therefore, marketing should not be regarded as the business only for marketing department, but for all functions and staff. This module will cover the complete procedures of marketing management with the customer oriented conception.
- Module 5: Corporate Entrepreneurship  
Managers need to understand the key principles and processes that enable the entrepreneurial mindset to flourish within their own organization, and how to build and entrepreneurial environment. This program will show how to think like entrepreneurs; to learn the requirements within an organization to support entrepreneurial behavior; and how to gain financial support and compete more effectively for corporate resources.
- Module 6: Strategic & Operations Management  
Participants will get familiar with the knowledge and skills of strategic management essential to the modern executives, and understand the roles and duties they should take. The executives need to master a series of analytic tools and form a holistic idea about the strategies.

Teaching of the modules will be shared by professors from Frankfort School (2 modules) and CEIBS (4 modules).

The first group of modules was introduced during 2008. With the cooperation of the Mayor's office in Hefei, the program was promoted among businesses (state-owned, private and foreign) in the Anhui province via government websites, local TV and newspapers. The Mayor's office short-listed candidates, while a team comprised of the Program Director, Program Coordinator and a representative from the Mayor's Office interviewed the candidates. At the end, 48 participants were selected for the first program in Hefei.

The criteria used to select participants included:

- Age: 40 – 45 years of old
- Position in company: middle to senior executives
- Type of company: Distinguished State-owned-businesses, Private Enterprises, Local Government

- Previous qualification: At least a university degree

A summary profile of the participants is shown below:

Total: 48 participants

Male/Female ratio: 4 Female, 44 Male

Average Age: 39.6

The Hefei program was launched on the 5 September, 2008.

In 2008, 3 modules were delivered:

Sept. 5 – 8: Financial Reporting & Managerial Accounting

Professor: Wang Yanming

Oct. 17 – 20: Business Finance & Funding

Professor: Wolf-Bernhard Kersten

Nov. 21- 24: Organizational Behavior and HR Management

Professor: Jian Han

## **Principle 3**

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

### **The development of educational materials and cases related to the development of business in China,**

*CEIBS Case Development Center* was created in 2001 with a mission to become the world knowledge center for China-specific managerial issues. The Center is dedicated to developing teaching cases of international standard, in both English and Chinese, so as to serve management education and the business world. The CEIBS Case Development Center is a member institution of ECCH, the leading case distributor in the world. At present, more than 100 CEIBS cases are distributed worldwide through ECCH. In 2006, CEIBS became the first school from Chinese mainland to join ICCP, the International Community of Case Publishers.

The Center has initiated extensive cooperation with leading business schools in the world, including INSEAD, IMD, Darden and Wharton, in jointly developing China-focused cases. It also authorized IVEY Publishing and IESE Publishing to distribute CEIBS cases overseas. Most recently in 2006, HBS Case Distribution

Center at CEIBS was created to distribute HBSP products in the Chinese mainland and Hong Kong.

Cases written in 2008 to promote discussion related to corporate social responsibility and sustainability include:

- ✧ IBM in China: Designing a Stakeholder Assessment Team ,CC-308-032
- ✧ IBM in China: Responding to a Government's Social Initiatives ,CC-308-031
- ✧ Sinyi Real Estate in Taiwan

### **CEIBS European Chair for Global Governance and Sino-European Business Relations.**

The chair holder of this prestigious position is **Professor Henri-Claude de Bettignies, Distinguished Professor of Global Responsible Leadership**. The Chair is currently supported by two faculty members. The longer term plan includes the support of three to four faculty members and a team of assistants and secretaries.

The current Chairholder has implemented a research agenda related to the follow for research areas and questions:

#### 1. The Chinese firm of the future

One major objective is to understand the way Chinese firms operate today to better anticipate their evolution as they develop their activity internationally and expand globally. In assessing Chinese private firms' and SOEs' organization, their operating mechanisms and the role ascribed to their different stakeholders, what is likely to emerge in terms of corporate governance and strategies? Are we likely to see emerging an original form of governance accounting for the historical and cultural dimension of the Chinese environment with an original pattern of interaction with the union, the government, the employees and the other stakeholders? Would such a model of the Chinese firm challenge the European way of managing global corporations, possibly questioning western concepts of strategy and supply chain management? In such Chinese enterprises how would leadership, not only be defined, but implemented in terms of leadership behavior?

#### 2. The Euro-China business relationship

The growing interdependence of EU-China - beyond its economic dimension - is fraught with risks, particularly due to lack of mutual understanding: what could be done - at both the macro and micro levels - to create the long-term conditions of a win-win partnership? How can the mutual knowledge and the trust necessary be enhanced for that purpose, both at the corporate and at the societal levels? What could be the role of business leaders in such process, both in China and Europe? What kind of organizational mechanisms could facilitate the development of trust and mutual knowledge? How do Chinese leadership and values encourage the willingness to engage internationally and in global issues? What needs to be done in order to

develop Chinese managers committed to and able to perform effectively in European environments? Could that be internalized as part of corporate social responsibility?

### 3. Global governance and the role of China

The economic performance and global weight of China makes it urgent to rethink our current mechanisms of - or lack of - global governance: from the shortcomings of the current institutional mechanisms and given the dynamics and risks of today's world, what can be done, by whom and how - at a time when the dominant paradigm of the firm is radically challenged? What could be the role of China and Europe in a new model of global governance? Are current models of corporate governance still relevant and could they be a source of inspiration for global governance? Can we learn from the corporate social responsibility approach and could it be relevant at the global level? What could be the role of business in a multi-stakeholders global governance institutional mechanism?

### 4. The role of management education and training as an instrument of change

The effectiveness of management education in China as a powerful vehicle for change could gain in effectiveness: how could European and Chinese firms cooperate with education institutions to enhance the transfer of knowledge and of experience in order to accelerate the development of managerial skills appropriate to the dynamics of China? Given the change in values and expectations of the young generation of Chinese managers, what are the implications for corporations hiring, developing and managing the young generation? Do these implications induce different career management requirements? How will corporations adapt to young Chinese managers with different values and expectations? With more exposure to the world outside China, will the different mindset of the younger generation bring new requirements for career management? Is the Western model of knowledge management relevant in non-mature markets? How will the rapid change experienced in China impact on management knowledge and transfer skills? Over time the learning process will work both ways between Europe and China: how can we prepare the conditions for this reciprocal learning exchange?

Several *Academic Research Centers* have attained impressive academic and professional reputations in China. Most notable contributors to research consistent with PRME are:

- ✧ Europe China Center for International Business Relations (ECCIR)
- ✧ Center of Chinese Private Enterprises
- ✧ CEIBS-Zhejiang University Center for International Entrepreneurship
- ✧ Center of Organizational and People Excellence
- ✧ Europe-China Center for Leadership and Responsibility
- ✧ Center for Healthcare Policy and Management

## 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.

Several Faculty members are productively engaged in research and publication in the areas of corporate social responsibility and sustainability. Publications in the last year in this area include the following: articles:

**de Bettignies. Henri-Claude** and Cheon Kheong Tan. “Values and Management Education in China,” *International Management Review*, Vol. 3(1), pp. 17-37.

**de Bettignies. Henri-Claude**, “The Value of Values in Management Education in Asia.” *Finance and Common Good*, no. 30, pp. 67-73.

**de Bettignies. Henri-Claude**, “CSR: Towards ‘Responsible Competitiveness’ in China?” *EuroBiz Journal of the European Union Chamber of Commerce in China*, May, 2008, pp. 30-32.

Hunter, Mark Lee, Marc Le Menestrel and **Henri-Claude de Bettignies**. “Beyond Control: Crisis Strategies and Stakeholder Media in the Danone Boycott of 2001,” *Corporate Reputation Review*, Vol 11(4), pp 335-350.

Lo, C.W.H., **Gerald Fryxell**, and B.van Rooij. Changes in Enforcement Styles among Environment Officials in China. *Environment and Planning A*.

Yang, D., **Gerald Fryxell**, and A. Sie, Anti-Piracy Effectiveness and Managerial Confidence: Insights from Multinationals in China. *Journal of World Business*, 2008.

The following are conference presentations related to the topics:

**Henri-Claude de Bettignies**, “CSR in China: The Road to Sustainable Development and Harmonious Society,” Introductory Plenary Speech, EUCCC-CEIBS Forum on Responsible Competitiveness in China Through CSR, Shanghai, June 2-3, 2008.

**Henri-Claude de Bettignies**, “Can CSR Be Taught? The Case of China and the Role of Business Schools.” Plenary session, Asian Forum on Corporate Social Responsibility 2008, Singapore, November 20 and 21, 2008.

## **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.

The academic institution of CEIBS, its administrators and individual faculty members remain actively involved within the Shanghai business community and with various companies within China. The two Shanghai Campuses organize and host myriad programs that provide executives and members of the business opportunities for continuous learning, problem exploration and discussion of achievements, best practices and challenges related to doing business in China.

### **The Corporate Advisory Board (CAB)**

The Corporate Advisory Board (CAB) of CEIBS is a high-visibility platform allowing senior executives from the School's corporate sponsorship partners an opportunity to share their views concerning business education in China. As an interface between the School and the business community, the CAB gives on-going advice and feedback on the direction to CEIBS on issues such as the School's branding, strategy and fund raising, and ensures that the School's teaching and research activities are closely linked to business practice.

### **Programs and Conferences which facilitate this knowledge transfer and dialog are the following:**

*Executive Forum: "Why the World Isn't Flat and Why It Matters,"* March, 2008:

CEIBS and IESE jointly hosted an Executive Forum featuring internationally renowned writer Professor Pankaj Ghemawat. The evening event, held on the occasion of IESE's 50th anniversary, attracted a packed house of 200 students and alumni of CEIBS and IESE, as well as business executives and members of the media.

Prof. Ghemawat sought to "clear the table" by debunking commonly accepted notions of globalization. His thesis, he told audience members, would be to prove that the world today is not now, and will not be in the next few decades, fully-globalized and free of borders. Among the data points presented under the header "Globaloney," Prof. Ghemawat showed that the current total amount of Foreign Direct Investment worldwide is now just 12% -- a slight rise over the single-digit rates prior to 2005. In addition, the total percentage of phone calls made internationally worldwide is just 2%, the ratio of immigrants to native populations in nations worldwide is 3%, the amount of stock investments made internationally is 15%, and the global trade-to-GDP rate is 30%. Prof. Ghemawat then contrasted these actual numbers with

the results of extensive surveys showing what educated audience members expect these percentages to be. Overall, expectations in these measures of globalization were generally 2 to 3 times higher than actual figures

Prof. Ghemawat then listed several reasons why audiences worldwide now tend to believe the world to be more globalized than it is, including: lack of data, the tendency to believe what one hopes or fears, social pressure, media hype and "techno trance" -- the over-emphasis on the importance of technology. The professor went on to stress that, in fact, "culture and politics are going to be with us for some time to come," and that it is "irresponsible to exaggerate how integrated the world really is so far." The talk sparked a lively Q&A by audience members.

*Dutch Trade Minister Shares Views on CSR, October, 2008:*

The Netherlands' Minister of Foreign Trade Frank Heemskerk shared with CEIBS MBA students the growing importance of CSR in Dutch business and society, drawing on his business and political backgrounds. Minister Heemskerk, who described CSR as an integral part of his country's economic diplomacy, began his talk with his own views on "the purpose of CSR and its value in today's globalised world". Then he shared the Dutch vision of CSR, explained the important role it plays in The Netherlands, and shared practical examples of how CSR is actually implemented in his native land.

*1st Seminar on Chinese Economic Reform and its Implications for Latin America, October, 2008:*

Recently Brazil has topped the list of China's top five trading partners in Latin America (LATAM). With a 600 percent increase in trade between China and LATAM between 1993 and 2003, and expectations that there will be a comparable jump in cross-border investments from 2003 to 2013, this area is of pivotal concern. Within this framework, CEIBS Associate Dean and Professor of Marketing Zhou Dongsheng presented a seminar on "Chinese Economic Reform and its Implications for Latin America: The Brazilian Case."

### **Corporate Partnerships:**

*CEIBS Foundation Donation from CHIIC, March, 2008:*

Investment leader China Holdings Inc International Commerce (CHIIC) made a RMB 1 million financial contribution to the CEIBS' Education Development Foundation (CEIBS Foundation) to assist the funding of the business school's operations. CEIBS works in partnership with successful companies that follow a long-term, CSR-oriented strategy and that share with CEIBS a deep commitment to the creation of knowledge.

*CEIBS Foundation Donation from EVOC, March, 2008:*

China's leading manufacture of EIP (embedded intelligent platform), EVOC Intelligent Technology Co., has made a financial contribution to the CEIBS Foundation. The donation will assist the research and teaching activities of CEIBS' China Services Outsourcing Research Centre.

## Principle 6

**Dialogue:** We will facilitate and support dialog 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.

Various programs were held on-campus and in cooperation with businesses, the Chinese government and other universities during 2008. A sampling is the following;

*Chinese Business Women in Leadership Forum in Barcelona, February, 2008:*

Three of China's best known and most accomplished businesswomen spoke today in Barcelona, Spain at the *Chinese Business Women in Leadership Forum* co-organized by CEIBS: TV personality and Sun Media Investment Holdings Chairman Yang Lan, Beijing Illinois Founder and President Shi Xiaoyang, and China Capital Investment Group CEO Zhou Xiaoguang. All three speakers are alumni of CEIBS.

*Second Annual Women's Forum, May, 2008:*

Business and family values are changing and women are playing an increasingly large role as the transformation takes place. Speakers at the 2nd Women in Leadership Forum included leading women from the global business community as well as academic leaders. Topics ranged from the role that women have played throughout history to challenges they face in international companies.

*EUCCC-CEIBS Forum on "Responsible competitiveness in China through CSR: From Concept to Implementation," June, 2008:*

An audience of more than 300 business executives, NGO representatives, academicians and students gathered at the CEIBS Shanghai campus over two days to participate in the EUCCC-CEIBS Forum on "Responsible competitiveness in China through CSR: From concept to implementation". With the aid of seven keynote speeches, eight workshops and two roundtable discussions that focused on CSR within the context of wider issues such as public health, labor law compliance, risk assessment, the environment, and marketing & communications, the event offered a practical look at what it really means to be socially responsible in today's China.

*The 4<sup>th</sup> Annual China Health Care Forum, June, 2008:*

Health Care in China is a topic that touches and intertwines individuals, businesses and governments. With the goal of universal coverage, the system strains with struggles between cost containment and benefit expansion, between physician incentives and patient well-being, between innovative technology and traditional treatment and between domestic policy and managerial challenges. The CEIBS Health Care Forum brought together government and diverse stakeholders to discuss value creation in

health care with the aim of providing effective and efficient health services that are affordable to society and achieving consumer and provider expectations in China.

*Does CSR Really Improve the Bottom Line? Can East and West Learn from Each Other?* October 14, 2008.

This one-day conference attracted scholars, business people and government and civil officials from several countries to explore the impact of CRS on corporate performance in China and in Europe.

*Leadership, Spirituality and the Common Good: East and West Approaches*, October 15-16, 2008:

A forum of Academics who specialize in Business Ethics from around the globe gathered at CEIBS to hold an international academic conference. Co-sponsors were the Center for International Business Ethics (CIBE) in Beijing, the Euro-China Center for Leadership and Responsibility (ECCLAR) at CEIBS and the European SPES Forum in Leuven, Belgium. The two-day academic conference explored the conceptualization of and relationship between spiritual resources in the East and the West and the common good and how they are related to leadership in organizations.

*China's Car Owners Going Green*, November, 2008:

While gearing up for an expected slump in car sales as the financial crisis seeps into the real economy, auto makers from China and across the globe gathered at CEIBS' 6th Annual China Automotive Industry Forum to discuss the long-term sustainability of the industry. One of the findings: green is in.

*CEIBS and European Foundation of Management Development (EFMD) Co-host "Chinese Companies Going Global" Conference*, November, 2008.

The expansion of Chinese companies into international markets was the focus of this two-day conference which attracted 180 participants from more than 30 countries worldwide. The conference explored strategies and pitfalls as many of China's Enterprises move toward globalization.

Respectively submitted,

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