International Graduate School (IHI) Zittau

Principles for Responsible Management Education

Communication on Progress: Academic Year 2009
Rector’s Note

Although the International Graduate School of Zittau is only a small unit in the global university system, and most people have to search for this place carefully on Central European maps, it is a perfect point for teaching and living the ideas of the UN Global Compact and its academic leg, the PRiME principles.

IHI Zittau was founded in 1993 after the revolutionary turn in East Germany in order to contribute to the core issues of the great transformation process, i.e. overcome environmental damages, facilitate cross-cultural communication, and support the economic and social transformation processes in a post-socialist region. All in all, the basic founding idea already was about introducing the “triple-bottom line” as a new orientation for students and researchers, and therefore, in many aspects, a kind of a small scale Global Compact University.

It was, therefore, a kind of a meaningful political backing of the academic identity of the IHI Zittau to join the PRiME initiative of the Global Compact. We are happy to be part of the global PRiME family and try to strengthen our profile in teaching and research in orientation towards the guidelines of the PRiME and the Global Compact, with a particular emphasis on the intercultural communication between Eastern and Western students in the very heart of Europe.

It goes without saying that the International Graduate School Zittau is renewing its commitment to the principles of PRiME and shall further contribute to the steady development of global ethical leadership.

Prof. Dr. Albert Löhr
Rector of the International Graduate School (IHI) Zittau
International Graduate School (IHI) Zittau –

A Workshop for European Thinking

The International Graduate School of Zittau (Internationales Hochschulinstitut (IHI) Zittau) was founded in 1993 as an innovative university, where students from Germany, Poland, the Czech Republic and other countries meet and study together.

The IHI Zittau was intended as a visionary European experiment and an answer for environmental, economic and social issues, connected with the transition in Middle and Eastern Europe. This academic profile reflects the triple bottom line and the core issues of responsible management.

The IHI Zittau offers graduate degrees, i.e. programmes on the Master’s and Doctorate Level (Bologna-Level 2 and 3) with a special research and teaching focus on sustainability. Environmental Management, Business Ethics and Intercultural Management are integral modules in the core curriculum of our students.

The IHI Zittau has been deeply impacted and supported by both German and foreign institutions of higher education right from its conception and establishment. Our main partner universities are

- the TU Bergakademie Freiberg (Germany),
- the Silesian Technical University of Gliwice (Poland),
- the Technical University of Liberec (Czech Republic),
- the Wroclaw University of Economics (Poland)
- the University of Applied Sciences Zittau/Goerlitz (Germany).

In addition to the Polish, Czech and German partners, the IHI Zittau maintains contact – through teaching exchange and particularly in research – with a lot of other universities and research institutes around the world.
Our guiding principles:

- We encourage diversity: for us, cultural, intellectual or individual differences are positive starting points for teaching and research.

- With the expectation of quality as an university-level institution, we are also at the same time more open to the diversity of paths to a Master’s or Doctoral programme than traditional universities typically are: graduates of technical colleges, vocational academies and universities of applied sciences are also part of what fulfils IHI’s principle of diversity.

- For us, being “university-level” means being strong in research in addition to quality teaching.

- We are versatile – our small size and the diversity of the study groups allow each year’s group, as well as each group of doctoral students, to re-define the university anew.

- We are therefore a workshop for a new European university spirit: intensive, individual, diverse study, teaching and research are explored and defined here anew.

- Diversity at the IHI Zittau is also neighbourhood in practice, given the geographical location of Zittau – Poland and the Czech Republic influence the student body and course content at the IHI Zittau. Other countries of Middle and Eastern Europe also receive special focus. Partnerships throughout the world benefit from this fundamental intercultural approach of the IHI Zittau as well.

As an institution of higher education involved in the development of current and future managers we declare our willingness to progress in the implementation of the following Principles within our institution, starting with those that are more relevant to our capacities and mission. We will report on progress in this development and exchange effective practices related to these principles with other academic institutions to all our stakeholders.
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.

Currently, there are about 200 students at the IHI Zittau. They study in one of four following interdisciplinary master programmes or in a doctoral programme.

- **Biotechnology and Applied Ecology (Master of Science)**, possible specializations:
  - Protection and Use of Biodiversity
  - Environmental Sciences and Biotechnology

- **International Management (Master of Arts)**, possible specializations:
  - International Business and Global Society
  - International Management of Innovations
  - International Supply Chain Management
  - International Environmental Management
  - International Marketing and Intercultural Management
  - Controlling and International Capital Markets

- **Project Management and Engineering (Master of Arts)**

- **Business Ethics and CSR-Management (Master of Arts)**

- **Doctoral Study Programme**

The main aim of the International Graduate School Zittau is comprehensive education of young people from Middle and Eastern Europe, also in aspects sustainable and responsible management. Our students expand their specialized knowledge in the particular fields but also broaden their interdisciplinary and intercultural competences through electives, language courses, intercultural trainings and day-to-day working in international seminar groups.

About 50 per cent of our students come from Poland, the Czech Republic or other European countries. After the course of studies they work in their home country (often in German companies) or in Germany. Due to the interdisciplinary formation in the spirit of sustainability and responsibility, intercultural competences, as well as very good proficiency in German, the IHI’s alumni transfer their knowledge to their home countries and act as a contact point for European economies.
**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.

To address the field ‘business in society’ the IHI Zittau founded the department of Social Sciences in 1999, with the main focus on business ethics. Until October 2006 the department kept the diploma programme ‘Social Sciences’ inter alia consisting of courses in practical and political philosophy, political economy, social theory, empirical social research, management studies and business ethics. The focus of the programme was business ethics with the following lectures and courses:

- Main Approaches to Business Ethics (lecture)
- International Business Ethics (lecture)
- Essentials of Applied Ethics (lecture)
- Main Tools of Business Ethics (course)
- Business Ethics Case Study Analysis (course)
- Compliance (advanced course)

In the course of the Bologna process a new master programme ‘Business Ethics and CSR-Management M.A.’ has been founded (see Principle 3).

Furthermore, following lectures and courses concerning global social responsibility and business ethics are held at the IHI Zittau:

- **Strategic Management and global Corporate Responsibility** (lecture and seminar, mandatory for all students of ‘International Management M.A.’, optional for other master or doctoral programmes’ students)

  The course imparts the most important theoretical and conceptual basics that are essential for understanding the strategic function of management and its conditions. The focus is on the systematic possibilities and limits of strategic planning and monitoring. Integrated corporate governance means that the company should take beyond the economic also the social and ecological responsibility.

  Furthermore, the students gain knowledge about methodic instruments for meeting the strategic management challenges. They are exposed to the major problems, tools and approaches working on case studies. The used teaching method allows well-founded understanding of the relation between theory and strategic management approaches on the one side and practice on the other side.
- **Specialization “International Business and Global Society”** (the following lectures and seminars are mandatory for students of ‘International Management M.A.’ electing this specialization, and optional for other master or doctoral programmes’ students):

  - **International Business Ethics** (lecture and seminar)

    The main goal of the seasoned interactive course is to raise awareness of the discourse of business ethics and to invite the students to the further study of philosophy, ethics and the normative foundations of economic activities.

    Main contents of the course are conceptual basics of ethics and business ethics focusing discourse ethics as a reference model. The relationship between ethics and economics is clarified on the theoretical and practical level, with regard to the major fields of tension especially in international (global) economic activities.

    During the course students learn how to handle these tensions. The lecture provides an overview over the major business ethics tools and the key approaches for effective implementation and monitoring of corporate responsibility in corporations operating globally. The discussed tools are inter alia the development of global social and environmental standards, initiation of multi stakeholder dialogue, as well as the implementation of UN Global Compact principles. The stakeholder model is taught as an analytical frame of reference for the discussion of business ethics questions. Through working on case studies in the seminar students reflect their acquired knowledge.

  - **International Corporate Governance – Basics of the liberal internal (legal) structure of a company** (lecture)

    Students in the course gain knowledge of the main problems connected with corporate governance and the internal (legal) structure of a company. Thereby corporate governance is depicted as the essential interface between politics (general regulations) and corporate management (freedom).

    During the course students learn how to interpret concrete characteristics of corporate governance with regard to liberal philosophy of business and society. Furthermore, the political dimension of governance is likewise discussed, especially the main positive and negative aspects of corporate governance systems that are built in the spirit of liberalism. Different characteristics of corporate governance systems in the international context are outlined, mainly the key differences between German and American corporate governance system as well as specifics of the Japan corporate governance systems. After the course students are aware of the scientific debate on the efficiency of different corporate governance
systems and are able to apply the learned aspects by building corporate governance systems in transformation economies of Poland and the Czech Republic.

- **Intercultural Communication** (lecture and seminar)

  The course educates basics in communication theory, linguistics and reasoning theory. Other aspects discussed are theory and practice of communication in organizations and ethics of communication. Students learn how to implement diverse communication theories in the internal and external corporate communication. Moreover students gain knowledge about basics in cultural anthropology, inter alia culture term, differentiation and pluralism of cultures, historical development of cultures as basic conditions for human activities, culture in regard to institutions as well as interculturality and the problem of the 'clash of civilizations'.

  Finally, the course focuses on transcultural institutions such as United Nations, European Union, different NGOs as well as multinational corporations. The discussion in the course mainly concerns the impact of communication on the development of international dialogue and of transcultural institutions.

- **Specialization „International Environmental Management”** (the following lectures and courses are mandatory for students of 'International Management M.A.' electing this specialization):

  - **Basic Conditions of International Environmental Management** (lecture and seminar)

    Main contents of the course and subject-related competences trained in the course:

    - Knowledge of media atmosphere, soil, water, biosphere;
    - Evaluation of quantity and quality of global and local environmental problems, as well as knowledge and assessment of the limits of growth;
    - Requirements concerning environment-oriented and sustainable corporate management at the supra-regional, regional and corporate level;
    - Relevance estimation of diverse requirements of environment-oriented stakeholder;
    - Knowledge of general political and legal regulations and current trends;
    - Knowledge of environmental policy tools and principles;
    - Knowledge of basic environmental law and requirements in different fields of law (e.g. waste legislation) and on different law levels (e.g. EU or national level, etc.);
Assessment and testing of proper tools for comprehension of stakeholders within cooperative environmental management.

**International Approaches to Environmental Management Systems**
(lecture and seminar)

Key issues discussed during the course:

- Overview of management systems, especially quality management according to the ISO 9001;
- Integrated environmental management approaches;
- Requirements on environmental management systems according to the ISO 14001: Planning, realizing and monitoring of the implementation of environmental management systems;
- Cost-benefit-effects of environmental management systems: Evaluation of economic efficiency and ecological effectiveness of environmental management systems;
- Auditing and certification of environmental management systems (ISO 9011 and ISO 17021);
- Integration of management systems;
- Overview of health and safety management systems;
- Requirements on health and safety management system according to the OHSAS;
- Requirements on integrated management system according to the German standard VDI 4060.

**Operational Environmental Management** (lecture and seminar)

The following competences are trained in the course:

- Decision-making on implementation of diverse environmental management tools, for instance check lists, input-output-analysis, environmental accounting, environmental figures;
- Conception and implementation, as well as evaluation of environment-oriented options for action in the corporate areas R&D, Procurement, Production, Logistic, Sales, Human Resource, Organisation, Marketing, as well as in company-wide Supply Chain Management;
- Evaluation of economic efficiency and ecological effectiveness of environmental options for action in the management of energy, water, liquid waste and waste;
- Knowledge of current trends in environmental engineering;
- Development of environment-focused understanding of processes and resources.
Electives for doctoral candidates (PhDs) and students of master programmes:

- **Main Approaches to Business Ethics** (lecture)

  The lecture imparts conceptual foundations of business ethics and the key approaches in the German language area. Based on selective approaches, the Anglo-Saxon perspective on business ethics is introduced as well. For each theoretical approach some typical ideas are presented for the design of ethic management systems in corporations.

  The theoretical discussion spotlights the factual role allocation between corporations, state and society with regard to the ethical responsibility in the post-national constellation (Habermas).

- **Business Ethics Case Study Analysis** (seminar)

  In the seminar students analyse relevant business ethics issues by discussing real case studies. Some case studies are already elaborated (both vignettes and comprehensive cases) and available for discussion, the others are reconstructed by students using given literature.

  Very important for the learning effect is the fact, that the discussed issues, such as social and environmental standards, human rights or building of corporate governance and management systems, will be relevant in the future working life of the students.

  The main goal of the course is the development of conceptual-oriented reasoning competence with regard to business ethics aspects, conscious dealing with ethical dilemma structures in corporate decision making, as well as the handling of moral crises from the corporate point of view.

- **Economic Crime within the market context** (combined lecture and seminar)

  The course is focused on the following issues:

  - Basic terms and approaches in the economic criminology (economic crime, diverse delict types, reported/unreported cases, etc.);
  - Selective possible variations of economic crime (occupational and employee crime; crime in the professions; corporate crime; bribery and corruption; finance and accounting crime);
  - Explanatory approaches to economic crime;
  - Strategies for countering and preventing economic crime (law-based countering tools and their limits; corporate governance and corporate compliance; preventing economic crime through value- and trust-orientation; integrative forensic management systems).

  The issues are introduced in lecture form and deepened in the discussion. Moreover, students are obliged to prepare seminar papers on selected topics.
Principle 3: Method
We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

1. Since October 2009, the IHI Zittau offers a new master programme ‘Business Ethics and CSR-Management M.A.’. It addresses mainly students of business administration, but also alumni of other branches of study, such as law or social sciences.

According to the practice of CSR management the master programme is interdisciplinary: During the first semester, some theoretical management basics are taught. In the second and third semester specific contents of philosophy and economics, business ethics, governance and compliance, corporate social responsibility, social theory and institutional theory are discussed. In the fourth semester students are obliged to write a master thesis.

An overview over the main lectures and courses:

- Main Approaches to Business Ethics
- International Business Ethics
- Business Ethics Case Study Analysis
- Governance in the liberal economic system
- International Corporate Governance
- Value Management and Compliance
- CSR as a Management Philosophy
- Stakeholder Management
- CSR, Organizational Culture and Leadership Ethics

2. From 2006 to 2009, the department of General Business Management, esp. Controlling & Environmental Management at the IHI Zittau worked together with partner universities in Poland, Ukraine and Kazakhstan on a project “The development of environmentally-oriented education and counselling skills - the example of a German-Polish-Ukrainian-Kazakh cooperation”. The main goal of the project was the establishment of teaching and consulting competencies in the field of environmental management in the Ukraine and Kazakhstan through an international transfer and country-specific adaptation of knowledge. These countries were chosen as project partners because of the prevailing environmental problems and missing environmentally-oriented teaching and consulting. The project was promoted through the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Federal Environmental Agency.

The partners were working on the development and implementation of environmentally-oriented curricula at the partner universities. Furthermore, the teaching materials containing input of many scientists will be published as a textbook in Polish, Ukrainian and Russian. The German version entitled
“Integrative Management” was published by “Gabler Verlag” 2010 (ed. Matthias Kramer, Wiesbaden 2010).

The transfer of the know-how and best practice cases to the local companies as well as information gathering and networking should be made possible through the establishment of consulting centres and an interactive web-based communication platform.
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.

The IHI Zittau was founded to research and to teach on environmental, economic and social issues, connected with the transition in Middle and Eastern Europe. This academic profile reflects the triple bottom line and the core issues of responsible management. Research activities on these fields are undertaken inter alia in the department of Social Sciences. Here are the main research areas of the department:

- Republican concept of corporate ethics
- Business ethics: conceptual basis and areas of application
- Corporate social responsibility as a management philosophy
- CSR in public sourcing – current situation in Poland
- Social and environmental standards in the globalisation era
- Stakeholder management: discourse between companies and NGOs
- Teaching business ethics in academia
- Teaching business ethics in Middle and Eastern Europe
- Ethics and banking: the example of Islamic Banking
- Ethics and finance: prevention of manipulations of the balance through whistle blowing
- Value-orientation in medium-sized-businesses
- Ethical climate in organizations
- Economic crime and business ethics
- Sociology of crime and law
- Power and micropolitics in companies
- Network culture: working together in the German, Polish and Czech border area
- Region management: Governance concepts for leading regional stakeholders

Current research projects:

- “Ethics in Business Administration”
- “Teaching of Business Ethics in Middle and Eastern Europe”
- “Ethical Climate in Organizations”

Students of master programmes at the IHI Zittau are encouraged to write master thesis on Corporate Social Responsibility issues. A significant number of students takes this opportunity, among them many graduates, who are later working in the field of CSR. Some selected examples for master thesis topics are: Global Reporting Initiative as a model for the monitoring of corporate responsibility; strategic aspects of communication on CSR; CSR in public procurement; the Business Social Compliance Initiative – strengths and weaknesses.
Selection of publications (last 18 months)

[In English language]


[In German language]


Selection of speeches/lectures:

[In English language]


Valeva, M.: Ethical Banking. Applying the cultural constructive approach to Islamic Banking. Lecture at the Catholic University of Leuven (Belgium), Centre for Economics and Ethics, 14th December 2009.

Valeva, M.: Theoretical foundations of ethical banking. Lessons to be learned from Islamic Banking. Presentation at the Catholic University of Leuven (Belgium), 14th December 2009.


Löhr, A.: „The Talks at Banz – What has been achieved so far?” Synthesis talk during the 6th PUMA Stakeholder Forum, 18th November 2008.

Burkatzki, E.: Normative foundations of market economy and strategies of innovation. Guest lecture at the Opole University, Faculty of Economy, in Poland, in cooperation with Professor Wolfgang Gerstlberger, May 2008.

Burkatzki, E.: Economic crime as an effect of value orientations. Theoretical and empirical remarks. Lecture at the 8th International Conference on Current Issues of Sustainable Development at the Opole University, Poland, April 2008.


Valeva, M.: Ethical Retail Banking, Lecture at the Postgraduate Workshop within the annual meeting of the German Network Business Ethics (DNWE e.V.) on the 4th – 5th April 2008 in Bonn.

[In German language]


**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.

The IHI Zittau houses and strongly cooperates with the prestigious German Business Ethics Network (DNWE e.V.). Our students benefit from its broad contacts to European partners in industry and research, take part in the annual conferences and specific conferences for students (e.g. Annual Autumn Academy), and work on business ethics case studies DNWE deals with every day.

Examples of issues discussed during the annual conferences of DNWE e.V.:

- **Corporate Social Responsibility – The Range of Responsibility**
  Stuttgart, 4th – 5th April 2008
- **CSR during the Crisis: The Responsibility of Public Institutions**
  Bonn, 24th – 25th April 2009

Together with the Saxon local working group of DNWE e.V., the department of Social Sciences at the IHI Zittau organizes the annual conference called ‘Business Ethics Talks in Zittau’ (‘Zittauer Gespräche zur Wirtschafts- und Unternehmensethik’).

Invited are representatives of business and science, students and doctoral students. Until now we discussed the following issues:

- **Value Orientation, Value Conflicts and Value Management in Corporations**
  8th – 9th September 2006
- **Economic Crime, Institutional Order and Ethics**
  14th – 15th September 2007
- **Finance and Ethics**
  12th – 13th September 2008

Furthermore, almost every month we hold an open talk about business ethics issues at the IHI Zittau. The so-called ‘Monday Talks about Business Ethics SOPHIA’ are an open discussion session, beginning always with an introducing speech or lecture of the invited special speaker. In the discussion not only scientists and students of
the IHI Zittau take part, but also representatives of the local business, interested inhabitants of Zittau and other invited guests.

We engage in dialogue with companies and corporations. The best example are the so-called ‘Talks at Banz’, PUMA’s annual stakeholder dialogues. From the very beginning, Professor Albert Löhr continuously takes part in the meetings, moderates the discussions and gives summary talks (see Principle 4).

Professor Albert Löhr also takes part in the national debate on CSR ‘CSR in Germany’, founded by the German Federal Ministry of Labour and Social Affairs in January 2009. The forum consists of about 40 representatives from the business community, civil society, trade unions, academia and policy-making. It gives advice and support to the German Federal Government in the development of a national CSR strategy. The comprehensive goal of the activities of the forum is the promotion of sustainable corporate management and shaping the social and ecological dimensions of globalization.

The department of General Business Management, esp. Controlling & Environmental Management at the IHI Zittau worked together with Polish, Ukrainian and Kazakh institutions on a transfer of environmental management curricula to the universities and universities of applied sciences in these countries (see Principle 3). The department also cooperates strongly with regional and international companies on issues of environmental and sustainable management. All partners from international universities, organizations and companies are invited to the annual environmental conference held by the department.
Conclusion

Sustainability and responsibility are core aspects of master and doctoral programmes at the IHI Zittau. Our study programmes reflect the triple bottom line and formulate an answer to the problems connected with the economic and societal transition in Middle and Eastern Europe. We integrate values of global social responsibility in our curricula; there are some mandatory or optional lectures and seminars focusing sustainability and responsibility.

Moreover, in the master programme ‘Business Ethics and CSR-Management, M.A.’, as well as in the diploma programme ‘Social Sciences’ (until 2006), we educate specialists for business ethics and responsibility questions in corporations.

The output of our research and teaching is transferred in other European countries, both through cooperation with international partner universities and in the person of our alumni.

Finally, our strong cooperation with German Business Ethics Network (DNWE e.V.), as well as discussion panels and conferences organized at the IHI Zittau, sensitize our students to responsible and sustainable thinking.

In the future we will continue and intensify our teaching and research work. In the long run we are also going to work on a sustainability strategy for our university. We will continuously report on our activities concerning the implementation of the Principles for Responsible Management Education.

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