PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

PRIME
Principles for Responsible Management Education
FROM THE DEAN

IAE is a school that works to transform people and their companies. We live these times of constant change thinking exponentially, always looking for the step ahead. Our pioneering DNA drives us towards permanent innovation. Our focus is on the dignity of every person. We work to help people discover their potential, offering new viewpoints. Empowering their personal abilities, we open them to opportunities for better leadership at their workplace, their communities, and their families. With this focus, we know that we can transform the world from Latin America.

IAE aims at educating and shaping leaders who are not only able to be effective and perform well as managers: our graduates are expected to perform making decisions, including ethical, environmental, social and human rights aspects, living management practice as a personal growth opportunity. Ultimately, IAE offers a new vision of business, enriching the path to efficiency with a commitment to advancing social development. Thus, IAE embraces the six principles of PRME not because they are “nice to have” but in the understanding that they are an essential part of successful and responsible business practice, while thriving to further integrate them throughout our programs and the organization.

RODOLFO Q. RIVAROLA
DEAN, IAE BUSINESS SCHOOL
PRIME’S SIX PRINCIPLES AND THEIR IMPLEMENTATION AT IAE BUSINESS SCHOOL
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 1

All activities at IAE focus on the human being at the core of the business community and economic development. There is an explicit commitment to building a sustainable society as well as fostering ethically and socially responsible behaviour in the management profession. Thus, the implementation of PRME principles in our institution is based on solid ground.

IAE Business School was created in the late 1970s with a two-fold purpose:
1. Guiding and supporting business organizations to formulate and drive essential positive changes in their culture’s values and virtues. This means, first and foremost, a transformation in business leaders’ managerial style.
2. Communicating those values and virtues downwards, from the business organizations to society at large, building on the transcendent Christian view of humanity that brings individuals and society together. The school’s mission focuses on business leaders’ impact on society: “To contribute to knowledge development and the personal growth of business men and women, strengthening their managerial skills as well as the human virtues required for management.”

IAE’s mission statement was developed cooperatively by the School’s founders and a group of managers. Because it is foundational, it describes the essence of the School’s spirit and remains unchanged. IAE considers its vision to be the guide towards the achievement of its mission. As such, it states what the school aims to become in the near future.

The School’s vision for 2020 states: “To be recognized as the most transformative business school in Latin America.”

IAE aspires to be a business school in Latin America known for its leadership in:
• The accuracy and significance of its research in emerging economies, with emphasis on Latin America
• Its teaching quality and learning processes
• Its humanistic approach and the stemming encouragement to foster both personal and professional values
• The development of leaders that become positive agents of change within their firms and in society as a whole
• The remarkable service, warmth and dedication provided to its stakeholders
• The strong bonds with firms and alumni

STRATEGY
In order to attract students who will better fulfil this PRME purpose, IAE has developed a set of tailored scholarships:

- Third Sector Scholarship: for professionals looking to make an impact in Third Sector organizations.
- Public Sector Scholarship: for applicants who have a career path in the public sector and a strong commitment to community development.
- Entrepreneurial Spirit Scholarship: for professionals who created their own business and it is their sole means of employment.

Our alumni are involved in creating sustainable value for business and society. Some noteworthy examples are:

- An MBA alumni developed an e-commerce platform for retailers in the agroindustry in Argentina. [For more information click here.]
- An MBA alumni created a virtual community of hardware retailers for joint purchases. [For more information click here.]
- Alumni-developed software for start-ups and SMEs. [For more information click here.]
- Our alumni also work on advancing an inclusive and sustainable global economy. These are a few examples:
  - Volunteers help with the institutional development of a hospice for underserved, terminally ill patients. [For more information click here.]
  - An alumni is the president of “Viivenda Digna” an NGO that helps and empowers families to improve their housing conditions. [For more information click here.]

**FUTURE GOALS**

- Explore current implications behind the terms “inclusion” and “sustainability” on both a regional and global scope.
- Raise further awareness about the integral nature of the different issues and problems surrounding sustainability (e.g., education, poverty, environment, anticorruption, etc.) and how they interact with each other. This unified approach will enrich IAE’s efforts to extend sustainable value both for business and society at large.
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.

IAE considers that global social responsibility values are part of school values and hence should be included in its academic activities and programme curricula.

IAE Business School’s Core Values are:

1. Promote the human person based on its dignity and transcendent purpose/calling.
2. Consider work as an essential activity for self-development and as an instrument to serve others.
3. Pursue a greater good, overlooking individual and immediate benefits to consider the whole.
4. Search for the truth.

Curricula Management and development at IAE is an on-going quality process, carried out at different levels, that once in a while undergoes a major redesign. This process is nourished by input from program surveys, personal student feedback, AOL System results, benchmarking data, accreditation standards and recommendations, as well as rankings. Our faculty, both as individuals and as members of Program Cells and Academic Departments contribute to this perpetual improvement.

The IAE faculty team is selected essentially according to their commitment with the school mission. Additionally, professors are offered training and updating activities developed by the Anthropologic Training Department. As a result, the entire faculty at IAE is prepared to discuss the ethical issues behind business situations they teach, regardless of what discipline they belong to.

The school expects its Masters students to acquire skills to:

1. Access resources that enable decision-making and execution.
2. Account for decisions and actions taken.
3. Understand how their activity impacts upon broader social issues.
4. Understand how they become leaders with a key role in future decisions and social structures.

IAE has included these achievements as learning goals in both its MBA and EMBA Programs. This guarantees that, through the Assurance of Learning System applied, student progress on these traits will be measured and assessed to adjust program curricula accordingly.
Achievements related to CURRICULA content with explicit values:

• Stakeholder and Trust theories are included in the Governance and Strategy issues addressed by the Business Policy academic area.

• Risk management topics are included in Finance courses.

• A Non-Market Strategies course is offered in degree programs. Companies need to be organized to improve competitiveness and advance social development. This is possible when social agents have properly defined roles and work together towards collectively relevant values.

• Corporate Governance course: in this course students will learn that, in addition to their functional role, top managers are also responsible for the organization’s long-term continuity.

• All executive programs include at least four sessions on Corporate Social Responsibility delivered by the Business, Society, and Economics area. The Business, Society, and Economics course was redesigned to better pursue the following goal: “To develop the ability to recognize ethical issues, display an understanding of implications of ethical tools and make decisions reflecting on well-developed ethical ideas.” The course shows business managers must broaden their tasks’ scope, describing their responsibilities and future decisions, which are often influenced by the environment. These choices can and should have a positive impact on their organizations and society. Conversely, when business executives do not live up to their role, there are costs and consequences for society at large.

• Entrepreneurship is a capstone course in MBA programs, as it gives students the chance to professionalize their business plans and to develop the ability to innovate in order to start their own businesses.

• Explicit ethical dimension was added to the Decision-making Analysis course in MBA program and students are required to write a paper on personal experience with ethical issues.

• Compliance and anti-corruption modules have been included in all open and in-company programs at IAE.

Achievements in academic activities with explicit values

• IAE’s Centre for Governance and Transparency delivers Compliance Certification Programs, as well as two editions of the joint IAE/IESE Business School “Compliance for Senior Management” program.

• IAE’s Centre for Governance and Transparency has co-chaired the UN Global Compact-led Principles for Responsible Management Education (PRME)’s Anti-corruption Working Group. It has certified over 139 compliance officers through the Program (jointly with ECI- Ethics & Compliance Initiative), and built a network with more than 700 executives and 1883 subscribers to their newsletter. The centre carried out the Survey on Ethical Climate in companies in Argentina. This year it added “Financial Crimes Prevention” and “Update session for Compliance Practitioners.” The Centre continues helping companies in their compliance challenges.

• Alberto Willi, Business, Society and Economics Professor at IAE, is a member of the PRME Advisory Committee.

• IAE Business School was a founding partner of PRME’s Latin American Chapter.

Future Goals

• Addressing the needs identified during the MBA redesigning, assessment of learning goals and curricula management processes.

• Further exploring the inclusion of sustainability issues and problems in the curricula, going beyond the usual environment-related topics to include additional and interrelated issues.

• IAE will further advance its commitment to incorporating social responsibility issues into program curricula and academic activities, with a special focus on programs for civil society organizations that tackle poverty, inequality and public policy issues.
PRINCIPLE 3

METHOD

WE WILL CREATE EDUCATIONAL FRAMEWORKS, MATERIALS, PROCESSES AND ENVIRONMENTS THAT ENABLE EFFECTIVE LEARNING EXPERIENCES FOR RESPONSIBLE LEADERSHIP.

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STRATEGY

IAE programs enable effective learning experiences for responsible leadership with their methodology and class structure. Teamwork and alumni are also considered central to the process.

The school uses a broad array of interactive teaching methods based on experimental education that make the students’ learning experience dynamic and interactive. Professors rely on this methodology, with Case Method as a central tool. The practice-oriented approach of the Case method is complemented with lectures, videos, workshops, outdoor and indoor activities, live cases, business simulations, role-playing exercises and project-based learning. This teaching method helps students acquire decision-making skills while it encourages intense interaction among professionals sharing their experience.

Classes are divided into teaching blocks. Each teaching block consists of three and half or four hours devoted exclusively to a single Academic Department. During that teaching block, each professor structures the class according to the course taught, and assigns periods for class meetings, lectures, teamwork and breaks. IAE considers that student-faculty contact during the entire teaching block enhances the practical approach and the learning process. It allows the professor to get closer to the management reality of students, and it allows the students to develop their skills with the professor’s support. Ultimately, it fosters student-faculty interaction; optimizing both student’s and professor’s time and providing a deeper analysis of the subjects covered.

Teamwork is an essential part of the IAE programs. The Academic Director, together with the Program Assistant and the admissions department, are responsible for the arranging of the teams and their adequate functioning as efficient and cohesive groups display a spirit of mutual service. Teams are carefully chosen looking to assure the greatest functional diversity possible and group composition is maintained throughout the program. Hinging on trust-based relationships among members, the team becomes the natural communication channel for all program-related concerns. Each team chooses a member as team coordinator, who also speaks for the group in meetings with the Academic Director. This duty rotates among different team members throughout the program, so that all team members serve as leaders at one point.

IAE highlights human development as the key to effective leadership, and hence expects its alumni to truly commit to their personal development. All programs that grant the condition of Alumni entail a certain program length that guarantees sufficient student-faculty contact, specific personal development courses and contact with the school environment to ensure that the participant truly commits to the IAE mission as an alumnus. Additionally, the programs
granting this condition have a general management perspective that broadens the managers’ vision.

Throughout their learning experience, students explore issues such as corruption, corporate responsibilities, individual versus societal interest and sustainability as phenomena that can enable or hinder the creation of wealth and social transformation. Students also examine the achievements and challenges of multi-sector collaborations seeking significant social and environmental impact.

**ACHIEVEMENTS**

- **Educational frameworks**
  - Hackaton: Master students had their first hackaton. They presented solutions for Hunger, Health and Fintech as a result of two full days of creative teamwork activities.
  - IAE-IESE Cities in motion program: sustainable development through integrated cities and competitive districts.
  - International Sustainable Development Seminar: Professor Rocha together with World Bank representative Alejandro Espinosa shared their views on sustainable development and the business climate in Latin America.
  - Social Field Work: In this project, students work with a community service NGO, having a hands-on experience and applying business management skills to the distinctive setting of these institutions. This activity provides students with an understanding of the social and economic setting where NGOs operate, training them to develop and manage initiatives to improve living conditions in underserved communities.
  - IAE’s Government Program for Community Leaders has trained 1000 community leaders since its debut in 2003. This program is aimed primarily at public officials working in provinces and municipalities, and to local community leaders, civil society associations or even businessmen committed to local development on the private side. This program hinges on two theoretical pillars: government management efficiency and political leaders’ social responsibility.
  - Leadership, Conflict, and Courage course: This course introduces students to Adaptive Leadership through the case-in-point methodology, which uses the class as an experimental case. This allows relevant issues, assumptions, knowledge, analytical and interventional skills and influencing behaviours to surface, so they can be examined. Students acquire a series of critical concepts and notions related to leadership, ranging from the individual’s use of power and its relationship with authority, to the systemic processes within a group that undermine its performance.

- **Materials**
  - Professor Hector Rocha has elaborated a number of cases depicting leaders who are willing to share their experience with the participants. These leaders come to the last session to discuss alternative solutions with the participants. Since most cases involve public figures committed to significant causes such as malnutrition, education and the disabled, the impact is twofold: they share the experience with the protagonist, while also becoming aware of the causes at hand.

- **Processes**
  - Executive mentors: Top executives coach MBA students in their personal and professional development during the program. Each student has a mentor.
  - Academic mentors: Members of IAE faculty coach students on a one-to-one basis throughout the development of the program.

- **Environments**
  - Social responsibility in the media-extracurricular activity with top representatives from national media.
  - Business and Family activity- students’ wives and husbands are invited to a few class sessions, where a case is analyzed and discussed. Cases are based on real family life vs. business life situations which many of these couples may face while trying to balance those two areas.
  - The NAVES contest, aimed to motivate, inspire and guide the new generation of entrepreneurs, has examined more than 2000 projects, giving birth to over 150 companies.

**FUTURE GOALS**

- Teaching and research methods will need to combine the diverse aspects entailed by sustainability issues and problems. Additionally, new methods to measure and assess—both quantitatively and qualitatively—environmental, social, educational, and governance topics should be defined.

- Develop online and virtual teaching methods
We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

**PRINCIPLE 4**

IAE has sought to translate its mission and vision into the way it construes its contribution to knowledge. To do so, it has laid the groundwork to improve its research in both the quantity and quality, seeking a balance between business relevance and academic rigor. Defined by our mission as a general management school, with a dominant focus on the human being, IAE is committed to creating knowledge to answer general questions on doing business in emerging markets, with a primary focus on Latin America. Within this focus, our research expands our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value in Latin America. This is carried out both individually - by each scholar- and cooperatively, through our Academic Areas and our Research Centres.

Research Centres at IAE are learning communities created by scholars, practitioners and corporate partners. Together, they establish a mutually beneficial research agenda that provides scholars with the relevance only business reality can supply, and companies with knowledge to overcome their challenges.

Traditionally renowned for its excellent teaching standards, IAE entered the world of research at the turn of the century, with the return of PhDs from top-tier schools around the world. Today, the School’s focus is set on acquiring a distinctive expertise in emerging economies, through applied research and development. IAE’s applied research efforts concentrate on adapting theoretical models to Latin America’s specific conditions, relying on its research centres as the drivers to produce information that will serve as the basis to draw useful insights about society.

To contribute to becoming leaders in “knowledge and expertise in emerging economies focused on Latin America”, the School has completed its program portfolio with the ultimate tier in knowledge transfer through knowledge creation. Breaking the local program barrier once again, as it did with the first EMBA in 1981, IAE launched Argentina’s first full-time PhD in Management program. The program intends to train scholars from around the world whose research interests zero in on the needs of emerging economies, particularly Latin America.
ACHIEVEMENTS

The IAE Faculty research explores the role, dynamics, and impact of corporations in the creation of sustainable, social, environmental and economic value. 

For more information click here.

We outline our PhD Students’ dissertation topics:

• Firms within controlled markets are more prone to using non-market strategies than those on competitive markets; nonetheless, non-market strategies may vary across industries. Assessing the renewable energy sector, this research seeks to shed some light on the uses of such strategies and the shifting approaches as the industry moves forward.

• The correlation between key variables that affect institutions and organizations in the agricultural sector; those institutions and organizations; and the performance, economic efficiency, growth, development and competitiveness of the sector, specifically commodities such as corn, soybean and wheat.

• Measuring the impact of social entrepreneurial activities by surveying the ability of slum dwellers – beneficiaries of social entrepreneurs’ assistance - to undertake their own ventures.

• Exploring how macroeconomic volatility in emerging contexts affects industrial evolution as well as its strategic implications on business with the theoretical lens of Evolutionary Economics.

• Family Business and enterprise Governance: Explores family values and values-based governance, analysing their effects on value creation and distribution to stakeholders in Spanish speaking South American multinational companies.

FUTURE GOALS

• Further strengthening existing research centres’ activities both in terms of quality and quantity of outcomes, while actively seeking to create additional research hubs for other topics that are relevant in the creation of sustainable value. These research hubs will have the flexibility needed to tackle complex issues that may arise but will also rely on the interaction and collaboration of different disciplines in order to provide solutions and yield practical outcomes.

• Identifying similar current research efforts by other organizations committed to sustainability, such as think tanks, NGOs, and corporate research units that are innovators in the field. Local, regional and global alliances with like-minded research centres and/or units will allow IAE to be involved in cutting-edge research, favouring the mutual interaction between theoretical and practical research.
**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.

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**STRATEGY**

**IAE Business School** aims to contribute to the role of business in society by encouraging corporations to factor common good into the decision-making process. IAE’s faculty interact with business managers in a number of roles—as consultants, teachers, and community members.

**IAE Faculty** distribute their time among teaching, research, consulting, and management tasks at the school. As consultants, they tap into the real problems companies face; as researchers, they look for solutions by creating relevant knowledge; as managers in their school-related tasks, they come across the challenges met by executives; as teachers, they contrast their knowledge and experience with those of others.

**IAE Faculty** also interact with managers of business corporations as community members, either at research centres or in collaborative forums. Research centres at IAE are bidirectional learning units where academics and businesses share a common interest, with a research plan and company support to develop it. Over the years, these learning communities have fostered company commitment, social impact, and research and development output, consolidating the fulfilment of IAE’s mission.

As a result of the success attained with these learning communities, in 2012, IAE’s Institutional Development Department invited companies from industrial sectors to come to our School to share experiences and reflect on how to improve these sectors, without a specific research agenda. This approach expanded the range of companies and institutions contacted, opening the School doors to those that were not necessarily interested in participating in a specific research plan or did not count with a faculty member to match it. This led to the new concept of “collaborative forums”, where companies and institutions gather at the School to discuss different topics and share experiences, slowly nurturing their relationships and exploring collaboration paths.
CONFLICT RESOLUTION AND NEGOTIATION:

This centre intends to improve conflict management skills and abilities in the private, stat-based and personal realms by means of an interdisciplinary approach.

ENOVa Thinking:

Learning network for thoughtful action to help sustainable business growth and socioeconomic development in Latin America.

ENTREPRENEURSHIP:

This centre aims to promote the entrepreneurial spirit helping to create value through successful and innovative companies and spreading this to all institutions in society.

FAMILY-BUSINESS BALANCE:

This centre explores and promotes best practices in work-family balance deployed in Latin American companies and executives to contribute to their competitiveness by enhancing peoples’ commitment to their organizations.

GOVERNANCE, RISK & COMPLIANCE:

This centre aims to strategically integrate governance, risk, and compliance practices through the activities of the two pre-existing centres: Governance and Transparency; Risk and Uncertainty.

GOVERNMENT, BUSINESS, SOCIETY, ECONOMICS:

This centre aims to foster interaction and cooperation between public sectors, companies and NGOs through teaching and research to help improve local and regional development.

INNOVATION AND STRATEGY:

This centre contributes to ongoing innovation development as a source of sustained growth for both private and public organizations in Latin America’s emerging markets.

MEDIA AND ENTERTAINMENT:

This centre aims to survey, promote and create knowledge about the media and entertainment industry in Latin America.

MINING INDUSTRY:

This centre intends to become a forum for mining professionals, practitioners, and academics to consolidate the international development of Argentina’s mining industry, driving its competitive excellence and sustainability.

RETAIL LEADERSHIP:

This centre aims to contribute to the innovation and improvement that the sustained growth of retail sectors produces in Latin America and other emerging economies.

SPORTS MANAGEMENT:

This centre intends to develop knowledge for executives in the sports industry, athletes who become businessmen and non-sports companies and executives who perform in the industry.

FUTURE GOALS

- Strategically coordinating Centres’ efforts whenever issues at hand encompass their respective fields, particularly when dealing with sustainability-related issues.
- Actively promoting alliances with other companies, business sectors and associations, and NGOs/think tanks that pursue similar interests as the Centres, also reaching out to international agencies and research hubs that are leaders in their respective areas to create sustainable social, environmental and economic value.
- Engaging more companies and stakeholder groups in Centres’ research activities, both theoretical and practical, to allow for more fruitful exchanges of ideas and best practices.
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.

These are some of IAE’s endeavours in this regard:

• **Social Impact Task Force**: We are working with Austral University to increase social impact in Pilar, where the campus is located. We are identifying current endeavours to design a plan involving everyone.

• **Joint activity with National CSR Secretary**: “The Health, Sustainability” IAE’s Entrepreneurship Centre and Family and the SDGs: a transversal viewpoint.”

• **Global Home Index**: The Family Business Center together with INALDE and Home Renaissance Foundation study when value is given to the work needed to have a home from an everyday reality.

• **New Business Models and circular economy**: Marco Capellini, architect and designer, visited our school to present the topic.

• **U.N. Family Program Coordinator** shared her views on the articulation of the SDGx with Corporate Family Responsibility.

**ACHIEVEMENTS**

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**FUTURE GOALS**

• Hosting meetings and lectures exclusively focused on sustainability (i.e., “Ciclos de Actualidad” – Series on Current Events) to discuss regional social responsibility and sustainability challenges with experts, scholars and practitioners in this regard.