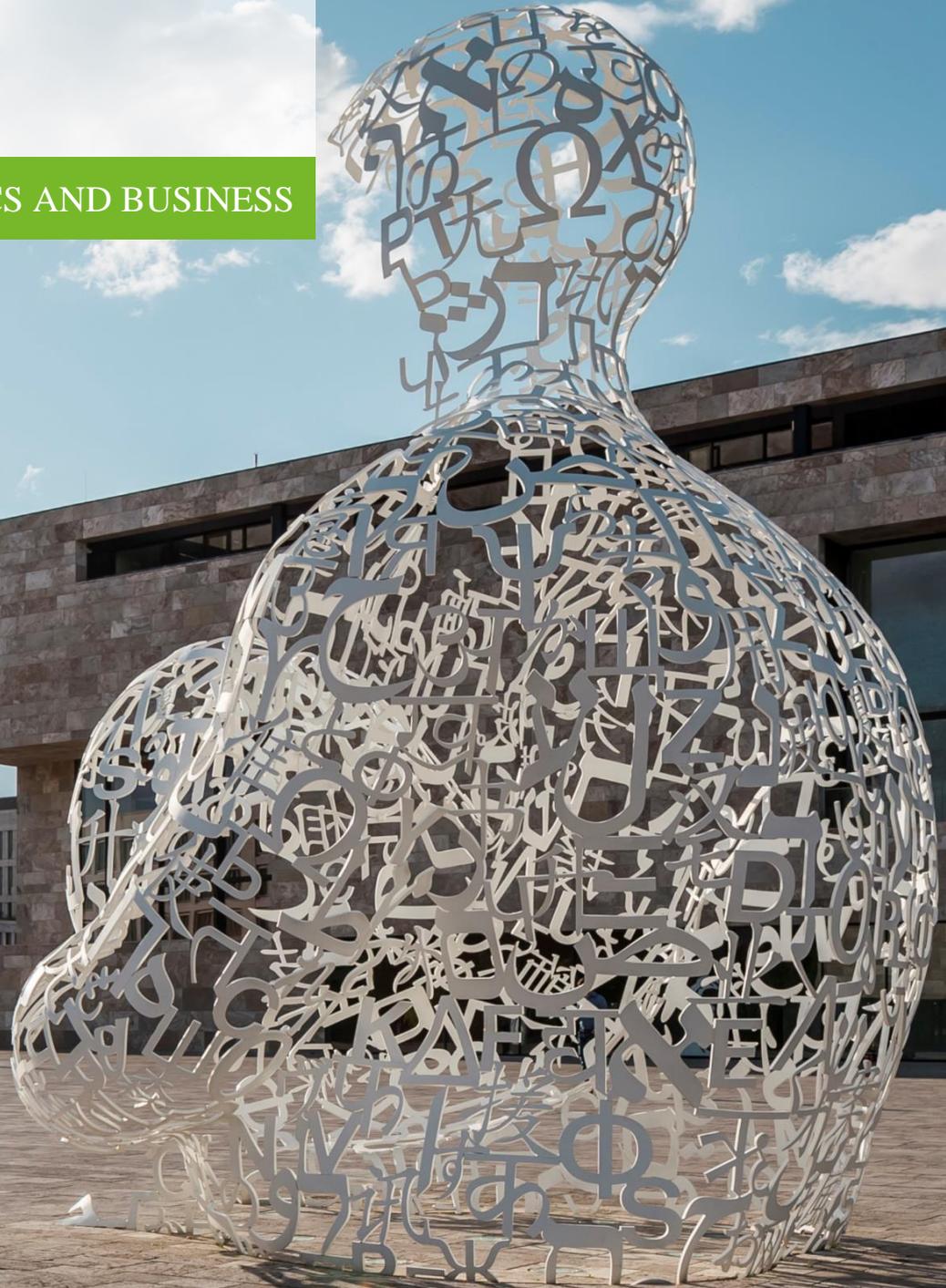


PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

SIP Report 2020-2022

FACULTY OF ECONOMICS AND BUSINESS



AACSB
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PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

Sharing Information on Progress Report

2020-2022



TABLE OF CONTENTS

Mission Statement.....	5
Letter from the Dean	6
About the Center for Business Ethics.....	7
Highlight #1: Values for Higher Education	8
Highlight #2: Equality & Diversity on Display.....	9
Highlight #3: New Fundamental Course	10
Highlight #4: European Ethics Bowl	11
Highlight #5: New Seminar – Acting as Responsible Managers.....	12
Highlight #6: Green Consulting	13
Highlight #7: Mobility and Energy	14
Highlight #8: Support for the Disadvantaged.....	15
Highlight #9: Selected New Courses Integrating Ethical Issues	16
Highlight #10: Research for a Better World.....	17
Principles for Responsible Management Education	18
Principle 1 Purpose	19
Principle 2 Values.....	20
Principle 3 Method	21
Principle 4 Research.....	23
Principle 5 Partnership	24
Principle 6 Dialogue	25
Contact.....	27



MISSION STATEMENT

- **Tradition:** Having our origins as one of Germany's first economics faculties, today we are among the largest schools in the country, integrating the complete spectrum of Business Administration and Political Economics. At the same time, we consider ourselves to be an integral part of Goethe University, a citizens' university operated as a foundation under public law.
- **Leading-edge research:** Our faculty, comprising around 250 academics, delivers internationally recognized research at the highest level – research which is characterized by independence and diversity. Our commitment to supporting and developing the next generation of academics is targeted at leading-edge research, as is our appointment of new professorial staff.
- **Excellence in study programs:** With diverse programs of study, we prepare, using modern, cosmopolitan formats, some 5,000 students for international careers. The focus here is on sharing research-oriented methodological expertise and application-oriented knowledge, empowered by proximity to real-world practice. Our campus, one of the most attractive in Europe, offers a pleasant learning atmosphere.
- **Excellence through interaction:** With our research and teaching, we equip our students with the skills and resources to solve important societal problems. We seek open, result-driven interaction and discourse with the political and economic establishment and with the broader community. An international approach to research and teaching is a central objective of our faculty. Accordingly, we pursue thriving and interactive relationships with our partners around the world.

LETTER FROM THE DEAN



As an institution of higher education involved in Principles for Responsible Management Education since 2009, Goethe University's Faculty of Economics and Business is pleased to reaffirm our support of the Principles.

Business ethics has been an integral part of our undergraduate curriculum since 2006. While it started as an interdisciplinary lecture with speakers from different faculties, it has developed into a coherent lecture covering topical dilemmas, such as morality and profitability, welfare economics, and corporate social responsibility. Nowadays, ethics courses are at the core of all our graduate, postgraduate, and executive programs, and we can rightfully claim that every graduate has been subject to discussions of ethics, responsibility, and sustainability.

In conjunction with a solid theoretical basis regarding ethical decision-making, various initiatives of the Center for Business Ethics (CBE) and our faculty have integrated more and more real-world problems into their courses. Furthermore, recently introduced reforms of the structure and content of our undergraduate programs have triggered innovative ways to confront students with ethical decision-making. Outside the classroom, several student initiatives engage in social activities solving economic and ecologic problems simultaneously. Linking theory with experiences from external stakeholders has proven to be an important step towards a more holistic integration of ethics into our programs. Last but not least, a team from our school won the 2021 Ethics Bowl, an international competition where students discuss ethical dilemmas in front of a jury.

Apart from these highlights, the following report provides an overview of our ongoing commitment to responsible management education as a PRME signatory school. In addition, we demonstrate how our faculty incorporate the Principles for Responsible Management Education into their teaching, research, and community partnerships.

A handwritten signature in blue ink that reads "Christian Schlag". The signature is written in a cursive, flowing style.

Christian Schlag

Dean, Faculty of Economics and Business

ABOUT THE CENTER FOR BUSINESS ETHICS

Starting in the 2000s, we have developed and brought further our own approach according to which ethics and economics are entirely complementary and not in real conflict with each other. Economics is seen and taught as strategic reasoning to pursue whatever goal one has in mind and that, on top of this, market economies fulfil important ethical goals, in particular when it comes to solidarity beyond the limits of sympathy, as this is a major advantage of well-functioning markets.



Thus, our vision is that economics does not simply have to be supplemented by ethics, but that the latter has to be fundamentally built into economics above and beyond the ethical aspects that market economies naturally imply – an understanding we transmit to our students, to companies and organizations, and to the general public.

ABOUT GERHARD MINNAMEIER

Gerhard Minnameier is a full professor at Goethe University and has been head of the Center for Business Ethics since 2011. The center provides a permanent home for business ethics at our school. The center employs two research and teaching assistants and six adjunct faculty with outstanding contributions business ethics research and practice. Together, the team provides both basic and advanced business ethics and sustainability courses for undergraduate and graduate students.

In theory and in our academic work this is done by the reconstruction of different forms of morality in terms of institutions. In this sense, economic goals and activities do not have to be constrained by morals, but they are rather supported by well-functioning moral regimes as solution-concepts for so-called mixed-motive games, e.g. social dilemmas of the type of the prisoners' dilemma.

Furthermore, we are also concerned about how ethics and economics are related in the wider context and what remains as ethics that cannot be economically internalized (like theories of justice). Here, we are for instance interested in the intersection between welfare economics and theories of justice.

Currently, we implement some of this fundamental theoretical work into economic experiments, in particular with respect to economic games enhanced by tools for moral communication and with respect to distributional preferences in a utilitarian framework.

Our research has important implications for business, economics, and society in the sense that it concerns real and applicable ethical contributions to describe, analyze, and solve societal problems. Our research findings subsequently feed into our teaching as well as the discourse with stakeholders inside and outside academia.

HIGHLIGHT #1: VALUES FOR HIGHER EDUCATION

The experiences of the Covid-19 pandemic, e.g., in connection with distance learning, the role of social networks like Facebook or Instagram, as well as new forms of digital communication have sparked an important debate about the foundations of respectful exchange at our faculty. Hence, the dean’s team initiated an integrative process of developing a values framework, which shapes intra- and inter-subgroup collaboration and communication of students, lecturers, and administrative staff. In particular, the fruitful collaboration with the student representative body (“Fachschaft”) has provided deep insights into the needs of students, while confronting them with the experiences of lecturers and administrative staff. Acknowledging that behavior towards other subgroups was not always as respectful and understanding as desired has triggered a self-reflection process, which paves the way for more respectful interactions.

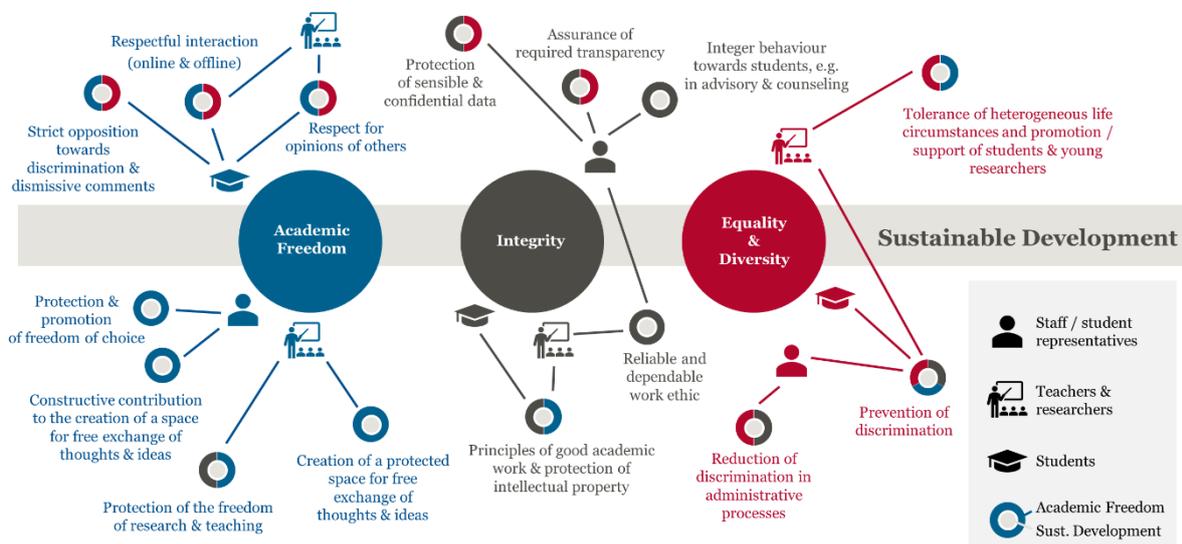


Figure 1: Our core values in a nutshell

As displayed above, the current draft of framework consists of the four core values:

- Academic Freedom: e.g., freedom of speech, teaching, learning, and research
- Integrity: honesty and intolerance towards actions against the community
- Equality & Diversity: anti-discrimination, equality of chances, acceptance of multifaceted realities
- Sustainable Development: long-term orientation, protection of environment and social resources

While this core concept remains rather abstract, our students helped develop a set of typical situations demonstrating how these values apply to the everyday life of various subgroups. For example, academic freedom has a different meaning for researchers compared to students or administrative staff. The graph above summarizes the connections and interdependences that exist between the responsibilities of the respective groups and also visualizes the fact that in many situations there is more than just one core value that must be considered.

HIGHLIGHT #2: EQUALITY & DIVERSITY ON DISPLAY

Apart from face-to-face consultations, our website is the prime source of information for faculty, students, administrative staff, and external stakeholders. Hence, we continuously improve our website as well as our social media presences to enhance the way we provide information for our target audiences. In 2021, we decided, together with the web editorial team and the Faculty's Equal Opportunities Council, to redesign the existing Gender & Diversity pages on our department website. The main purpose of this work was to present the provided offers and information about Gender & Diversity more vividly to and appropriate for students, staff members, and further interested parties, e.g., by adding new elements and organizing the depicted content more clearly. For example, we embedded short videos of faculty members serving as role models and source of inspiration.

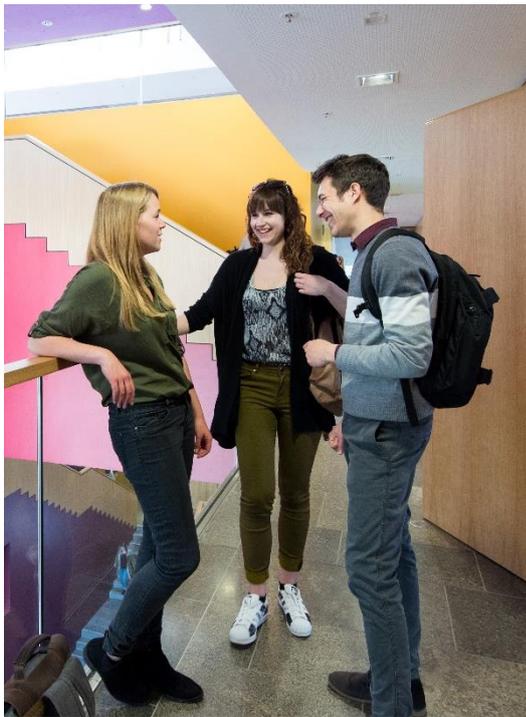
In addition to information on counselling, various offers and support services, Gender & Diversity related KPI's and news are prominently placed. The website is available in German and English and is updated regularly, incorporating feedback from our stakeholders, e.g., professors, colleagues, or members of the Faculty's Equal Opportunities Council.

The screenshot shows the website for the Faculty of Economics and Business at Goethe University Frankfurt am Main. The header includes the university logo, navigation links (Home, Faculty, Study, Research, International, Press & Media, Alumni), and a search bar. The main content area is titled "Gender Equality and Diversity at our faculty" and features a large photograph of a busy university atrium. Below the photo, there is a section titled "Gender Equality, Family, Diversity and Anti-Discrimination" with introductory text. To the left, a graphic shows a magnifying glass over a bar chart with the text "= 1,400 foreign / intern. students". To the right, there is a video player for "FB02 Community..." and a "News/Announcements" section with links to upcoming events and crisis information.

Figure 2: Screenshot new Gender & Diversity website

HIGHLIGHT #3: NEW FUNDAMENTAL COURSE

With the beginning of the summer semester 2022, we admitted the first cohort of students to our reformed undergraduate programs. Apart from structural changes, granting students more flexibility in terms of majors, minors, and self-organization, we introduced the new course “Philosophy, Politics, and Economics” as a core lecture, obligatory for all undergraduate students. While the former “Introduction to Business Ethics” course taught fundamental ethical concepts and was more theory-oriented, the new course aims to explain the normative foundations of economics while directly applying these frameworks to current political and economic debates.



The course starts with an overview of the philosophical foundations, especially the works of Plato, Aristoteles, and Kant, followed by the foundations of justice and allocation (Mill, Marx, Rawls). This section concludes by discussing approaches explaining individual human behavior (homo oeconomicus vs. homo socialis) and the implications of these conceptions of man.

In the following part of the lecture, the relation between the market and the state are discussed, addressing topics such as growth and welfare politics, different approaches of economic policy and the welfare state. Finally, the increasing importance of economic and social sustainability are discussed.

Hence, the new course design aims to impart the fundamental ideas of ethics and sustainability, political decisions, and human behavior. However, each course element is linked to current pressing economic and societal problems like climate change, poverty, and the rise of extremist parties, which helps students to understand their role as future business leaders, decision-makers, and consultants in governmental and non-governmental institutions.

HIGHLIGHT #4: EUROPEAN ETHICS BOWL

In a joint effort with the University of Ljubljana and University Paris Dauphine, in cooperation with the alumni program of European Investment Bank Institute's Summer School, we have launched the European Ethics Bowl (EEB). The aim of the European Ethics Bowl is to raise awareness of the relevance and complexity of ethical issues in a European context and to enhance the capacity of students to discuss ethical issues in the working environment. In the EEB, ethical issues are presented to students in the form of specific case studies. Students will collaborate in small teams to solve the case and compete, first on an institutional level, and then across institutions. The final takes place at the European Investment Bank in Luxembourg.



In 2021, nine teams with 27 participants participated in the event to discuss cases related to the overall theme “Environmental challenges”. For example, in the first round, students had to create a video of 3-5 minutes discussing the dilemma of taxing short-distance flights, which could prevent younger generations from experiencing the benefits of the European integration while reducing greenhouse gas emissions. In the finale, the team from Goethe University succeeded over a team from Paris Dauphine University and a team from Prague

University of Economics and Business, discussing the Just Transition Mechanism (JTM) and who should have a voice in this process. Our team provided the most convincing arguments according to an independent jury. Furthermore, students are assessed on their communication skills, the use of relevant information, critical thinking, creativity, and respectful collaboration.

While the first EEB was restricted to students from the three founding universities, the number of partners has increased to 14 for the 2022 edition. This year, students discuss ethical implications of standardization. The first-round question “Is it ethical to force progress through standardization?” relates to the idea that standard rules and quotes (e.g., share of female board members) can improve the status quo but could be seen as moral imperialism, especially if such norms are equally applied to developing countries. As of this year, the EEB kick-offs on Global in March and concludes on the UN International Anti-Corruption Day on December 9.

HIGHLIGHT #5: NEW SEMINAR – ACTING AS RESPONSIBLE MANAGERS

The second noteworthy reform of our undergraduate program in Economics and Business is the introduction of a second obligatory seminar. This new course should address the observed lack in academic writing skills, while enabling students to apply their theoretical knowledge in a business simulation. On top of that, the course confronts students with complex trade-offs between ethical decision-making and business reality. As part of the seminar, students assume the role of managers of a private firm in a business simulation. In a competitive environment, five teams of up to five students make complex decisions in the areas of procurement & logistics, human resource management, production, research and development, and finance.



Until now, the seminar has been offered twice as an elective to gain experience with the organization of the seminar before the roll-out as an obligatory module. The seminar consists of an initial session during which all teams had to present their firm's mission and all firms highlighted their aspirations to improve products and production processes to meet high

environmental standards and to respect their employees. In the course of the seminar and with increasing market and environmental pressure, students had to make tough decisions balancing their initial ethical goals with business reality. Decisions to cut costs in areas responsible for "green" or "humane" production have caused heated debates within the groups, especially if corporate survival is at stake.

In their seminar theses, students had to discuss their decisions while focusing on how the firm contributed to the realization of the 2030 Sustainable Development Goals (SDGs). Students' feedback revealed their learning from painful trade-offs and the public demand to report on topics such as corporate social responsibility and issues of sustainability.

In winter 2023, the first full cohort of students who began their studies in summer 2020 will be eligible to attend the course. To further develop the seminar to cater for up to 500 students per semester, we have applied for additional funding to hire a dedicated lecturer, to prepare learning interactive materials for both academic writing and business ethics elements. In addition, we plan to cooperate with external partners from the business world to integrate real-world examples of ethical dilemmas and to develop potential solutions.

HIGHLIGHT #6: GREEN CONSULTING

GREEN finance consulting, one of our highly active student initiatives, regularly carries out projects within the topics of environmental protection and sustainability. For this report, we would like to highlight two projects in the field of sustainable banking and education.

As for the first project, mandated by a sustainable online insurance marketplace, a team of three students was involved in the assessment of a possible expansion into the sustainable financial retail sector. The project tasks included an analysis of the current market, the impact of the EU Taxonomy for Sustainable Activities, and the identification of future trends.



In addition, our students developed a ranking model for various existing financial products. In the process, a wide range of financial products such as current accounts, call money and fixed-term deposit accounts as well as loans from more than 30 providers were examined and possible sustainable cooperation opportunities were derived.

In a second project, GREEN conducted a project in the education sector: A team of three student consultants supported a consulting company helping schools with both educational and digital challenges. The primary objective was to determine the company's current status quo to develop possible sales strategies by following a subsequent market and competitive analysis.

Conducting projects like this helps our students gathering a broad range of expertise in finding solutions to social challenges and making them available to external stakeholders.

HIGHLIGHT #7: MOBILITY AND ENERGY

180 Degrees Consulting Frankfurt is a student consulting club founded in 2015 by the aid of the Center for Business Ethics. The organization provides consulting services to non-profit organizations or socially responsible businesses on a donation basis. Together with a dense network of alumni as well as partner companies mentoring the students, the initiative enables enterprises and organizations to realize their positive impact on society and the environment while reconciling economic thinking and ethical behavior.



One of the projects in the last semesters was for World Bicycle Relief (WBR). This NGO works for sustainable change and aims to help end poverty in rural developing regions in the long term. WBR provides specially designed, robust, and locally assembled bicycles to students and caregivers in partner countries. The goal of the initiative is to give more people access to education, healthcare, and economic opportunities through mobility.

In order to make even more people mobile in the future, 180 Degrees Consulting Frankfurt supported World Bicycle Relief with the development of a new fundraising strategy.

Based on a market analysis, the consultants were able to explore various options and develop recommendations. Based on the recommendations, WBR can now convince even more people of their idea and increase their social impact.

Another exemplary project was for grauzugrün, a young company from Darmstadt. Grauzugrün has recognized the potential of unused roof space and has set itself the task of equipping the roofs of public institutions and companies with photovoltaic systems to make the world more sustainable through the use of renewable energies. As the company's focus is to be increasingly directed towards larger customers, the consulting project with 180 DC Frankfurt consisted of developing a B2B marketing and content strategy. The goal is to present grauzugrün as an expert in the industry to retain large customers in the long term. Accordingly, we first conducted a survey to identify the potential of specific target groups and to create a buyer persona.

The created buyer persona then served as the basis for our recommendations regarding a marketing strategy. In this context, we also presented marketing tools to grauzugrün, which they can integrate into their marketing strategy. All in all, we were able to successfully conclude the project with the final recommendation of a marketing strategy based on collected data thanks to a successful collaboration within the team and with grauzugrün.

HIGHLIGHT #8: SUPPORT FOR THE DISADVANTAGED

The war in Ukraine has triggered a new refugee wave of around 1,000,000 Ukrainians seeking shelter in Germany in the first nine months of 2022. In order to provide support and assistance to potential students, Goethe University has strengthened its tried-and-trusted Academic Welcome Program (AWP), which has been launched in 2015 to help refugees from Syria and other Arabic countries. The program offers a variety of German classes free of charge, especially beginners' courses (A1 and A2). Participants may also attend regular lectures to get familiar with German university life and standards. Furthermore, students may contact the dedicated AWP team for advice. Currently, Goethe University is working urgently to provide scholarships and additional support for academics and students from Ukraine.



Especially during the lockdown periods, most elements of the AWP had to take place virtually, e.g., German classes. This was particularly burdensome for refugees with limited financial resources and no access to mobile devices and laptops. That's why TechAcademy, one of our student associations, has donated four laptops worth over 1,300 euros. The devices were awarded to the participating refugees in 2021, ensuring good learning progress in German courses during the Covid-19 pandemic.

In March 2021, TechAcademy, were awarded "Students of the Year 2021" by the German University Association and the German Student Union. The Academic Welcome Program donation comes from most of the prize money.

Since the main purpose of TechAcademy is to raise students' interest in coding and programming, their charitable behavior also extends into this area. For example, the initiative donated 1,300 euros to Digitaltutor e.V., a Frankfurt-based non-profit association. Digitaltutor offers programming courses to school children as early as primary school age. In particular, the donation will enable school children from low-income households to participate in the classes.



HIGHLIGHT #9: SELECTED NEW COURSES INTEGRATING ETHICAL ISSUES

Conscious consumption – How marketing can change the world



The module "Conscious Consumption" faces students with urging problems in the domains of sustainability, social fairness, and individual well-being. Based on a philosophical introduction to ethics and moral principles and a consideration of legal foundations, the module's normative perspective assumes that a reinforcement of conscious consumption is a desirable goal. Based on theories and empirical insights of consumer research, the module presents potential solutions to three introduced societal challenges. Specifically, three different agents who can impact conscious consumption are introduced and discussed: Politics, companies, and individual consumers. The tutorial sessions cover practical case studies to motivate students to adopt the learned materials and values in their professional decision-making.

Sustainable investment – Unveiling problems and benefits of ESG ratings

ESG rating have gained in importance during the last years since investors tend to care more about reputational risks. Investment funds e.g., offer products that rely on a specific ESG rating of all securities included. At the moment, there are several different suppliers of these ratings and there is a debate about which criteria to include in the ratings and how they should be measured. In this seminar, students will obtain an overview of the most relevant issues regarding ESG ratings.



Business Ethics in the Age of Digitalization



Like any technological revolution, digitalization constitutes challenges and opportunities for society. Responsible management demands a reasonable use of these technologies. In this seminar, students first discuss in how far digitalization has the potential to disrupt the daily life of society - for example the impact of digitalization on moral behavior due to the switch from face-to-face to face-to-interface. Furthermore, robots and the right handling and with increasingly "intelligent" machines as well as transhumanism and the pursuit of perfection, e.g., through genetical modifications or implants, are discussed. Another aspect is the impact of digitalization on democracy and social justice, especially with regards to the conflict between privacy and transparency. Finally, we conclude by focusing on selected branches, e.g., the responsibility in the automobile industry or the application of artificial intelligence in marketing.

HIGHLIGHT #10: RESEARCH FOR A BETTER WORLD

How Communication Enforces Trust

In an article appearing in the *Journal of Economic Psychology*, Tim Bonowski and Gerhard Minnameier address the question of how mutual trust can be established and stabilized in impersonal or anonymous relationships, which is particularly important in a world of asynchronous and geographically dispersed interaction and cooperation. Their results show that mutual moral evaluations have an effect even though they have no influence on the outcome and even though players are matched with a new partner in each round.



The authors conducted an experiment in which one person had to trust another person who had an opportunity to betray them. The authors compared whether trust and trustworthiness in a real-money game are greater when actions are subsequently evaluated morally by the counterpart (for both trustor and trustee). In groups where this opportunity for moral communication existed, trustors not only displayed greater trust, but their trust was also met with greater trustworthiness of the trustees. The findings are relevant for all kinds of exchanges on markets and beyond and explain how people manage or fail to coordinate successfully (e.g., in online platforms).

Ethics of Artificial Intelligence

In late 2019 about a dozen business informatics chairs from the German-speaking community met to discuss the ethical challenges of Information Systems (IS). It turned out that many were and are concerned about the negative implications of IS while at the same time being convinced that digitization also supports society for the better. Their discussion finally led to the publication of a joint article as well as a Special Issue in *Business & Information Systems Engineering*.



Together with two co-authors, Oliver Hinz, professor of Information Systems and Information Management at Goethe University, contributed a chapter about ethical aspects of artificial intelligence. The authors state that predictions are said to be often faster, cheaper, more reliable, and better scalable than predictions made by humans; hence, influencing and transforming many of the societal decisions that we make today. However, there is also the risk that decision-making supported or automated by algorithms may unintentionally and unexpectedly shape societal outcomes for the worse. The issues of bias, fairness, and transparency relate to the core of IS research.

PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

Designed by an international task force of sixty business school and educational institutions representatives, the six Principles for Responsible Management call for a new culture in business education. Business schools should equip their students and graduates with the required skills and knowledge to become tomorrow's ethical leaders. In line with the UN Global Compact principles, business education should include topics such as responsibility and sustainability in the school's curriculum. Goethe University, therefore, embraces the following six PRME principles:

Principle 1 | Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Principle 2 | Values: We will incorporate into our academic activities, curricula, and organizational practices the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Principle 3 | Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Principle 4 | Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Principle 5 | Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6 | Dialogue: We will facilitate and support 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.

PRINCIPLE 1 | PURPOSE



Responsible management education has to reconcile economic considerations with a commitment to sustainability and individual moral orientations. In principle, this requirement is already included in the very definition of sustainability as it is based on the triple bottom line of social, ecological, and economic aims and responsibilities. However, business education in particular has to focus on how social and ecological aims can be achieved while furthering the firm's flourishing, in line with challenging different economic aims and constraints. After all, economic processes in a market economy are not only meant to maximize individual utilities at an aggregate level, but include processing values in society and, indeed, the global world. Therefore, it has to be acknowledged that economic processes and outcomes have an important inherent ethical quality. As a consequence, the very notion of corporate social responsibility is difficult to determine when it is to be made concrete and needs to be embedded in a broader ethical and economic context (in terms of philosophical ethics, institutional and constitutional economics).

According to this general outlook, our main aims with respect to responsible management education are the following:

- **Highlighting ethical problems and their economic significance:** We raise awareness of ethical problems, such as unequal distribution of wealth and income, poverty, life expectancy and infant mortality, white-collar crime and corruption, depletion of natural resources, customer protection, and so forth.
- **Analyzing economic processes as both causes and cures.** Many believe that greed, lack of moderation and the ruthless and reckless behavior of business people are the heart of ethical problems. Although this may be true in some cases and to some extent, people's striving and economic creativity is also the source of overcoming such problems, inventing green products and clean production technologies, establishing fair and fertile industrial relations, reducing moral hazards and, last but not least, taking corporate social responsibility and making it economically profitable.
- **Pointing to the interdependence of ethics and economics.** Instead of viewing business ethics as an oxymoron (an inherently paradoxical concept), we emphasize that, in fact, ethics and economics are just two sides of the same coin.

PRINCIPLE 2 | VALUES



The Global Compact covers four main areas that we think are of vital importance for economic, social and ecological development:

- Respecting and strengthening human rights
- Furthering humane industrial relations
- Protecting the natural environment
- Curbing and containing corruption and white-collar crime

These basic ethical issues should call for our attention and drive our creativity. There is an almost unanimous agreement on the relevance and importance of these values. However, when they conflict with other values, especially those in connection with concrete entrepreneurial objectives, they may be difficult to uphold. The main question is, therefore, how we can support these values in business environments. One important aspect is to see such conflicts as chances and resources for developments in business, because meeting these challenges means creating value also in the economic sense. For instance, ethical work organization can be economically efficient, especially if employees have to take responsibility and have to be committed to what they do. Another important aspect is that firms have to engage in policy-making, especially on a multinational level, where the capabilities of local governments are very restricted. These regulatory responsibilities have to be highlighted, and firms have to take care to work out what kind of regulation is in their long-term interest. Lobbying to ward off sensible regulation is a strategy that belongs to the past; the future consists in lobbying for the establishment of sensible regulation to guarantee the flourishing of markets and the creation of value.

We therefore incorporate discussions about the following topics into the main areas of economic and business studies:

- Management Ethics (Personal Responsibility, Principal-Agent-Problems, Social Downsizing, Principles for Just Evaluation of Performance)
- Organizational ethics and CSR as determinants and goals of economic success
- Institutional Economics and Order Ethics
- Corporate Governance and Corporate Citizenship
- Sustainability
- Systemic Risks in Financial Markets
- Strategies of Compensation
- Social Preferences
- Consumer Relationship and Ethical Advertising

How we integrate these values into the day-to-day exchange at our faculty is explained in detail in Highlight #1: Values for Higher Education.

PRINCIPLE 3 | METHOD



Back in 2006, when we first introduced business ethics into our program, we have developed a joint understanding of business ethics at our school. As depicted in Figure 3, our taxonomy covers both, the more theoretical and the more practical parts of business ethics, which incorporates systematic and historical developments and strengthens our capability for interdisciplinary affiliation. The first aspect concentrates on the potentialities and limits for business ethics itself. The second aspect is concerned with the question of implementation of the principles and norms discussed in the former realm and distinguishes between a micro and macro perspective. We therefore provide a functional framework to elaborate a comprehensive insight into the interrelation and application of the topics of business ethics.

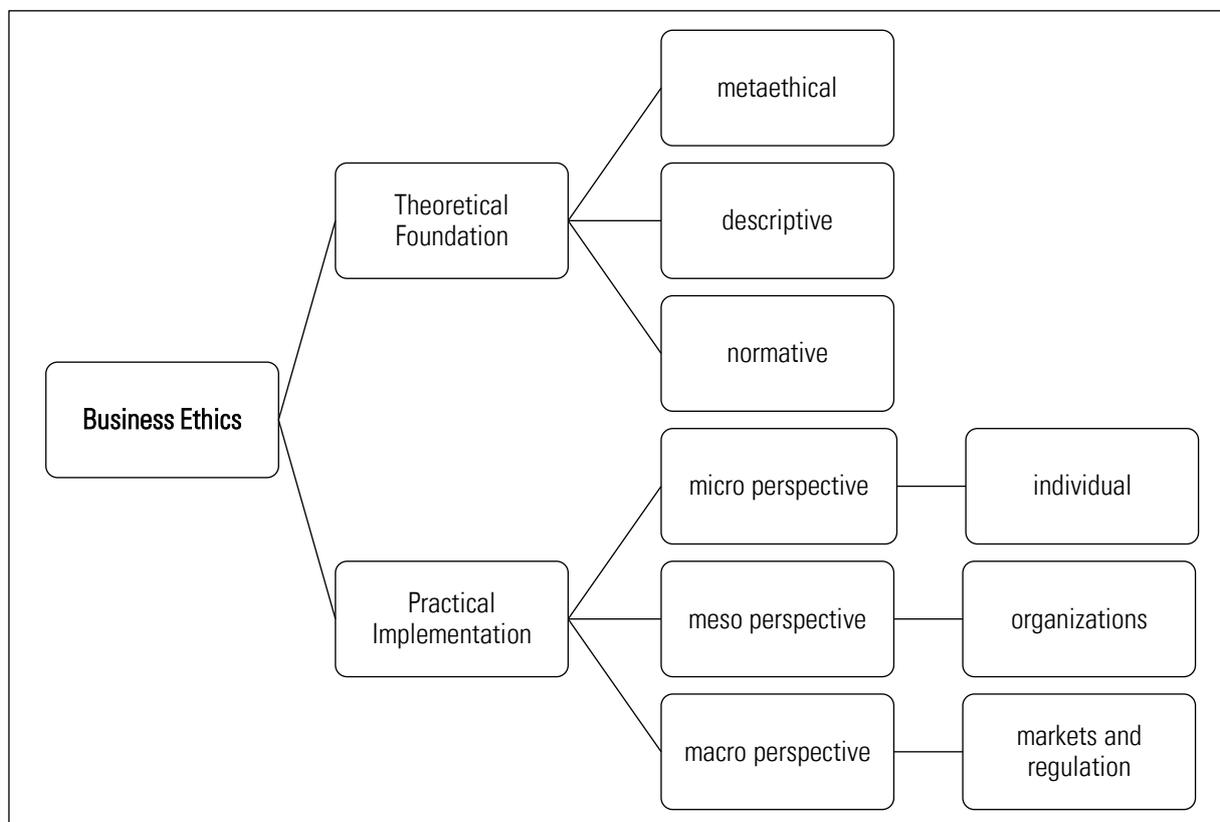


Figure 3: Taxonomy of Topics of Business Ethics

Starting from our undergraduate programs, business ethics has become an integral part of all our programs. The main course, which is compulsory for all our students in the bachelor programs, is the module “Philosophy, Politics, and Economics” that consists of a lecture, class and a mentorship (see Highlight #3: New Fundamental Course).

In addition to the lecture, students discuss controversial issues in smaller mentoring groups based on case studies and further readings. These discussions help students for both exam preparation and real world discussions.

Turning to the master’s programs, the Center for Business Ethics offers courses in ethics that are mandatory for students of business administration or international economics, or optional in the others. Here, students can choose from different topics (as also in the past). As new courses we have included “Markets and Morality – Economics and Ethics”, which is based on seminal and current literature on the relations between these fields, and “Compliance Management and Economics”, which concentrates on inefficiencies of unethical behavior in organizations and how these problems can be solved.

Apart from our modules focusing explicitly on business ethics, many of our courses in economics and business administration relate to ethically relevant issues. The number of these courses has slightly decreased over time, displayed in Table 1. This indicates that business ethics are not only covered in respectively themed course but have trickled down into applied courses like “Ethics in Finance” or “Historical and Normative Foundations of Economics”. However, these applied courses are often taught by external lecturers, which reduced their teaching activities in the last semesters due to the Covid-19 pandemic. We are optimistic that we will be able to increase the number of courses in the near future.

Table 1: Additional Courses with Addressing Ethical Issues

Semester	Courses	BA	MA	Ph.D.	MBA
Summer 2020	57	15	28	3	11
Winter 2020	51	15	31	1	4
Summer 2021	50	15	23	1	11
Winter 2021	44	19	21	0	4
Summer 2022	55	17	25	2	11
Winter 2022	46	19	21	2	4

BA = bachelors programs, MA = master’s programs, Ph.D. = postgraduate programs, MBA = executive education programs. Please note: Ph.D. intake only in winter.

PRINCIPLE 4 | RESEARCH



According to our systematic approach as mentioned above, we conceive conceptual and empirical research as complementary. We therefore encourage any research that advances our understanding of this interrelation.

Our special concern focuses on the connection between behavioral business ethics and the development of suitable institutions (in the sense of institutional economics). We concentrate, firstly, on the exploration of individual morality in use of the methods of behavioral economics to find out, why people behave the way they do and how their behavioral orientations can be developed. Secondly, we aim at developing regulations tailored to individual orientations as consumers and citizens, but also as members of organizations. Thirdly, we have achieved a theoretical integration of morality into economics from rational-choice theoretical view, with respect to both decision theory (preferences and restrictions) and game theory (moral rules as institutions). Based on this approach we have already done empirical research and are currently working on a larger research agenda.

Please find below an overview of research projects published in peer-reviewed journals:

- Alfaro, L., Faia, E., Lamersdorf, N., Saidi, F. (2022). Health Externalities and Policy: The Role of Social Preferences. *Management Science*.
- Billio, M., Costola, M., Hristova, I., Latino, C., Pelizzon, L. (2021). Inside the ESG ratings: (Dis)agreement and performance. *Corporate Social Responsibility and Environmental Management*, 28(5), 1426-1445.
- Bonowski, T., Minnameier, G. (2022). Morality and trust in impersonal relationships. *Journal of Economic Psychology*, 90, 102513.
- Ciampa, V., Sirowtka, M., Schuh, S. C., Fraccaroli, F., van Dick, R. (2021). Ambivalent identification as a moderator of the link between organizational identification and counterproductive work behaviors. *Journal of Business Ethics*, 169(1), 119-134.
- Inderst, R., Thomas, S. (2022). Sustainability Agreements in the European Commission's Draft Horizontal Guidelines. *Journal of European Competition Law and Practice*.
- Inderst, R., Thomas, S. (2021). Integrating Benefits from Sustainability into the Competitive Assessment—How Can We Measure Them? *Journal of European Competition Law and Practice*, 12(9), 705-709.
- Inderst, R., Thomas, S. (2022). Prospective Welfare Analysis—Extending Willingness-To-Pay Assessment to Embrace Sustainability. *Journal of Competition Law and Economics*.
- Langenbucher, K., Pelizzon, L. (2021). Short Selling – On Ethics, Politics, and Culture. *Zeitschrift für Bankrecht und Bankwirtschaft*, 33(5), 301-312.
- Pathak, P., Schündeln, M. (2022). Social Hierarchies and the Allocation of Development Aid: Evidence from the 2015 Earthquake in Nepal. *Journal of Public Economics*, 209, 104607.
- Spiekermann, S., Krasnova, H., Hinz, O., Baumann, A., Benlian, A., Gimpel, H., Heimbach, I., Köster, A., Mädche, A., Niehaves, B., Risius, M., Trenz, M. (2022). Values and Ethics in Information Systems – A State-of-the-Art Analysis and Avenues for Future Research. *Business & Information Systems Engineering*, 2022(64), 247–264.

PRINCIPLE 5 | PARTNERSHIP



Currently, there is no well-structured partnership program for the special purpose of principle 5 right now, but we are going to prepare one under the leadership of the Center for Business Ethics. This program will interact with managers from different industries who especially are responsible for CSR strategies in their business corporation. They will be invited to report on a currently pressing, 'real world' challenge they face in a two-day workshop. Afterwards, qualified students build teams of business consultants to elaborate and solve these challenges under the accompanying leadership of the executive manager of the corporation. Together they explore jointly effective approaches and reach for the possibility of direct implementation. In the last step of the program, the teams present their results to an independent jury and the public, who values the most innovative solution.

The benefit will be threefold. First students get motivated by real world problems to deepen their knowledge, train their capabilities and to get involved in social and environmental responsibilities. Business corporations will receive well-designed solutions for their challenges with a minimum of effort, extend their networks across different branches and show their care publicly. Researchers involved in this partnership program will transfer their insights back into the classrooms and bridge the gap from theory to practice more easily.

PRINCIPLE 6 | DIALOGUE



The expertise of the researchers at the Faculty of Economics and Business is regularly sought by senior policy professionals and journalists. While this exchange may be rather informal, the Mercator Science-Policy program is a structured meeting series organized by the university. In the past years, senior policy professionals from the European Commission, OECD, EBRD, World Bank, the German federal and regional ministries for finance, economics, environment and justice, the Federal Financial Supervisory Authority as well as journalists from influential media outlets like STERN and MDR have conducted more than 40 meetings with our researchers. The meetings covered topics such as green finance, business ethics, executive remuneration, diversity in organizations, responsible AI and data protection.

Less structure, our faculty members are frequently cited by various media outlets. Since March 2020, press and media releases were dominated by the pandemic. An example would be the impact of lockdowns on monetary policy, the European Central Bank or the society in general. Researchers of our faculty were regularly consulted / cited as experts and could thus provide important input from their academic perspective. Figure 4 visualizes the number of monthly mentions that are directly or indirectly linked to COVID-19 and that are registered in our faculty database ACADEM. The monthly mentions refer to the respective publication dates of the press / media articles. Important events related to the pandemic or interesting publications are added as speech bubbles. An example would be the tool developed by Anna Rohlfling-Bastian and her co-authors helping to estimate the installation and maintenance costs of air filters for classrooms.

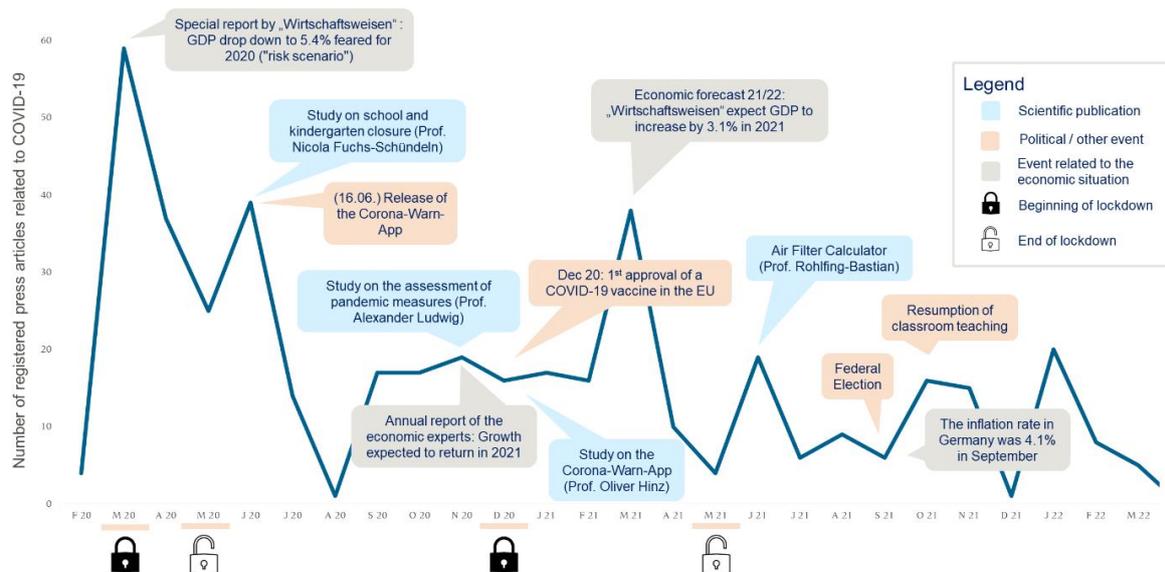


Figure 4: Citations in leading newspapers about Covid-19

Furthermore, we support associated initiatives that in turn provide different events closely related to the field of business ethics. We take part in discussions and meetings, participate in research initiatives, act as coaches to support student initiatives or even host it (180° Consulting). These initiatives cover a broad area of diverse interests of civil society.

- 180 Degrees Consulting Frankfurt am Main e.V
- AIESEC
- Bachelor meets Business
- Enactus
- E! Woche
- Fachschaft WiWi (student representation board)
- Founders Club Frankfurt (Frappe e.V.)
- Goethe Business & Economics Group (Goethe Finance Club)
- GREEN finance consulting e.V.
- impress!
- Kritische Ökonomik
- MTP - Marketing zwischen Theorie und Praxis e.V.
- Rock Your Life
- WiWir Buddy Program
- TechAcademy e.V.

These initiatives represent an important pillar in our view of responsible management education and complete our self-conception in this respect.

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