Martin-Luther-University Halle-Wittenberg
School of Economics and Business

Principles of Responsible Management Education

Sharing Information on Progress (SIP) Report
Academic Years 2011 and 2012
Speaker’s Note

Being one of the first subscribers of the Principles of Responsible Management Education (PRME) of the United Nations, the School of Economics and Business at Martin-Luther-University Halle-Wittenberg (MLU) has developed a clear vision how to put CSR into practice. Complying with the Global Compact’s Principles of Responsible Management Education has a strategic background: The societal environment for corporations has changed radically and is expected to continue to change. For corporations, it is becoming increasingly difficult to earn and keep their license to operate (important for their everyday business operations) as well as their license to sit at the table (important for participating in processes of “New Governance”). Therefore, the School of Economics and Business at MLU is increasingly committed to cover these issues in its current and future research, teaching and outreach activities in order to endow future managers with competencies that enable them to play a constructive role in these new processes. For us, the PRME are an expedient heuristics for Sustainability and Corporate Citizenship.

This COP documents how the School of Economics and Business has increased its efforts to implement the Principles of Responsible Management Education at MLU in Halle/Saale in the academic years 2011 and 2012.

Prof. Dr. Ingo Pies, Chair of Economic Ethics
Speaker of the School of Economics, Martin-Luther-University Halle-Wittenberg
The Curriculum

Traditional education in business administration focuses primarily on maximization techniques. Training the leaders for a modern economy, however, also requires acquiring competencies that enable future managers to contribute to designing and shaping social processes in a broader sense. The competency to optimize the moves within a given game needs to be complemented by learning how to improve the rules of the game. Such competencies, however, require managerial skills in analyzing institutions (social structure) and ideas (semantics). With regard to social structure, executives need to learn the basics of a rational-choice based analysis of the incentive effects of institutional arrangements. And with regard to semantics, managers need to become more familiar with the (normative) thought categories that are commonly used in society to describe, evaluate and solve social conflicts.

This understanding of a sustainable education of future managers flows into many areas of research and teaching at our faculty. The following courses are inspired by this logic and address in particular the issues of sustainable leadership. As we have mentioned these courses already in our previous communication of progress, it is perhaps adequate to just list these courses briefly without further explanatory specifications (for further information see our COC 2008).

- Lecture „Ethics of the Social Market Economy“ (Bachelor Program, Winter Term 2010/2012 and Winter Term 2011/2012, Prof. Dr. Ingo Pies)
- Colloquium: „Economic Ethics and Policy Advice“ (Master Program, Winter Term 2010/2012 and Winter Term 2011/2012, Prof. Dr. Ingo Pies, in cooperation with the project “Hörsaal & Projekt” organized by the German Agency for International Development, GIZ).
- Seminar „Economic Ethics“ (Master Program, Summer Term 2011 and 2012, Prof. Dr. Ingo Pies)

In addition to the curriculum offered by the Chair of Economic Ethics, the School of Economics and Business at the Martin-Luther-University Halle-Wittenberg addresses since 2009 the issues of leadership and sustainability in the following courses:

- Lecture “Business and Society” (Bachelor Program, Winter Term 2010/2011, Dr. Stefan Hielscher)
- Lecture “Sustainability I” (Master Program, Winter Term 2010/2011 and Winter Term 2011/2012, Prof. Dr. Hans-Ulrich Zabel)
- Lecture “Sustainability II” (Master Program, Summer Term 2010 and 2011, Prof. Dr. Hans-Ulrich Zabel)
- Lecture “Sustainability III” (Master Program, Summer Term 2010 and 2011, Prof. Dr. Hans-Ulrich Zabel)
**Principle 2**

Values: We will incorporate in our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

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**UN Global Compact in Research and Teaching**

The „Global Compact“ is the biggest initiative of corporate citizenship (CC) worldwide. As in previous reports, MLU keeps focusing on the issue of CC in these two lectures each year.

**Colloquium „Economic Ethics of Global Challenges“ (Summer Term 2011 and 2012, Masters Program)**

The emerging world society is facing major challenges. These include the opportunities and risks of globalization, but also international issues such as climate change, prevention of corruption and the fight against infectious diseases. All these tasks are part of the Millennium Development Goals Declaration of the United Nations. The underlying structure of these problems is that of a global public good: its provision is challenged by the fact that there is often no international consensus on values with the consequence that the international community can agree on common goals only at the level of institutional arrangements (rule consensus) and not at the level of common values (value consensus). In this colloquium students discuss specific applications and learn how to design and implement strategies that aim at a rule consensus of those players involved in global public good games.


Initiating the Global Compact, the United Nations’ Secretary General Kofi Annan officially invited the business sector to cooperate with the United Nations in a joint effort to find solutions for global problems like poverty, hunger, diseases, etc. But why should companies engage in global problem solving? Is there a business case for Corporate Citizenship? – The interactive colloquium focuses particularly on the question as to how managers can design appropriate processes within companies and between companies: How can managers implement formal and informal institutions to solve sustainability issues within the company? As a background, companies today frequently face social dilemmas, i.e. situations of collective self-damage in which rational actors are not able to pursue commonly shared goals.
To overcome such critical situations, an appropriate institutional framework is of pivotal importance. Eventually, the quality of these institutions determine the degree of morality that is profitable (and thus possible) under market competition. The special focus of this colloquium is on codes of conduct and multi-stakeholder dialogues as corporate contributions to the process of “New Governance”: “Corporate Citizenship” is interpreted as a strategic management of social dilemmas by which business firms can contribute to solving challenges of “Sustainability”.

Bachelor thesis program

The Chair of Economics Ethics attracted more than 40 bachelor candidates in 2011 and 2012 to devote their final thesis to the issues of responsible leadership and sustainability.

- Topic group 1: Business ethics in practice: Corporate codes of ethics in diverse industries.
- Topic group 2: New Governance: Cross-sectoral initiatives between civil society and industry

As in previous years, MLU activities in responsible management education are conducted by the following personnel:

- Prof. Dr. Hans-Ulrich Zabel, Chair of Environmental Management, Department of Business, provides students not only with a general knowledge of natural resource management but also with more specific competencies and tools in sustainable management.
- Prof. Dr. Ingo Pies, Chair of Economic Ethics, Department of Economics, refers to an “ordonomic” approach to social theory and applies it to more specific issues of economic, business and procedural ethics. His research and teaching aims at providing a deep understanding of (a) the ethical quality of a competitive market system, (b) the role of businesses as agents of social value creation and (c) the importance of the process of new governance for business activities.
- Prof. Dr. Bernd Hansjürgens, Chair of Environmental Economics, Department of Economics, provides students with the economic fundamentals of environmental problems and policies to solve them and discusses the possibility of companies to actively engage in these processes.
- Dr. Stefan Hielscher, PostDoc Scholar at the Chair for Economic Ethics, also uses the ordonomic approach to analyze and teach business ethics and on the social responsibility of companies.
- Holger Backhaus-Maul, Institute for Education, Department of Philosophy III, focuses on civil society, non-profit organization and corporate citizenship.
- New in 2011: PD. Dr. Vladislav Valentinov, Research Fellow at the Leibniz Institute of Agricultural Development in Central and Eastern Europe, teaches the institutional economics of Non-Profit-Organizations and of CSR and CC.

**Principle 3**

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

As in previous years, the School of Economics and Business at the Martin-Luther-University Halle-Wittenberg (MLU) follows three main propositions concerning new structures that will enable an effective implementation of the PRME into academic life.

((1)) Properly understood, the PRME aim at educating corporate executives, and – more broadly – “social entrepreneurs”. This suggests that lessons in Business Ethics and Economic Ethics should also be made available to students from other fields (law, political science, sociology, etc.). At any rate, it would not hurt if future managers of government agencies, political parties, and civil society organizations as well as leaders in the growing area of the third sector were equipped with basic knowledge of how a market economy works and how companies function.

((2)) Education in these competencies should be integrated into the bachelor and master programs, not with a separate degree for “ethicists”, but as a possible major within classical management education. Unlike in the US (with its Sentencing Guidelines or the Sarbanes-Oxley Act), German legislation cannot be expected to create massive incentives for a new profession of “ethics officers”. Therefore, especially in Germany, Economic Ethics and Business Ethics must choose the path to strengthen general managers’ education in the area of “strategic management”.

((3)) The traditional division of labour between business administration and economics is starting to crumble. However, a rational-choice based approach to Economic Ethics and Business Ethics can help overcome the gap. In general, students who see themselves as future managers will develop an interest in such courses to gain a better understanding of markets and competition, corporate action and the profit principle. Since it is to be expected that the increasingly mathematics-oriented field of economics will be less and less able to meet this need for providing a fundamental understanding of the working properties of business in competitive markets, new courses in the field of Economic Ethics and Business Ethics could (and should) fill the resulting vacuum.

In order to put these three propositions into practice, and to enhance societal competencies of future managers, in 2011 - 2012 the School of Economics and Business has again integrated into the curricula of their business and economic Bachelor and Master programs a number of lectures or even new specializations:

- “Werkstattgespraeche”. In this interactive study format, students engage with sustainability and CSR topics in real academy-business workhops or even in real academic conferences.
- The lecture “Economics of nonprofit organizations” was included as an elective in the master program in economics

((4)) Competencies in analyzing the interdependencies between social structure and semantics require new teaching forms. In the innovative field of Economic Ethics and Business Ethics, instructional formats are preferably organized as interactive and interdisciplinary courses. Co-teaching and group work, including role-plays, strategy simulations and practical projects, are conducive to helping students see with their own eyes how conflicts can be structured and how consensual conflict solutions can be implemented. In order to further develop these competencies, the School of Economics and Business supported the following activities also in 2011 and 2012:
Since 2008, MLU intensively co-operatives with the ‘German Development Agency’ (GIZ – Gesellschaft für Internationale Zusammenarbeit). Within the scope of academic courses, student teams analyze a practical project currently carried out by a division of the GIZ. This initiative is supported by a GIZ-internal project titled “Hörsaal&Projekt”.

Also in 2011 and 2012, MLU actively supported the student initiative sneep—the student network for ethics in economic education and practice. Supported by the Chair for Economic Ethics, the growing sneep team Halle has already conducted a number of workshops and a series of lectures at MLU.

In 2011 and 2012, the Chair of Economic Ethics (Prof. Dr. Ingo Pies, Dr. Stefan Hielscher) supported a couple of lecture series that dealt with the topics of responsible leadership and entrepreneurship with own presentations.

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.

Research

Sustainability and Corporate Citizenship are also two important research fields in the School of Economics and Business at the Martin-Luther-University. The following list presents recent publications on these topics in peer-reviewed journals only. Interested readers may view download many more publications (books and working papers) at the Chair of Economic Ethics’ website (http://ethik.wiwi.uni-halle.de/).

Articles (only peer-review)


**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.

**Outreach**

As previous years, also MLU’s 2011-2012 activities focus on a strong outreach to the corporate sector, to civil society organisations and to other universities. As part of our efforts, ...

- ... we are a member in the Academic Network of the Global Compact,
- ... we closely work together with the Global Compact’s German network and
- ... we develop new formats for mutual learning in civil-society-academic-business partnerships (e.g. in the scope of our “Theorie-Praxis” Dialogues, see principle 6).

Other Partnerships in the Field of CSR and Sustainability (2011-2012)

Academic Partners
- Professorship „Sustainability and Global Ethics“, Handelshochschule Leipzig (HHL – Graduate School of Management)
- Chair of Applied Ethics, Friedrich-Schiller-University Jena
- Chair of Institutional Economics, University Bayreuth
- Chair of International Management, Otto-von-Guericke-University Magdeburg
- Chair of Philosophy and Economics, Ludwig-Maximilians-University München
- Umweltforschungszentrum Leipzig-Halle (UFZ)
- Chair of Economics, Friedrich-Schiller-University Jena
- Chair of Economic Ethics, University Hohenheim
- Chair of Political Science, University Bamberg
- Chair of Public Law, Martin-Luther-University Halle-Wittenberg
- Chair of Political Philosophy, Martin-Luther-University Halle-Wittenberg
- Chair of Finance, Helmut-Schmidt-University Hamburg
- Chair of Political Science, University Göttingen
- Juniorprofessorship Social Entrepreneurship, Centre for Sustainability Management (CSM), Leuphana University
- Center for Interdisciplinary Economic Research, University of Muenster
- Chair of Economic Ethics, Technical University Munich

Civil Society
- SNEEP – Student Network for Ethics in Economics and Practice
- Wittenberg-Center for Global Ethics (WCGE)
- Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Global Compact Germany

Foundations
- Dieter-Schwarz-Foundation
- Zeit-Foundation
- Konrad-Adenauer-Foundation
- Ludwig-Erhard-Foundation

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.

Also in 2011-2012, the School of Economics and Business at the Martin-Luther-University has used several platforms for mutual exchange among educators and between academia, business and civil society:
Workshop „Angewandte Ethik“, Prof. Dr. Ingo Pies in Zusammenarbeit mit dem Ethikzentrum Jena (Universität Jena). Jena, 27.01.-28.01.2011

Ordo-Symposium, Prof. Dr. Ingo Pies in Zusammenarbeit mit den Herausgebern von „ORDO – Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft“. Lutherstadt Wittenberg, 19.05.-20.05.2011

Workshop „Interkulturelle Aspekte des Verhandelns“, Prof. Dr. Dr. Marlies Ahlert und Dr. Ildiko Lajtos in Zusammenarbeit mit Prof. Dr. Hartmut Kliemt (Frankfurt School) und Prof. Dr. Rudolf Schüßler (Universität Bayreuth). Lutherstadt Wittenberg, 20.21.5.2011

Young Leaders Seminar „Die Welt, in der wir leben (wollen) - ein Theorieseminar“, Prof. Dr. Ingo Pies in Zusammenarbeit mit dem Wittenberg-Zentrum für Globale Ethik. Lutherstadt Wittenberg, 08.06.-10.06.2011

Theorie-Praxis-Dialog „Mehr Nachhaltigkeit durch Collective Action – Möglichkeiten und Grenzen unternehmerischer Selbstregulierung“, Prof. Dr. Ingo Pies in Zusammenarbeit mit dem Wittenberg-Zentrum für Globale Ethik. Lutherstadt Wittenberg, 06.07.-08.07.2011

Wittenberger Wirtschaftsethik-Workshop, Prof. Dr. Ingo Pies in Zusammenarbeit mit Prof. Dr. Christoph Lütge (Technische Universität München). Lutherstadt Wittenberg 07.09.-09.09.2011


Workshop „Wirtschaftsethik“ von Prof. Dr. Ingo Pies in Zusammenarbeit mit dem Ethikzentrum Jena (Universität Jena). Wittenberg, 26.01.-27.01.2012

Ordo-Symposium von Prof. Dr. Ingo Pies in Zusammenarbeit mit den Herausgebern von „ORDO – Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft“, Lutherstadt Wittenberg, 24.05.-25.05.2012

8. Forum Menschenwürdige Wirtschaftsforschung: Globale Herausforderungen für eine humane Ökonomie (Leitung Prof. Dr. Dr. h.c. Ulrich Blum, Prof. Dr. Dr. h.c. Oberreuter, Prof. Dr. Abländer, Dr. Quaisser). Tutzung, 22.06.-24.06.2012

Tagung „Konzepte der Gesellschaftstheorie: Joseph Schumpeters Theorie gesellschaftlicher Entwicklung“. Prof. Dr. Ingo Pies, Prof. Dr. Martin Leschke (Universität Bayreuth), Lutherstadt Wittenberg, 03.-05.09.2012
Conclusion and Outlook

The School of Economics and Business at Martin-Luther-University has a clear vision how to put the Global Compact’s Principles of Responsible Management Education into practice: MLU will further focus on sustainable development and on the potential of corporate citizenship and CSR to meet this challenge. Furthermore, MLU will work harder to making a wider audience of students familiar with these concepts. Finally, MLU will intensify its outreach activities, bringing together academia with business, politics, and civil society. In order to document the commitment to the Global Compact and its principles, MLU will continuously report on all related activities.