

PRME

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

Sharing Information on Progress (SIP) Report 2022



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1. Renewal of commitment to PRME

ESMT Berlin is firmly committed to upholding the Principles for Responsible Management Education (PRME), which are central to our research, teaching, as well as student and stakeholder engagement.

ESMT continues to promote ethics, responsibility, and sustainability through our interdisciplinary teaching and research providing our students with skills to understand sustainability and its relevance to all disciplines and sectors. Students and executive education participants obtain the in-depth knowledge needed to undertake specialist roles in their organizations. Our faculty is strongly driven by a priority to undertake research that matters to our stakeholders and that is of positive social value. The innovative research conducted by ESMT faculty members makes them a valuable resource for business, organizations, and government. The school engages with these groups and shares its research insights through professorships, centers, institutes, executive education, and degree programs as well as research projects that address the true needs of real companies. The ongoing commitment of ESMT to the PRME initiative aligns well with both our vision and our mission and serves as a lens through which to critique our progress and as an avenue to connect with our peers to share knowledge and ideas.

Since our founding 20 years ago, we have been committed to creating an environment where all members of ESMT are valued equally. Creating equal opportunities for all, together with an inclusive space for work and study, is not just the right thing to do. It also leverages innovation, business success, and wellbeing. We are the most international business school in Germany, and we also have one of the most diverse university communities in the metropolitan city of Berlin. That includes faculty, staff, and students. To support this diversity and gender equality, we award full and partial degree program scholarships to women who seek to advance their careers. We offer executive education programs that focus on boosting women's leadership trajectories, such as a highly successful training to certify female leaders for the supervisory boards of Deutsche Telekom. We use our platform for exchange between academia, business, and policymakers to fuel and advance the exchange as to how equality can be achieved in concrete terms.

The main goal of this SIP Report has been to reaffirm our commitment to implementing the Principles of PRME and advancing the UN Sustainable Development Goals (SDG) ESMT Berlin. It also serves as an important instrument to evaluate our efforts to date and reflect upon our future goals.



Jörg Rocholl



Jörg Rocholl, President and Deutsche Bank Professor in Sustainable Finance

2. Progress report on 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.



ESMT follows two fundamental principles. First, Wilhelm von Humboldt, in his call for the unity of research and teaching, advocated that teaching should be driven by the most recent evidence in research. Second, Gottfried Wilhelm Leibniz, in his call for *theoria cum praxi*, urged theory to be combined with practical application. Guided by these two principles, ESMT strives for the unity of research, teaching, and practice to reach the highest standards in academic rigor as well as practical relevance. Therefore, the research of ESMT faculty is integral to all programs of the school, and relevant research outcomes are used directly in teaching. Through their interaction with students, faculty members are confronted with a variety of issues stemming from professional practice, which leads to new avenues for further research. The approach of the school toward development and pedagogical innovation is based on an established goal to combine academic rigor with relevance in both degree and executive education teaching.

At ESMT, classroom effectiveness is not only measured by student ratings, although this can be relevant as a measure of student satisfaction. The weight attached to this, however, varies from faculty member to faculty member, depending on such factors as the subject taught, their style, and what they seek to achieve. Each faculty member is responsible for the content and structure of the courses they teach. An important element of a faculty member's effectiveness as a conveyor of knowledge and developer of skills is their contribution to course design. Beyond being just an aspect of new teaching performance, new course development is also a personal investment in a faculty member's teaching portfolio, and as such an important part of their professional development.

When evaluating teaching performance, one looks at a balance of the relevant dimensions of teaching. High-quality teaching performance requires more than classroom effectiveness. In addition, outstanding performance in teaching necessitates a good record of professional publications (professional publications include, but are not limited to, research output).

The school developed a new purpose statement and corresponding values to raise employee identification with the organization and deepen its commitment to students and clients. The newly defined values – **community, curiosity, courage, and rigor** – guide the way ESMT employees work, both individually and in teams, and how the institution functions as a whole. In addition to the values, the school also defined its purpose with the motto "**Empowering people to create a better tomorrow.**" ESMT tries to live by its values and set an example to the students, but it does not attempt to prevent

students from forming their own sets of values and priorities as they navigate the world around them. The school sees its job as sensitizing students to their responsibilities as managers and presenting the complexities that they will face as future business leaders as well as equipping them with the skills to deal with these responsibilities in a multicultural environment. Two examples of specific initiatives that support the values of ESMT are the Responsible Leaders Fellowship Program (see page 14) available to graduates of the MBA program) and the five-week Social Impact Project (see page 4), available for full-time MBA and Master students.

ESMT is amongst an elite group of schools worldwide which hold the prestigious trio of accreditations; EQUIS, AACSB and AMBA. This triple accreditation is evidence of our strong connections with businesses and communities, our role as an ethical and globally engaged institution, and our contribution to a sustainable future

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.

With most faculty explicitly articulating a concern for the topics, with 25 percent of the core faculty specializing in ethics, leadership, HR, and organisational behaviour, and with the school mission *to develop entrepreneurial leaders who think globally, act responsibly, and respect the individual*, it is unsurprising that this dimension is so well integrated into ESMT's activities. Responsible and sustainable business practices are taught through the Responsible Leaders Fellowship course on the MBA and Masters in Management, as well as through the team - based Social Impact Project that is a core part of the Masters in Management. A lot the courses taught in these programs are in direct relation to UN Global Compact.

In the last two years, in the context of improving the overall curricula, topics of sustainability and responsibility became part of each course (irrespective of the specific discipline or field). For example, **Per Olsson** offered a course "Sustainable Finance, Investing and Impact." The course covered the role of the financial sector in the transition to a long-term sustainable economy, and gave an overview of the field of sustainable finance, its drivers, trends, and products. The course is valuable for anyone seeking to work with financing of ventures and who wants to understand the current trends in how the finance industry (broadly defined) are incorporating sustainability issues in analysis and capital provision decisions. It is also beneficial for the broader set of students who are likely to interact with investors and finance functions in various ways, and indeed to anyone who is interested in these fields.

A core MBA course "Operations and Supply Chain" offered by **Tamer Boyaci** ends with two sessions on Sustainability and Operations that offer an investigation on how business operations impact sustainability and a critical examination of the circular economy initiative aimed at closing the loop on product lifecycles and reducing waste.

ESMT is accredited by:



Per Olsson, Dean of Faculty and Research, Deutsche Post DHL Group
Professor in Sustainable Accounting



Women empowering women

Raise Your Voice Saint Lucia (RYVSLU) is a non-profit organization based in Castries, St. Lucia, which was founded in 2012 to advocate for women and children who are victims of gender-based domestic violence.

Practice project by **Meliha Habibija, Laila Richter, Abby Reynolds, and Daria Sobala**, MIM class 2020-2022



Breaking the cycle of poverty through global learning and social enterprise

Pulsera Project, a non-profit organization with headquarters in Nicaragua and presence in Guatemala and the United States

Practice project by **Milos Delikladic, Fidan Mutallibova, David Núñez, Patricia Pena, and Chen-Ya Wang**, MIM class 2019-2021

The Social Impact Project

The Social Impact Project is a five-week project for both Master and Full-time MBA students. It offers students the opportunity to serve as an economic or management consultant for an organization with specific social impact objectives. Students act as an economic or management consultant for an organization with specific social objectives. The Social Impact Project is an integral part of the ESMT Master in Global Management curriculum and optional for Full-time MBA students during their summer term.

While working on the project, students get to apply management theory to a real problem, including fieldwork, research, or project management. They need to find solutions to that problem, and if possible during the project timeline, help to implement the solutions. These projects help society directly as a whole – this is not a project to maximize profit, but a project to maximize the welfare or satisfaction of stakeholders that the client organization serves. For the projects, the school targets CSR departments in for-profit companies, NGOs, local non-profit organizations, social entrepreneurship ventures, companies launching a new product or service that serves the poorest members of society (microfinance, etc.).

Examples of the past projects are:

- Allianz SE | Group Sustainability, Munich/Germany - Researching and setting up suitable models for further enhancing Global Partnerships
- Beca a un Pana, Venezuela - Creating a sustainable business plan for a student scholarship fund NGO
- COVID-DATA, Berlin/Germany - Creating publicity strategy for different COVID-19 vaccines in the market
- Freundeskreis Nepal e.V., Nepal - Developing a fundraising strategy for an education and inclusion NGO that addresses disability discrimination
- GIZ, Cambodia - Opportunity assessment of decentralized smart grids solutions for the food & agricultural sector
- SINA, Uganda - Plastic Upcycling in Ugandan Refugee Camp
- UNDP, Uganda - Finding innovative solutions to make Uganda Tourism Ecosystem Platform (UTEPE) financially sustainable in the mid- and long ter.

Student clubs

ESMT has several student clubs that are student initiatives that begin with a desire to get directly involved, where theory meets practice.

Each club at ESMT was formed by students' proposals and a desire to create something new and productive for future ESMT students.

Through each club's contacts, students have a unique opportunity to complement and develop their academic experience. Students from all degree programs are welcome to join and take part in initiatives.

The clubs host an assortment of speakers and guests to share their knowledge with ESMT students and provide opportunities for future collaboration.

There are currently ten student clubs at ESMT:

- Consulting Club
- Entrepreneurship Club
- Extra Sports Club
- Innovation & Technology Club
- International Affairs Club (IAC)
- Investment & Fintech Club
- Meraki Club
- Net Impact Club
- Soccer Club
- Women in Leadership Club

The latest addition to the students club is the **Meraki Club**. It is a student-based organization providing operational and strategic support to Meraki Smile School. The organization helps ESMT students understand, learn, and implement the main functions of an NGO. Their mission is to help underprivileged children in Madagascar to gain access to quality education and healthcare.

Founded by fellow ESMT Alumni - Miriam Agüero, Meraki Smile School is no ordinary school. It is a non-profit school located in the slum of the capital city of Madagascar, Antananarivo. Meraki Smile School has developed a socio-educational project for vulnerable 6-year-old children focusing on three key areas: access to high-quality education, fighting against child labour and gender inequality, and access to healthcare and nutritional support.

Meraki Smile School believes that education should be fun and aims for every student that comes to the school to leave every day with a bigger smile. Their mission is to break the cycle of poverty through quality education. In 2021, the school enrolled its first 30 children, 15 girls and 15 boys, and is now looking forward to welcoming 15 more in September 2023.

Meraki Club gives ESMT students the opportunity to work for an NGO in Madagascar, interact with a broader team beyond ESMT and create a real impact on people's lives. Once students become a member of the club, they have the choice to either work on short- or long-term projects in one of the teams or suggest own idea. The Club provides projects in the fields of Finance & Strategy, Marketing, Partnership, HR, Operations and Education, depending on the needs of the school in Madagascar.



“At the end of the day, it proves that if you aim for something, work hard and with passion, nothing can stop you.”

Miriam Agüero, founder of Meraki Smile School, Alumna mIM Class 2020-2022

Student initiatives

Some of the student initiatives are directly linked to the UN Global Compact Principles on environmental and social issues.

For example, **Net Impact** is a global, non-profit organization consisting of over 100,000 members globally, with an aim to inspire and equip emerging leaders to build a more just a sustainable world. ESMT is proud to host the first and only **Net Impact chapter** in Germany. It has partnered with various organizations such as start-ups, corporates, NPOs, foundations as well as stakeholders of our business school ESMT Berlin. It is dedicated to improving the world around us through its mission: *to drive sustainable business practices and social responsibility by leveraging technology and collaboration*. The focus is on delivering key initiatives that have a positive impact on society. One of their current key initiative is creating the world's first open-source carbon accounting system by co-organizing hackathons around the world with Yale OpenLab, among many other partners.

In conjunction with the **Sustainability Ambassadors**, Net Impact work to improve campus sustainability and help ESMT Berlin reach its sustainability goals. Among the initiatives they work on are building a **Greenhouse** in the back lawn of ESMT, improving waste management, and reducing paper usage. Beyond just tangible projects, they also work on getting more sustainability related content into the curriculum of the various degree programs to ensure that the future leaders of global business hold a deep sense of responsibility to the Earth and society in whichever industry they pursue. Most notably, as of May 2021, the Sustainability Ambassadors have taken on the task of tracking the carbon footprint of ESMT Berlin through the PlanA carbon accounting software. This is a great first step towards ESMT Berlin becoming a role model for other higher education institutions on how to do right. This initiative includes collecting monthly data points from commuting habits and energy usage and assessing what needs to change. The Sustainability One of the steps that has been taken towards reducing the environmental impact and educating community, is through organizing park clean-ups, with the biggest being **Clean the Spree**. This year the Sustainability Ambassadors partnered with Plan A and a local Berlin organization, WirBerlin, to bring together over 140 people to collect over 50 bags of trash. These events do not have a direct impact on reducing our school's carbon emissions, however, the impact on the community is equally as valuable.

The **Consulting Chapter** was launched in 2020 at Net Impact Club at ESMT Berlin. Since then, students from ESMT and Net Impact have already been able to support more than ten international organisations in the implementation of their projects. Their goals are to:

- find Sustainable Solutions: Apply knowledge and skills from our ESMT Community to develop tailored and sustainable solution concepts for our partners.
- raise Awareness: Raise awareness on environmental and social topics and support organisations in improving their positive impact to the society.



Clean Up Day in Treptower Park

Students of Net Impact ESMT Berlin cleaning Treptower Park in April 2021.



Greenhouse at ESMT

- build a Community: Encourage fellow students to support organisations in the implementation and adoption of sustainable solutions.
- learn and Rise: Expand our understanding of environmental and social challenges and learn from the organisations that we collaborate with.

Starting in November 2020, the **ACI Consulting Club** and **Net Impact** at ESMT Berlin joined together to engage our members in three-week long pro-bono consulting projects for **GreenTech** start-ups. Since then, the partnership has resulted in five consulting projects involving over 20 students from both clubs, with more to come. These opportunities have helped the students gain first-hand experience working with young GreenTech start-ups and apply the skills students are learning in our courses, while also providing valuable consulting work for the start-ups.



The most recently completed project was with Amsterdam-based **CarbonCancel**. With a mission to provide an indication of one's carbon footprint, inspire behavioral change, and provide an accessible solution for carbon neutral living, CarbonCancel engages with its users in three main ways:

- Periodically assessing the amount of CO₂ emissions produced.
- Providing guidance and lifestyle advice on how to reduce emissions.
- Collecting funds from users to offset their emissions and directing them to certified projects that incentivize socio-environmental development, create new opportunities for local populations, and explore new ways of generating and using sustainable energy sources.

Principle 3 | Method

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

In accordance with Principle 3, ESMT is deeply cognizant of the necessity of creating a learning environment conducive to effectively instituting the curricular changes deriving from the Principles of Responsible Management Education.

ESMT strives for an inclusive, diverse, and equitable working and learning environment. In 2019, ESMT signed the "Charta der Vielfalt" (Diversity Charter), joining Germany's largest network of companies and organizations committed to creating a diverse and inclusive environment in which to work and learn.

Our faculty, staff, and students are thus committed to:

- Nurturing a diverse, inclusive, and equitable community that enables personal transformation through learning and development;
- Creating a culture that welcomes a wide variety of perspectives and promotes thoughtful and respectful engagement;



- Valuing the unique perspectives of all in our diverse community; and
- Addressing systemic barriers to fulfilling our commitment.

The Inclusive Leadership Roundtable



Diversity, equity and inclusion are topics that are championed by The Inclusive Leadership Roundtable (ILRT) at ESMT Berlin. The ILRT is an effort of its students, staff, faculty, and administrators to prioritize the values and practices of diversity and inclusion within the school and to champion the same in academia and the business community. The ILRT seeks to right what is wrong in the underrepresentation of women and marginalized groups in positions of socioeconomic power and to build paths to equity and equality as an influencer and collaborator on the global stage.

All goals, strategies, projects, and output of the ILRT, where not legally mandated as confidential, will be open and transparent to all internal and external stakeholders of ESMT.

As the ambassador to the internal stakeholders of ESMT, the ILRT Leadership Committee will contribute to the development of diversity and inclusion goals and collaborate to ensure that all programs, policies, output, and accordingly. This includes affirmative action for the recruitment and retention of women and marginalized groups in ESMT leadership, faculty, and student bodies.

As an ambassador to external stakeholders, the ILRT Leadership Committee will identify leaders in cultural and institutional change efforts, draw from their expertise, collaborate in these efforts, and ensure that ESMT contributes visible and measurable resources and leadership. This includes engagement with and active promotion of the women and marginalized groups of these initiatives in ESMT seminars, conferences, and formal collaborations.

Membership in the ILRT is currently open to all ESMT degree students, alumni, and faculty and staff. Diversity of age, sex and gender representation, race, ethnicity, physical ability, religion, sexual orientation will be honored in ILRT composition and recruitment.

The Gender Equality Plan (GEP)

The ESMT Gender Equality Plan (GEP) was developed in the context of the EQUAL4EUROPE project. This project seeks to increase gender equality in six European research institutions from France, Germany, Slovakia, Slovenia, Spain, and The Netherlands. All institutions have a clear focus on arts, humanities, social sciences, business and management, and law (AHMSSBL).

- The main objectives of the EQUAL4EUROPE project are to:
- Remove barriers to the recruitment, retention, and career progression of women researchers;
- Address gender imbalances in decision-making processes; and,



- Integrate the gender dimension in research and innovation content.

The project started in January 2020 with a baseline assessment of gender equality issues in each organization. In 2021, organizations developed tailored GEPs. From 2022 until 2024, the focus is on the implementation of these GEPs.

The ESMT GEP envisions a working and learning environment where women, men, and gender-diverse people can equally thrive, be recognized, and feel that they belong. Its main goals are:

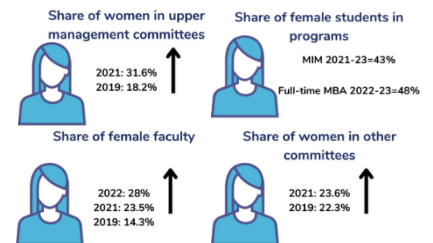
- To ingrain gender equality in the organizational strategy and culture,
- To improve gender parity among faculty and students and in decision-making and advisory bodies, and
- To integrate gender equality in the transfer and production of knowledge.

The GEP contains many different strategies and concrete actions centered around six SMART objectives in the following priority areas: organizational strategy and policies; recruitment of female academics; enrollment of female students to programs; decision-making and advisory bodies; integration of the gender dimension in teaching and research; and sexual harassment and other forms of gender-based violence. The GEP has six specific goals:

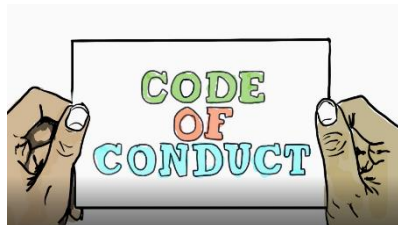
- Embed gender equality in the current and future policies and actions of the business school
- Increase the percentage of female faculty by at least 3% per year
- Increase the percentage of female students in degree programs by at least 2% per year
- Increase the percentage of women in the three senior governing bodies to 25% and in all other academic and non-academic bodies to 30% by 2023 and to 35 and 45% by 2025, respectively
- Evaluate and integrate the gender dimension into teaching and increase the percentage of publications that incorporate the gender dimension by at least 15% by 2025
- Reduce the risk of victimization through at least three measures to raise awareness of sexual harassment and other forms of gender-based violence.

The **Equality Committee**, a gender-balanced group of six staff members from different departments across ESMT, monitors the implementation of the GEP.

ESMT encourages ethical behavior among its participants and has developed several policies to emphasize the importance of responsible thinking. These policies aim at creating and ensuring equal opportunities for men and women at ESMT. They cover areas related to recruitment and career progression. Recruitment policies that support equality include the creation of scholarships for females with outstanding performance who wish to pursue postgraduate education.



Current indicators of gender equality at ESMT



The members of the ESMT Berlin community adhere to the **Code of Conduct (CoC)**. It defines and describes the behaviors prohibited between members of the ESMT community, namely discrimination, sexual and sexualized harassment, bullying, and stalking. In addition to the principles by which we stand and the measures to prevent these situations, the CoC contains the regulation, as well as the resources available to those affected.

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.

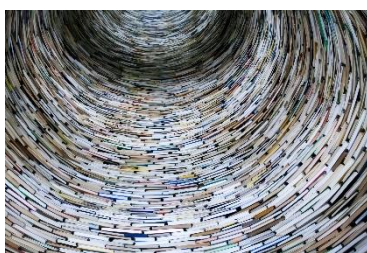
At ESMT, high-quality research and effective teaching are intertwined objectives. We are convinced that faculty members who are intellectually engaged help develop students who are likewise intellectually engaged. Therefore, ESMT continues to support and encourage research with a strong belief that it enriches the learning experience for all students. When program participants learn and work directly with faculty who create the knowledge published in leading journals, they are learning the most recent insights. When students engage with faculty who are masters of critical thinking and creative problem-solving they learn from them skills that are highly demanded on the job market.

The research of the ESMT faculty is integral to all programs of the school, and interaction with students, faculty members are confronted with a variety of issues stemming from professional practice, which leads to new avenues for further research. The approach of the school toward development and pedagogical innovation is based on an established goal to combine academic rigor with relevance in both degree and executive education teaching.

Research activities focused specifically on mission-related areas of interest have been facilitated through the establishment of relevant research professorships, centers, and institutes. ESMT is home to research centers and institutes, which focus on topics related to sustainability, ethics, and related themes and facilitate research, collaboration, and discussions on these topics.

Publications

In accordance with its mission, the role of research at ESMT is to develop and disseminate innovative knowledge, to *foster sustainable economic growth*, key research elements of the school is the connection of the business perspective with an overall economic perspective. The research findings of ESMT aspire to enlighten the judgment of business leaders and policymakers, thereby improving human societies and organizations. The research output of ESMT faculty is published in the top peer-reviewed international academic journals. Through additional managerial publications and case studies, these research findings also provide cutting-edge insights for the business community and the classroom.



Faculty members address important challenges that emerge especially in the context of the current challenging world. For example, **Francis de Véricourt** conducts research in the areas of decision science, analytics and operations, with applications in health care, sustainability and human-AI interaction. He received several outstanding research awards, including the *ENRE* and *MSOM* best publication awards of the Institute for Operations Research and the Management Sciences. Francis de Véricourt is currently a Department Editor at *Operations Research* and *MSOM*. His latest paper, jointly written with Huseyin Gurkan and Shouqiang Wang, “Informing the public about a pandemic,” was published in *Management Science* in 2021. explores how governments may efficiently inform the public about an epidemic to induce compliance with their confinement measures. Using an information design framework, we find the government has an incentive to either downplay or exaggerate the severity of the epidemic if it heavily prioritizes the economy over population health or vice versa. Importantly, we find that the level of economic inequality in the population has an effect on these distortions. The more unequal the disease's economic impact on the population is, the less the government exaggerates and the more it downplays the severity of the epidemic. When the government weighs the economy and population health sufficiently equally, however, the government should always be fully transparent about the severity of the epidemic.

The persistent failure of organizations to engage diversity—to employ a diverse workforce and fully realize its potential—is puzzling, as it creates labor-market inefficiencies and untapped opportunities. **Chengwei Liu** addresses this puzzle from a behavioral strategy as arbitrage perspective. His paper “Why do firms fail to engage diversity? A behavioral strategy perspective” was published in *Organization Science* in 2021. In this paper he argues that attractive opportunities tend to be protected by strong behavioral and social limits to arbitrage.

Within organizations, women remain to this day underrepresented in leadership roles. One key explanation for this focuses on differences in the way men and women socialize at the office and build professional network. Women’s networks are less likely to afford them early access to important and diverse information that would benefit their careers. This question is addressed by **Tatiana Lluent**, Assistant Professor of Strategy and Volkswagen Group Junior Chair for Diversity in Organizations, in the *Academy of Management Proceedings 2022*: “Befriend thy neighbor: Office seating,” *social networks, and gender*. In this paper, Tatiana Lluent investigates office spatial design as a managerial lever to shape employee networks, and its differential impact on male and female employees. She studies gender differences in the relationship between proximity in an office space, network tie formation, and network brokerage.

In his latest article “What is social status and how does it impact the generation of novel ideas?”, published in 2022 in *Research in the Sociology of Organizations*, **Matthew Bothner** together with his co-authors Frederic C.



Francis de Véricourt, Joachim Faber Chair of Technology and Innovation and Academic Director of DEEP Institute, teaching an MBA class



Chengwei Liu, Associate Professor of Strategy and Behavioral Science, and Faculty Lead of the Global Online MBA Program (on the very left), is recording a podcast about his latest book



Tatiana Lluent, Assistant Professor of Strategy and Volkswagen Group Junior Chair for Diversity in Organizations at the inauguration of her Chair



Matthew Bothner, Professor of Strategy and Deutsche Telekom Chair in Leadership and HR Development

Godart, Noah Askin, Wonjae Lee investigates status that constitutes a core research concept across the social sciences. However, its definition is still contested, and questions persist about its consequences. The researchers begin with a flexible, provisional definition: status is a relational asset possessed by social actors insofar as they are highly regarded by highly-regarded others. Using this definition as a backdrop, they develop a fourfold typology based on how status is used as an asset and from where it is derived. The typology allows them to explore the implications of considering status as either a quality-signal or a good, and of viewing status-conferring ties as either deference-based or dominance-based. The authors then consider the implications of their framework for the generation of novelty. Although status has been connected to many social and economic outcomes, because of competing predictions in the literature—the generation of novelty has been linked to all regions of the status distribution—the authors sketch intuitions for future research on the status-novelty linkage.

Research grants

In the past two years, ESMT was granted a total of €5,300,000 in third-party funding. In 2021 and 2022, twenty-three new grant projects were approved for ESMT, including three DFG research grants and a research project for the Federal Ministry for Economic Affairs and Climate Action. The Bill and Melinda Gates Foundation is funding ESMT's Societal Impact Financing Initiative which seeks to contribute to making progress on financing major societal transformations. The Peter Curtius Foundation is supporting two new research projects, one on sustainable finance and one on gender diversity's effect on innovation.

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

Business partners

ESMT has always been close to practice, which has intensified through the establishment of the centers and institutes of the school:

- Bringing Technology to Market Center (BTMC)
- Center for Decisions, Models, and Data (DMD)
- DEEP - Institute for Deep Tech Innovation New
- Digital Society Institute (DSI)
- FUTURE Institute for Sustainable Transformation (FUTURE Institute) New
- Hidden Champions Institute (HCI)



- Institute for Endowment Management and Entrepreneurial Finance (IFEE).

The newest addition to ESMT's institute landscape is **DEEP - Institute for Deep Tech Innovation**. Started in September 2022, it focuses on the deep tech value chain and intends to overhaul it through educating & enabling all actors involved. The goal of the institute is to change the way deep tech is coming to life, so rebuilding the entire path from basic research to a thriving venture, a global champion even, by sustainably instilling entrepreneurial thinking and acting in the scientific sphere and beyond.

The DEEP Institute is an incubator, accelerator, company builder, entrepreneurship center, entrepreneurship academy, tech transfer office, venture capital fund, and venture lab. It focuses on verticals, which

- have high impact on people, planet, and profit;
- are predestined for deep tech solutions, and
- leverage the strengths of the European ecosystem.

The institute draws on scientific insights from the Joachim Faber Chair of Technology and Innovation and the Center for Decisions, Models, and Data (DMD), which backs up and provides guiding evidence for DEEP's portfolio of activities in the name of understanding deep tech innovation.

FUTURE Institute for Sustainable Transformation is a research-based and action-oriented institute for sustainable transformation that creates knowledge and connects the relevant players to transform individuals, organizations, industries and value chains towards sustainable impact. FUTURE Institute was founded by ESMT, the non-profit organization Werte-Stiftung and the innovation platform Futury with the purpose to deliver value in helping organizations to become more sustainable corporate citizens. It unites values and networks with top-tier education and innovation. The ESMT centers (Center for Sustainable Business and Leadership (CSBL), Center for Financial Reporting and Auditing (CFRA), and the Center for Leadership Development and Research (CLDR)) have been incorporated into the FUTURE Institute. The FUTURE Institute was launched on November 2, 2021 at COP26 in Glasgow. It is Initiated and financed by cross-industry corporate partners and supported by renown initiatives and institutions.

Academic partners

ESMT Berlin collaborates with international business schools to bring its Executive MBA and executive education certificate programs to leaders and learners around the world:

- Sao Paulo Escola de Negócios, offering the joint Executive MBA in Leadership since May 2016
- Cheung Kong Graduate School of Business (CKGSB), offering the "Bringing Technology to Market" Executive Education program



- China Executive Leadership Academy in Pudong (CELAP), offering the “Bringing Technology to Market” Executive Education program
- Darden School of Business, University of Virginia, offering the second module of the “Bringing Technology to Market” Executive Education program
- Guanghua School of Management, Beijing University Business School, offering a post-MBA exchange program
- SKK Graduate School of Business (Seoul), offering qualified students a 50% tuition discount on the MBA program



Wulff Plinke, Founding Dean of ESMT, Chairperson of the Board Friends of ESMT



Bulingzi Su, full-time MBA graduate, and Vaga Lume's team in São Paulo. The outcome of the project with Vaga Lume was the creation of a mini-CRM system for the organization to track their opportunities, namely corporate partners.



Henna Joshi, MIM graduate, at CURAFA is an initiative of Merck, a German multinational pharmaceutical, chemical, and life sciences company which seeks to offer affordable, accessible, and quality healthcare.

Friends of ESMT

Friends of ESMT (*Gesellschaft der Freunde und Förderer der ESMT e.V.*) is a non-profit organization of individuals as well as sponsoring companies and organizations.

Friends of ESMT support ESMT in many ways, be it personal advice, assistance, or financial contributions. All work for the association is on an honorary basis. The association was formally established in 2011. It emerged from the *Verein zur Förderung des Universitätsseminars der Wirtschaft e.V.* in Erfurt, which was founded in 1968. Friends of ESMT work to develop and promote the principles of responsible leadership. This includes the support of teaching, program development, and research at ESMT Berlin as well as collaboration with sponsoring institutions and programs.

Responsible Leaders Fellowship Program

Friends of ESMT promote the Responsible Leaders Fellowship Program for graduates of the ESMT MBA and Master programs. The six-month fellowship starts immediately after graduation and takes the graduate to emerging areas of Africa or Asia, where they contribute their knowledge and capabilities and gain real-world business experiences. The Fellows deliver a pro-bono service and assume responsibility in an institution at the forefront of social challenges in developing countries.

- Ampion, South Africa, Linking European entrepreneurs with African entrepreneurs
- Barefoot College, Belize, India, Bringing solar energy to rural areas by empowering the local communities
- German Doctors, Kenya, Providing medical services to the slums of Nairobi
- TSiBA Education, South Africa, Teaching business and entrepreneurship courses in TSiBa, a business school focusing on graduating entrepreneurial leaders who ignite opportunity and social change in Cape Town
- Curafa, Kenya, Supporting local entrepreneurs with their strategy, marketing activities and business partnerships

- Vaga Lume, a non-profit organization based in Brazil that provides children in remote rural areas of the Amazon with books.

The Industry Immersion. Africa© Program (IIP)

The IIP was launched at the (AIMS) in South Africa in July 2017 as a post-graduate certificate program for African mathematical scientists. It runs in cooperation with the Southern African German Chamber of Commerce and Industry, and with funding support from the German Federal Ministry for Economic Cooperation (BMZ) through the German Academic Exchange Service (DAAD). The program seeks to strengthen the employability of STEM (science, technology, engineering, and math disciplines) graduates of the MSc in mathematics program from the six campuses of AIMS across Africa. It provides a hands-on supplementary curriculum to those seeking a career in industry or in business.

The program offers a mixture of academic and practical learning and skills development, which helps participants to transition from a scientific environment to an applied industry setting. The program thereby contributes to two SDGs, namely SDG 8 (decent work and economic growth) and SDG 4 (quality education). Also relevant to this project is SDG 17 „partnership for the goals“, as the program will help ESMT develop its own capabilities in partnering with institutions in the global South.

The IIP was successfully completed by 175 individuals in 2017-2021. 80 percent of the graduates gained employment in industry and ten percent a position in academia after program completion.

Over the first stage – the pilot phase – the experience was gathered from the various stakeholders. In 2020, ESMT had the unexpected opportunity to test the second stage of the strategy. Due to the Covid-19 crisis, teaching was switched from standard classroom learning to blended learning (with online-faculty, teaching from Germany). The teaching mode was transformed into a blended format. The program faculty and faculty support went on-line via ZOOM. Student support on-site was delivered by teaching assistants. The program also moved from one cohort per year to three cohorts increasing the annual intake by almost 80 percent. The operations were extended from one AIMS Center (South Africa) to three AIMS centers simultaneously (South Africa, Ghana, Rwanda).

The IIP is now part of the project „Embedding an employability focus in STEM education in Africa“ is a North-South-South partnership. The project brings together a German business school (ESMT Berlin), a Kenyan School of Computer Science and Engineering (Strathmore University), and four campuses of the African Institute for Mathematical Sciences (AIMS). AIMS is a pan-African network of centers of excellence, and this cooperation involves centers in Ghana, Rwanda, Cameroon and South Africa.

As a next step, the following scaling strategy is envisaged:

- Invest in academic partners; broaden the scope by involving more universities / countries on the continent; add one new partner school per year



- Create a consortium of corporate partners that reflects the broader corporate environment of the partner schools
- Expand the capacity of the African teaching body; teach-the-teachers
- Increase program efficiency via classroom and learning technologies
- Consolidate current academic and corporate partnerships by establishing a legal entity in South Africa
- Continue long-term stability through financial partnerships.

International networks

EQUAL4EUROPE

The EQUAL4EUROPE project, comprising eight research institutions and accreditation organizations, aims at removing barriers to the recruitment, retention, and career progression of female researchers. Within the four-year project (2020-2023), which is divided into eight parts, ESMT will focus on the identification and evaluation of gender issues.

Women in the EU still account for only 33 percent of overall and 24 percent of top-level (grade A) researchers according to EU statistics. In order to bring about sustainable cultural and institutional change, the research institutions will develop and implement evidence-based gender equality plans as well as establish best practices and recommendations for others. In addition, the accreditation organizations plan to include the project results into their international standards.

In 2021, ESMT developed a gender equality plan as part of the EQUAL4EUROPE research project. The plan, which will be implemented by the end of 2025, promotes gender equality among staff in academic careers and administration, as well as among students. (See pages 8-9)

Global Network for Advanced Management (GNAM)

ESMT Berlin is the German network partner of the GNAM. Launched in 2012, the GNAM includes 32 leading business schools from diverse regions, countries, cultures, and economies in different phases of development. A common motivation of member schools to connect is to position their students, faculty, staff, alumni and other constituencies so that they can deepen their understanding of differences and commonalities in their economies and increase their effectiveness. Member schools recognize that leaders in all sectors will be asked to contribute to the solutions of major problems that are typically complex and global.

Representing a shift beyond traditional partnership models of business school collaboration, the GNAM enables the development of innovative initiatives that leverage the schools' comparative advantages. Leveraging network efficiencies, utilizing new technologies, building strong institutional and personal relationships, and operating with a minimum of bureaucracy, the Global Network is having a transformational effect on students, member schools, management education, and beyond.



**GLOBAL
NETWORK
FOR
ADVANCED
MANAGEMENT**

32

Top business schools

30

Countries

6,500+

Network course enrollments

14,500+

Network week participants

The Global Network multiplies the capabilities of its member schools by enabling networked learning, inquiry, and education.

Erasmus+

ESMT Berlin has been awarded the Erasmus Charter for Higher Education (ECHE), the prerequisite for participation in the EU's Erasmus+ program. With an overall budget of €14.7 billion, the program financially supports people in Europe with studying, training, and working, providing them with the opportunity to gain international experience. Once the mobility program is set up at ESMT, students will be able to apply for living cost stipends for exchange semesters at partner institutions and internships in Erasmus+ countries.

UNICON

UNICON is a global consortium of business-school-based executive education organizations. Its member organizations are engaged in accelerating the education development of leaders and managers, thereby enhancing performance in public and private organizations globally. Its primary activities include conferences, research, best practice exchange, and member networking within the business and practice of executive education.

Future of Management Education Alliance (FOME)

ESMT is a founding member of the FOME, an alliance of business schools, including EDHEC Business School, IE Business School, and Imperial College Business School, who share a vision that online learning should have the same transformational impact as the very best face-to-face courses. The heart of the alliance is a custom-built education platform, designed and provided by technology enterprise Insendi, a company founded by EdTech experts at Imperial College Business School. The platform can be tailored to meet the requirements for each member school, enabling them to redefine, customize, and digitize their portfolio of programs.

In 2021, ESMT EdTech team members Jon Demiglio, lead media designer, and Claudia Ocera, instructional technologist and learning designer, received gold at the **FOME Learning Design Innovation Awards** for the drawbridge learning sequence of the course "Ethics and Responsibility." The course, taught in MBA programs, introduces participants to the areas of ethical thinking and discussion and guides them to do the same in everyday business situations. The central element of the drawbridge sequence, situated in the first four of ten sessions of this course, is a video animation produced by ESMT. The video is based on an old tale and hand-drawn and inspired by German Expressionist woodcut prints from the 1920's. It tells the story of a baroness who had a lover and a husband who forbade her to leave their castle. Yet, she left, crossed a drawbridge, and secretly met her lover. On the way back home, she met several people and faced many adventures that led eventually to her death.

The video sequence was designed to help participants understand key ethical concepts and theories that they can apply to their personal and professional lives. Participants are asked to reflect on different aspects of the scenario as



FOME Conference at ESMT: Innovation and collaboration in blended and online learning.

they progress through the course, such as responsibility, ethics theories, and creativity in ethical decision-making. These components were developed using different online activities as well as multimedia and external tools. The award by FOME recognizes creative and effective learning design on the Insendi platform. Submissions that best demonstrated solid learning sequences with a pedagogical balance were honored. These awards are intended to recognize intelligent, well-designed pedagogical approaches rather than technology-driven solutions.

Principle 6 | Dialog

We will facilitate and support dialog 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.

At ESMT, dialogue between academics, students, business leaders, government, and NGOs occurs on a daily basis. Each and every interaction represents an opportunity for education and enhanced understanding. The distinctiveness of ESMT in comparison to other international business schools lies in its access to the founding companies and its strong corporate connections. As a school created by major global corporations and employer associations, the corporate dimension is integrated very closely into the governance, strategy, and culture of the school. The formal representation of executives from the founding companies – on the Board of Trustees of the ESMT Foundation, the Supervisory Board, the International Advisory Council, and the Corporate Clients Council – strengthens this integration. Consequently, ESMT has excellent national corporate links with major global companies. In addition, the Foundation – established by the founding companies – guarantees the economic sustainability of the school. On various occasions, ESMT has been commended for the way it has engaged with a wide range of corporate partners and clients in developing research projects by using the expertise of its faculty. The activities of the school in providing numerous seminars, MasterClasses, the CEO Talks@ESMT, the Annual Forum, and memberships in the Sustainable Business Roundtable serve as indicators of these strong partnerships.

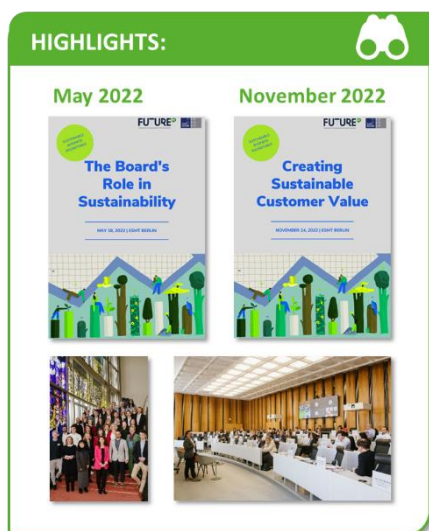
Sustainable Business Roundtable (SBRT)

The SBRT, founded in 2011, is a peer-to-peer learning network for a group of excellent companies (currently 22 international members) that have a global footprint and that are leading the sustainability revolution. It combines cutting edge academic insight with open discussion of best practices, challenges, and opportunities that companies face in the strive to embed sustainability in their respective organizations.

Its unique value proposition is that it showcases the interface that sustainability has with the other departments of the company, such as human resources, marketing, investor relations. The SBRT convenes twice a



MasterClass with **Angela Titzrath**, Chairwoman of the Executive Board, Hamburger Hafen und Logistik AG



year and always invite two representatives from every company – the sustainability manager and a colleague from another area (e.g., marketing, supply chain, human resources). This creates a rich environment for debate and discussion in the room.

By joining the SBRT, companies can learn how triple bottom line strategies create value for different functional areas within companies; discuss best practices, opportunities, and challenges of implementing sustainability strategies with other world class companies; formulate and implement strategies that maximize both business and societal value; set up joint research projects with ESMT Berlin.



Annual Forum

The **ESMT Annual Forum** is the school's premier event, providing corporate, political, and academic leaders a platform for in-depth discussions of current global business issues. Additionally, breakout sessions led by ESMT faculty and external experts invited participants to focus on specific outcomes of technology implementation in business.

This year's Annual Forum had focus on sustainable change from the perspective of different stakeholders: How can industry continue to perform while meeting emission targets? What roles will innovation and entrepreneurship play in sustainability? What type of leader is needed to shape the future? Which business models do we need for a circular economy? These and other questions were discussed by representatives from business and science.

Open Lecturers

The **ESMT Open Lectures** showcase speakers, who through their achievements and expertise are recognized leaders in their fields. The lectures cover a wide spectrum of fields ranging from business, economics, politics, and philosophy to the arts. Our esteemed speakers not only provide detailed knowledge on their specialized topics, but also provocative insights that have broad relevance and wide-range application. The lectures provide a forum in which their ideas can be communicated to and debated with a wider audience. A 45-minute lecture (open to the public) is followed by a compelling Q&A session with the moderator and an open discussion with the audience. Renowned speakers from previous open lectures include:

- Christine Lagarde, Managing director, International Monetary Fund
- Mikhail Khodorkovsky, founder of the Open Russia movement, former head of Yukos
- Oliver E. Williamson, professor at the University of California, Berkeley,
- Hal Varian, Chief Economist, Google
- Simone Menne, CFO at Boehringer Ingelheim.





Konstantin Korotov, Professor of Organizational Behavior and Faculty Lead of the Executive MBA Program

Coaching Colloquium

Since 2009, the annual Coaching Colloquium, created by **Konstantin Korotov**, has served as an opportunity for academics; practicing leadership coaches; human resources as well as enhance their knowledge, skills, and networks through intensive practice of executive coaching.

Throughout the years, hundreds of cases of challenging coaching situations from the perspective of the coach have been explored. Each time the discussion was set within a broad topic of importance to society, organizations, or the coaching profession.

The power of the Colloquium has always been in the willingness of the participants to bring their difficult experiences to the analysis by the others, and to bring themselves as tools for working on the questions of interest. During the colloquium, participants are working with real cases presented by real coaches, faculty, and learning and development managers and commented upon by fellow professionals.



Franziska Giffey, governing mayor of Berlin at the DigitalFuture Summit 2022

DigitalFuture Summit (DFS)

Since the foundation in 2016, the DFS has established itself as a leader in its field and partnered with over 70 businesses and organizations. Talented and tech-savvy students of ESMT have engaged with leading global companies and innovative startups at the DigitalFuture Summits. The goal is to provide a platform for students and young professionals to connect with leading academics and well-known corporates and start-ups to discuss challenges and opportunities of the digital future. To ignite inspirational discussions, the team organizes informative masterclasses, interactive workshops, panel discussions, a pitch competition and many networking opportunities.

The DigitalFuture Summit connects students with an interest in digitalization with business leaders and potential employers to foster knowledge exchange and help students expand their network. All keynote lectures, panel discussions, workshops, and master classes focus on four main clusters: connectivity, mobility, creativity, and sustainability.

In 2020, the DFS attracted over 900 students and young professionals from 100 different nationalities. In 2021, the DFS had 1000 students participating from 100 nationalities and 25 partner companies. For the first time in the DFS history, the DFS 2022 was organized in a hybrid mode allowing for both on-campus and online interaction.

3. Future perspectives

The commitment of ESMT Berlin to PRME's Principles remains as strong as ever to prepare students, support academic research, and closely work with partners to meet tomorrow's sustainable and ethical challenges.

Core elements of our vision are to engage every student in a life-changing experience, to deliver globally-recognized research and innovative solutions that improve society, to lead in sustainability, and to keep our position as one of the Europe's leading business schools.

For the next stage of its development progress, ESMT envisages the following aspirational steps that are characterized by the acronym **ASPIRE**:

- advance sustainability through education and research;
- support diverse future leaders for the world with a European perspective;
- promote a stakeholder-oriented market economy with sustainable and globally inclusive economic growth;
- integrate business and technology to support individuals, companies, and societies;
- research rigorously to find the right solutions to upcoming challenges for businesses and beyond;
- evolve into a hotspot for innovation and entrepreneurship in Europe.

In its newly developed sustainability strategy, ESMT aims at moving sustainability from attitude to action to impact. We would like to continue fostering sustainability by:

- reducing our footprint, our negative impact on the environment,
- increasing our handprint, our positive impact on the environment and society, and
- creating a heartprint, transformational impact that inspires the entire ESMT community.

Overall, our strategy is entirely congruent with the UN PRME principles. We strongly support the aims of the PRME and continue our commitment to long-term adherence to and support for the Principles. However, ESMT would prefer to prove itself by its actions rather than its promises.



4. In conclusion



ESMT is deeply cognizant of the necessity to create a learning environment that is conducive to effectively instituting the curricular changes deriving from the PRME. The school has worked hard to build an intentional community, that is, a diverse, inclusive community that transcends the homogeneity of its organic geographic location by making strong efforts to recruit and support diverse students, staff, and faculty.

ESMT Berlin is committed to delivering an impactful and high-quality learning experience, be it face-to-face, online, or in a hybrid format. The school recognized the importance of digitalization in education and society as a whole long before the coronavirus made face-to-face teaching impossible. In the last years, we invested heavily in digital learning. This investment, along with our experience as a part of the Future of Management Education Alliance (FOME), has given us a tremendous advantage. We not only have the capability and expertise to deliver the highest quality of online and blended programs, but we also have access to faculty networks across leading business schools in Europe, Asia Pacific, and the Americas.

5. About ESMT

ESMT Berlin is a state-accredited, private business school with the right to grant PhDs. Founded in 2002 by 25 leading global companies, we have made a name for ourselves as the most successful business school in Germany. ESMT is the first and only German business school in the European Top 10. We offer a full-time MBA, an executive MBA, a part-time blended MBA, and a master's in management, as well as executive education. Located at the historic Schlossplatz, in the center of the German capital and opposite Berlin's most exclusive location, the newly built Humboldt Forum, ESMT acts as an interdisciplinary platform for discourse between politics, business, and academia.

ESMT grooms new talent for Germany – as the center of economy – and Europe. We develop entrepreneurial leaders who think globally and act responsibly. Our 9,000 international alumni are in high demand worldwide as entrepreneurs and executives. Researchers at ESMT have been among the most productive driving forces of innovation and knowledge at the interface of management and technology, in alignment with the three pillars of the school: **leadership, innovation, and analytics**. Our researchers and programs have won renowned awards and prestigious grants, such as the grant of the European Research Council (ERC) or the Excellence in Practice Award for Executive Education.

ESMT is consciously interdisciplinary and practice-oriented. We are convinced that we can therefore make a meaningful contribution in view of today's societal challenges. Both in research and teaching, the focus is on climate change, sustainability, digitization, artificial intelligence, health, and diversity. ESMT has been at the forefront of digital and lifelong learning for years, so we are in an ideal position to build on our leading role in these areas.

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