“Assessing progress in implementing UN PRME: International perspectives and lessons from South Africa”

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Assessing progress in implementing UN PRME: international perspectives and lessons from South Africa

Abstract

As of August 2013 there were 506 organizations, mainly business schools and universities that had signed the United Nations Principles of Responsible Management Education (PRME). From South Africa, eight universities were signatories. At the center of PRME are issues pertaining to corporate responsibility, sustainable development and sustainability. In a world that has defined a future it wants drawing from the concept of green economy in the context of sustainable development, PRME is more relevant today and into the future than was envisaged during its launch in 2007. Drawing from publicly available information, this paper serves as a dip stick in assessing progress made by selected PRME members internationally and from South Africa. The findings reveal major breakthroughs across the six principles, especially in reorienting curricula, delivery methods, research and developing win-win partnerships and dialoguing platforms. There are business schools that have moved from establishing standalone modules addressing environmental, social and governance (ESG) issues to mainstreaming ESG aspects across the whole spectrum of programmes offered and wholly transforming business schools ethos towards sustainability. Teaching methods are migrating from traditional chalk and talk, case studies and syndicate approaches to hidden curricula that, in addition to drawing from traditional teaching approaches; embraces experiential, reflexive and action oriented learning methods. To take ESG issues further, some business schools have revamped their governance and put in place sustainability policies assisting them to walk the talk. Examples of business schools having climate change and energy management policy statements confirmed this business unusual transition.

Keywords: PRME, South Africa, climate change, curriculum reform, green economy.

JEL Classification: Q01.

Introduction

“Responsible management education” sounds self-evident; who among us think of ourselves as engaged in irresponsible management education? Yet the practical aspects of how we educate responsibly (or responsibly educate) the next generation of management professionals are complicated (Forray and Leigh, 2012, p. 295).

The United Nations Principles of Responsible Management Education (PRME) program is relatively new, having been established in 2007 in Geneva. PRME advocates for the inclusion of universal values in business schools curricula and research (Bendell, 2007) through six principles. These six fundamental principles are enshrined in thematic areas addressing: the purpose, values, method, research, partnership, and dialogue (PRME, 2007). As of August 2013 there were 506 organizations, mainly business schools and universities that had signed up to PRME out of over 13,000 business schools worldwide (Exter, Grayson and Maher, 2013). Given the principles of PRME, one might be biased in expecting a bit more uptake. From South Africa, eight universities are signatories namely: University of Stellenbosch Business School, Gordon Institute of Business (University of Pretoria), Graduate School of Business (University of Cape Town), Rhodes Business School (Rhodes University), University of South Africa (Unisa) Graduate School of Business Leadership (SBL), Milpark Business School, MANCOSA, and the School of Management, IT and Governance (University of KwaZulu Natal).

In its first analysis report of activities from 2008 to June 2010, PRME (2010) found out that signatories were convinced that responsible management had an inherent potential to assist them to be innovative and take leadership in the space. This meant that signatories were going beyond awareness raising in social and environmental responsibility. In fact, signatories went beyond the “let’s be good to be legitimate” aspect (PRME, 2010, p. 320). Furthermore, PRME catalyzed the already existing social and environmental responsibility initiatives in business schools.

The PRME has strong rooting in other globally recognized ESG platforms and principles such as the United Nations Global Compact (UNGC) made up of 10 principles (Launched in 2000) and the Globally Responsible Leadership Initiative (GRLI), launched in 2004. In fact, PRME draws heavily from the UNGC (Adams and Petrella, 2010). To this list, we add ESG issues oriented platforms like the Global Reporting Initiative (GRI), launched in 1997 and the King Reports on Corporate Governance (King initiative on Corporate Governance), launched in 2001 (Nhamo and Swart, 2012).

Blasco (2012) brings the notion of the hidden versus the formal curriculum and how these should be linked in mainstreaming ESG aspects in business...
schools. One of the key issues for business schools with regard to mainstream climate change issues has been the need to mainstream climate change issues into various areas of learning and research. This has been so given that humanity today is faced with ever mounting challenges regarding the need to mitigate climate change (reduce harmful greenhouse gas emissions from the chimneys of, especially the manufacturing sector) and have business cope (learn to live and change) with the changing climate across the world. Given the foregone, the Conference of the Parities to the Fifteenth Session of the United Nations Framework Convention on Climate Change (UNFCCC COP15) made business think and debate about their role in this discourse and the urgent need to mainstream climate change into business schools’ curricula (PRME/CBS 2009).

This paper is organized as follows. The next section deliberates on methodological underpinnings employed in the research. Section three focuses on PRME fundamentals and provides historical perspectives, whilst section four discusses global progress under PRME drawing mainly from the literature. Section five reviews PRME uptake and assesses progress in South African business schools. International lesson for South African business schools are documented under section six before drawing some conclusions.

1. Methodological underpinning

The fundamental research question this paper seeks to address is: what progress has been made by PRME signatories internationally and from South African business schools? Other subsidiary questions are: (1) How are PRME of South Africa business schools comparing to their peers globally? (2) What PRME issues are reported within each of the six PRME thematic focus areas and principles? An extensive use of the document analysis (Francke, 2007) methodology was done. This meant retrieving online documents guided by a prior understanding (Lovegrove and Brailsford, 1995) detailing the historical evolution of PRME. The grounded theory approach (Corbin and Strauss, 1990) applying predetermined categories (Glaser, 2002) from the specified six PRME principles was used for analysis.

To investigate progress in addressing PRME by South African business schools, we sampled all the business schools that had their information publicly available online at the PRME website (http://www.unprme.org/participants/index.php, accessed August 2, 2013). It emerged that out of the 506 organisations signed up to PRME, eight business schools from South Africa were members. From eight South African business schools, three had not posted their PRME Sharing of Information on Progress (SIP) reports. In order to get a quick global overview on good practice cases, three cases were pulled out drawing from the Financial Times 2013 top 100 MBA offering business schools. From the top 20 subset, only three business schools signed up to the PRME and had reports available for review (http://rankings.ft.com/exportranking/global-mba-ranking-2013/pdf, accessed August 7, 2013). This was in addition to retrieving journal articles including some that assessed the first 100 SIP reports from 2008-2010. The business schools from South Africa (ranked by signing up date), number of reports to date and those sampled from the continents is shown in Table 1.

Table 1. Business schools sampled

<table>
<thead>
<tr>
<th>Signing up date</th>
<th>Business school</th>
<th>Number of reports/dates reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 1, 2008</td>
<td>University of Stellenbosch Business School</td>
<td>2 (2010 and 2012)</td>
</tr>
<tr>
<td>September 3, 2009</td>
<td>Gordon Institute of Business (University of Pretoria)</td>
<td>1 (2012)</td>
</tr>
<tr>
<td>September 4, 2009</td>
<td>Graduate school of Business (University of Cape Town)</td>
<td>2 (2010 and 2013)</td>
</tr>
<tr>
<td>February 4, 2010</td>
<td>Rhodes Business School (Rhodes University)</td>
<td>1 (2012)</td>
</tr>
<tr>
<td>April 18, 2011</td>
<td>University of South Africa (Unisa) Graduate School of Business Leadership (SSL)</td>
<td>None</td>
</tr>
<tr>
<td>April 1, 2012</td>
<td>Milpark Business School</td>
<td>1 (2013)</td>
</tr>
<tr>
<td>January 18, 2012</td>
<td>MANCOSA</td>
<td>None (New participant)</td>
</tr>
<tr>
<td>April 24, 2013</td>
<td>School of Management, IT and Governance (UKZ)</td>
<td>None (New participant)</td>
</tr>
<tr>
<td>Among the Top 20 Financial Times 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 1, 2008</td>
<td>London Business School (UK ranked 4th)</td>
<td>2 (2010 and 2012)</td>
</tr>
<tr>
<td>April 1, 2008</td>
<td>IESE Business School (Spain ranked 7th)</td>
<td>2 (2010 and 2012)</td>
</tr>
<tr>
<td>April 1, 2008</td>
<td>IE Business School (Spain ranked 11th)</td>
<td>2 (2010 and 2012)</td>
</tr>
</tbody>
</table>

2. PRME: fundamentals and historical perspectives

For readers to fully comprehend arguments in this paper, it is necessary that we reflect on PRME fundamentals. As highlighted in the introduction, PRME is built around six voluntary fundamental principles (PRME, 2007). PRME was initiated by a group of 60 concerned stakeholders from university deans, vice chancellors and presidents and representatives from leading business schools (Bendell, 2007). Among the convenors are the UNGC, GRLI and the European Foundation for Management Development (EFMD). The details regarding PRME are presented in Box 1. Forray and Leigh (2012) maintain that PRME has roots in the disciplines and spaces including: business ethics, corporate social responsibility and environmental sustainability.

Alcaraz, Marcinkowska and Thiruvattal (2011) allude to the fact that PRME is essentially a sharing and learning platform for signatories. To this end, the SIP is an essential mechanism that requires all SIP reports to be availed publicly by signatories on the PRME website. The SIP reports, according to the authors should include a renewal letter committing the signatory to PRME signed by the highest ranking executive in the organization, document major achievements pertaining to at least a single principle in the last 18 months (although encouragement is made to report on all the six principles), stipulate main implementation objective for the next 18 months reporting period, and desired support to enhance implementation.

From a historical perspective, the GRLI is well known for being the frontrunner in changing the management education space in the promotion of corporate responsibility. The GRLI was established in 2004 (Bendell, 2007) from a collective of senior representatives from 21 companies, business schools and centers for leadership in management education. The GRLI has been instrumental in providing the intellectual platform for PRME. The GRLI emerged from an agreement signed between the European Foundation for Management Development (EFMD) and the UNGC in 2003 (Adams and Petrella, 2010). Other historical global landmark initiatives linked to PRME include: the UNGC, the Global Reporting Initiatives (GRI), and King Reports (Nhamo and Swart, 2012). What is critical for the reader is the emergence of new platforms informing PRME like the Rio+20 that took place in Rio de Janeiro, Brazil in June 2012 (UNCSD, 2012).

From all common business schools’ ESG principles (Arevalo and Aravind, 2010), the UNGC has the largest uptake. The UNGC was established in July 2000 and is premised on 10 Principles providing leadership and guidance on human rights, labor, ecological and/or environmental sustainability and anti-corruption. With regards to the environment, Principles 7-9 address what businesses and other organizations need to do. Principle 7 expects businesses to support the precautionary approach to any environmental challenges. Principle 8 talks of the need to embark on initiatives that promote environmental responsibility and extended producer responsibility. Principle 9 encourages businesses to develop environmentally sound technologies (Arevalo and Aravind, 2010). The authors elaborate that, “A key criticism of the UNGC has been that some companies adopt the UN Principles, but never use the principles in actual practice. Hence there is the risk of ‘bluewashing’ attached to their membership” (Ibid, p. 415). As of February 2010, the UNGC had 7,700 signatories from across 130 countries (Adams and Petrella, 2010, 2.293). However, in order to maintain a stronghold on accountability from its membership, some 1,840 businesses had been delisted since 2000 as of February 1, 2010 (Ibid). Kell (2012) assessed and reflected on 12 years of the implementation of the UNGC. In his eyes, the UNGC’s 12 years of implementation “can be summarized as building and integrating UN issues into the global corporate responsibility movement”.

The Rio+20 outcomes document entitled ‘The Future We Want’ embedded future sustainability issues

Box 1. PRME Principles

- 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.
- 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.
- Principle 3 (Method): We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.
- 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.
- 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, students, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

within the context of sustainable development and transition to a greener and low carbon economy (UNCSD, 2012). Of importance is the fact that come 2016, the world will be addressing sustainable development and sustainability issues under a set of Sustainable Development Goals that will replace the MDGs (UNDP, 2013). Furthermore, the United Nations Decade of Education for Sustainable Development (UNDESD) comes to an end in 2014 and the MDGs in 2015. A graphical illustration of the developments surrounding debates on PRME is shown in Figure 1. The dots in the figure and section representing the period with which PRME was shaped represent numerous other global initiatives that addressed the sustainable development agenda such as the 1987 publication by the United Nations Commission on Sustainable Development popularized as Our Common Future (United Nations 1987, 11), the Rio Declaration of 1992 and Agenda 21 (United Nations, 1992).

What has emerged from sustainable development discourses from the past moving into the future, however, is that stakeholders (organized government, organized labor, organized civil society etc.) are much more informed politically, technically or otherwise. The world now understands the need for mainstreaming corporate responsibility and environmental stewardship in business schools and other endeavours.

During the Rio+20 global summit, 300 leading business school and university senior management representatives agreed on a roadmap for Responsible Management Education (PRME, 2012). This was done through the Rio Declaration on the Contribution of Higher Education Institutions and Management Schools to The Future We Want in line with the roadmap for management education to the year 2020. Three commitments were made to get into a higher and faster PRME implementation gear. These action plans were namely: to establish a leadership group incentivising PRME frontrunners to go further in implementing sustainability principles; de-register signatories not complying with the PRMESIP reporting guidelines; and establish regional chapters for PRME in order to facilitate community engagement.

Forray and Leigh (2012, p. 297) equate PRME advent to a “wave of change in management education”. In our view it is a re-formation, a re-think, a re-look, re-conceptualization and a re-creation of how 21st century business schools must do things within increasingly sustainability conscious global and local societies. We have entered the business unusual epoch in terms of social and environmental responsibility. As a result, for this global social and environmental responsibility movement and/or wave of change to continue growing, four aspects must be carefully considered namely: (a) making the underlying idea continuously relevant, (b) sustained institutional leadership support, (c) government support and (d) operational viability (Kell, 2012).

3. Assessing progress under UN PRME

This section focuses on addressing international and South Africa’s progress under PRME and it draws mainly from the literature. The section is divided into three sub-sections: (1) general findings on the six PRME principles, (2) specific case studies from three selected top business schools outside South Africa; and progress from South African business schools. However, before getting into details regarding the identified sub-sections, we wish to highlight the five stages of corporate responsibility and sustainability maturity for business schools that inform change management in PRME. Exter et al. (2013) draw up five stages of corporate responsibility and sustainability maturity for business schools (Figure 2).
A business school still in denial of mainstreaming corporate and sustainability responsibilities looks at it as a fad. This is usually the entry level. In stage 2 business schools are worried with keeping their accreditation. Hence they do just enough to keep themselves accredited. As managers under stage 3, business schools introduce specific special courses, new student societies, specialist staff members and join networks in the sustainability space. Under the strategist stage, business schools mainstream corporate responsibility and environmental stewardship into their mission and vision statements. Research, teaching and practices reflect PRME and specific management disciplines’ aim to understand what corporate responsibility and sustainability imply to their discipline. In the last stage – being global leaders, business schools become global centres of excellence and expertise. This way they continue championing the cause forming alliances with other schools in jointly running research and teaching as well as community engagement. Globally leading business schools embark on capacity development through generic and dedicated networks and share the learning on mainstreaming corporate responsibility and environmental stewardship (Exter et al., 2013).

4. General perspectives on PRME progress
Blasco (2012) maintains that mainstreaming social and environmental responsibility into PRME calls upon management educators to think outside the formal curricula. In fact, the author brings up the notion of the “hidden curriculum”. In the author’s view, the hidden curriculum brings up “the implicit dimensions of educational experiences” for changing the formal curriculum alone is not adequate in addressing the learners’ sense of environmental and social responsibility. Hidden curriculum (Figure 3) goes beyond the course outline content. Hence this way, business schools become incubators of moral learning and student socialization platforms.
There are three interlinked message sites for the hidden curriculum. Within formal curriculum set-up, practices include those like course organization, delivery and assessment. Course assessment allows the identification of gaps and opportunities for social and environmental responsibility mainstreaming in business schools. Practices under interpersonal interactions of business school students include dialogue, jokes, anecdotes and competitions. The business school governance platform presents practices like hiring of endorsers, business school sustainability/delivery practices and explicit enforcement of good social and environmental responsibility conduct (Blasco, 2012). For example, a business school with a clear environmental and energy/carbon management policy facilitates quicker learning in the governance space as it will play the role model to the students. Closely linked to the hidden curriculum is an approach called experiential learning (Gitsham, 2011). Drawing from the experiences of IBM’s Corporate Service Corps and HSBC’s Climate Champion Program, the author is convinced that experiential learning is valuable for developing social responsibility and sustainability leadership within the organizations. The identified learning programs for the IBM and HSBC are designed with the view to facilitate learning from sharing experiences.

Business schools also become centers for transformative learning and communities of practice and innovation hubs. Millar, Hind and Magala (2012) see sustainability mainstreaming as a full challenge for organizations, not only business schools, but every other organization. In other instances this may entail a wholesome change of identity (Exter et al., 2013). Among common sustainability mainstreaming dilemmas, are issues embedded in this rhetorical question: “how to balance short term priorities with long term vision, organizational change with stability, strategic goals with day to day implementation, domestic with international responsibilities?” (Millar et al., 2012; p. 489). Dickson, Eckman, Loker and Jirousek (2013) stipulate twin institutional factors influencing sustainability education as: professional staff development and institutional culture.

Building support for the staff members in business schools remains a pillar in successful PRME implementation (Maloni, Smith and Napshin, 2012). This is more critical where cross-disciplinary social responsibility and sustainability mainstreaming is sought after in the business school. In this regard, Maloni et al. (2012) present what they call an explanatory methodology as a platform for enhancing social and sustainability responsibility in PRME. The explanatory methodology starts by surveying staff members’ sustainability attitudes, interests and efforts towards the subject matter. Social responsibility and sustainability champions can be identified as platforms to successfully mainstream PRME into the curricula and organizational structure. The issues highlighted herein are similar to the five enablers of corporate responsibility and sustainable transformation in business schools noted by Exter et al. (2013, pp. 324-325) including: having to agree on the transformation task ahead; status quo audit and diagnosing (As is) and identification of the “To be” (preferred future) state; identification and skilling champions of change and enablers; stakeholder engagement via change projects; and lastly, dealing with obstacles, complexities and conflict to sustain the transformation. Quinn (2013) brings in reflexivity as a methodology that facilitates middle level management learning in organizations which business schools should adopt. From his perspective, “Reflexivity as a keystone of mid-career education can ensure that public managers develop integrative, investigative and innovative capacities” (Quinn, 2013, p. 15). The three concepts presented in the quotation are just what contemporary business schools need to focus on in PRME.

In their study, Alcaraz et al. (2011) analyzed the first 100 SIP reports submitted to the PRME Secretariat by 2010 to determine progress made in all the six thematic areas. The SIP reports covered the period from December 2008 to November 2010. A summary of findings from Alcaraz et al. is shown in Table 2. What is of interest to this study is that only three out of the eight South African business schools affiliated to PRME were due for SIP reporting by November 2010.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Major findings</th>
<th>Key practical highlight</th>
</tr>
</thead>
</table>
| 1: Purpose | - Awareness assessments across faculty members.  
- Curricula reviews and identification of gaps and opportunities for social and environmental responsibility mainstreaming.  
- Establishment of PRME related internal taskforces and committees.  
- Student scholarships awards and involvement in campus greening initiatives. | - Removal of trays from all dining facilities at Bentley University. |
| 2: Values | - Most schools simply included more responsibility topics in existing courses.  
- Few schools created new programs.  
- Schools initiated specific activities to create visibility for the PRME principles, UNGC or MDGs. | - European Business School created a questionnaire to assess responsibility themes awareness among faculty. |
Table 2 (cont.). PRME progress from the first 100 reports (2008-2010)

<table>
<thead>
<tr>
<th>Principle</th>
<th>Major findings</th>
<th>Key practical highlight</th>
</tr>
</thead>
<tbody>
<tr>
<td>3: Method</td>
<td>♦ Schools going beyond ‘chalk and talk’ (lectures), guest speakers and case studies to experiential and engaging learning approaches. ♦ Service learning, filed research projects and visits, roundtable discussions co-organized by students, case writing, competitions, business games and simulation, films, blogs etc.</td>
<td>♦ Audencia School of Management organizes “The Global Responsibility Award” where students identify innovative businesses for the award.</td>
</tr>
<tr>
<td>4: Research</td>
<td>♦ Diverse initiatives to support responsible management related research topics. ♦ Re-alignment of research centers and setting up new ones and creating inter, trans and multi-disciplinary research groups. ♦ New research areas in business and climate change found.</td>
<td>♦ ‘Out of the box’ sustainable leadership research at IESEG School of Management.</td>
</tr>
<tr>
<td>5: Partnerships</td>
<td>♦ Industry sustainability professionals appointed to university governance bodies. ♦ Internships, clubs established, institutes established, executive education, forums, working breakfasts, roundtables with executives (often alumni) etc.</td>
<td>♦ Several PRME signatories established Responsibility Clubs.</td>
</tr>
<tr>
<td>6: Dialogue</td>
<td>♦ Multi-stakeholder forums, multi-sectorial meetings, mini-labs, round-tables, panel discussions, symposiums, etc conducted.</td>
<td>♦ USNA Program encourages students to generate solutions to overcome social disparities and exclusion in Brazil.</td>
</tr>
</tbody>
</table>

Source: Authors (based on Alcaraz et al., 2011, pp. 154-159).

Alcaraz et al. (2011) warn us and reveal that the real challenge in PRME is in the conceptual transformation of a business school. In their writing: “PRME rests on a true paradigm change, not just a cosmetic add-on or a nice-to-have “green touch” (which seems to be the case in some of the SIPs reviewed here). PRME advocates a rethinking of business in its essence and in its relation with society and the environment”. Hence PRME challenges the manner in which businesses generate profits. PRME further challenges shareholder moral obligations. Truly, PRME calls for a genuine paradigm shift. The application and (mis)use of key terms like ‘sustainability’ and ‘responsibility’ that was found in the SIP reports by Alcaraz et al. (2011) needs revisiting. The authors realize these terms are used in a very relaxed manner.

5. Issues emerging from top global flyers

This section discusses progress under PRME from the three top business schools selected based on the Financial Times top 100 ranking of MBA offering business schools whose SIP reports were available on PRME website. The three schools are in fact part of the top 20 from the top 100 as indicated under the methodology section. The schools include: the London Business School, IESEG Business School and IE Business School.

The London Business School (2012) reported that all full time MBA students take a core course focusing on business and society whilst all the executive MBA students in London and Dubai take a core course in corporate responsibility and ethics. This was part of its SIP reporting for achievements under Principle 1. In these courses topics such as climate change, poverty and environmental sustainability are taught including mainstreaming them in courses dealing with business strategy. In its 2012 SIP, IESEG Business School (2012) highlighted that the key achievement under Principle 1 was the continued delivery of lifelong and executive education programs. The lifelong education programmes were hosted during international seminars that covered the following topics:

♦ Social Responsibility Companies in the Crisis: Experiences on the Destruction and Creation of Jobs.
♦ Why Ethics are Necessary for Good Management: Seven Key Reasons (Series on Ethics and Business Responsibility).
♦ How Companies Can Protect Themselves in Corrupt Environments.
♦ Five levels of human quality in interpersonal relations in the company (Series on Ethics and Business Responsibility).

IE Business School (2012) reports extensively on Principles 1 covered under the heading ‘Curriculum Change’. Achievements for both the core and elective courses that have social and environmental impact are reported course by course. Some of the courses that immediately struck us as authors include: Ethics and Leadership (core), Business Ethics (elective), Ethics and Sustainability (elective), Corporate Responsibility (elective), and Making Change Happen (elective). The Ethics and Sustainability elective includes topics on: “the challenge of sustainable development in competitive markets; Strategies and tools for sustainable development; and Leadership and strategy in the field of climate change” (IE Business School, 2012).

The London School of Business did not report any achievements for Principle 2. As for IESEG Business School, the major achievement under Principle 2 has been the fusion of ethics into all its MBA curricula (IESEG School of Business, 2012, p. 13). At IE Business School, Principle 2 achievements were highlighted to include On-Campus Speakers, Centers, Chairs
and other programs. The school reported that it is host to the UNGC General Secretariat in Spain. In addition, IE Business School hosts the following annual events and other platforms: Social Responsibility Forum – Find Your Impact, Global Affairs Forum, Social Entrepreneurship Conference Series, Net Impact Chapter Speaker Series, Social Responsibility Consulting Day, Women’s Forum for the Economy and Society, NETI – Best Social Project, Think Tank on Cultural Diversity, Chair in CSR and Environmental Sustainability, and the Eco-Smart Intelligent Management Conferences (Ibid).

The London School of Business reported progress under Principle 3 noting the continued hosting of the European Global Social Venture Capital competition as a key achievement (London Business School, 2012, p. 1). The business school took pride in providing adjudicators to the Marks & Spencer Sustainable Retailing Challenge. For its global community, the London Business School recognized its flagship annual Global Leadership Summit. Other recorded achievements under Principle 3 include having the business school partner with the Pears Foundation Business Schools in promoting a culture of philanthropy. The establishment of a new Center for Public Leadership and Government is indicated as the key achievement under Principle 3 by IESE Business School (2012). At IE Business School, Principle 3 achievements were recorded as mainly dealing with internships under extracurricular activities. Such internships were undertaken in Koinonia Community in Kenya. There was also training and mentoring for women-led businesses. Further internship for MBAs involved engagement with the Social Entrepreneur – Grupo Ecologico Sierra Gorda in Mexico (GESG). The GESG works on preserving natural resources and the promotion of sustainable development of the Sierra Gorda (IE Business School, 2012). Other internships were conducted in Johannesburg, South Africa under Emzingo.

Principle 4 covers research. The London Business School indicates that its staff members continue to research and engage the communities on ESG issues. The business schools hosts the British government financed research on climate change energy policy. There is also a Center on Corporate Governance. A 2011 book entitled Corporate Responsibility won a price in the Chartered Management Institute’s 2012 book of the year award contest (London Business School, 2012, p. 2). With regard to Principle 4, IESE Business School records material concerning publications by academic staff, conferences and workshop attendances, seminars and doctoral research etc. (IESE Business School, 2012, p. 14).

Over two dozen publications were made from 2008-2010 by IE Business School staff members (IE Business School, 2012). One of the key publications was a co-authored book by Carrillo-Hermosilla, J. (of IE Business School), Del Río, P. and Kännölä, T. in 2009 entitled ‘Eco-innovation: When sustainability and competitiveness shake hands’ published by Palgrave Macmillan in Hampshire.

In the case of partnerships (Principle 5) the London Business School (2012) maintained that it had constant interactions with business leaders when it hosts major corporate conferences. The school indicated that former students were now in leadership positions in companies that are frontrunners in addressing ESG issues. For IESE Business School, Principle 5 reporting focused mainly on the establishment and continued work from research centers and chairs that include, among them: The Center for Business in Society, IESE Platform for Strategy and Sustainability, International Center for Work and Family, Center for Emerging Markets, Center for Family-Owned Business and Entrepreneurship, Center for Enterprise in Latin America, Center for Public Leadership and Government (latest addition), “la Caixa” Chair of Corporate Responsibility and Corporate Governance, Crédit Andorrà Chair of Markets, Organizations and Humanism, Chair of Business Ethics. In addition, MBA clubs with strong corporate responsibility were reported on to include the Responsible Business Club and the Energy Club (IESE Business School, 2012). On Principle 5, IE Business School (2012) recorded activities from student clubs that included, among them: EcoLogiE, Entrepreneurship Club, EnergIEs Club, Africa Club and Women in Business club.

Principle 6 addresses the need for dialogue. The London Business School reported as achievement the continuous and regular interactions with business leaders and government officials as well as participation in ESG initiatives in the UK higher education sector. The business school further prides itself in being part of founding members of the European Academy for Business and Society (London Business School, 2012). In IESE Business School, Principle 6 was covered through the IMPACT Project and the IESE Africa Initiative. The IMPACT is a project initiated in 2012 that brings scholars across Europe to collectively measure the impact of corporate social responsibility. The Africa Initiative witnessed the creation of two new business schools: the Lagos Business School in Nigeria and the Strathmore Business School in Kenya (IESE Business School, 2012). The same clubs and activities recorded under Principle 5 were recorded under Principle 6 from IE Business School.

Apart from ticking the six principles, IESE Business School documents achievements from an organi-
zation point of view in promoting corporate responsibility and environmental stewardship. In their report the business school records achievements regarding how its Environmental Action Plan links up to its country, European Union and GRI guidelines and laws. Waste recycling as well as energy and water efficiency measures are reported (IESE Business School, 2012). In reflecting its way forward, IE Business School (2012, p. 38) warns us to the effect that:

Sustainability and social innovation require a radically new approach to collaboration and the way we do business. In order to achieve this, we need to understand our business model, challenge it, and broaden our scope to include unlikely allies in order to learn from very different experiences and best practices. It’s time to co-create a new business framework, to reinvent the way we do business, and to question conventional beliefs and pre-conceptions.

In presenting a programme of action for the next 18 months as required by PRME SIP, the IE Business School brings up profound insights. The business school indicated its willingness and possibly ability to continue challenging the status quo. In IE Business School’s view, the future can bring prosperity and development if it could address one of the key emerging challenges – climate change (Ibid, p. 38). As authors, we wish to contextualize this challenge under the new global direction of green economy and growth trajectory. As for IE Business School practical matters regarding sustainability on its campus, they try to put their action where their mouths are. First initiatives are in place through five projects. The five projects include: student’s sustainability guide with 10 slides along with a carbon calculator is presented to all students enrolled, campus printers are programmed to double sided printing, there are recycling bins on campus, internal communication on environmental stewardship on going through EcoloIE Club and carbon auditing undertaken on regular basis.

Drawing from the key issues highlighted in the foregone sections including the assessment from the literature of the first 100 SIP reports and further analysis from latest (2012) SIP reports from the London Business School, IESE Business School and IE Business School, a platform is ripe to analyze PRME progress from South African affiliated business schools. This is the main focus of the next section of this paper.

6. PRME progress from South African business schools

As indicated under the methodological underpinnings section, the six PRME thematic and principles where used in analyzing the emerging information from the online reports for South African business schools. Readers may wish to note that information presented in this section is from five out of the eight business schools as some are new and one other had limited information. The three that did not report are: Unisa SBL, MANCOSA and School of Management, IT and Governance from University of KwaZulu Natal and the Graduate school of Business from the University of Cape Town had limited information available.

6.1. Enhancing students’ capabilities for sustainable business value (Principle 1).

It should be noted that for some reason, most South African business schools did not report on Principle 1 directly. However, some limited material was identified that could fall under this space. In other instances, Principle 1 (value) and 2 (curriculum) were combined but with a clear bias towards Principle 2 that deals with curricula. However, a values shift in integrating responsible sustainability leadership could be identified in Rhodes Business School as it was best reflected by the manner in which the business school rejuvenated itself and its ethos. Rhodes Business School has fully embraced the sustainability business fundamentals and practices in its essence, vision, mission and goals (Box 2). This case study presents a challenge to other business schools that wish to follow the PRME fundamentals.

<table>
<thead>
<tr>
<th>Box 2: Rhodes Business School embraces the sustainability ethos</th>
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<tbody>
<tr>
<td><strong>Essence</strong>: Leadership for sustainability.</td>
</tr>
<tr>
<td><strong>Vision</strong>: The business school of choice for those aspirant leaders and managers who are committed to applying sustainable business practices.</td>
</tr>
<tr>
<td><strong>Mission</strong>: We undertake to equip our MBA graduates and Executive Short Course participants with the requisite knowledge to fundamentally contribute to ethical and sustainable management practices.</td>
</tr>
<tr>
<td><strong>Selected Goals</strong>: (1) To be the leading Business School in Africa which contributes to the advancement of knowledge on leadership for sustainable business practices. (2) To fully abide by the Principles for Responsible Management Education (PRME).</td>
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</table>

porate governance and leadership skills. The report also showcased its Alumni that were newsmakers including Mr Isaac Modiselle who won the IPMCEO of the year Award in 2012.

6.2. Mainstreaming social responsibility and sustainability into curricula (Principle 2). For the University of Stellenbosch Business School (USB Business School), the highlighted achievement in terms of curriculum development is the creation of a standalone Business in Society course for MBA program in 2012 (USB Business School, 2012). The key topics covered in this course, among others, are: corporate social responsibility, environmental sustainability, environmental political landscape, business and environmental risk, corporate environmental strategy and business case for corporate governance.

Rhodes Business School reported achievements under Principle 2 mainly focusing on the revision of the MBA curriculum to include environmental management stream in 2004. Six courses were developed, one being compulsory. The courses are namely: (a) Principles of Sustainable Development (compulsory), (b) Environmental Law, (c) Environmental Risks Assessment, (d) Environmental Management Systems, (e) Environmental Economics and (f) Project Management (Rhodes Business School, 2012, p. 3). Given the dynamics in the global environmental and sustainability arena, the environmental management stream has been revised and the new look courses are: Principles of Sustainability (core/compulsory), Tools for sustainability, Environmental Law, Climate Change and Natural Resources Management, Environmental Economics and Ethical Organization (core/compulsory) (Ibid). In summary, three new courses have been developed with two being compulsory instead of one. As was noted earlier in this paper, climate change has found its way into the Rhodes Business School MBA curriculum. In addition to the environmental management stream, the sustainability concept has been mainstreamed into all other courses. For example, an assignment on sustainability has found its way into the Rhodes Business School MBA curriculum. In addition to the environmental management stream, the sustainability concept has been mainstreamed into all other courses. For example, an assignment on sustainability has found its way into the Rhodes Business School MBA curriculum. The University of Pretoria’s Gordon Institute of Business Science (GIBS) (2012) reported Principles 1 and 2 jointly. However, on a closer look, much of the information fits better under Principle 2 and hence it is reported here. GIBS indicates substantial progress made in mainstreaming ESG aspects into the academic and curricula, especially since 2010. Both the Post-Graduate Diploma in Business Management and the part-time MBA programs incorporate ESG issues. The MBA in particular has courses that include The Environment of Business. This course includes topics on sustainability and corporate responsibility; political economy, HIV/AIDS; ethics and responsible leadership; and organizational development and transformation. Other elective courses of interest in the MBA include Sustainability and the Environment, The Moral Leader, Business Ethics and Responsible Leadership, and Corporate Governance. GIBS further has a compulsory module requiring students to travel to another country to engage ESG issues. The Social Entrepreneurship Certificate Program is customised for middle level managers and also addresses ESG issues (GIBS, 2012).

The content of the MBA was rigorously reviewed during 2011 and 2012 at Milpark Business School in order to address contemporary challenges, among them environmental degradation (Milpark Business School, 2013). The new MBA curriculum seeking to address the said challenges was commissioned in January 2013. Other achievements noted included a team of MBA students who were among the 12 finalists in the Global Social Venture Competition in 2011 and initiating of the MBA Social Responsibility Challenge in September 2012. Practical social projects were also incorporated into the MBA curriculum via the Social Responsibility and Environmental Management module.

6.3. Methodological shifts for integrating responsible leadership (Principle 3). In its report of 2012, the University of Stellenbosch Business School (USB Business School) indicated that the ESG standing committee of the USB academic planning committee has mandate to monitor content on all its academic programmes (USB Business School, 2012). The business school also participated in the UN PRME’s Anti-Corruption working Group that developed a pilot curriculum toolkit for MBA students.

For GIBS, Principle 3 is implemented mainly through the use of and development of case studies and teaching methods like experimental learning and action learning. Role plays and simulations are further applied methods of teaching and learning.
(GIBS). All this is delivered through a number of institutions and programs namely: Center for Leadership and Dialogue, Center for Business Analysis and Research, Transnet Program in Sustainable Development, Base of the Pyramid Hub, Program for Digital Business, Center for Dynamic Markets, and the Albert Luthuli Center for Responsible Leadership (also host to the Exxaro Business and Biodiversity Program).

The Graduate School of Business (GSB) at the University of Cape Town prides itself in pioneering the Social Innovation Lab (SIL) as a methodology of the hidden curricula (Baets, 2013). The SIL follows fundamentals from the action learning process and moves away from the class room approach. Although being piloted in the GSB, the plans are that the SIL be applied across other faculties, particularly engineering and health sciences. The SIL is supported through a 10 credit course entitled ‘Systems Thinking, Complexity Theory and Action Learning’. The SIL moves the GFSB from teaching to learning and from teacher centred to learner centred approaches (University of Cape Town Graduate School of Business, 2010).

6.4. Research advancing social responsibility and sustainability values (Principle 4). The USB Business School is active in PRME oriented research. It highlights among the achievements contribution of a piece entitled ‘Relevant rigour: Sustainability research in an African context’ in the Inspirational Guide for the Implementation of PRME coordinated by PRME (USB Business School, 2012). The report further directs readers through a website link with more than 200 publications including doctoral and master’s thesis. On following the website, there were no less than 200 publications. We were, however, attracted to two thesis (current doctoral thesis) embedded in the environmental stewardship realm; one addressing ‘Climate change strategies among South African companies: A conceptual framework and value creation perspective” and another addressing “Sustainable Development as an Integral Part of the Future Strategy and Business Model of Eskom Holdings”. These were retrieved on the website at (http://www.usb.ac.za/Research/AcademicResearch.asp, accessed 11 August 2013).

In terms of research, the Rhodes Business School (2012) presents 26 publications covering, among them, journal articles, book chapters and conference proceedings. Two publications by Leticia M. Greyling were eye catching and they focused on: (1) The Integration of Sustainability in MBA Programmes – An Assessment of the Rhodes Business School (South Africa) MBA Curriculum (2011) and (2) The identification and evaluation of key sustainable development indicators and the development of a conceptual decision-making model for capital investment within Gold Fields Mining, South Africa (2010).

The GIBS (2012) showcases a list of publications by faculty members from journals, conference papers, case studies and book chapters that addressed ESG aspects. Over two dozen publications are listed. Those that caught our eyes include: a conference paper on how is green seen? Exploring the impact of visual elements in “green” advertising (Chipp et al., 2011) and a case study on Kuyasa CDM Project: Renewable Energy Efficient Technology for the Poor (Goldman, 2010).

6.5. Partnering for sustainability in business and society (Principle 5). In terms of partnerships, the USB Business School (2012) mentions the Non-Profit Organization (NPO) Management Development Program run by the USB alumni. There is also the NPO Leadership and Strategy Program offered under the centre for Business in Society; Gap-Year Training Programme run by the Center for Applied Entrepreneurship; Township Small-Business engagement by its students, alumni and staff; Programme to assess ESG performance of top 100 SE listed companies in partnership with the Center for Corporate Governance in Africa and the Public Investment Corporation; and working with the Southern African Development Community.

To enhance partnerships, Rhodes Business School (2012) highlighted the offering of an action learning Certificate in Management: Automotive Retail program that requires students to identify and solve internal problems in their organizations. Most projects in 2011 focused on addressing water and energy efficiency in automotive dealerships.

GIBS (2012) delivers executive and company specific programmes. There are over 65 partner companies for the year 2011 that were highlighted in the SIP. GIBS (2012) makes further reference to its corporate education programs that are company specific. The business school also highlights its 65th position in the top 100 Financial Times ranking of 2011.

6.6. Dialogue for social responsibility and sustainability (Principle 6). In terms of dialogue, the USB Business School launched the Social Engagement Thrust in 2012 and looks forward to the establishment of the Center for Social Engagement (USB Business School, 2012). In addition, a number of on campus discussions are conducted under the umbrella of the business school’s Leader’s Angle.
Rhodes Business School launched in 2011 the Thought Leadership Website (http://www.critical-thought.co.za/) whose aim is to continue defining and re-defining the true purpose of business in a changing sustainability global context (Rhodes Business School, 2012). Further dialogues are being undertaken with partners like Inyathelo, Infochoice, Business Genetics and Deloitte.

The GIBS (2012) hosts a number of events including conferences, debates, invited speakers, seminars and dialogues, feature prominently under achievements on Principle 6. Up to 16 such events were reported. Events to note included three 2011 conferences on: Resource Governance, Biodiversity: Powering Green Economy, and AABS Responsible Management Education. Among the debates, one of interest was on Water Crisis held in 2010. In addition to events, iGIBS, a knowledge portal hosted on the business school’s website offers free information covering ESG topics.

6.7. Future objectives and initiatives of value under PRME SIP. The USB Business School aims to bring all activities under PRME and run them under the umbrella ‘Social Engagement’ (USB Business School, 2012). This transformation will be supported by the establishment of, among other initiatives, a Social-Engagement Forum and the formal launching of the Student Social Engagement Program. Rhodes Business School (2012, p. 8) identified continued curriculum refinement as its major project in the next 18 months. The Responsible Leadership course will be refined to include topics on systems thinking, ethical leadership, multicultural leadership and leadership for sustainability.

The GIBS (2012) mentions its sustainability initiatives on campus and cites its Sustainability Policy. The school has posted its climate change position statement indicating that it “recognizes that climate change is a pressing global issue that requires urgent attention by all sectors of society” (Ibid, p. 31). The report further deliberates on GHG emissions highlighting that even though higher education institutions emit very little they have a role to play in reducing their carbon footprint. The report engages with measures being undertaken to cover energy and manage waste on its campus. As for the planned objectives for the next reporting period, GIBS’ focus remains to continue mainstreaming sustainability content and teaching across all programs. Increasing research on ESG aspects is also placed on the radar.

The GSB at the University of Cape Town (Baets, 2013) has identified its main project as enhancing participation on a free online learning platform to support African entrepreneurs. The aim is to have such entrepreneurs start and run successful businesses. This project code named GSBH luma aims to reach out to at least 100,000 people in its first year in operation.

The Milpark Business School (2013) is quick to indicate some shortcomings in its progress towards meeting the PRME. Principles 5 and 6 are particularly singled out. The business school is hoping to interact more with business managers in order to have grounding with regards to ESG challenges they face. This will facilitate collaborative efforts in addressing these challenges once they are determined. The business school is looking forward to establish appropriate dialogue platforms. The Milparkstory is authentic given that they joined PRME only in April 2012.

7. Lessons for business schools

What clearly comes out of this paper is that PRME is still in its early stages having only been established in 2007. Clearly, global business schools are still acclimatizing to this initiative. Two way lessons are drawn both for international and South African business schools. A number of breakthroughs are evident.

Given the emerging global ESG issues, especially bad corporate governance, climate change and the emergence of the green economy and growth agenda, PRME is now more relevant than it could have been since its launch. The need to address climate change came out strongly in the progress assessments and this remains a material issue for business schools globally.

The concept of hidden curriculum is something business school can learn from global leaders with the aim of improving traditional teaching approaches (chalk and talk, case studies and syndicate). Responsible graduates from business schools need to apply their experience in learning and reflect (making experiential and reflective teaching more relevant). Participatory Action Learning came through as an excellent methodological platform for PRME. Baets (2013, p. 8) maintains that “Applying PRME to a business school needs an integrated approach of content innovation, pedagogical innovation and societal inclusion in order to come up with a systemic learning experience that impacts students”. Content innovation would bring into the curricula issues such as social innovation, business for good, sustainability and systemic solutions.

Knowing where one is always pays in terms of following global trends and innovations. Hence progressive business schools will certainly not wish to be at the PRME tail end. To this end, familiarizing
with the stages of corporate responsibility and sustainability maturity ladder is critical. On the ladder is recorded (from least preferred to most preferred scenario): denier business schools, compliers, managers, strategists and global leaders (refer back to Figure 2). It will not be for the authors to rank the South African business school according to their position on the corporate responsibility and sustainability maturity ladder, but the challenge is left to the business schools to self-evaluate.

Another learning point concerns the manner in which leading business schools have created and/or incorporated specialist institutes, centers of excellence, programs and clubs addressing PRME, especially ESG aspects feature prominently in this research. This is how, outsiders we may judge if the business schools are walking the talk. Two outstanding reports need mentioning here: (1) IESE Business School’s Environmental Action Plan that links up to its Sustainability Report (North America) and the People and Planet Green League Table of Universities (UK) (Adams and Petrella, 2010).

As rightfully observed by Alcaraz et al. (2011, pp. 154-162), being a PRME member challenges the status quo. Business schools should anticipate “some degree of ideological, integration and implementation tensions”. Similarly, signatories are not expected to implement all the six principles at once but rather to do so incrementally. In our view, this calls for business schools to identify the big and quick wins (low hanging fruits) from the list of the PRME principles and impact areas against available resources. Such resources include financial, will power, infrastructure, human and time. This of course depends on the development level at which a joining business school will be on signature to PRME.

A question may then arise: Is PRME necessarily a good thing for business schools? Based on global trends and demands to have ESG issues addressed by corporates, we answer, yes. This then means business schools should be encouraged to address the ESG issues bearing in mind that new generation and future consumers are worried by these aspects. Climate change, for example, is one challenge to the human race today and demands action from responsible business schools and citizens through curricula reforms. An act of environmental stewardship is no longer an issue for debate and PRME affiliation cannot just be viewed as a nice to have.

Conclusion

This paper sought to assess progress made by PRME signatories as revealed by Sharing Information on Progress (SIP) reports across the six principles enshrined under thematic focus areas covering purpose (Principle 1), values (Principle 2), method (Principle 3), research (Principle 4), partnership (Principle 5) and dialogue (Principle 6). From the global to the South African national perspectives, breakthroughs are noticeable in the implementation of all the six principles. Learning points were drawn and these are applicable to business schools in South Africa, regionally and internationally. Hence lessons can be shared both horizontally and vertically across the business schools. Business schools are mainstreaming PRME, especially environment, social and governance (ESG) aspects into their mission and vision statements, and objectives. Rhodes Business School (South Africa), for example, has a vision to be a business school for leaders and managers committed
to applying sustainable business principles. The mission statement illuminates ESG issues further by undertaking to equip Rhodes Business School students with requisite knowledge that contributes significantly towards ethical and sustainable management practices.

With regards to curriculum, many business schools have transformed such by including at least, ESG issues in selected mainstream courses; establishing new standalone ESG related courses and wholesome changes to entire business schools’ ethos and mainstreaming ESG components. New courses identified in this paper, among others, include the Ethics and Sustainability at the IE Business School and the Climate Change and Natural Resources Management at Rhodes Business School. PRME has also witnessed paradigm shifts in business schools delivery methods from traditional lectures, group syndicates and cases studies to more hands on experiential, reflexive and participatory action learning methods. The former set of delivery approaches are said to be associated with the formal curricula whilst the latter set of methods addresses both the formal and hidden curricula. As for research, more and more business schools are having their student select theses investigating ESG issues, an aspect that is further complemented by staff research and publications. As for partnerships and dialogues, PRME has ignited the establishment and/or consolidation of centers, institutes, programs and chairs specializing in ESG aspects. In addition, students and staff members are actively engaged in initiatives that encourage innovation and hands on approaches to ESG issues including the establishment of clubs and participation in dialogues with captains of industry. The alumni are playing a major role in such initiatives. Partnerships are also used to either jointly run tailor made executive courses or student internship placements. Walking the ESG talk by business schools emerged as a highlight as this simply motivates those enrolled in these schools.

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References