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NEWS ARTICLE

# Collaboration, connections and change

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## The UN Global Compact, the Global Reporting Initiative, Principles for Responsible Management Education and the Globally Responsible Leadership Initiative

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### Abstract

**Purpose** – The purpose of this paper is to report on the highlights of the UN Global Compact Leaders Summit, the Principles for Responsible Management Education Global Forum and the Globally Responsible Leadership Initiative General Assembly held in New York and Boston in June 2010. It discusses the potential of the connections and collaborations between these organisations and others to lead to change.

**Design/methodology/approach** – The paper draws out key themes of these concurrent events; connections and collaborations between these initiatives and others; and considers the potential of further collaborations to facilitate change.

**Findings** – There is an acceptance on the part of business of the need to be more socially and environmentally responsible, but a lack of technical know-how and leadership capacity. Universities generally, and business schools in particular, need to do more to develop graduates for a changing business context with specific reference to the overarching challenge of the twenty-first century to achieve global environmental sustainability and social justice.

**Practical implications** – Further collaboration between these organisations is important to drive change through, e.g. sustainability performance management at universities; accreditation processes; and, partnerships between business schools, business and civil society organisations.

**Originality/value** – The originality and value of this paper is in summarising the highlights of three key interconnected events, the collaborations that led to them, the connections that are strengthening between the organisations and potential of those connections to facilitate change.

**Keywords** Leadership, Auditing principles, Globalization, International cooperation, Management development

**Paper type** General review



### The organisations, collaborations and connections

The UN Global Compact Leaders Summit held in New York on 23-25 June 2010 marked the 10th Anniversary of the UN Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org) (accessed July 2010)). The Ten Principles which signatory companies sign up for, cover human rights, labour standards, environment and anti-corruption issues. From its humble beginnings in 2000, the Global Compact now has 7,700 signatories in some 130 countries ([www.unglobalcompact.org/ParticipantsAndStakeholders/index.html](http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html) (accessed July 2010)). By 1 February 2010, a total of 1,840 businesses had been delisted for: failing to provide a Communication on Progress[1] by the relevant deadline; or, for refusing to engage in dialogue on a matter raised under the Global Compact integrity measures within three months of first being contacted by the Global Compact Office about the matter ([www.unglobalcompact.org/news/8-02-01-2010](http://www.unglobalcompact.org/news/8-02-01-2010) (accessed July 2010)).

The June Summit was the largest UN business event ever held. It was chaired by UN Secretary General Ban Ki-Moon who was joined by New York Mayor, Michael Bloomberg, as well as nearly 1,000 others including chairs of corporate boards, CEOs and senior executives from companies, civil society leaders, thought leaders and politicians from more than 80 countries. There were reports of work done in compliance with the principles, calls for more to be done and discussion of issues to be addressed so we can achieve more. One of the significant developments reported was the signing of a Memorandum of Understanding between the UN Global Compact and the Global Reporting Initiative (GRI) ([www.unglobalcompact.org/news/50-06-24-2010](http://www.unglobalcompact.org/news/50-06-24-2010) (accessed July 2010)) aimed at developing a reporting framework for compliance with the ten UN Global Compact Principles.

A survey of CEO signatories to the UN Global Compact commissioned by the UN Global Compact found that: 93 per cent of signatory CEOs say that sustainability will be critical to the future success of their business; 96 per cent believe that sustainability should be fully integrated into strategy and operations (up from 72 per cent in 2007); 72 per cent see education as the global development issue which most critically needs to be addressed for the future success of their business with climate change being the second at 66 per cent (Accenture, 2010).

Education is also important in developing responsible leaders. Universities, business schools and other learning institutions should be providing leadership and education to assist government and business to manage and adapt to the social and environmental challenges confronting the world, the most urgent of which is climate change. An increasing number of graduates will work for organisations which are UN Global Compact signatories and/or produce a GRI sustainability report. The Globally Responsible Leadership Initiative (GRLI) ([www.grii.org](http://www.grii.org) (accessed July 2010)), is responding to these challenges by developing new approaches to educating future leaders through partnerships and interactions between businesses and learning institutions. The GRLI is the result of a cooperation agreement signed in 2003 between the European Foundation for Management Development (EFMD) and the UN Global Compact. Its mission is to be a catalyst to develop a next generation of globally responsible leaders. A significant part of the GRLI General Assembly held at Babson College was devoted to the Blue Sky Business School project to develop a prototype Business School for the development of globally responsible leaders.

The GRLI was influential in the development of the UN Principles for Responsible Management Education (PRME). It provided the intellectual foundation for PRME

initiative and is as a co-convenor together with the EFMD and the Association to Advance Collegiate Schools of Business International, the Academy of Business in Society (EABIS), the Graduate Management Admission Council, Aspen Institute's Business and Society Program and NetImpact. In 2010, the Association of MBAs, the Consejo Latinoamericano de Escuelas de Administracion and the Central and East European Management Development Association joined the co-convenors in the Steering Committee, one of the three main governance bodies of PRME. The other two are the Secretariat managed by the UN Global Compact and the Global Forum for Responsible Management Education, an event that gives participating business schools and academic organisations an opportunity to produce strategic recommendations and action imperatives related to the future evolution of the initiative.

Launched in 2007, the six PRME Principles cover purpose, values, curriculum change, research, educational frameworks and partnerships. At the UN Global Compact Leaders Summit, Dr Carolyn Woo, Dean of Mendoza College of Business at the University of Notre Dame, USA, reported that of around 12,000 business schools globally, only 315 have signed up to PRME since its inception. But there are some signs of change with Professor Rakesh Khurana, Marvin Bower Professor of Leadership Development at Harvard Business School at the PRME Global Forum supporting calls for: a different type of business education, developing responsible leaders able to address social and environmental sustainability issues; and, the appointment of business deans with a broad social science background rather than an economic rationalist background. At the UN Global Compact Leaders Summit, Dr Woo called for business to put more pressure on business schools and engage with them to develop curriculum and courses which will produce responsible leaders. The GRLI brings businesses and business schools together for this purpose, serving as a laboratory and action vehicle to reinforce the work of the UN Global Compact and UN PRME focussing on how business education can equip leaders to engage with the question "What kind of world do we want to create with the enormous resources at our disposal?" and re-connect the economy and business as a service for human progress and not an end in itself. The GRLI General Assembly was held at Babson College which is an exemplar of the mainstreaming of PRME given its top ranking for Entrepreneurship by US News & World Report's 2010 "Best Colleges in America" for the 13th consecutive time.

#### **Further connections and change**

That these organisations need to work together to create change is clear. The GRI and the UN Global Compact can together reach more organisations and affect a greater focus on social and environmental sustainability than they can alone. Organisations such as EFMD serve as a catalyst for a change process while the GRLI acts as an active laboratory for reflective practice and experimenting on alternative ideas in business and leadership education for the future.

Business schools will be slow to change unless business demands that their graduates are equipped to lead responsible businesses which manage social and environmental sustainability. Business will be slow to change until it is able to attract graduates who have been trained to be responsible leaders. How do we move forward when one depends on the other? There are other drivers for change which we need to bring into play: university sustainability performance management; and, accreditation.

Business schools are significantly influenced by their own university's strategies and plans. If universities incorporate responsibility and sustainability into their strategic

and operational plans, their faculties and schools will be required to follow. Leadership by universities in identifying indicators to measure social and environmental sustainability performance across operations, curriculum and research, setting targets and assessing performance against targets for divisions, faculties and schools would, among other things improve the coverage of responsible leadership and sustainability issues in the curriculum. Currently, very few universities are producing GRI sustainability reports ([www.corporateregister.com](http://www.corporateregister.com) (accessed July 2010) and do a sector search), yet universities are responsible for educating the next generation of leaders. A collaboration between the GRI, PRME and GRLI to produce a GRI sector supplement for universities would go a long way to change the focus of education and make graduates ready for a changed world and might drive an increase in the number of PRME signatories.

Rankings of university sustainability performance have emerged in some countries and though they initially focussed on operations, they are increasingly including curriculum and governance issues. In North America, the College Sustainability Report Card includes Yale and Stanford in the top performing universities across a range of sustainability indicators ([www.greenreportcard.org](http://www.greenreportcard.org) (accessed July 2010)). Whilst the UK's People and Planet Green League Table of universities (<http://peopleandplanet.org> (accessed July 2010)) focuses primarily on operations, the universities that Count Green Gown Awards ([www.eauc.org.uk](http://www.eauc.org.uk) (accessed July 2010)) also cover teaching. The Higher Education Funding Council in England has done a detailed study of sustainable development in English universities, set a target reduction in carbon emissions of 34 per cent by 2020 on 1990 base-line levels; and introduced a Revolving Green Fund for sustainability projects ([www.hefce.ac.uk](http://www.hefce.ac.uk) (accessed July 2010)). The Australian Government's National Action Plan for Education for Sustainability calls for an integrated approach to managing sustainability across operations, curriculum and research ([www.environment.gov.au](http://www.environment.gov.au) (accessed July 2010)). These government and civil society led initiatives are important in ensuring that education catches up with the capacity needs of business and other organisations for responsible leaders. Collaborations between local PRME networks, GRLI partners, universities and national governments might assist in developing curriculum for a changed world and encouraging enrolments in courses designed to meet current and future employment needs.

A further crucial aspect in increasing the take up of PRME is the complementary role that individual Steering Committee members and the PRME Secretariat play in relation to the implementation of PRME. They each work to increase its take up through various promotional channels and support to business schools and other management-related academic institutions in implementing the principles. For instance, the European Quality Improvement System of EFMD has since its setup in 1997 included a chapter on "contribution to the community" and more recently criteria evolved to affect other chapters as for example "societal relevance" and "ethics and values". The European Quality Link launched at the initiative of the EFMD – a network of networks acting as a think tank and policy development organisation in European and international business and management education, training, research and development – has issued in 2009 *Guidelines on Sustainability* endorsed by all EQUAL member associations ([www.efmd.org/images/stories/efmd/downloadables/EQUAL\\_guidelines\\_Sustainability.pdf](http://www.efmd.org/images/stories/efmd/downloadables/EQUAL_guidelines_Sustainability.pdf) (accessed July 2010)). On-going reflection will most likely modify accreditation standards in the coming years. The PRME Secretariat has also an important role to play: it is ideally

placed to build a bridge between the signatories of the UN Global Compact and those of PRME to support signatory organisations in the implementation of the UN Global Compact Principles.

**Note**

1. A Communication on Progress is an annual description of actions taken in support of the Global Compact, made available to stakeholders.

**Reference**

Accenture (2010), *A New Era of Sustainability: UN Global Compact-Accenture CEO Study 2010*, available at: [www.unglobalcompact.org/news/42-06-22-2010](http://www.unglobalcompact.org/news/42-06-22-2010) (accessed July 2010).

**About the authors**

Carol Adams was a member of the GRI's Gender and Sustainability Advisory Group, is a member of the Board of Trustees of the GRLI, is Acting Dean of the Faculty of Law and Management at La Trobe University, which has adopted the PRME Principles, and Pro Vice-Chancellor (Sustainability) at La Trobe University.

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