Introduction

As a national leader in executive business education in Ukraine, the International Institute of Business (IIB) strongly believes that the education of future leaders in a social responsibility context is a vital component of global sustainable development. Having signed on to the United Nations Global Compact and PRME, the IIB created two research centres as follows: Centre for Management and Leadership Development (Centre for MLD) and Centre for Corporate Social Responsibility (Centre for CSR). Taking into account Principles 4 (Research) and 5 (Partnership) of PRME, the IIB understands the need for scholarly effort to realise and promote the proven concepts essential in a socially responsible leadership approach. The goal of the IIB Centre for MLD is to develop a new generation of socially responsible managers and business leaders, whose professional qualities can promote sustainable development of the company and efficient societal transformations. The IIB Centre for CSR contributes to the development of socially responsible leaders through CSR research and consultation, as well as the preparation of methodological recommendations on how to improve the whole business school curriculum to ensure student readiness to implement CSR principles in their business strategies and everyday management practice.

Challenges

Ongoing economic stagnation in Ukraine followed by common non-compliance of CSR principles in business practice, proves the lack of socially responsible leaders. Economic growth is impossible without creating conditions for sustainable development that allows all members of society to contribute and benefit from high prosperity levels. Therefore, national business education must make considerable change to be at the forefront of innovation and progress for sustainable development. For this purpose, it is critical to understand the readiness of the Ukrainian business community for CSR implementation and compliance.

Actions taken

To measure business society awareness on responsible leadership and CSR issues, the IIB conducted the research survey, "Leadership and Corporate Social Responsibility in Business." Conducted in 2012, the survey perspective was to develop a methodological tool to measure leadership issues and CSR aspects in Ukrainian companies. The survey instrumentation included two questionnaires on leadership and one questionnaire on CSR. The distribution of respondents by the managerial status was as follows: top-managers (15%), middle-managers (21%), line managers (11%), and specialists (17%). Respondents represented nine sectors of the Ukrainian economy such as construction, finance, education, IT, sale, marketing, media, automotive, and production. Among the respondents, 50% were IIB students and graduates, so it was a great opportunity to compare their leadership and CSR attitudes with the rest of the survey sample. It should be noticed that, after signing on to PRME, IIB ensured that its curriculum reflected all stated values and that all educational courses were embedded by CSR theory and case studies.
During the CSR part of the survey, respondents were asked to express their attitude on twenty one statements related to social responsibility, such as, “To remain competitive in a global environment, business firms will have to disregard ethics and social responsibility.” The respondents had five choices (strongly agree, agree, uncertain, disagree, and strongly disagree) to express their attitudes. The survey results demonstrated that there is still much to be done in terms of responsible management education to increase the level of CSR support in Ukrainian business society. Among the respondents who were not IIB students, the percentage of supporting opinions regarding CSR issues was relatively lower. The IIB students and graduates were more likely to respond that, “acting under ethical rules and being socially responsible is most important for the organisation” (58% “agree” and 35% “strongly agree” compared to other respondents (36% and 17%, respectively). When answering the question, “The most important thing for company is to get a profit, even if a company violates social norms,” the distribution was 8% of answers “agree” and 2% “strongly agree” among IIB students, and for other respondents, 36% and 17%, respectively.

Results

As the result of the leadership section of the survey, the researches obtained data on leadership characteristics and styles in Ukrainian companies. The research results were applied through the design of training programmes for IIB students who were considered to become future generators of sustainable value for business and society. Additionally, students were provided with practical survey tools and methodology for implementing sustainable principles and initiatives at their workplace, thereby receiving a chance to improve the overall sustainable performance of their companies. Having investigated leadership in Ukraine, it was decided to establish the IIB “Management School” for future leaders’ development, and programmes are planned to be based on research results of the IIB Centres.

Based on the results of the CSR section, of the survey results the researchers made a preliminary assumption that, following the integration of the principles of PRME, business education is crucial in promoting CSR ideas and can extremely raise the level of CSR support in the business environment. To prove this idea, it was decided to regularly use the survey instrumentation at both the beginning and end of an individual’s study at IIB to measure changes in CSR awareness and leadership development. Additionally, a newly developed course for MBA students, “Business and Society,” is planned to be delivered starting in September 2013.

The role of PRME/sustainability principles:

- Principle 2 (Values): Values of social responsibility were incorporated into the IIB curriculum and all educational activities.
- Principle 3 (Method): The survey tools and educational materials/courses were developed to enable effective learning experiences for responsible leadership.
- Principle 4 (Research): The research project was conducted to advance understanding about the role and impact of business in the creation of sustainable social and economic value.
- Principle 5 (Partnership): The Survey helped the IIB researches to extend knowledge of challenges that managers face in meeting social responsibilities.