PRME Sharing Information on Progress Report 2017

This is our Sharing Information on Progress (SIP) Report on the Implementation of the Principles for Responsible Management Education

HHL Leipzig Graduate School of Management
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I. Letter of renewed commitment

The following report embodies the renewed commitment on behalf of HHL – Leipzig Graduate School of Management to the UN-Principles of Responsible Management Education (PRME). Our goal is to develop a generation of business leaders that are able to cope with upcoming social, environmental and economic challenges in a responsible way, as HHL’s mission statement expresses: “[…] to educate effective, responsible and entrepreneurial business leaders through excellence in teaching, research and practice.”

An important step to realize this statement further has been – and will be – via the new Leipzig Leadership Model and the goals and objectives. This model was developed by a team of five professors in a process that involved many students and stakeholders of HHL (for more see p. xx). Part of this development was a revision of our MSc-program in order to align the content more systematically to the basic ideas of the model. Furthermore, the model is already tested in collaboration with various corporations.

This is the most prominent example of HHL’s efforts to continually monitor the practical applicability of theoretical developments through close contacts to the corporate world. In addition to that, the HHL encourages the formation of student and employee initiatives to take over practical responsibility for social, environmental and economical concerns.

With this letter, HHL Leipzig Graduate School of Management expresses continuing commitment to its task of responsible management education and working on ideas, models, tools etc. which help to cope with the challenges of our time.

Prof. Dr. Stephan Stubner
Dean
HHL Leipzig Graduate School of Management
II. Principles of Responsible Management Education at HHL

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.

Continuing Effort:
The HHL – Leipzig Graduate School of Management is a business school that focuses on an inclusive development of students capabilities, which include besides the conventional theoretical and practical education also the development of values and responsibility.

This purpose is reflected in HHL’s mission statement: “We educate effective, responsible and entrepreneurial business leaders through outstanding teaching, research and practice”, which is incorporated in the curricula as well as in the university structure. Besides that, a code of honor is well established within the university. Every student and employee is committed to it: “Integrity, honesty, responsibility, a sense of community and respect for the individual are the core values that each member of the HHL community adheres to.” This Honor Code serves as a foundation for the truthful, creative, satisfying and successful work of all students, teachers, staff and alumni of HHL worldwide, who take personal responsibility for adherence to high ethical standards. The code also defines dimensions for the framework:

- **Treating others with fairness and respect.** Fairness and respect for human dignity as well as empathy are seen as core values for a balanced and positive atmosphere.
- **Integrity and honesty.** The university follows a strictly non-discriminatory path, where everyone is treated equally (see also gender mainstreaming, principle method) and academic work is evaluated fairly and independently, where cheating and plagiarism is not tolerated.
- **Responsibility for the HHL community.** The HHL members should promote the Business School in- and outside the university.
Membership in the HHL community does not expire with graduation. That implies that responsibility and adherence to the Honor Code does not expire. HHL’s Honor Code undergoes a continuous development and advancement due to the existing Honor Code Committee.

New Development:
During the last two years, a team of five professors from HHL developed the Leipzig Leadership Model (LLM), which aims at giving orientation in these fast-moving times, the “VUCA-world” (VUCA is the abbreviation for volatile, uncertain, complex, ambiguous) to form critical and creative options. The model is not normative as it does not aim to prescribe goals and values, but it provides notes on fundamental dimensions of good leadership. The LLM is based on an understanding of society as a venture for social cooperation which includes every human being; organizations are a crucial part of this venture. The LLM consists of the dimensions Purpose, Entrepreneurial Spirit, Responsibility and Effectiveness and addresses thereby typical potentials as well as conflicts of good leadership, e.g. responsibility vs. effectiveness. The model was developed in a process which involved many students of HHL and stakeholders.

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.

Continuing Effort:
Topics of sustainability and responsibility are incorporated in HHL’s courses on ‘Business Ethics’, ‘Global Governance and Corporate Responsibility’ and ‘Corporate Responsibility in a Globalized World’, as also stated in SIP 2015. For every class starting at HHL it is mandatory to participate in at least one course related to ethics. Full and part-time Master of Science (MSc) classes have to participate in the more theoretical course ‘Business Ethics’, while classes in Master of Business Administration’ (MBA) attend the more practically orientated module ‘Corporate Responsibility in a Globalized World’, according to their preferences. The course gives a comprehensive
overview to a theoretical framework of ethical decision making and supports its argumentation with practical and current examples.

As already mentioned HHL also successfully introduced another mandatory course for full-time MSc students ‘Global Governance and Corporate Responsibility’, where each session is supported by a co-lecturer. **Co-lecturers** are involved in other fields of research and practice, e.g. macroeconomics, marketing, accounting, company representative etc.; during the sessions the ethical issues of their specialization are discussed. This course is a true achievement because it shows that ethics is not separate from other (business) fields, but an integrative part of all of them. What is more, it offers a unique opportunity to (re-) integrate research and teaching, since topics are often chosen from current research fields of at least one of the co-teaching persons. We work continuously on the improvement of the course structure to ensure that the course will be also a success in the long-run. The evaluation of the student’s feedback concerning this course is consistently positive.

Additionally, business and economic ethics continues to be an integrative part of HHL’s doctoral program. This has further been strengthened in 2015 due to a close cooperation between HHL and the **Wittenberg Center for Global Ethics** (WCGE), which offers an own doctoral program “Ethics and Good Leadership” where HHL-professor Andreas Suchanek is one of the supervising persons. The courses offered at WCGE are also open for HHL’s doctoral students (see principle partnership).

Finally, HHL’s yearly **Welcome Event** for the new students is organized by the Dr. Werner Jackstaedt Chair of Economic and Business Ethics as well, which is consequently influenced by ethical challenges in business. The main topic of last year’s Welcome Event was “Moral and Profit”.

In addition to the incorporation of the core values into academic activities and the curricula, the HHL is committed to the **UN Principles of Responsible Education** as well as to the **Business Action Pledge to the Refugee Crisis**.

**New Development:**

In 2016 the Dr. Arend Oetker Center for **Business Psychology and Leadership** was established at HHL, chairholder is **Prof. Dr. Timo Meynhardt**. The centers activities focus on how organizations impact both society as well as individuals. Based upon the notion of “public value” the center investigates how the relationship between individuals and the organization they interact with is shaped and formed. Several courses of the chair provide HHL students with scientifically –based as well as practice-oriented knowledge
and methods, e.g. Leipzig Leadership Model, Human Resources Management, Leadership Experience, and Organizational Behavior.

The **LLM** (see principle 1) is also headed by Prof. Dr. Meynhardt and his thoughts to public value and purpose. The whole MSc-program was re-structured in order to incorporate core ideas and values of the LLM.

**Principle 3**

**Method**

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

*Continuing Effort:*

HHL continuously advances its educational framework and environment, in order to enable students to live out the previously mentioned purpose and values.

For instance, a well established concept for **gender mainstreaming** aims to further strengthen the position of women in (international) leadership positions. However, the main strength of this concept is that it focuses on diversity rather than “only” on equality across gender – which is a much broader and more encompassing approach.

In line with the concept an infrastructure was implemented, that works supportively. Two employees where commissioned to take further improving actions in this area, one responsible for all administrative staff and the other one responsible for the faculty. Both are allowed to participate in application procedures and (senate) committees, monitor and give recommendations. In addition to that a network, called women@hhl, was implemented which offers workshops concerning women in leadership positions and a communication platform for discussions. In the end, HHL set itself also some quantified goals. By 2018, the number of women students shall increase from currently about 30 percent to 40 percent, the same percentage shall be reached for research associates and doctoral students. The share of women professor shall reach 25 percent by the end of 2018.

Another relevant point within the creation of educational framework is the realization of **field projects**. Field projects, where students cooperate with a company, are mandatory for full-time MSc students and voluntary for full-time MBA students. Within the project a small group of students work on a specific problem of the company (e.g. advancing a
software to reduce corruption, or, implementation of an ethical codex across cooperation company’s). In the best case, the company will implement the proposed strategy of the students. Consequently, the students are a part of the practical implementation, which is due to the standards of the students and the highly motivational environment quite often the case (see also below).

Whereas field projects are incorporated in HHL’s educational framework, the university also supports the voluntary engagement of students. Two initiatives must be particularly empathized: “Business Students without Borders (BSWB)” and “HHL’s Refugee Initiative VoH”. BSWB is headed, structured and organized by students. The initiative aims to build a better world by using the particular know-how of business students. BSWB implements projects with a high impact on the society, both in the region of Leipzig as well as beyond the borders of Germany.

Since 2014, HHL merchandise department also acts in harmony with the environment and promotes sustainability. Due the initiative of HHL’s employees and management the university outfits, from hoodies to t-shirts, are produced sustainably and GOTS-certified outer clothing for women and men prevents the environment of being damaged by the production process of our textiles. HHL’s clothing stands up for better working conditions and fair salaries. It helps to create an all-encompassing development cycle: families can afford safe houses and medicine, children receive education. Thus, they are able to accept fair paid jobs. This development is being promoted through generations.

New Development:

As mentioned in the SIP 2015, HHL got funded for a project called “The situation of refugees in Germany”. The 2-year-project was successfully completed. The Dr. Werner-Jackstaedt-Chair of Economic and Business Ethics initiated due to the funding a field project with regard to that topic. Within the project a HHL student consulting team interviewed several big multinational companies in Germany, concerning responsibility, actions and expectations with regard to refugees. The results were analyzed and evaluated, which resulted in a guideline which gives orientation for business leaders in times of migration. Furthermore, a paper was published on corporate communication in times migration.

Chairholder of the Dr. Werner Jackstaedt Chair of Business Ethics, Prof. Dr. Andreas Suchanek, developed an “Ethical Compass for Leaders”. The Ethical Compass, like a real compass, does not provide orientation as to which goals to follow. The Compass rather gears attention to the side effects of individual goals and side effects with regard to
the underlying question: *what can we legitimately expect from each other?*. Therefore, the fundamental principle of the compass and successful social cooperation is: Do no harm. This principle is substantiated with the elements freedom, embeddedness, respect and self-commitment. The ethical compass as well as the Leipzig Leadership Model (see principle 1) did already find its way into teaching. Students and lectures worked together on designing the concepts.

**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**.

**HHL’s Doctoral Program** promotes conceptual and empirical research and therefore advances our understanding concerning the impact of corporations in value creation. It is designed on a part-time basis, including lectures, seminars, colloquia, summer schools and conferences. Hence, it is particularly of interest to professionals. About 20 chairs and centers work on an encompassing range of research topics. Research questions are often interdisciplinary (e.g. combining economic issues with ethics, psychology, law etc.). HHL’s doctoral students are a member of a multi-faced network from business partners, researchers and academia in Leipzig, Germany and worldwide.

Many chairs at HHL supervise PhD theses which have are related to the fields of sustainability – e.g. in logistics, marketing, or economic – or CSR (including public value, CSV and related concepts) – e.g. leadership, accounting or strategic management. This is particularly true for the Dr. Werner Jackstädt Chair of Economic and Business Ethics where roughly 10 to 15 internal and external **doctoral students** are supervised. Every doctoral student does an empirical or conceptual (or both) research on an ethical topic concerning economics or businesses. Sustainable value creation is broadly analyzed, while some doctoral students focus on environmental aspects, others focus on social ones. For instance in order to enrich the concept of trust philosophical and psychological aspects are also researched. External doctoral students are working in a company somewhere in Germany and have an huge practical background, while internal doctoral students enjoy a huge theoretical background. Due to a permanent dialogue between all doctoral students
and to a certain degree also alumni, there is a continuous discussion, learning process and support (see also principle 6 Dialogue). Doctoral students researching on sustainable development, human rights and ethical risks in digitalization completed their thesis recently.

In 2015, Prof. Suchanek published his book “Unternehmensethik – In Vertrauen investieren” (Business Ethics – invest in trust), in which he worked out a theoretical conception of economic and business ethics. Special focus is given to the intimate connection between (corporate) responsibility and trust. Sustainable value creation constitutes a basis of his argumentation as well as an economic interpretation of the golden rule: *Invest in the conditions of social cooperation for mutual advantage!* The book was also published into Japanese in 2017.

**New development:**

As earlier mentioned, research was done in order to advance the concepts of the Leipzig Leadership Model and the Ethical Compass. Besides professors, every student and doctoral student was able to participate in the development of the two concepts, because some lectures and projects as well as one Welcome Event were dedicated to these topics. In 2017 a reader was published explaining the LLM and a conference at HHL introduced the model to business leaders and economists. This event was a huge success.

In addition to that, there were several papers published that address the ethical compass in German as well as in English. The concept was also presented at different international conferences, partly scientific, partly with practitioners. An ongoing field project at HHL analyzes the applicability of the compass in everyday business life.

Research of the Chair of Business Psychology and Leadership on public value is dedicated to the question of how an organization contributes to society with its core business and how this knowledge can play a role in corporate decision making. Today, management tools, such as the Public Value Scorecard© are applied in various organizations to account for their social value and to deduct strategic alternatives. A core project in public value research is the Public Value Atlas (GemeinwohlAtlas) which, for the first time, measures the societal contribution of best known companies and public administrations.

Other chairs at HHL, which are not directly connected to Responsibility and Sustainability, do also contribute to CSR research. For instance the Heinz Nixdorf Chair of IT-based Logistics (Prof. Dr. Iris Hausladen) does focus on different projects
on the integration of sustainability in global logistics. One project is dedicated to the topic: Sustainability in logistics of humanitarian help.

Core research of HHLs **SVI-endowed Chair of Marketing**, Chairholder Prof. Dr. Manfred Kirchgeorg, is sustainable marketing.

## Principle 5

**Partnerships**

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.

**Continuing Efforts:**

The HHL, in particular the Dr. Werner Jackstädt Chair of Economic and Business Ethics maintains an intense partnership with the **“Wittenberg Center for Global Ethics (WCGE)”**. Prof. Dr. Andreas Suchanek is not only Chairholder at HHL but also a Chairman of the WCGE. The Wittenberg Center for Global Ethics is an independent, international and interdenominational initiative of persons and organizations from politics, business, academia, the churches and civil society - aiming to sustainably promote peace, justice and prosperity in the emerging world society. Over the past years, the Wittenberg Center has prospered. Today, the Center helps tackling social challenges by promoting a cooperative and practicable approach that has a sound scientific base. Seminars, dialogue processes and international cooperation provide formats that allow scientific reflection on principles and values while putting them to the test and fleshing them out with real-world experience. Aspects of the partnership between HHL and WCGE are WCGE’s support during Welcome Events, the opportunity of HHL doctoral students to join seminars in Wittenberg and vice versa, cooperation for field projects, network of researchers and practitioners etc.

**New Development:**

HHL cooperates with the Boston Consulting Group (BCG) in a project called **Business@School**. In this project, HHL doctoral students or alumni supervise a group of pupils of a school. During this project, the teams learn how the economy works and
businesses operate on the basis of multinational cooperation. In a second phase the team gets into contact with a regional (small) company and applies the previously learned this to this context. The final phase, the third phase, allows the pupils to think outside the box and create their own innovative business theoretically.

In the end, there is an award ceremony for Germany.

Currently there are three HHL supervisors active in three school teams at the Anton-Phillip-Reclam-Gymnasium in Leipzig.

In 2017 a field project on **Sustainable Development Goals (SDGs)** was conducted. In cooperation with the **Bertelsmann Foundation**, the Dr. Werner Jackstaedt Chair of Economic and Business Ethics conducted a **field project** concerning the topic: Which measurable contribution do German medium sized companies make in order to reach the SDGs. The field project team analyzed sustainability strategies of MDAX and SDAX companies and transferred the political language of the German Sustainability Strategy and the SDGs into an economic one. On that basis it was possible to reflect critically on the German Sustainability Strategy and to suggest an adjusted set of indicator for measuring SDGs.

Currently, there is an ongoing field project on the applicability and the potential to add value of the **Ethical Compass** to the leadership instruments of **BASF**.

### Principle 6

**Dialogue**

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

*Dialogue continues at HHL:*

In the last years, HHL – Leipzig Graduate School of Management was the venue for several national and international **conferences**, where students, faculty members, society and company’s can join the speeches and discussion related to critical issues these days. For instance, a conference on the Leipzig Leadership Model took place.

As mentioned earlier, the two research centers CASiM and CEIM as well as the close cooperation to the WCGE are main drivers in facilitating and supporting dialogue between
educators, students, companies and society concerning the topic responsibility and sustainability.

Another important point which particularly ensures the dialogue between companies and students at HHL is the **Welcome Event** organized by the Dr. Werner Jackstädt Chair of Economic and Business Ethics twice a year for all freshmen. During this event two to three companies or institutions are invited to introduce themselves to the students. Afterwards the students have to solve entrepreneurial problems with regard to ethics which those present companies and institutions are actually facing. This year’s topic and the last years topic was “Sustainable Development Goals” and “Moral and Profit”.

As already mentioned in Principle 4, there is a strong support concerning the dialogue and the debate among educators, students, corporations and society during the doctoral program. At the Dr. Werner Jackstädt Chair of Economic and Business Ethics, every month there is a **doctoral telco**, where internal and external doctoral students come together and have discussion about their research topics and interesting theories concerning corporate social responsibility and sustainability. In this way, students broaden their perspective and get different insights. In addition to that, every year in March there is a **doctoral seminar** for internal and external doctoral students and in November, the same seminar is open to all alumni.

**New Developments:**

HHL is in a continuing process to foster new dialogue platforms as well as strengthening existing ones. Welcome events, conferences at HHL, field projects, research is undertaken in collaboration with students and research associates on the one hand, and with business leaders and politicians (e.g. field projects) on the other hand.
III. Future Perspectives at HHL

In 2018 HHL aims to continue the restructuring of its study program. This is based on the consideration, that in our turbulent times it is of utmost importance to strengthen those core competencies of our students, which are needed to cope with the challenges of globalization and digitalization. In line with the Leipzig Leadership Model, we did already integrate the four dimensions of the LLM in our curricula. We will go on to specify more concretely to which extent each course pays into every dimension of the LLM (e.g. purpose and responsibility). This is our understanding and way as to how we can fill the PRME Principles with life.