



Report on Implementation of the Principles for Responsible Management Education

PRME

This is our **Sharing Information on Progress (SIP)**
Report on the Implementation of the **Principles for
Responsible Management Education**

February 2019

The PRME initiative

The Principles for Responsible Management Education (PRME) is a United Nations-supported platform to raise the profile of sustainability in business and management schools around the world, and to equip their students with the understanding and ability to deliver change.

PRME's vision is to realise the Sustainable Development Goals through responsible management education.

Higher education institutions voluntarily engage with the PRME initiative by becoming signatories to the Six Principles for Responsible Management Education.

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Declaration of commitment to PRME

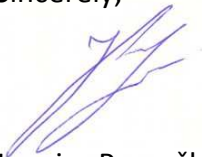
4 February 2019

On behalf of Baltic Management Institute (BMI), I am pleased to present the institution's new Sharing Information on Progress Report to the PRME Secretariat, to all of our stakeholders, to peer academic institutions, and to the wider community.

In doing so, I wish to reaffirm BMI's commitment to the PRME initiative and the Principles for Responsible Management Education which it promotes.

As an institution of higher learning involved in the education of managers, we again declare our renewed commitment to continuous improvement in implementing the PRME principles, reporting on progress to our stakeholders, and exchanging effective practices with other academic institutions.

Sincerely,



Jaunius Pusvaškis
Director General, BMI



About BMI

BMI is an international business school for experienced high-level managers. Founded by leading European schools of management in 1999 in Lithuania, it began its 20th year of work with activities and academic partners on four continents.

Our programmes include the unique **BMI 4-Continent Executive MBA**, certificate offerings on “**Impactful Leadership & Corporate Finance**” and “**Innovation & Digital Transformation**”, and custom **in-company trainings** along with other Executive Education solutions.

Some 500 executives of a dozen or more nationalities now attend our various programmes every year. In total, BMI to date has accompanied more than 5,000 executives in their leadership development journeys, helping them better understand their roles, test their boundaries and lay the foundations for long-term effectiveness.

Our faculty are entirely international, from leading international business schools worldwide. They teach on a visiting basis or in modules delivered at their home institutions. BMI’s EMBA was the first programme in the CEE and Nordic regions to earn full 5-year EPAS Accreditation from the EFMD.

BMI’s academic partners include the original European founding institutions; top schools in the U.S. and China that deliver specific BMI EMBA modules; and “executive mobility partners” in numerous countries which with BMI offer joint exchange opportunities for student-executives.

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Reporting on the 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.”

Preparing high-level managers to be generators of sustainable value for business, society at large and the global economy is what BMI has focused on as its mission ever since it was founded two decades ago. During the current reporting period, BMI has worked to more specifically assess, quantify and concretize its managerial, economic and social impact.

We have been able to better track, for example, the achievements of the BMI EMBA programme's more than 750 alumni who are now spread throughout 32 countries and lead companies with a combined 79+ billion euros of annual revenue. Most attribute their current leadership roles and achievements at least in part to what they learned at BMI, with roughly half of EMBA participants having career progress already during studies.

BMI graduates not only help run businesses of regional and local importance in areas such as technology, finance, energy, retail, manufacturing and more, with many also or alternatively dedicated to growing award-winning startups and social initiatives, but they also hold high public-sector positions – like the current Minister of Finance of Lithuania.

It is common to hear our graduating students and alumni speak with pride of how the BMI community helps to promote a responsible and upstanding management culture in the Baltic region. That reflects the attitude of ethics and social responsibility which is ever present, as a strong undercurrent, in BMI's identity and programmes. We successfully foster a shared vision of responsible leadership in the BMI community of students, alumni, faculty and staff, which in fact is perceived as one of the hallmarks of the BMI brand.

As an institution, years ago, BMI was among the very first organizations in Lithuania to sign the UN Global Compact - a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

We take a stakeholder approach to sustainability and responsible leadership with emphasis on their three commonly distinguished and inter-dependent pillars: economic, environmental and social. And we hold that responsible corporate behaviour requires personal integrity as well as up-to-date knowledge and skills.

Self-analysis regarding ethics, responsibility and sustainability (ERS) is an integral part of the

process of maintaining EPAS accreditation, which was first granted to the BMI International EMBA programme in 2006. This is one framework in which we regularly collect and track information related to PRME-related activities. Additionally, each year BMI conducts a survey of outgoing students which asks them to rate the extent of their growth in ERS knowledge, skills and attitudes, and to provide feedback on related curriculum elements.

PRME-related academic content and pedagogy are set by the BMI Academic Council and implemented by the BMI Dean of Faculty and Research with the Programme Director. As regards non-academic activities, strategy in this area is defined by BMI's Governing Board and implemented under the supervision of the Director General of BMI, often in collaboration with BMI Alumni.

An objective specified in our previous (and first) SIP report was "to begin regular reporting to stakeholders regarding progress in the implementation of PRME." We did so by making that report available on our website and drawing attention to it with a news item, distributing it to our students, alumni, faculty, corporate partners and academic partners, mentioning it during events, and also referencing it in the yearbook produced by BMI and BMI Alumni. We have also followed up on this objective by the timely submission of a new SIP report.

Future objective:

An objective for Principle 1 during the next 2 years is to develop one or several key performance indicators (KPIs) for regularly monitoring and reporting on how successfully the institution is generating sustainable value for business and society at large.

- Principle 2 | Values

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

The values of global social responsibility have always been a key point of focus in the design and delivery of BMI’s programmes. During the review period, two specific steps have been taken to more clearly delineate that focus and more deeply ingrain it in the school’s work.

- First, we undertook a review of the syllabi / descriptions for all courses and other academic activities, among other things to ensure explicit mention of ERS-related elements. This task, proposed as an objective in the previous SIP, is now well advanced.
- Second, a new BMI Faculty Handbook introduced in 2017 includes a chapter dedicated to the topic of “ERS ethos and integrity”, detailing the values, attitudes and approaches to social responsibility and ethical behaviour that BMI espouses as an institution and requires of its faculty in teaching and other academic activities.

We note that the values of global social responsibility are the core of one of the programme-level intended learning outcomes for BMI’s main 4-Continental Executive MBA. It states that at completion participants should be able to “demonstrate an international perspective and cross-cultural awareness, commitment to honesty and integrity, and sensitivity to the ethical and socio-cultural dimensions of business activities and relationships.”

This ILO is presented and explained to students at the beginning of their studies and referenced in ILOs for specific modules, with self-reflection on the degree to which it was achieved by each participant during a survey at the end of their studies. Surveys in recent years have shown that graduates on average rate their growth in ERS knowledge and skills during the programme as 8 on a scale of 1 to 10 (where 10 is the best).

BMI considers personal integrity to be the necessary foundation for managers’ commitment to sustainability and social responsibility. That’s why the school has a formal policy for promoting ethical behaviour. This BMI Integrity Policy is presented both orally and in writing to all new students, who must confirm in writing that they have read and understood the policy and agree to comply.

Faculty and staff at all levels are also required to work with honesty and integrity. That means fairness and objectivity in student assessment, proper respect for the confidentiality of personal information and avoiding even the appearance of possible dishonesty in any aspect of teaching, grading or administration.

Future objective:

An objective for Principle 2 is to regularly review the ERS elements in the syllabi for each course and the Faculty Handbook to ensure they are in line with current findings, best

practices and pedagogical advances.

- Principle 3 | Method

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

As regards BMI’s approach to promoting and enabling responsible leadership among the participants of its programmes, attention is given to: specific teaching methods and learning environments, dedicated courses to develop relevant knowledge and skills, and the integration of ERS content in other non-ERS-specific courses and activities.

Teaching methods used at BMI combine diversity of participants with a significant amount of work in groups, discussions and other situations that require critical thinking. This helps develop the capacity to listen to others and learn from them, respect other people’s points of view, develop tolerance, be open-minded, and so on. To further provoke discussion of how best to address current real-life challenges in areas of new technologies, transparency, organisational culture and so on, expert practitioners are brought in as guest speakers.

Alongside those methods, international modules at multiple venues worldwide offer specific **diverse settings for learning** which further contribute to developing respect for differences, broadness of vision and awareness of contemporary global challenges.

Since 2015, for example, an optional BMI EMBA module on Human Resources has been delivered on-site at U.S. partner school Tulane University Freeman School of Business. It is open to BMI’s current EMBA students and alumni and includes two courses: “Leadership and Ethics” (with detailed analysis and discussion of 17 real-life business case studies on how executives handle environmental risks, corrupt practices in an industry or company, supply-chain matters, and other highly relevant threats to stakeholder interests) and “Managing People Internationally” (which deals among other things with ‘making a difference’ when managing people as well as the role of culture in companies and the complexities of multicultural teams, and includes a group on managing a real-life cross-cultural management challenge). In 2018, 15 executive participants from BMI attended this module.

Other modules take BMI programme participants to China, Brazil, Russia India, Germany, Italy, Austria and Poland. Each provides a strong and relevant learning experience.

At the programme level, BMI offers **dedicated required courses** to build the understanding of issues and principles as well as the practical skills needed for responsible leadership.

Our EMBA thus includes (1) a course on ethics, social responsibility and corporate culture which requires participants to reflect and apply the studied principles, values and international best practices to their own experience and current work; (2) a course on corporate governance which deals directly with the ethical and legal responsibilities of members of companies’ governing bodies and top management with regard to sustainability and diverse stakeholder interests; (3) and modules on communication and negotiation skills which promote and enable responsible forms of managerial behaviour.

As another example, the BMI certificate programme on “Innovation & Digital Transformation” includes content on recent developments influenced by the emergence of artificial intelligence and related transformations in corporate life. Lectures are combined with visits to “smart factories” and meetings with international industry leaders. In this interactive context, issues of social responsibility and sustainability, particularly human resource matters, are a frequent topic of discussion and debate.

Issues related to the UN Global Compact and PRME principles are also addressed in ***other courses and projects*** at BMI: from finance, accounting and marketing, to operations, HR and strategy. The trend is in fact to increasingly integrate such ERS content across programmes.

Future objective:

An objective for Principle 3 over the coming 24 months is to enhance the school’s ERS teaching methodology with digital learning opportunities as well, mainly by adding relevant content to the new e-learning platform which is now in development.

- 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.”

Given its unique model of exclusively visiting professors from strong international business schools, BMI’s main research activity is that done by the participants of its Executive MBA programme for their Master’s theses. Each year more than 10 percent of graduating executives (roughly 5 of 45) typically choose an ERS-related topic for their thesis or dedicate a significant portion of their research and the resulting paper to such matters.

For their theses, participants are required to integrate what they have learned during the EMBA programme with their own experience and new research, building on current managerial or economic theory in order to solve a specific management problem. Most use the opportunity to address a challenge within their own organization or to develop a new practical framework, policy proposal, project/company or social initiative.

Topics of theses in the last two years have included regulation of the market for alcoholic beverages, issues of sustainability in the energy and agriculture sectors, employee welfare, public-private partnerships for the promotion of healthy living, transparency in transfer pricing, efficient management of public-sector assets, and others.

This year one EMBA participant’s research on independent board members at state-owned enterprises got the attention of the Lithuanian Ministry of Economy, which requested a presentation and discussion of the research findings for ministry officials and thereafter said it intends to incorporate those findings into policy reforms in the area of SOE governance.

BMI relies on and benefits from the top notch intellectual development activities fostered by its partner schools, the results of which it is able to help distribute.

As one example, HEC Paris Professor Emeritus Jean-Paul Larçon, who is also Vice Chairman at BMI, has been active in research on Chinese multinationals and the Chinese government’s major "Belt and Road" initiative. BMI provided practical support for Prof. Larçon, and other BMI faculty members made contributions, in his compilation and editing of the 2017 book *The New Silk Road: China Meets Europe in the Baltic Sea Region: A Business Perspective*. A BMI module in Shanghai, China, also served as the occasion for a high-level panel discussion on the "Belt and Road" initiative led by Prof. Larçon.

Texts by Prof. Larçon regarding China’s economic impact on the Baltic Sea region have twice during the reporting period been published as “BMI KNOWLEDGE” executive briefs (summaries of recent research of clear practical value by faculty in the BMI network and analysis of business trends by regional industry leaders and policy makers).

Future objective:

To further implement Principle 4, BMI intends to distribute the findings of the research conducted by the international executives in its EMBA programme, arranging presentations of those findings for business leaders and publishing summaries of some as executive briefs.

- Principles 5 and 6 | Partnership and Dialog

“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.”

“We will facilitate and support dialog and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stake-holders on critical issues related to global social responsibility and sustainability.”

BMI has strong corporate connections. Almost all participants in BMI programmes are top or senior-level managers in local or multi-national companies who continue to work throughout their studies. Other business leaders give guest-lectures or briefings to students.

That means our programmes themselves – with the ERS courses, projects and other PRME-related elements described under Principle 3 – serve as forums for extending and sharing knowledge and experience regarding companies’ social and environmental responsibilities.

Both BMI and BMI Alumni frequently organize public discussions with alumni experts, other business leaders and government officials on currently relevant business and management issues. The topics themselves, or the discussion they generate among participants from the wider business community, quite often touch on issue of sustainability and responsibility.

Some discussions organized by BMI in the last two years have included one led by a Minister of Transport on sustainable development and the use of new technologies in the transportation sector, another by a Central Bank Governor and ECB Council Member on economic and investment policy, and still others by experts on supply-chain management, evolving opportunities and ethical issues with biotechnology and with blockchain technology, crisis management in organizations, managers’ need for life-long self-development, and so on.

In the spring of 2017, business and government leaders gathered at a BMI panel event on “Digitalization and its Impact on the Economy and Society”, which was also broadcast live on Delfi TV. Speakers – including the CEO of Telia Company, the Minister of Economy of Lithuania, the founder of an investment fund and others – stressed the importance of open partnership in developing new technologies as well as ways to ensure digital equality.

BMI Alumni also held many events during the reporting period: discussions on transparency, labour policy and sustainable business practices, for example, as well as cultural and healthy living initiatives. An annual BMI Alumni Gala Dinner features the presentation of awards for alumni achievements, including social initiatives. A recent award for Project of the Year went to the “Silver Line” programme that two BMI alumni initiated to provide volunteer support and accompaniment for senior citizens in Lithuania by telephone.

BMI maintains ties with the French, British, Danish and American Chambers of Commerce and

Transparency International, and over the years has also held joint events with each of them.

In terms of collaboration and dialog with other educators, BMI has a vibrant and dynamic international network of partnerships with top business schools around the world. That includes HEC Paris of France, Louvain School of Management in Belgium and Vytautas Magnus University in Lithuania, which have long been key European partners in the design and delivery of the BMI EMBA. It also includes Tulane University in the USA and China's Antai College of Economics and Management at Shanghai Jiao Tong University, which both jointly deliver specific modules for executives together with BMI. Finally, it includes mobility partners in Germany, India, Poland, Russia, Italy, Austria and Brazil. The last three have been newly added during this reporting period.

Several of BMI's partners, particularly HEC Paris and LSM, are recognized internationally for expertise, research, programmes and initiatives related to sustainability and CSR. HEC Paris, for example, runs the well-known [Society and Organizations \(SnO\)](#) inter-disciplinary centre for research and teaching on contemporary challenges like climatic constraints, social inequality, technological disruption, ecological values, ethical imperatives, and more.

A partnership/dialog objective in the previous SIP was to transform the BMI EMBA ethics and corporate cultures course into a cross-cultural module with Antai College at SJTU. This was done in 2017 and 2018: BMI student-executives attended the renamed "Leadership and Corporate Cultures" module together with Chinese EMBA students in Shanghai, for joint lectures and discussions led by European and Chinese faculty, and visits to companies. In fact, though, the value added from this format change was limited in terms of the overall learning experience, due to the almost exclusive focus on the Chinese reality. As of 2019, it has thus been decided to return to an upgraded version of the previous more general course on ethics, social responsibility and corporate culture, leaving the Chinese visit in the programme, but dedicating the academic part of that module to another subject and integrating some China-specific ERS-related content into that context.

Future objective:

In order to further implement Principles 5 and 6, BMI aims to engage more with the huge CSR and sustainability resources offered by its close academic partners, like the SnO centre at HEC Paris, for sharing about current research as well as learning contents and methods.

- **“Principle 7” | Organizational practices**

“We understand that our own organisational practices should serve as example of the values and attitudes we convey to our students.”

BMI makes every effort to abide by the principles of sustainability and social responsibility in its organizational practices, both for their own sake and as an example for our students. That means an underlying desire, beyond self-focused incentives, to create value for society and the global economy, contributing to the increased welfare of people and the planet.

At one level, we’ve always proudly embraced diversity in terms of gender and culture in BMI’s governing bodies, faculty and programme cohorts. The school is attentive to the personal growth not only of its students, but also of its staff, regularly offering training opportunities and encouraging people to grow into positions of greater responsibility.

At another level, we actively engage in recycling and avoid unnecessary usage of paper, and we’re attentive to avoiding energy waste by switching off IT and other equipment overnight and on weekends as well as through efficient lighting and air conditioning systems. A new e-learning platform which is under development should further help to reduce the number of hard copies of learning materials that need to be printed.

Within BMI there is a very real spirit of seeking to contribute to the broader community. The following are a few examples:

- BMI is now offering faculty development help to the Institute of Economics and Management at Tomsk State University (TSU) in Siberia, Russia, to help it introduce new and higher-quality business programmes. To begin, in October 2018, one young professor from TSU attended the “Business & Corporate Strategy” module of the BMI EMBA programme as an observer/guest. Afterward she expressed her gratitude for that useful experience – referring to the content, way of teaching, module format and so on – which she said helped greatly to enrich her own teaching at TSU. Over time, additional faculty from Tomsk will observe other modules in BMI programmes.
- In 2015, to support the future of management education in the Baltic region, BMI launched the BMI Fund to finance a scholarship for studies at the Doctoral Department of HEC Paris.
- Ten years ago now, BMI joined a group of private companies to launch a social project to help renew Lithuania’s education system, known as Renkuosi mokyti! (“I choose to teach!”). In that context, BMI has used its faculty resources to provide leadership training, while students, alumni and staff have served as guest speakers and mentors for young teachers.
- BMI has also taken part in an “Initiative to Beautify Vilnius” organised by the Investors Forum, and alumni have contributed in BMI’s name to the improvement of an important city square.