



**KOÇ
UNIVERSITY**

PRME

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

■ SIP REPORT KOÇ UNIVERSITY

1.1 RENEWAL OF OUR COMMITMENT TO THE PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

Koç University signed the United Nations Global Compact at a ceremony in November 2007, in the presence of the previous Secretary-General of the United Nations, Kofi Annan. Koç University is a signatory of the UN Global Compact Principles for Responsible Management Education (PRME). Our objective was to advance the agenda of the Global Compact at the local and global levels and to play an important role in shaping future business leaders and educating them on the importance of responsible citizenship. The many initiatives taken since then and the strong embeddedness of these principles across academic programs are reflections of this commitment.

Our “Responsible Management Education” Liaison Officer participated in the first PRME Summit on “Partnership in Responsibility: Embedding the United Nations Global Compact’s Principles for Responsible Management Education in Support of the Corporation of the 21st Century”. In 2011, Koç University participated in the first regional forum on PRME at the American University in Cairo and the EFMD-ESMT Roundtable on the Future of Management Education. Koç University also contributed to the CEMS book on the Legitimacy of Business Schools with its experience in embedding responsible management in its activities.

Hereby, Koç University renews its commitment to the UN Global Compact’s Principles for Responsible Management Education.

Prof. Dr. Barış Tan

Dean, College of Administrative Sciences and Economics

1.2 OVERVIEW MAJOR ACHIEVEMENTS IN RELATION TO THE IMPLEMENTATION OF THE SIX 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.

The principle of purpose is best reflected in our mission, board, key teaching objectives, and environmental consciousness. The mission of Koç University is to be a center of excellence that strives to provide a world class education to its students, to create new knowledge via the research of its faculty, to apply the acquired knowledge for the benefit of society, and to equip its students with a broad base of scientific knowledge not limited to their disciplines, as well as the highest sense of ethics, social responsibility and good citizenship. Further, one of the members of the Board of Overseers is a Professor of Legal Studies and Business Ethics (Prof. Dr. Janice Bellace). In teaching, one of the five key objectives at Koç is to bestow upon the students “education in social issues, responsibilities, ethics and professionalism”. We show our concern for the environment by taking initiatives such as recycling waste water for irrigation purposes, measuring carbon emission and adhere to permitted levels, collecting used vegetable oil for conversion to biofuel by state certified institutions, collecting and recycling paper, disposing of batteries and medical waste in line with environmental standards. These activities resulted in substantial decrease in CO₂ emissions and energy savings. Koç University is one of the few universities in Turkey with ISO 14001 certification for environmental management.

The establishment of Koç University as a foundation university in Turkey is a good example of a public-private partnership that has a positive effect on the society. Including full and partial scholarships, 60% of the students are on scholarship. The full scholarship equivalent of these scholarships leads to a ratio of 40% of all the students fully sponsored by the Foundation. The scholarship covers the tuition fee, accommodation and a monthly allowance. A recently started Anatolian scholarship program targets successful students from under-developed cities in Turkey. The contribution of the Vehbi Koç Foundation in the form of establishing the university has triggered a multiplicative effect with its graduates, research, and teaching programs.

The educational approach to the topic of corporate social responsibility at Koç University includes a range of quite distinct, broad issue areas: from labor rights to human rights to environmental concerns, and from philanthropy to corporate governance to ethical business practices such as avoiding corrupt business payments. Ethical reasoning is one of the seven knowledge areas of the revised liberal arts core program and several courses are offered in this group to freshman and sophomore students. We have a Student Code of Conduct that explains academic dishonesty; any infringements are taken very seriously and are subject to a cross-colleges university committee on ethics. Our objectives go beyond academic honesty, though, as we aim to convey a general sense of ethics to our students. Therefore, we include ethics and social responsibility issues in many of our courses.

Koç University initiates and participates in many activities targeted to the local community and to other stakeholder groups as discussed in the next sections. To name some examples that are detailed further on, Koç University collaborates with the UN Development Project Turkey to support small business and stimulate involvement of the poor, KU provides voluntary teaching to the local community of Sarıyer but also to patient groups with a cooperation with Novartis, and KU facilitates several activities organized by students (such as the KU Volunteers).

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 incorporation of these values is illustrated by our cooperation with the United Nations Development Program (UNDP), our emphasis on responsibility in evaluating students and faculty, various social responsibility-related initiatives, and the permeation of these values in curricula. We reflect on each below.

■ Cooperation with the United Nations Development Program (UNDP)

In the graduate programs, the School cooperates with UNDP Turkey. The UNDP conducts feasibility studies for small new companies and stimulates them toward inclusive business (provide the poor with employment

opportunities and with means such as electricity in villages). Our lecturers teach agents of the UNDP and provide them with theory to help identify the more promising projects on the basis of pre-feasibility studies.

The UNDP provides the MBA students with insights into the definition and measurement of poverty and organizes several sessions on bottom-of-the-pyramid and inclusive business. A new course is also developed on New Venture Development where students develop new venture ideas, with attention to social consequences (such as consequences for bottom-of-the-pyramid). The students' plans are evaluated on the basis of the profitability as well as social responsibility aspects.

In March 2011, UNDP Turkey and Koç University jointly organized a workshop for EMBA students, MBA students, and practitioners on "Business Solutions to Poverty: Executive Workshop on Inclusive Business in Emerging Europe and Central Asia". Case studies were discussed related to successful implementation of bottom-of-the-pyramid ideas (helping the poor, establishing new companies) in countries including Turkey, Ukraine, and Albania. The cases included Rural Finance Corporation Moldova and Telemedicine in Belarus. The focus was on Inclusive Business, in the context of small businesses in less developed countries.

■ **Emphases in graduate programs**

The three important themes emphasized in the graduate programs are responsibility, leadership, and vision. When interviewing new candidates for the graduate programs, all candidates are made aware of social responsibility and their view on social responsibility is a selection criterion for all master programs. For faculty members, community services through for example collaborations with non-profit organizations are part of the annual evaluations. The annual evaluation process tracks community service of faculty through their consulting to private, public, and non-profit institutions, seminars and workshops, and positions in private, public, and non-profit institutions. The evaluation process also incorporates non-academic publications and presentations at non-academic meetings and conferences, contributions to popular media, and honors and awards for non-academic contributions.

■ **Social responsibility-related initiatives**

Faculty also participates in social responsibility-related initiatives, e.g. by helping NGOs and equip them with basic knowledge, such as on finance and new media. That way, NGOs can raise their voice and be heard. Teaching is on free basis. In particular, Novartis and Koç University are jointly involved in teaching patient groups (these groups are often governed by patients or by family of patients, with the objective to create awareness of particular illnesses). Novartis funds the initiative (transportation, accommodation, translation; teaching is free of charge though). Koç faculty members as well as alumni teach patient groups to increase the efficiency and efficacy of their operations so that they can be more vocal and more successful in fundraising. Koç University also participated in the Milan Workshop in October 2010 where experiences and methods were exchanged with representatives of various international business schools, NGOs, and Novartis as part of the International Capacity Building Alliance. As another example, in 2011, a free executive education program was developed for the local municipality (Sarıyer); we offered training in management, leadership, and business law to the employees and managers of the local municipality.

■ **Curricula**

Social responsibility is a theme that is strongly embedded in the curricula at Koç School of Business. First, in their core curriculum freshman students take courses in the area of ethical reasoning. Second, elective courses offered in the undergraduate program cover different dimensions of social responsibility. These courses are taken by the undergraduate students of the Koç School of Business as well as the students in other degree programs at the university. In all levels, we offer classes that explicitly cover social responsibility (e.g., Koç School of Business invited a prominent scholar in the domain to offer the EMBA class on Corporate Responsibility). The table in the Appendix illustrates that ethics and social responsibility are recurring themes across the different courses offered by Koç School of Business at all levels.

The newly introduced undergraduate course on New Venture Development and Entrepreneurship emphasizes social entrepreneurship. At the graduate level, the UNDP partnership discussed above provides an extensive exposure to our students in the area of social responsibility and social entrepreneurship.

In 2011, Koç University signed a Memorandum of Understanding with the Haas School of Business to become an outreach partner for the Global Social Venture Competition to promote social venture development among its students, in Turkey, and in the Europe Middle East Africa (EMEA) Region.

Principle 3 | Method

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

Koç University opens up its campus for student initiatives that are valuable to the society, or the local community. One of the most active and vibrant students associations that benefit from Koç facilities is *Koç Volunteers*.

Koç Volunteers is the umbrella student organization for all volunteer activities. Since 2003, *Koç Volunteers* has been organized as a student club with members who would like to work on social projects. These activities include various continuous and short term projects such as the Little Hearts Project, which gives support on the development of 2-7 year old children in state orphanages; the Thinking Children Project; and the KUYAT Koç University Summer Workshop, which support the education and social lives of students in Sarıyer and its vicinity, near the University itself; the KET Education Team, which provides educational support to secondary and high school students in the region; awareness activities that run projects for disabled people; and the Teeth Care Project, which provides dental care education to primary school students. KU volunteers organize activities during the World Disabled Week, collect and distribute cloths and books from the university, collect donations for building a library in Hatay and Şanlıurfa. These projects contribute immensely to the personal development of students. They enrich their team building, organization, communication and leadership skills. These projects also develop the capabilities of students to be future socially responsible leaders. Each year approximately 400 students participate in the activities of *Koç Volunteers*. More than 1000 of the Koç undergraduate alumni took an active part in *Koç Volunteers* since 2003. Currently, 80 students from the College of Administrative Sciences and Economics (CASE) are actively involved in KU Volunteers. More than half of the project leaders are CASE students.

Principle 4 | Research

We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Principle 5 | Partnership

We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6 | Dialogue

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

One approach to encourage research, build partnerships, and stimulate dialogue is by organizing forums and conferences that relate to the principles of responsible management. In 2011, we organized an executive workshop where a new regional UNDP report was presented “Business Solutions to Poverty: How inclusive business models create opportunities for all in Emerging Europe and Central Asia”, sponsored by the Turkish Development Agency (TIKA) and UNDP.

In 2011, we also organized the “International Symposium on Innovative and Sustainable Development” in collaboration with Kyoto University, an initiative open to distinguished experts, researchers, practitioners, regulators, and business leaders from all over the world.

Earlier in 2010, several conferences were organized by the TÜSIAD-Koç Economic Forum, one of which was titled “Expanding Opportunities for the Next Generation: A Report on Life Changes – Female Labor Force Participation in Turkey”.

These conferences brought together researchers, students, business practitioners, and other interest groups and lead to vivid discussions and a rich exchange of ideas and opportunities in the areas of global social responsibility, inclusive business, and the creation of social value.

1.3 KEY OBJECTIVES – DEVELOPMENT OF THE KOÇ UNIVERSITY SOCIAL IMPACT FORUM (KUSIF)

While we have many ongoing and new initiatives that relate to the six principles, the intentions of Koç University to further implement the six principles is best illustrated by the following recent and ambitious initiative that we plan to develop over the coming two years: the Koç University Social Impact Forum (KUSIF). With this forum, Koç University seeks to create social impact by fostering social innovation through education, research, and collaboration. The stakeholders include Koç University (students, faculty, staff, and alumni), the social sector (NGO's, public, and social entrepreneurs), and business (enterprises, entrepreneurs, and intrapreneurs).

We have formulated the following objectives for this new forum:

- Be a leading player among social innovation institutions;
- Raise social awareness among KU students, academics, and staff;
- Generate programs and tools to foster social impact and contribute to the social sector;
- Become a “reference point” for social impact;
- Strive for a better society within capacity.

Concretely, KUSIF will seek to achieve these objectives via a Resource and Practice Center and via its role as a Social Innovation Catalyzer.

First, KUSIF will host a Resource and Practice Center which will strive to “create social impact by enriching future leaders, academia, and staff with experiential learning, advanced knowledge, and valuable networks”. The forum will contribute to curriculum development (**principle 2**) by generating new modules and content on issues related to sustainable development and social impact; it will support (and strive to develop into a platform for) social impact research conducted by students, staf, alumni, external PhD students and other interested parties (**principle 4**); the forum will also enable practice (active and responsible KU students can participate in Global Aid, GSVC, OIP Certificate Program, SIFE Program, internships at NGOs, and other) (**principles 1 & 3**); finally, the Center will organize a Visionary Speaker Series (**principle 6**).

Second, KUSIF will serve as a Social Innovation Catalyzer toward business and society. As a Catalyzer, it seeks to create social impact by helping social organizations tackle current challenges and by engaging businesses more productively with the community through support networks, effective M&E tools, and ongoing development processes (**principle 5**). To that purpose, KUSIF will invest in tool development (e.g. performance measurement frameworks, social impact indexes), capacity building (through project partnerships with social enterprises, NGOs, and companies and through mentoring), workshops and executive education, an annual symposium, the launch of KUSIF publications, and community building via a website platform (**principle 6**).

We expect this initiative to declare KU's contribution to society; increase the visibility of socially innovative projects; stimulate innovative social transformation through education, research, and collaboration; provide exceptional opportunities for students to participate in society in meaningful and impactful ways; and to result in a network between social innovators and future leaders.

APPENDIX: ETHICS AND SOCIAL RESPONSIBILITY IN COURSES OFFERED BY KOÇ SCHOOL OF BUSINESS

Ethical Reasoning Core Courses

Course Code and Title	Topics covered
ETHR 100 One for All and All for One: The Struggle for Human Rights	A broad working knowledge of human rights, both as an intellectual discourse and a realm of political action. Emphasis on the issue of women's human rights, central to the debates over universalism versus cultural relativism.
ETHR 101 Ethics in Institutions and Society	Exploring the moments of ethical questioning, the processes of ethical decision-making and their applications in parliaments, courthouses, hospitals, schools, business companies, and municipalities. A survey of various areas of applied ethics to introduce the philosophical methods of questioning in the applications of ethical ideas and decisions into our social and institutional life.
ETHR 102 Legal Philosophy	Examination of concepts such as law, justice and fairness; relationship between law, religion, morals and ethics; natural law and the law of nature; theories of ethical reasoning: utilitarianism, egoism, relativism, deontology; justice as a theory of ethical reasoning, normative ethics and Greek philosophy; modern ethics and postmodern ethics, ethics and science; understanding the legal concepts of rights, duties, personality and their ethical dimensions.
ETHR 103 Human Rights	Problematic issues concerning human rights in Turkey; the European Convention on Human Rights; the substantive rights laid down in the Convention (right to life, prohibition of torture, right to liberty and security, right to a fair trial, protection of private life, freedom of expression); recent legal and political developments in Turkey from the viewpoint of human rights; current topics of debate.

Undergraduate Courses

Course Code and Title	Topics covered
MGMT 453 Corporate Social Responsibility	This undergraduate course critically considers both the practical and theoretical perspectives of global CSR issues. The program aims to analyze the complex factors which lead to good CSR practices in both a national and international context. With a rights based approach to CSR - from labor rights to human rights to environmental rights to anti-corruption, the course will showcase how CSR can be an integral part of corporations.
OPSM 301 Operations Management	Social costs of layoffs Ethics and SR in quality management Environmental impact on location decisions
OPSM. 410 Operations Strategy	Discussion of ethics and social responsibility through IKEA Case on Indian Rugs and Child Labor
MGIS. 301 Management Information Systems	Ethics, privacy, and security (2 sessions) as well as topics such as green IT and the digital divide.
INTL. 365 International Negotiations	Ethics in international negotiations, corruptions (lectures and simulation)
MFIN 403 Financial Markets and Institutions	Causes of crisis such as excessive risk taking, too-big-to-fail,
MKTG 301 Marketing Research	Ethical considerations (confidentiality, privacy, truthful reporting) in conducting marketing research
INTL. 446 Human Rights and Europe Integration	Models and policy choices in preventing human rights violations especially in multicultural contexts.

Graduate Courses

Course Code and Title	Topics covered
MGMT 550 Corporate Social Responsibility	MBA class organized around diverse aspects of Corporate Responsibility
MGMT. 962 Corporate Responsibility	EMBA class organized around diverse aspects of Corporate Responsibility
MGMT 508 Cross Cultural Management	Cross-cultural approaches to Decision Making, Ethics and CSR, Tolerance for unethical behavior measure in class and field projects
MGMT. 661 Research Methods in Business	Ethics in academia
ACCT. 503 Intermediate Accounting	Ethical dilemmas preparers of financial reporting face
ACCT. 504 Auditing	Auditing standards, professional ethics, and legal liability
CEMS Business Project	In-company project on Corporate Social Responsibility Ethics in intra-organizational context In-class discussion of ethical issues in research

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