



**Lomonosov Moscow State University
Business School**

***United Nations Principles for
Responsible Management Education***

Sharing Information on Progress Report

***Moscow
June, 2015***

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To:

PRME Steering Committee
c/o Jonas Haertle,
Head PRME Secretariat at United Nations Global Compact Office
801 2nd Avenue, 2nd Floor
New York, New York 10017

June 20th, 2015

Adoption of the Principles for Responsible Management Education

As an institution of higher education involved in the development of current and future international managers, **Lomonosov Moscow State University Business School** is pleased to reaffirm its commitment to implement the Principles for Responsible Management Education, to report on progress to all stakeholders and to exchange effective practices related to these principles with other academic institutions.

We will continue to deepen and extend our efforts in implementation of the six PRME principles in our activities and will use our progress report as an opportunity to revise and restate our commitments to the PRME international community.

We understand that our own organisational practices should serve as example of the values and attitudes we convey to our students.

We declare our willingness to facilitate and support dialog in business and academic communities on critical issues related to global social responsibility and sustainability and to encourage academic institutions and associations to adopt and support the six PRME Principles.

Sincerely yours,



Dean
Prof. Oleg S. Vikhanskiy

About Lomonosov Moscow State University Business School

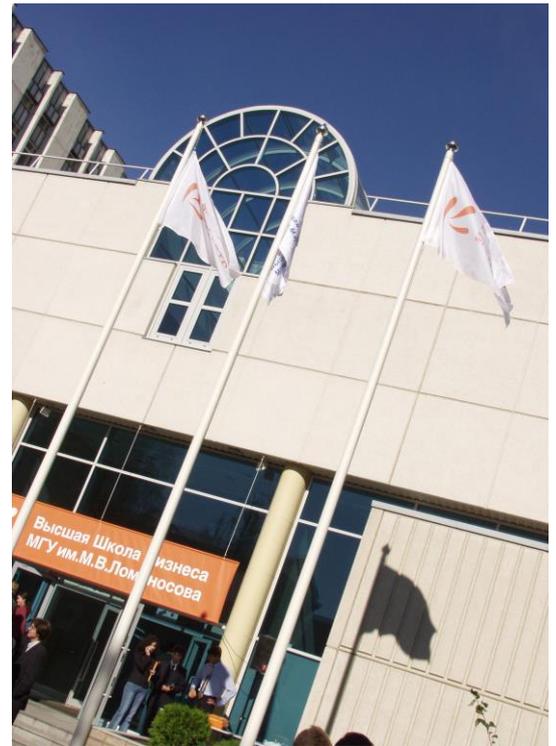
Lomonosov Moscow State University Business School (MSU BS) is one of the oldest business schools in Russia. It was founded in 1989 as the School of Management within the Department of Economics at MSU. In 2001 the School became a separate Department at MSU.

MSU BS delivers a full range of educational programmes on the undergraduate, graduate and post-graduate levels to Russian and international students. The School launched its first educational programme – the MBA programme – in 1995. In 2001, it started the Master of Science in Management programme (later transformed into the Master of International Business programme). In 2003, the School introduced the Bachelor of Management programme, and in 2007 the School completed its portfolio with an Executive MBA programme.

MSU BS sees itself as an international business school based in Moscow that attracts highly proficient students from all over the world to take part in its management programmes. For more than 20 years Lomonosov Moscow State University Business School (MSU BS) successfully trains students to become competitive ethical and strategically thinking business leaders who are able to take responsible decisions in the rapidly changing international environment contributing to the development of civilized business in Russia and in the world.

About 500 students study each year at MSU BS and more than 2000 students have already graduated from its four study programmes. The Schools` most representative feature is a successful combination of the profound theoretical knowledge in the field of economics and management with the development of practical managerial skills and ability to gain an insight into up-to-date managerial concepts.

A close cooperation with the leading corporations gives MSU BS`s students a unique opportunity during their study to apprehend the comprehensive business issues, to become involved into solving of professional problems. Development of first-hand experience supported with the solid theoretical knowledge allows students to get responsible job positions and rapidly enhances their professional career immediately after the graduation.



MSU BS pays a great attention to the quality assurance of its educational programmes. The School on a systematic basis uses a variety of approaches to continuous monitoring and improvement of the quality of its educational programmes. To remain at the forefront of business education MSU BS constantly studies the best Russian and international experience, introduces and improves the methods learnt through benchmarking as well as invents innovative educational approaches aimed at forming responsible leaders. The results are reflected in the satisfaction of graduates and employers, regular high MSU BS's positions in Russian and international rankings.

MSU BS is actively becoming a part of the world business education system expanding the range of its international partners and increasing the number of its international visiting professors. From year to year the number of students, participating in the exchange programme and international educational visits, grows. The MSU BS faculty is actively involved in international research and educational projects that allows bringing international experience into the classroom. From 2010 MSU BS offers a dual degree programme together with St Andrews University School of Management.

MSU BS is an active member of international associations dealing with the development of international management education (i.e., ABEST21, EFMD, CEEMAN, BMDA and PRME). The School participates in international conferences, annual meetings and educational programmes aimed at the development of international management education. In 2012, MSU BS launched its short-term "Doing Business in Russia" programme, which is offered to groups of MBA, executive MBA and master's students from non-Russian institutions.

In 2010, MSU BS decided to submit its Bachelor of Management programme to an external quality evaluation by the European Foundation for Management Development (EFMD). As a result, MSU BS was awarded a three-year EPAS accreditation in February 2011. The accreditation verified the high level of the programme's quality, its internationalization and its well-developed relations with the corporate world. In 2014, the programme was re-accredited for another three-year period, which demonstrates that the School is following a sound international-development strategy.

MSU BS's Mission

The School's mission is to be a driving force for economic and social change through the development of a new vision among its students. To do so, the School aims to provide students with a high-quality education based on international standards and principles of responsible business that correspond to the needs of the global business community in today's rapidly changing world. In order to ensure a high quality of education, the School uses know-how training methods coupled

with individual attention for each student. The School trains the students to succeed in business by opening up new horizons for them and enhancing their competitiveness while developing in them a respect for moral, ethical and legal standards.

The School's mission is in line with the mission of Moscow State University, which was defined in 1755 by Empress Elizabeth the First as "education of the people for the common good of peoples' lives and for the well-being of the country". This mission remains relevant in the context of the 21st century.

Lomonosov MSU Business School's goal is to bolster the art, theory and tools of business and management. It successfully integrates the scientific and research traditions of Russian higher education with new approaches that teach management as the contemporary art of doing business.

Following its mission MSU BS has successfully integrated six principles developed by the United Nations Global Compact initiative PRME into its current activities as well as launched several new activities in order to ensure the implementation of these principles systematically.

Introduction to the Progress Report

This report is the MSU BS's first UN PRME SIP. The following document explains the ways in which the School has already applied the Principles for Responsible Management Education in practice and addresses the achievements and future goals.

Responsibility has become the corner stone of business education today. Being one of the leading business schools in Russia, MSU BS recognizes its responsibility for developing students' skills and behaviour adequate to the complex challenges in the modern society.

MSU BS has developed its strategy as a result of the joint effort of all members of the faculty, heads of the programmes and administrative staff of MSU BS, corporate sector executives, students and graduates. The wide range of participants ensured that the strategy covers the needs of all stakeholder groups and addresses a wide range of issues such as human rights, global social responsibility, global citizenship, sustainability, fair and responsible leadership, business ethics and others.

This document contains further information about the activity of MSU BS in 2012 - 2015 reporting period and is structured under the 6 Principles.

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.



Awareness of global challenges in sustainable development and ability to become responsible global citizens are the key competences that all MSU BS educational programmes are intended to form. Each programme contains series of special modules such as Business Ethics, Corporate Social Responsibility, Anti-Corruption and Sustainable Business Development that are aimed at developing these competencies.

Besides MSU BS has supplemented its study curriculum with the extra-curricular activities focused on the practical development of socially responsible attitude of its students to the needs of society. This is particularly evident in the Bachelor programme.

Since September 2013, Lomonosov MSU BS has been actively cooperating with Ostafyevo State Museum "The Russian Parnassus" (<http://www.ostafyevomuseum.ru>). The Museum is located on the territory of the formerly noble Ostafyevo country estate. For more than 100 years Ostafyevo belonged to the same family - four generations of the Vyazemsky princes. From 1898 Ostafyevo belonged to Sheremetev family. The great Russian historian Nikolai Karamzin spent twelve years at Ostafyevo working on his famous "History of the Russian State". Throughout the nineteenth century Ostafyevo was associated with such names as Alexander Pushkin, Vasily Zhukovsky, Adam Mitskevich, Alexander Griboedov and many others.

First- and second-year students of the Bachelor's degree programme are actively involved in volunteering at Ostafyevo State Museum. The volunteer tasks mainly include gardening, maintenance work, opinion polls of the visitors, website performance tests and participation in poetry readings and musical events. Students are also encouraged to submit ideas and business projects on the development of the museum, thus making their contribution to society and gaining invaluable experience in social work. Volunteering in Ostafyevo allows students not only to develop their social responsibility but also become familiar with Russian cultural heritage.

Such a successful start of the social and volunteering activity encouraged MSU BS to expand the range of social projects. Along with the volunteer activities at Ostafyevo State Museum students could now choose from the variety of social and charity projects aims of which are ranging from volunteering at hospices, providing help to charity foundations assisting to the elderly people, disabled children and homeless pets. Students also actively participate in charitable fundraising collecting the donations for different foundations. Such a variety gives students an opportunity

either to try several projects or to choose the activities which are more attractive or closer to their attitude.

All the projects are supervised by the faculty or administration members who not only coordinate the contacts with the organisations and control the students' participation but also develop an action programme for each semester.

MSU BS believes that values cannot be formed and reinforced without being implemented and constantly practised. Through in-class learning and extracurricular activities MSU BS develops skills and attitudes that are important for business and society at large for the students to become responsible managers.

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.



The values of global social responsibility are incorporated into a broad statement of the MSU BS's mission. Having joined the PRME initiative and having studied the "Anti-corruption guidelines ("Toolkit") for MBA curriculum change" MSU BS started from analyses of the study curricula of all four educational programmes focusing on the incorporation of social responsibility, business ethics and anti-corruption issues into the programmes as separate modules or as integral parts of other fundamental disciplines, for example, Strategic Management, Organisational Behaviour etc.

Initially the course on Corporate Social Responsibility was a part of the curriculum of every programme. Moreover, the issues of business ethics and social responsibility were traditionally covered in many other disciplines mostly connected with the human resources management, leadership and customer relationships issues. MSU BS decided to strengthen the "Responsibility and Ethics" block with "Business Ethics" courses on bachelor and master programmes as well as "Corruption: managing risks" course on master programme.

As a part of life-long learning process MSU BS proceeds to be in close connection with its alumni inviting them to participate in a set of master-classes and round-tables devoted to different crucial aspects in business, economy, politics or social and cultural life of Russia and the World. These master classes provide grounds for current and former students to discuss topical issues with highly professional speakers and with each other. The examples include a round table "Business solutions to social problems"; discussions of cases "Senior Group" – a project of launching series of hotels for elderly people, "Aquarius" – a project of developing centres for children; a master-class concerning the social responsibility "Million for kind acts: myth or reality?".

In spring 2014 MSU BS has signed an agreement with Social Innovation Lab Cloudwatcher – non-profit Moscow based organization dealing with the new technologies that promote the social projects and social entrepreneurship in Russia. The agreement aims to develop and integrate a concentration course in social entrepreneurship into the master programme curriculum.

Thus, MSU BS constantly reviews and strengthens academic curricula of its programmes with new modules, concentration courses, as well as initiates other forms of academic activities such as master classes and discussion tables to ensure stable adherence of its students and alumni to values as stipulated in the PRME Principle 2. It was decided that in order to enhance the results achieved since 2015 MSU BS on a systematic basis will be developing an action plan for the formation of values of global social responsibility in its students.

Principle 3 | Method

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



To estimate the existing level of commitment to follow the responsibility principles in the mind-sets of the MSU BS students MSU BS conducted some research. To collect data from MBA students the focus group methodology was seen to be the most appropriate as the respondents had an opportunity to reveal the spectrum of opinions through open discussion. The results of this interview showed that middle and top managers had a very clear understanding of the importance of corporate social responsibility and were aware of its fundamental principles. In general the MSU BS's MBA students demonstrated strong personal commitment to follow the principles of business ethics. However they were very sceptical about widespread penetration of the principles in the Russian business community. The MBA students stressed that this fact constituted a series barrier to the development of civilized business in Russia. The information collected gave MSU BS a clear signal about the necessity to start discussing and training the adherence to responsibility and ethics principles at earlier stages of managerial education, namely at master and bachelor level programmes.

In fall semester of 2014/15 academic year MSU BS conducted a survey of its bachelor students. 162 students enrolled in various cohorts participated in the survey. Although more than 90% of respondents demonstrated their understanding of the responsible management principles, only 80% of them said that they clearly understood how the principles should be implemented in practice. And only just over a third confirmed that they were personally ready to actively participate in the relevant activities.

Since 2014 MSU BS has introduced a Diary of Social Responsibility for the second-year bachelor students. This diary is used for students to regularly provide feedback on the activities they took part in and on the experience they had. The teachers and administrative staff of MSU BS actively participate in the monitoring of the students' activities and coordinate the work with the charity funds or students' participation in different volunteering programmes.

In 2015/16 academic year MSU BS has ambitious plans to introduce a new practical course that will combine provision of conceptual knowledge of principles with studying of the best CSR practices of large national and international companies and practical implementation of students' projects such as volunteering and assisting in the activities of the charity funds.

The most common volunteering opportunities usually include event volunteering, spending time with hospice patients to give a brake to their family members, helping with daily activities (such as

ironing in the hospice), helping with websites support and translation of the sites content, participation in workshops and fund raising events.

MSU BS's students organized a number of clothing drives. They made donations of gently used or new clothing, shoes and accessories for all ages and genders in support of orphanages and for charity fairs in BlagoButik (<http://blagobutik.ru>) – a charitable shop which cooperates with VERA Hospice Charity Fund and Pomogi.Org Charity Foundation. Youth volunteers also helped distribute donated clothing.

The School organized several postcards workshops where the staff members worked with the students and helped them create their own postcards which were later on sold at charity fairs in support of Pomogi.Org Charity Foundation and Enjoyable Aging Charity Foundation. Some postcards were sent to residential care homes for the elderly and disabled.

The culminating point of the 2014/15 academic year social responsibility programme was a charitable concert in support of Enjoyable Aging Charity Foundation (<https://www.facebook.com/msubsstar?fref=nf>). The concert was entirely organized and carried out by students and professors of MSU BS. The concert attracted an audience of more than 400 people and helped to raise more than 330 thousand rubbles (over 5,000 euros). The collected funds were transferred to Enjoyable Aging Charity Foundation in support of Uvarovo Residential Care Home.

Participation in social responsibility projects helps students to give back to the community and become responsible citizens. MSU BS will continue to integrate PRME principles into its curriculum and extracurricular projects in order to advance students awareness of sustainable development both inside and outside of the classroom.

The faculty members of MSU BS also receive an opportunity to improve their knowledge and skills in teaching social responsibility to the students. Due to the partnership with Cloudwatcher Lab MSU BS receives an opportunity to educate its faculty members through a short-term programme “Social Business and Entrepreneurship: Fundamentals of Business-Planning” delivered by Social Business and Corporate Social Responsibility Laboratory at Financial University under the Government of the Russian Federation.

MSU BS constantly analyses the current environment in order to create new potentially viable frameworks for the development of responsible management knowledge and skills in its faculty members and students.

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.



MSU BS is making certain efforts to expand the conceptual and empirical knowledge that advances the understanding of the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value. As an example there may serve the research conducted by the MSU BS's faculty members in 2011-12 «Business Response to Environmental Challenges: Three Cases of Russian Companies». The results were presented at the “The Social Economy. Corporate Responsibility, Private Property & Partnerships, Workers’ Rights and Cooperatives” international conference which was held at International Institute for the Sociology of Law in Spain. This study was focused on the analysis of environmental policies of three Russian companies: UC RUSAL, world leader in aluminum production, GAZ Group, the largest vehicle producer in Russia, and Baikalsk TsBK, pulp and paper producer. Researchers examined the development of environmental responsibility within these companies and the relationship between their business goals and environment protection tasks. They also revealed the positive and negative effects of environmental activities and the problems the companies face while developing and implementing their environmental policies. On the basis of these cases the authors suggest government policy implications for emerging economies, which must include a change in priorities – from imposing penalties and environmental payments to creating new incentives for business on the basis of private-public partnerships.

In 2012 an article based on the results of this research was published in *Oñati Socio-Legal Series*, Vol 2, No 3 (2012)¹ and entered the top-10 articles in the “Environment” Section of Social Science Research Network (SSRN) database.

MSU BS has consistently emphasized the importance of the topics of corporate social responsibility and responsible management in organizations. Since 2012 every year about 10 students prepare their graduation research thesis on these topics under the supervision of the MSU BS's faculty members. In 2014 the MSU BS's master students within their academic practice participated in the research “Identifying corruption risks in the implementation of major infrastructure projects in Russia”. The research was jointly supervised by the members of the MSU BS's faculty and the KPMG global network.

In 2014 based on the research results the MSU BS faculty prepared for publication the following paper contributing to the PRME research initiatives:

O.Vikhanski, E.Kiseleva and N.Churkina, Challenges and Opportunities for Students Engagement in University Social Projects in the Current Socio-Economic Context of Russia // 21st Century Management Education: The Challenge of Poverty. PRME Working Group on Poverty as a Challenge to Management Education.

¹ <http://opo.iisj.net/index.php/osls/article/view/100>

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.



MSU BS benefits from its professional network which includes about 150 national and international companies mostly based in Moscow and Moscow District but also in the Russian regions. The top and middle managers from these companies act as important sources of information about the best practices of implementing the principles of business ethics and special corporate responsibility in the Russian professional world.

In order to strengthen the non-for-profit sector in its professional network and to diversify the practical experience of its students MSU BS has recently started the following new partnerships:

Cloudwatcher Social Innovations Lab (www.cloudwatcher.ru/en/)

This company was established in 2005 with the focus on development and implementation of social programmes and search for the new approaches to the social problems solutions. A team of 25 people help to find sponsor and volunteer support for many projects through its bank of support – an Internet platform created for those who are seeking for support or offer it. The company has a wide network of NGOs, it has attracted the amount of goods which corresponds to 550 million rubles and has united around 23 thousand volunteers to participate in social and charity actions.

VERA Hospice Charity Fund (<http://www.hospicefund.ru>)

This is currently Russia's only charity fund that supports hospices. The Fund was initially aimed at lending all-round support to Moscow Hospice No.1 (State Public Healthcare Institution Hospice No. 1 of the Moscow Municipal Healthcare Department), a pilot hospice in this country. Since then, the Fund's activities have expanded significantly. The VERA Fund is currently the fulcrum of the domestic hospice movement. The Fund's mission is formulated in one of the principles of Moscow Hospice No.1: "if you cannot cure a person, this does not mean that you cannot help him or her".

Pomogi.Org Charity Foundation (<http://www.starikam.org>)

The organisation combines efforts of internet users from different countries to ensure the most efficient collection and distribution of target-oriented donations for urgent and emergency social and medical needs (operations, costly medical treatment, help to children's care and medical institutions in Russia). *"Enjoyable Aging" Charity Foundation (www.starikam.org)*

The organisation helps the disabled and the elderly people through fund raising. It also coordinates volunteering projects to provide care to elderly people leaving in state residential care homes, disabled and veterans that suffer from lack of attention. Young people can join these volunteering events to give these people feeling that they are not lonely visiting them and keeping in touch through correspondence.

Charity fund for homeless animals NIKA (<http://www.fond-nika.ru/home.html>)

The foundation was established in the summer of 2011 and began its activity with the creation of a small shelter for 50 abandoned animals: cats and dogs. Now, the total amount of its wards accommodates more than two hundred animals. In autumn 2012 the animals from the shelter "Santa", which had been existing for 15 years, came under the Foundation tutelage. "Nika" is a big apartment complex for the homeless and abandoned animals. Special conditions for living of animals with disabilities were created in the foundation. A team of professionals who are experienced in communication with homeless animals works in the shelter.

New partnerships enable MSU BS to show its students that corporate social responsibility is not limited by only CSR departments in large national and international companies and by a simple money transfer. Participation in charity foundations and social projects involves students into a real practice and encourages them to use their knowledge and skills gained in the classrooms on practice in different projects.

Principle 6 | Dialogue

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



To promote and support the discussions in the field of responsible management education, corporate social responsibility, anti-corruption and business ethics MSU BS participates in academic and non-academic events dedicated to these issues.

In October 2012 MSU BS participated in the presentation and discussion of the Business-ethics course developed by the International Business Leaders Forum for the Russian higher education institutions. The course was developed with the support of British Embassy in the Russian Federation as a part of Siemens Integrity Initiative.

In January 2013 MSU BS participated in PRME web-conference for pilot schools implementing Anti-corruption Toolkit aiming to discuss the challenges and share the experience with international business schools and universities.

In July 2013 MSU BS presented the results of the toolkit implementation on the Anti-corruption Working Group meeting for pilot schools in Berlin.

In July 2013 a visiting professor of MSU BS Gerald Rohan taught a course on business social responsibility and business ethics “Management and Economics: modern teaching practice” as a part of the Summer School for management teachers held by MSU BS for young management and economics teachers from all over Russia.

In September 2013 MSU BS presented its concept of nurturing the ethical and socially responsible business leaders of the 21st century at the PRME Summit 2013 held in Bled, Slovenia.

The charity concert organised by MSU BS in the spring 2015 caused a great resonance among the Schools’ stakeholders. The concert drew attention to the needs and requirements of the unprotected part of the society such as elderly and disabled people. The students’ efforts encouraged people to take series of actions, which were subsequently produced independently of the School on the personal initiative of the individuals who attended the concert.

In June 2015, MSU BS conducted a methodical meeting at which the professors of MSU BS and other high education institutions (HEIs) were invited. There were discussed the issues of the formation of responsible behaviour in students and their conscious attitude towards Responsible Management principles.

So, Lomonosov MSU BS actively participates in the discussion on anticorruption and responsible management issues held in the international society, shares its experience in implementing the general principles with national and international HEIs as well as brings the newly gained or produced knowledge into teaching practice and transfers it to the less experienced colleagues.

Future plans

In the next two years MSU BS is going to proceed with the implementation of the six principles developed by the PRME initiative. It is committed to encourage academic institutions and the MSU BS's main stakeholders to adopt and support the six PRME Principles. The School is going to:

- develop and bring a new study module on Responsible Management into the bachelor programme curriculum;
- implement a systematic approach to planning and execution of educational and extra curriculum activities in the sphere of responsible management including deeper integration of social and volunteering projects in MSU BS bachelor programme;
- develop and launch the concentration course on social entrepreneurship and social business in its master programme;
- initiate and encourage the discussion on anti-corruption issues and issues corresponding to the corporate social responsibility and business ethics among its MBA and Executive MBA students;
- encourage its faculty to participate in the social and volunteer projects of the School;
- improve the research activities in the area of business ethics, anti-corruption and social responsibility;
- act as an active platform for the academic and professional community to discuss critical issues related to global social responsibility and sustainability;
- establish relations with international partners with similar attitudes to the responsible management education to work collaboratively for inclusive and sustainable global economy.