

SDA Bocconi
School of Management

PRME Principles for Responsible
Management Education

Sharing Information on Progress Report

June 2010

Introduction from Dean Alberto Grando

We are pleased to renew the commitment of the SDA Bocconi School of Management to the Principles for Responsible Management Education (PRME), and to present the 2010 report on their implementation.

One of the distinct features of the SDA Bocconi School of Management for which the institution is well-known in Italy and abroad, is a conception of managerial education that goes beyond sector boundaries. We have, in fact, developed a sound tradition of education and training for current and prospective managers in the Private, Public and Non Profit sector. Over the years this diversity has enabled a cross-fertilization in terms of principles and practices.

We are entering a phase in which mutual recognition and a multi-stakeholder perspective are not enough, and we firmly believe that our role entails recognizing and implementing the principles of sustainability and responsibility among the School, its staff and students.

Among the four points on which SDA Bocconi School of Management value system is based there is *Management accountability*: the strong commitment of the School to social responsibility is reflected throughout the institution's activities.

Embracing the challenge, we look forward to using this Report and the subsequent exchange with the other Schools as an opportunity to review our recent activities and to brainstorm future efforts in the direction of the PRME.

A handwritten signature in black ink, reading "Alberto Grando". The signature is fluid and cursive, with a prominent initial "A".

Alberto Grando
Dean, SDA Bocconi School of Management

The Principles for Responsible Management Education

As institutions of higher education involved in the education of current and future managers in the Private, Public and Non Profit sectors we are committed to engaging in a continuous process of ensuring the inclusion of, and improvement in, the following Principles.

It should be said that we operate in the larger context of Università Bocconi, where an ad-hoc Chair in CSR has been recently activated as well as the new Center for Research on Sustainability and Value (CreSV) and several mandatory and elective courses on CSR, sustainability and social entrepreneurship are held. While in this report we account for the specific progress made by SDA Bocconi School of Management, there are significant synergies that take place on a daily basis between the School and Università Bocconi in the field of global sustainability and responsibility. These include the organization of seminars and guest speeches, access to resources for joint research activities and collaboration for research and teaching among faculty members.

In the pages that follow we describe our recent progress in each of the principles. In particular, we consider Principle 1 as the guiding principle which informs and inspires the efforts of SDA Bocconi School of Management in developing the capabilities of students to be future generators of sustainable values.

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.

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.

Principle 3

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

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.

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

Principle 2

We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Required courses

- Since 2009, in the **MBA program** all students are required to take the course entitled **Corporate Citizenship**. The course provides a primer into the understanding and management of the complex web of relationships that any company establishes with its stakeholders, and especially with those in the "non-market" sector (public sector and not-for-profit/voluntary sector). Beyond the traditional focus on mapping relationships, the course provides insight into the challenges associated with globalization, which is forcing companies to learn how to be good "corporate citizens" in the face of diverse institutional environments and a global public opinion..
- Since 2009, in the **Executive MBA** (taught in Italian) and **Global Executive MBA**, participants are required to attend a course on **Business-Government Relations (BGR)** and a course on **Corporate Governance**. The former is a course aimed at developing a cross-sector mindset as a crucial skill for business managers, as they must continuously adjust their managerial behavior to the unique demands of the institutional setting in which they operate. The course analyzes the main interactions between corporations on the one hand and government agencies both at the local and national level, and NGOs and International Organizations on the other hand.

The latter is a course focused on corporate governance, viewed in a broad perspective: all types of enterprises (small-large, public, state-owned, group of companies, etc.), all stakeholders (shareholders, banks, employees, etc.) and the governance structures and mechanisms (board of directors, executive compensation) are considered and discussed with a particular emphasis on sustainability and accountability. Through the course of BGR and Corporate Governance participants learn to recognize environmental challenges and opportunities that include formal regulation and societal expectations.

- Two courses have been recently included in our **Master in Management of Social Enterprises, Non Profit and Cooperative Organizations** (taught in Italian). The first is **Fundraising & cause related marketing**, and analyzes the relationship between profit and not for profit organizations and the relationship with marketing and CSR, presenting the cause-related marketing tools and the tools to involve staff. Furthermore the course addresses the relationship between stakeholders and CSR tools. The other course is **Social entrepreneurship: policy and strategy**. In particular, it focuses on the impact of social entrepreneurship in Italy and abroad as a strategic development of CSR, and it provides insight into the relationship between social and economic performance and balance.

Elective courses

- Two elective courses on global social responsibility have been activated and taught in 2010. One, entitled **CSR**, is part of the **Master in Corporate Finance** and provides students with an in-depth analysis of the CSR instruments both from a company perspective and a financial markets perspective (benchmarking and ethical indexes). The other, delivered to the students of the **Master of Public Management**, is entitled **Corporate Citizenship** and provides students with the foundations of Corporate Citizenship from the perspective of NGOs, discussing the implications of corporate philanthropy for the activities and the autonomy of non profit organizations as well as the emergence of social entrepreneurship and social franchising.

Principle 3

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

- The faculty of SDA Bocconi School of Management has developed specific frameworks and teaching materials for the courses listed above, these represent the learning backbone of sustainability and responsibility. Such materials include specific examples and case-studies on responsibility and sustainability in an ESG – Environmental, Social and Governance framework.
- Most of the courses use the Principles of the **United Nations Global Compact as a template** to assess business vulnerability from a corporate social responsibility perspective and to develop solutions and strategies. Also, students are given reports drafted by the UNGC and its thematic networks. Videos and interviews on corporate sustainability developed by the World Bank are integrated into our teaching tools. We also address complex cases of corporate misbehavior using the analyses of the World Health Organization or the International Labor Organization.
- Each year our MBA students engage in a philanthropic endeavor which, we believe, increases their exposure to global problems while per se does not fill the educational requirement of social responsibility that we provide with the ad-hoc required course. Illustrative of the philanthropic initiatives of the MBA program, this year (May 2010) an event named **Masters for Haiti** has been organized in order to collect funds that have been destined to the *Casa dei Piccoli Angeli* project dedicated to providing medical treatment and help to disabled children in Haiti. In addition, MBA students have founded Ethica Club, whose mission is to discover experientially the meaning of business ethics and corporate social responsibility and to make a direct impact on the community. Each year students focus on several large projects, that typically include an international conference, fundraising events, and visits to Non Profit and social care institutions.
- Internships provide another form of hands-on engagement. A system of

summer internships with NGOs, International Development Agencies and International Organizations is available for the Master of Public Management and the Master in Management of Social Enterprises, Non Profit and Cooperative Organizations. For instance, this year, one student of Master in Corporate Finance and one of Full-time MBA are attending an internship at "Dr. Ambrosoli Memorial Hospital" in Kalongo (Uganda) in order to take care of the financial structure of this institution.

Principle 4

We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

- The Commitment to invest in this area of research can be seen by the very recent creation (May 2010) of a new **Center for Research on Sustainability and Value (CreSV)** that is envisioned to be a hub in order to facilitate the coalescing of the individual research interests on sustainability across the School. Main research targets of the Center include:
 - Sustainability, Corporate Social Responsibility, Environmental Management (to be investigated in conjunction with the challenges posed by Climate Change);
 - Social Entrepreneurship and Philanthropy Management;
 - Socially Responsible Investing and 'Ethical Finance'.
- **Academic articles** authored and coauthored by our faculty in the thematic areas of responsible and sustainable management and corporate governance are published and accepted in a wide range of journals , including the *Academy of Management Perspective*, *British Journal of Management*; *California Management Review*, *Corporate Governance: An International Review*; *Business Ethics Quarterly*; *Business Ethics: A European Review*; *Business and Society*; *Business Strategy and the Environment*; *Journal of Business Ethics* and *Public Administration*.
- Among the research projects funded by the school, one approved in 2008

and recently concluded (June 2010) investigated how International Organizations are addressing the need for a global regulation of MNCs (**International Organizations and Global Corporate Codes**), and in particular, it analyzed the governance, functioning mechanisms, and impact of two voluntary initiatives initiated by an International Organization, namely the UN Global Compact and the OECD Guidelines. Another research project selected in 2009 and still ongoing (**Cost-driven vs.value-driven supply chain competition**) explores the integration of CSR into the management of the production chain and its implications.

- A recent example of our efforts to engage in and contribute to **Global academic research networks on sustainability**, is the organization of the GRONEN Research Conference, (June 2010) on '**Corporate Sustainability, Innovation and Ecosystems in a Globalized World: Addressing the Green Challenge**'.

Principle 5

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

A promising example of networking with companies to jointly address the challenges of sustainability is our Diversity Management Monitor is a network of companies that feature the management of diversity in their corporate missions: gender, lifecycle phases, culture and ability. The Monitor is unique in Italy for its constant partnership with the companies it works with and for its promotion and communication of debate on the issues of diversity based on precise research methods. The current research project is Women ready for board, while in 2009 research projects were Maternity and company costs and Gender Pay Gap, conducted in partnership with the Hay Group.

The recently established new Bocconi Alumni Association, that counts almost

70.000 alumni worldwide, is also fully oriented towards Diversity Management.

Principle 6

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

We have recently decided to build on one of our strengths, namely the cross-fertilization among the Private, Public and Non Profit sector research and practice, and to leverage our multi-stakeholder platform of students, alumni, faculty and affiliated organizations to organize initiatives aimed at addressing cutting-edge issues of sustainability. Recent examples include the organization of two workshops attended by corporations, NGOs and government agencies in addition to our academic community: **NGO's and Corporations: are partnerships for development possible?** (February 2010) and **Human Rights and Companies in the Global South** (June 2010).

Looking to the future

SDA Bocconi School of Management aims to further enhance the activities delineated here, and in particular, to aggregate the research and teaching interests, the resources and the contacts available, and the networking opportunities arising from the Center for Research on Sustainability and Value (CreSV).

We believe that one of the most important challenges to be meet, possibly also through the Alumni association, is to engage in a constructive dialogue on global sustainability and responsibility with the current executives, not only those that attend our courses. Furthermore, we aim to facilitate the penetration of these guiding principles into the vast spectrum of research and teaching initiatives across the disciplinary boundaries.