

Responsible Management: A New Frontier for 21st Century Management Education

Opening remarks

By

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Presented on his behalf by
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The timing of this forum could not have occurred at a better time. With the global economy in turmoil and with so many parties to blame, this is certainly the time for our educational institutions especially the business schools to step to the challenge and instill the principles of responsible management in their educational programs in the hope that the problems we are experiencing today do not get to be repeated.

With the failure of several large US financial institutions and the instability of leading banks and insurance firms, the global financial crisis that we are experiencing was inevitable. The resulting decline in stock prices, the closing and threatened closing of several manufacturing enterprises, the layoffs and the high unemployment rate, the loss of medical insurance for many, and especially the wiping out of lifetime savings of several retirees and potential retirees are calamities that should have been avoided. Scholars have not agreed on the exact causes of these problems but have implied that the system of free markets has failed to impel sustainable corporations which can be

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responsible for the well-being of societies. Scholars have also argued that the greed of top management, their focus on immediate and short term profits, their daily concern with the market price of their shares, and in some cases the questionable ethical standards they adopt and the disregard for the sustainability of employment have also led us to this path. The crisis calls for a change in the role of businesses and business schools. Businesses are challenged to accommodate the concepts of globalization, environment, societal responsibility, and financial sustainability. Business schools are challenged to prepare graduates to assume these responsibilities.

The United Nations Global Compact is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies. It has come out with 10 principles in the areas of human rights, labor, the environment, and anti-corruption. It has called upon businesses to coordinate efforts towards sustainment in corporate citizenship, safeguarding environment and society, and stabilizing financial markets in the global context. In support of this initiative, the concept of RESPONSIBLE MANAGEMENT EDUCATION was unveiled at the UN Global Compact Leaders Summit in July 2007 with the goal of providing a framework for academic institutions to advance the broader cause of corporate social responsibility. These efforts will help business schools not only to prepare distinguished business leaders who can contribute to the flourishing of their societies, but also to advance frontiers of knowledge and business commitments to sustainability, corporate citizenship, and creation of competitive environments that can balance wealth and income and impel stable economies worldwide. Business schools have to accept this challenge and prepare the desired global leaders.

The locus of value creation is no longer within the boundaries of a single firm, but occurs instead as the nexus of relationships between business, government and other institutions. Higher education can play an integral role in this context by preparing pioneers of the future workforce and citizens of the global market.

TAG College³ Experience

My personal disenchantment with the product of the business schools in the Arab region and the difficulty that my firm faces in recruiting top talent led me to establish in

³ TAG College: Talal Abu-Ghazaleh College of Business is a primary college at the German-Jordanian University (GJU). It represents a unique partnership model between a private business organization (Talal Abu-Ghazaleh Organization being the largest pan-Arab professional group offering diversified and expert services with commitment to communities and societies) and a public educational institution (GJU). It offers a Bachelor degree in Management sciences, Logistic sciences, International accounting; and a Master degree in Business administration: MA Intellectual Property, MBA International Accounting, MBA Quality Management, MBA Management, and MBA Human resource. For more information, please visit <http://www.tagcb.gju.edu.jo>

2006 in partnership with the German Jordanian University, a public university, the Talal Abu Ghazaleh College of Business. Ours is a unique partnership between the private and the public sectors. Since its inception TAG College has positioned itself as a leader by offering relevant and quality undergraduate and graduate programs in a variety of disciplines in business and management. It has been characterized by a rich interaction and partnership with business enterprises, a focus on relevant academic programs, a high quality in education and research, and active engagement in international co-operation. My firm is committed to hiring every graduate of the TAG College as these graduates will possess the characteristics embodied in the principles for responsible management education. [More details on TAG College successes are given in the appendix.]

TAG College was among the leading business schools to participate in the UN Global Compact task force to set the principles of responsible management education, and now is engaged in a continuous process of improvement adhering to these principles. The College's principles include developing capabilities of students as future business leaders, adopting values of global social responsibilities, creating educational framework for responsible leadership, engaging in conceptual and empirical research to advance new values, partnering with business corporations to explore new methodologies for responsible management, and facilitating a dialogue among educators, businesses, policy makers, and organizations on critical global social responsibility issues. The main objective of Responsible Management Education is to prepare talented graduates and business leaders who can deal with the broader impact and potential of business as a positive global force in society.

Through its participation in the Principles of Responsible Management Education, TAG College has been engaged in developing modern and practical business education compatible with high international standards and business sector requirements in the global marketplace. Graduates of TAG College will be equipped with new tools and values, not only to make them distinguished at the international level but also to help them contribute to the flourishing of their societies and to the competitiveness of businesses in the region.

Proposed Actions

Allow me to make the following proposals:

1. We need a driver to develop initiatives involving businesses, educational institutions, government, investors and other stakeholders, bringing together all needed resources for enhancing stability of world economies and embedding social responsibility concepts and environmental concerns in business corporations.
2. I urge businesses to consider establishing a trust fund to support research related to world economics, stock crashes, energy crises, environmental concerns, security threats, and in building capacity and capability for sustainment. This research should foster economic growth and political stability, and foster global business in the context of the changing global environment, human rights, and reduced disparity.
3. Governments, higher education institutions, and UN agencies can act as catalysts, knowledge bank, and oversight agencies for such local and regional business led initiatives.

The Talal Abu-Ghazaleh Organization through its Talal Abu Ghazaleh College of Business and through its 65 offices in the Arab countries and abroad is committed to work closely with other universities, government institutions, businesses, and other stakeholders to promote, especially in the Arab world, the principles of responsible management education in order to produce the leaders who will improve the societies we live in, enhance the environment, foster innovation and contribute to the growth and sustainability of the Arab and global economies.

Concluding remarks

In ending let me wish you a very successful forum and I look forward to the recommendations and conclusions that will be forthcoming

Appendix

TAG College Success

The programs offered at TAG College are focused on emerging fields that show great promise for the business sector in the region, including international accounting, logistics, intellectual property, and specialized MBA programs. These strategic programs are designed to prepare new graduates with skills and capabilities for new inventions and better utilization of resources, thus creating expertise for a better professional standing and a better confrontation of future unprecedented economic and business crises.

Multi-disciplinary Education

The curricula of all programs at TAG College are designed to encourage specialized multi-disciplinary education, broaden student knowledge, foster innovation, creativity and entrepreneurship among the student community, and enhance project-oriented and real-world learning experiences.

The educational structure at TAG College is rather dynamic and embeds an internationalization component with disciplines that are continuously and systematically reviewed and developed to ensure that the outcomes continue to meet the demands of the fast growing and evolving business sector in the region.

Quality Assurance and Accreditation

TAG College has been working with ARQAANE⁴ (the Arab Quality Assurance and Accreditation Network for Education) to assure a high quality of the academic programs offered, conduct regular evaluations, and to keep track of excellence in education. Procedures, processes and methodologies for quality assurance and control are being adapted to assure that the programs offered and faculty members are adhering to local and international standards in education. TAG College regularly analyzes the performance of the programs, faculty, and students for continuous improvement. New and improved teaching methods, such as case study approach, are being introduced for effective and interactive learning.

⁴ An international non-profit independent association established in July 2007 within TAG Organization, with the fundamental objective of raising the quality of education in the Arab world – www.aqaan.org

Diversity and Real World Experience and Impact

TAG College through the German-Jordanian University has established close ties with many universities in Germany. These Universities host TAG College students for one full year (one academic semester and 6 months internship). This exposes students to a wide range of scholars, researchers and practitioners from other universities and foreign industries.

The curricula of the programs offered at TAG College encourage personal development and facilitate students' exploring and pursuing entrepreneurial activities while in campus. TAG College in collaboration with TAG Organization, has created varieties of Internships to help students gain more real-world experience; and developed optional short courses, workshops, and seminars through TAG Forum, to help students improve their leadership and communication skills.

Research

Through TAG Research, TAG College provides a research environment that promotes interdisciplinary initiatives; facilitates faculty exchange; and promotes multi-institution collaborations and supports closer interactions with enterprises. A culture of entrepreneurship has become widely accepted among faculty and students and more in-tuned to the emerging needs of the market economy and the concept of efficient allocation of resources with increased sponsored research funding, publications and industrial collaborations.

Benchmarks

Some benchmarks are provided on TAG College regarding recruitment, academic programs, facilities, and external reputation.

Recruitment: There has been a constant improvement in the number, quality and diversity of people TAG College attracts at all levels, including undergraduate students, graduate students, administrators, staff, and faculty members. Student enrollment at TAG College is about 400 undergraduate students and 200 students enrolled in the graduate programs.

TAG College recruits some of the best faculty members in Jordan by offering competitive salaries and providing an atmosphere for research and innovation. TAG College has the best faculty student ratio (1 to 8) in the region, and the degree of personal attention is an important element of its educational culture. Every student receives individual attention. With small classes, TAG College strives for personal development as well as academic achievement.

Academic programs: The curricula of all programs at TAG College are designed to give rigid core and specialized contents. Core requirements in the graduate programs are 27 credit hours and specialized requirements are 15 credit hours, providing in-depth academic program far exceeding many similar graduate programs in the region.

Facilities: Facilities at TAG College are among the best in the region. Classrooms and laboratories are equipped with the state-of-the-art Unix and Windows based computer machines, with over 100 workstations and desktops, and with a first rate technical support team. Students who use their own laptops have access to high-speed wireless network. An extensive range of the latest software is installed on all machines. All students have file storage, personal email accounts, and high-speed internet access. The workstations are supported by a range of the latest Sun Solaris and Intel servers, connected by fast Ethernet. TAG College has a dedicated video conferencing room for distant lecturing and seminars. Most of the classrooms are tiered and provide padded swivel chairs for the comfort of the students.

External reputation: In the short time since its organization in 2006, TAG College has gained the reputation of being the premier business school in the region. The College is not going to sit on this local reputation. TAG College is striving to match the most reputable international universities with respect to its standards, quality of education, resources, and research productivity. This is the direction TAG College is following to gain reputation regionally and internationally.