PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION (PRME)

SHARING INFORMATION ON PROGRESS REPORT MAY 2011

This is the progress report of Kozminski University as the Leon Kozminski Academy of Entrepreneurship and Management was renamed in 2009. We expressed our commitment to PRME on 1st April 2008. Kozminski University continues to support the objectives of the UN Principles for Responsible Management Education.

We want to develop further our own practice an curricula playing an active role in the shift towards necessary changes in terms of a multidimensional transition to sustainable society both in Poland and abroad. Sustainable, inclusive and smart growth is important for organizations to survive, but the process of building a sustainable economy on a macro level needs fundamental redesign of the business model.

We believe the role of Kozminski University in educating ethical and responsible business leaders has never been more important.

Professor Andrzej K. Kozminski, PhD

Rector, Kozminski University
Kozminski University is an internationally renowned private, non-for-profit, business and law school located in Warsaw, Poland. It is widely known and complimented for its educational and research excellence and is ranked as Poland’s best business school. The Business Ethics Center, under the leadership of professor Wojciech Gasparski, was one of the early centers that began thinking globally and systematically about ethical issues in business and education.

Poland is experiencing deep and rapid change in the transition from planned to market economies as well as from an industrial to a more knowledge based economy. It is a transforming economy and young democratic republic, which is increasingly integrating into the global political and economic system since 1989. Business has played a vital role in the transition, not only through capital investment in plant and machinery, but investment in human and knowledge capital.

Corporate world needs practical tools and approaches to successfully manage the whole range of social, environmental and economic issues required, with a sustainable business model that recognizes that the financial health of the firm is dependent upon the environmental and social health of our planet. It is increasingly clear that the combination of these factors means that the playing fields across which business operates will be convulsed in coming years.

Principles for Responsible Management Education are part of daily practice because of our regional positioning as leader in the field of education. Kozminski University is the best business school in Central and Eastern Europe according to the "Financial Times" 2010 European Business Schools ranking. We were also ranked best in the region in the 2010 Global Masters in Management ranking. Moreover our Executive MBA was the only Polish program listed in the third "FT" ranking of Global EMBA Programs.

Kozminski University mission is to teach business, management and law combining world-class research, practice and academia in the heart of Europe. Teaching entrepreneurship and encouraging students to adopt a creative and positive attitude, the University emphasizes honesty and responsibility in both entrepreneurship and management. It offers recognized graduate and undergraduate programs BBA, MA, MBA, postgraduate and doctoral studies (Ph.D.) in business management and finance, economics
and law for 8,000 students coming from different nationalities, creating a truly international atmosphere that enables them to experience the richness of various cultures blended together.

According to its Ethical Code of Conduct Kozminski University aims at being a good example of organized activity and therefore applies practically the knowledge gained from the disciplines that are taught and researched at School. There is a broad consensus in our academic community that ethical and responsible behavior could create an added value both for management and stakeholders alike, value which provides long-term benefits for the business, especially during down-turns in the business cycle.

Successfully mainstreaming corporate responsibility into education is a big challenge for every business school in Poland. We started to accelerate the integration of corporate responsibility issues into the knowledge, skills and mindsets of today’s and tomorrow’s leaders, managers and employees, consumers and other stakeholders.

We wish to report especially on a few concrete activities and achievements concerning PRME in the period of 2008-2010.

**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.

In this area we would like to report on the initiative started by Piotr Jedrzejuk, a MSc student of Kozminski University, with the help of Jonathan T. Scott, the founder and director of the Center for Industrial Productivity and Sustainability, a lecturer at Kozminski University. It is an online community www.sustainbusper.com, supported now by various organizations and an excellent source of knowledge for students from different levels of education. The aim is to communicate the message of sustainability to help managers – and future managers - minimize waste, reduce costs, and create jobs. J. T. Scott’s course on
sustainability taught at Kozminski University is unique not only in its subject and approach, but also because students have to go out into the community afterward and apply what they had learned in the classroom in order to receive a final grade. His new booklet, free to download, “New Standards for Long-Term Business Survival” is widely acknowledged across the globe to help future managers and businesses pinpoint their weaknesses in regards to long-term thinking and increasing market-force changes. The main outcome is that several graduate projects prepared by Kozminski University students have focused upon sustainability, as well as corporate responsibility.

The second initiative is a partnership project between Kozminski University and Nyenrode University with the goal of building the awareness among students on CSR and Sustainable Entrepreneurship solutions in the Polish business community. There was an organized visit for a group of 17 MSc and MBA students of both universities in September 2010 for about two weeks. They had a chance to visit 25 different companies across Poland, discussing management approach to CSR and sustainability and future perspectives. All companies received written feed-back report. There are plans to organize such a field study approach on a permanent basis.

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.

The Principles for Responsible Management Education were announced to the Polish academic community for the first time on 4th December 2007, during a special conference on responsible management education at Kozminski University. The letter to the participants from Manuel Escudero was presented, supported by the address delivered by Anna Darska, the Head of the Office UNDP Poland, and professor Andrzej K. Kozinski, Rector of the University. Best academic and business papers directly referring to PRME were published in English in the book: W. Gasparski (ed), Responsible Management Education, Warsaw, 2008, Academic and Professional Press.
The University is involved in promoting business ethics and corporate responsibility through its Business Ethics Centre (CEBI), which is a joint unit of both the Kozminski University and the Institute of Philosophy and Sociology, Polish Academy of Sciences. CEBI is the first and the only such a unit operating in Poland. CEBI's program "European Standards of Business Ethics and Corporate Social Responsibility" was awarded the Grand Prix for the best Polish Educational Program by Polish Managers Association and Deloitte.

The Polish Congress on Business Ethics and Corporate Responsibility was organized in December 2009 by our Business Ethics Centre. In the final conclusion participants from different business schools and universities agreed on the importance of "Manifesto Global Economic Ethic. Consequences for Global Businesses" presented two months before by the UN Global Compact. Polish translation of this document with the recommendation issued by professor Wojciech Gasparski has been widely distributed among both business and academic communities.

Actively operating in different research and educational projects and working with managers in Poland and in the region, CEBI is recognized by the country's academia and business as well as by international scholars, practitioners, and organizations. Its mission is to serve as a center of excellence in the discipline of Business Ethics and Corporate Social Responsibility.

The following courses are offered for undergraduate, postgraduate, and PhD students:

- CSR. The Strategy for Responsible Management
- Business Ethics and CSR in Management
- Business Ethics and CSR in Finance
- Ethics and CSR in Public Administration
- Ethics and Law
- Ethics in Science and Research
- Organizational Responsible Design
Principle 3

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

The first in Poland special postgraduate executive program for CSR managers was successfully created in partnership with PwC by Kozminski University in 2009. Boleslaw Rok, PhD, is the academic director of “CSR. The Strategy for Responsibility in Business” at Kozminski University. The 180 hours program provides a strategic, hands-on approach to CSR and allows participants to tailor frameworks to their own companies, combining lectures, cases and workshops with leading academics from Kozminski University, consultants and guest speakers.

It is designed for managing directors who would like to integrate CSR in their decision-making processes. All students have to prepare a well grounded final project not only to make a significant contribution to the existing responsible operations in firms they are working for, but also to extend the boundaries of the present activities in this field. Graduates can contribute significantly to the business discourse on the economical, environmental and social development of the Polish market. 80 managers were trained during two editions: 2009/2010 and 2010/2011. The third one is starting soon.

The second initiative was prepared for MBA students. In 2010 a decision has been made to include a training module on Corporate Responsibility in the curricula of all MBA programs. During 2010/2011 some 210 MBA students were trained in ethical leadership, responsible management approach based on ISO26000, corporate social innovation and inclusive business models. The module will be carried out on a permanent basis.

There is a need for better understanding of how business in Central and Eastern Europe can at the same time create financial value and improve people’s lives, to move beyond “business as usual” to innovative partnership with the value for all. Several case studies from the region of CEE were prepared, as a part of EABIS Corporate Founding Partner Funding Program “Internal Dimensions of Corporate Responsibility”. Project is coordinated by the Business Ethics Centre Kozminski University in co-operation with the Center for Business and Society CEU Business School, the Graduate School of Management St Petersburg State University and CSR Ukraine. The aim of the project is to make a selection of
the best corporate social performers from companies operating in CEE and to prepare a
collection of educational case studies. The project will be finalized in 2011 with a useful and
practical case studies booklet for MBA students. The collection of 8 teaching case studies will
be distributed as well among other academic institutions to integrate CR in the mainstream
management education and executive education in CEE countries and to integrate CEE topics
into management education in different academic institutions in other countries.

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.

Business Ethics Centre at Kozminski University is involved in different research
initiatives on Corporate Social Responsibility in partnership with other players from 2001,
organizing the launch of Global Compact in Poland and taking part in the first Global
Compact Learning Forum in 2002. The first case study on CSR practice from Poland was
Kozminski University was a strategic partner to EABIS in the CSR Platform project financed
by the Sixth Research Framework Program of the European Union and RESPONSE project. The
4th EABIS Colloquium was hosted by Kozminski University in 2005.

Now we are involved in EU-funded research project CSR IMPACT, 2010-2012. The
project uses a common conceptual framework to develop and apply tools that enable
assessment and comparison of CSR impacts — at micro (company), meso (sectoral and
regional) and macro levels (nations states and EU). Indicators will be developed to assess the
contribution of CSR impacts on EU policy objectives, for growth, competitiveness (including
innovation), quality of jobs and environmental sustainability. A large-scale inter- and trans-
disciplinary empirical investigation will be carried out using four complementary methods:
econometric analysis, company case studies, an analysis of different company and industrial
networks and a Delphi study. All studies focus on five sectors important across the EU-27.
Recommendations will be addressed to policy-makers, especially those dealing with the CSR
and the Lisbon and Gothenburg Strategies, also business leaders, CSR practitioners, civil society and the research and education community.

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.

Kozminski University through its Business Ethics Centre is actively involved in interactions with managers from most successful companies in the field of Corporate Social Responsibility in Poland and in the CEE region, especially in the frame of the long-term partnership with Responsible Business Forum, affiliated to CSR Europe. Some of the examples are: The Ranking of Responsible Companies in Poland (five editions from 2007), The Award for the Best CSR Report in Poland, MedKompas Poland - Siemens Integrity Initiative, The Nestlé Prize in Creating Shared Value or stakeholder panels for different firms.

Principle 6

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

We are supporting dialogue on corporate responsibility, sustainability and inclusiveness in Poland and in the European Union. Kozminski University collaborates with the International Society for Business, Economics and Ethics, the European Business Ethics Network (EBEN) via Polish Association for Business Ethics (EBEN Poland), the European Academy of Business in Society (EABIS), and Caux Round Table via Caux Round Table Poland.

We are cooperating with UNDP Growing Inclusive Markets initiative, providing expertise for reports: “Creating Value for All: Strategies for Doing Business with the Poor” (2008), “Business Solutions to Poverty – How inclusive business models create opportunities for all in Emerging Europe and Central Asia” (2011). We believe that there is growing
evidence that businesses who engage the poor on the demand side as clients and consumers and/or on the supply side as producers, employees and business owners, can boost their bottom line while creating value for the poor.

As a part of cooperation between UN and European Commission the project “Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness, and social cohesion in the EU” was established in 2007 with Business Ethics Centre, Kozminski University, as a national expert team. It was based on the long term cooperation with DG Enterprise, where the Kozminski University representative was involved as an expert in 2002-2007, working on reports such as „Opportunity and Responsibility“ or „Responsible Entrepreneurship“. The outcomes were presented during „Regional CSR Conference for Business and Stakeholders. CSR in the New Europe: challenges and solutions“ in Brussels.

Business Ethics Centre is also involved in CSR as a public policy. The first project „Profiling CSR-Policies in Europe, America, Asia and Africa” was founded by GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) and the Bertelsmann Foundation. The final report „CSR Navigator” was presented in 2007 in Berlin. The second project (2008-2009), in partnership with UNDP in Poland, was devoted to run a process of establishing The Polish Multi-stakeholder Forum on CSR, as a permanent dialogue between government, business sector and academia on the role of business in the society.

We are in the process of organizing the Fifth International Society of Business, Economics, and Ethics (ISBEE) Congress. It will provide a forum for business and academics to grapple with some of the most pressing problems facing businesses all over the world, and the new horizons coming from business ethics research to fill a wide range of expectations concerning ethics in business and the economy. The 2012 Fifth ISBEE Congress in Warsaw should be an important part of our Business Ethics Centre contribution to the European wide initiatives on promoting ethical conduct. We would like to bring people from Western Europe, Central, and Eastern Europe including Russia, to gather together with representatives of countries from all other continents and to discuss the virtue of responsibility in the heart of Europe.
It will be a unique congress with a European focus, but a global outlook, that will bring together representatives from academia, business, trade unions, civil society, public authorities and the media. Our main goal is therefore to give further impetus to a much-needed worldwide debate on the issue of ethical standards.