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Message from the head of LSM

The Louvain School of Management (LSM), the management school of the Université catholique de Louvain, graduates hundreds of young people each year from both campuses (Louvain-la-Neuve and Mons). In 2013, 221 new business engineers emerged, and 386 received a master’s degree in management science. Many of our programs involve collaborative graduations with foreign universities and earn high rankings in prestigious lists (e.g., Financial Times, Eduniversal). Moreover, LSM is the only Belgian institution to offer the prestigious CEMS Master in International Management, ranking among the best in the world. Our 230 core faculty and guest speakers are sponsored by chairs, funded by external corporate donors. In addition, LSM offers a research institute, the Louvain School of Management Research Institute (ILSM), that includes more than 77 active doctoral students.

When, in January 2014, I replaced Professor Alain Vas as the dean of LSM, Prof. Vas used that moment to take stock of his five years in the position and stress the undeniable contributions of management training internationally: "The LSM provides training resolutely responding to international standards (exchanges, internships abroad, English courses, seminars, advanced research... ), based on strong values of excellence and ethics in business. I am confident that our humanism, rigor, critical distance and openness values will make the difference in the world of business schools of tomorrow. Our responsibility is and will continue to develop responsible, competent and inspiring leaders and entrepreneurs."

Inspired by his example, I intend to continue our pursuit of certified, measurable excellence and innovation. We all know the huge demographic and fiscal challenges facing the economies of old Europe. Our best response is to develop innovation, entrepreneurship, excellence, and quality, in all aspects of management, not just for profit-based companies but also for non-profit organizations and public authorities.

The activities of LSM, in terms of education, research, and partnerships, demonstrate our shift toward becoming a more sustainable business school, both as an organization and as a role model for companies and the next generation of leaders. In this context, LSM continues
to embrace the objectives of the UN Principles for Responsible Management Education. We look forward to developing and maintaining meaningful relationships with other members.

If you need further information about our activities, please do not hesitate to contact me (michel.dewolf@uclouvain.be) or Valérie Swaen, Professor of Corporate Social Responsibility and head of the Louvain CSR Network (valerie.swaen@uclouvain.be).

Dean of LSM
Dr. Michel de Wolf
General context: Université catholique de Louvain

The Louvain School of Management is part of the Université catholique de Louvain (UCL). Since its founding in 1425, UCL has contributed greatly to the development of science, as well as to the discussions of substantial philosophical and ethical issues that emerge as we confront the diverse changes brought about by progress in science, medicine, technology, and management. In this context, in 2012 UCL signed a charter, inviting institutions of higher education around the world to recognize their responsibility for the future and act responsibly and in sustainable ways. Thus for RIO+20’, the university commits to

- Reduce its environmental footprint on campus through the development of a strategic vision, an inventory of themes/actions (e.g., energy management, mobility of students and staff, sustainability of facilities, materials and consumables) and actors, and transparent monitoring based on objective indicators.

- Offer special education programs dedicated to sustainable development while also including this dimension in various programs.

- Encourage researchers to work on projects pertaining to sustainable development while also paying close attention to sustainability in their daily work.

- Develop specific social services centered on sustainable development and prioritize sustainability, in response to demands from citizens, for-profit organizations, non-profit organizations, and public authorities.
For UCL, social responsibility includes developing and implementing an ambitious sustainable development strategy, encompassing three core missions: education, research, and service to society. To formalize its involvement in sustainable development, UCL has developed a formal strategy document, “L’UCL s’engage pour l’avenir” (UCL commits to the future), which features the following objectives:

- Include sustainable development and social responsibility concepts throughout education and research programs.
- Help and guide the university community’s members by providing inspiring tools and examples.
- Accentuate the relationship between academic commitments and the management of UCL as a “company.”
- Manage, in sustainable ways, UCL’s assets, the development of its academic sites, and the development of its science parks (i.e., corporate parks).
To ensure UCL’s active participation in the transition to a more sustainable world, such that it achieves this transition within its own walls, UCL’s action plan comprises four axes, encompassing nine projects:

**Axis 1: Commitment and Appropriation**

**Project 1**: Organize an internal network of relevant internal stakeholders willing to collect information about existing initiatives related to sustainable development and social responsibility, to ensure the proper dissemination of information and gather suggestions for improvement.

**Project 2**: Create a collaborative portal to facilitate the exchange of information and collaboration among network members.

**Project 3**: Create and communicate a charter of sustainable development and social responsibility to all employees and students of the university.

**Axis 2: Stakeholder Dialogue**

**Project 4**: Consider Louvain-la-Neuve (one of the cities where UCL is active) a living laboratory for defining the transition to a sustainable city.

**Project 5**: Develop the multiple UCL campuses in a sustainable way, by facilitating communication and reducing travel among campuses.

**Axis 3: Education and Research**

**Project 6**: Create interdisciplinary research platforms revolving around sustainable development issues, such as nutrition, active aging, smart cities, climate change, and mobility.

**Project 7**: Include sustainable development and corporate social responsibility in the curriculum of every student who graduates from UCL.
**Axis 4: Communication**

**Project 8:** Create a list of indicators to be used to assess UCL performance in relation to the various dimensions and issues related to sustainable development and social responsibility. This list of indicators will be based on a French reference document, the Green Plan ("Plan Vert"), which previously was created to help higher education institutions achieve sustainable development, in accordance with ISO 26000.

**Project 9:** Create a sustainable development and social responsibility report, which can serve not only as a communication tool but also a management function, in accordance with a logic of continuous improvement.
Social responsibility at LSM: Major achievements in implementing the 6 principles

The European Commission and partners engaged in the European Alliance for CSR to define “the responsible company in 2010”¹ all affirm that it is essential that business schools, universities, and other education institutions play a proactive role to insert corporate social responsibility (CSR) into the mainstream, through traditional courses, the curricula of future managers and graduate students, executive education, and so forth. For business schools, this directive means they must go beyond offering a few optional courses in CSR or ethics. They must completely revisit their values, their mission, their curricula, and their pedagogy.

The official vision of LSM clearly positions the school in accordance with these guidelines. The school’s clear ambition, as briefly summarized in its slogan, “Excellence & Ethics in Business,” is “to train today’s and tomorrow’s managers in responsible decision-making within a complex socio-economic environment and to put human and societal values at the heart of decisions.” The main objective of LSM is to promote responsible management, open to new forms of dialogue, by training responsible, professional entrepreneurs. In this objective, LSM aims to develop students’ capabilities to become future generators of sustainable value for business and society at large, as well as to work for an inclusive, sustainable global economy. Thus LSM tries as much as possible to incorporate, into its academic activities and curricula, the value of global social responsibility by offering educational frameworks, materials, processes, and environments that enable effective learning experiences for responsible leadership.

¹ The European Alliance for Corporate Social Responsibility is an open partnership of enterprises that promotes and encourages CSR. The Alliance was launched in 2006 as a joint initiative of the European Commission and the business community (see [http://www.csreurope.org/pages/en/alliance.html](http://www.csreurope.org/pages/en/alliance.html)).
As a reward for these efforts, LSM has earned renewal of its Equis (European Quality Improvement System) label. That is, the European Foundation for Management Development (EFMD) has again confirmed LSM’s excellence by assigning it this quality label. This accreditation is critical for business schools, in terms of international recognition. To achieve it, LSM was subjected to rigorous evaluations by four international auditors, who reviewed LSM’s courses, quality of programs, students, and teachers, among other elements.

In terms of contributions to the community, LSM engages in the following key efforts, some of which appear in further detail subsequently in this progress report:

(1) Promotion and transfer of knowledge.
(2) Contribution to business development in Wallonia, Belgium, and Europe through a focus on entrepreneurship, the development of tools that companies can use, and collaborations with companies and business associations.
(3) Cooperation for development.
(4) Extra-curricular student activities.
(5) Promotion and development of corporate social responsibility (CSR) internally in the school and externally through education, research, and service to society. Here, LSM considers CSR a key pillar of its strategy and positioning.
Principle 1 | Purpose: We develop students’ capabilities to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

To accomplish this mission, LSM has built a competency framework, which provides a sort of compass (see Figure 1) to identify the targeted competencies envisioned for all graduates of the Masters’ in Management (120 credits) and Business Engineering (120 credits) programs, beyond their specific disciplines and the tracks selected by the students. It outlines the targets to be reached by LSM graduates at the end of their degree course, such that professors know where to focus their teaching efforts and students realize where to concentrate their learning commitments. This competency framework thus has two main objectives: to create an educational project that is strong, distinctive, shared, and inspiring across the various campuses of LSM, and to ensure and clearly demonstrate the high quality of LSM’s curriculum, given the demands of the professional world today and the international ranking and accreditation processes.
During their programs, students of LSM Master’s in Management and Master’s in Business Engineering programs will develop different competences, as displayed in the compass: corporate citizenship, knowledge and reasoning, a scientific and systematic approach, innovation and entrepreneurship, work effectively in an international and multicultural environment, teamwork and leadership, project management, communication and interpersonal skills, and personal and professional development.

Like a compass, this framework provides directions to follow and ways to overcome roadblocks with the help of the professor and the established direction. Both the Masters’ in Management (120 credits) and the Masters’ in Business Engineering (120 credits) should ensure students have all the skills in this framework. Each student and professor decides, however, where to set their priorities.

For instance, the **Corporate citizenship** capability implies that students act consciously, are aware of their responsibilities, and place human and ethical considerations at the heart of their thinking and actions. They can reach this goal by pursuing the following path:

1.1. Demonstrate independent reasoning; look critically and consciously at acquired knowledge (both academic and common sense) and managerial practices, in light of emerging circumstances and their outcomes.

1.2. Decide and act by incorporating ethical and humanistic values, integrity, respect for laws and conventions, solidarity and civic action, and sustainable development.

1.3. Decide and act responsibly, taking into account the social, economic, and environmental (and sometimes antinomian) outcomes in the short, medium, and long terms, for the various stakeholders.
The fifth capability, **Work effectively in an international and multicultural environment**, instead leads students to **work at the interface of stakeholders with different rationales, belief systems, training, nationalities, and cultures**. To reach this goal, they must:

5.1. Understand the inner workings of an organization; develop a global approach and integrate the internal logic used by the organization.

5.2. Position and understand the functioning of an organization, in its local and international socio-economic dimensions, and identify associated strategic issues and operational decisions.

5.3. Understand and establish their own role and scope for action, in the overall operation of the organization, while liaising with the various internal and external stakeholders.

At LSM, all Masters’ students must complete either the Social Responsibility in Economic Life or Corporate Social Responsibility course. Within the framework of an interdisciplinary approach and in continuous dialogue with the business world, these courses enable future managers to build and extend on existing knowledge, questions, tools, values, and behaviors, leading to a renewed perspective on the human factor within the enterprise, as well as a means to reconsider the synergy among economic, social, and environmental policies.

Since 2013, LSM has offered a new “Ethics in business” option that consists of three courses. By embracing this option, students can to improve their skills related to CSR, ethical business, and sustainable development. In addition to the research seminar in CSR, students choose two of the following courses: social entrepreneurship, public policies of sustainability in the European Union, ethics and ICT, or economy and society.
The research seminar in CSR aims to deepen students’ knowledge about diverse issues and dimensions linked to CSR (e.g., diversity, intergenerational skill transfer, carbon management, bribery) by requiring them to apply their knowledge to concrete, real case studies proposed by actual companies. This seminar offers a site for discussion, debate, and critical thinking about concrete, real-world corporate practices. Each year, two lecturers take charge of coordinating this seminar, by selecting key CSR issues and management areas/functions, choosing appropriate corporate partners, designing the case studies, and defining the program (including international experts, corporate partners, non-governmental organization representatives, public authorities). The case study designs reflect the lecturers’ close collaboration with corporate partners, to offer students an opportunity to deepen their knowledge and know-how with respect to the theme, as well as to maintain a multidimensional perspective on CSR.

**Example CSR issues in management fields for investigation in the seminar:**

- **CSR and corporate strategy:** Various CSR engagement models; the 10 strategic success factors in today’s business environment; CSR-related challenges and issues; CSR failures and successes related to corporate strategy

- **CSR in human resource management:** Developing sustainable work and human resource systems, understanding the changing role of human resource management in developing sustainable business organizations, dealing with paradoxical choice situations and ethical dilemmas

- **CSR in the supply chain:** R&D challenges in the modern business environment; non-CSR temptations; key supply chain challenges related to CSR (e.g., programmed obsolescence, production facility locations, safety management, supplier relations, raw material
selection, packaging, logistics)

- **CSR in accounting, audit and control**: Social and environmental accounting/auditing; existing management systems with norms and standards; social and environmental reporting

- **CSR in finance**: Financial and sustainable value creation, the ethical roots of the financial crisis, socially responsible investing, corporate governance issues

- **CSR in marketing**: Differentiation and value creation, managing reputational risks, labelling, cause-related marketing, communicating CSR

Furthermore, LSM is involved in the creation and teaching of the CSR course for the inter-university online certificate in management, organized by the Campus Virtuel en Gestion in partnership with HEC-ULg-Liège and the Solvay Brussels School Economics &Management (Brussels). This online CSR course is based on the same philosophy as the aforementioned courses, but it mobilizes different interactive tools, such as videos, testimonies, and discussion fora.

Besides courses specifically dedicated to CSR, LSM supports broader integration of CSR and sustainability issues in all management courses such as Advanced Human Resource Management, Cross-Cultural Management, International Human Resource Management, or Ethics in finance, among others. For instance, the International Human Resource Management course focuses on the challenges of International HR departments and related functions managing i.e. attracting and retaining globally a highly qualified and diverse workforce and how global managers get things done with and through people in a global context. The sessions are based on research and insights from the areas International HRM, Comparative HRM, International Management, Strategic HRM,
Corporate Social Responsibility, Corporate Sustainability and Cross-Cultural Management. With this course, Prof. Ina Ehnhert proposes to examine actual situations where HRM is currently facing issues generated by the international dimension of the business. In 2013-2014, those situations are observed from the Belgian site of TOTAL, a major energy & chemical supplier.

Another example is the course « Ethics in finance » taught by Prof. Mikaël Petitjean. This course addresses the ethical challenges in finance, which includes finance theory, financial markets, financial services, and financial management. That financial activity be conducted according to moral norms is of great importance, not only because of the crucial role that finance plays in the personal, economic, political, and social realms but also because of the opportunities for large financial gains that may tempt individuals and financial institutions to act unethically and cause great harm. Many of the ethical norms in finance are embodied in law and government regulation and are enforced by the courts and regulatory bodies. Ethics plays a vital role, however, first, by guiding the formation of law and regulation and, second, by guiding conduct in areas not governed by law and regulation. The aim of this course is to understand the ethical issues that arise in the various areas of finance and to develop an ability to resolve these issues effectively and responsibly.
Principle 2 | **Values:** We incorporate, into our academic activities and curricula, the values of global social responsibility as portrayed by international initiatives such as the United Nations Global Compact.

To promote a renewed vision of the corporation for the 21st century, LSM trains 1) *entrepreneurs* who are willing to launch innovative projects, solve complex problems by adopting a systemic perspective, and change business norms; 2) *ethical leaders* who motivate staff and undertake cultural change for more ethical and sustainable development; and 3) *statespeople* willing to adopt roles as concerned citizens and participate in the design of a new political governance.²

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1) **Training entrepreneurs**

The purpose of globally responsible business is to create economic and societal progress in a globally responsible and sustainable way.³ Educating future managers in this enlarged conception of the purpose of the firm, instead of the traditionally taught profit-first ideology, can minimize the prevalence of companies behaving irresponsibly because of their profit-first mentality.

The entrepreneurial capabilities of future managers that LSM seeks to develop include being able to develop a vision about possible innovation, convincing others to enter the new game, taking risks, and driving change. Therefore, alongside courses that teach various techniques and tools (e.g., finance, marketing, control), students receive exposure to real entrepreneurs and innovative role models. In this area, LSM has been
delivering various entrepreneurship courses since the early 1990s. Then in 1997, LSM launched an interdisciplinary program in entrepreneurship and firm creation, called CPME. This program combines engineering, law, and LSM students to enable them to exploit their entrepreneurship skills. The interdisciplinary option represents the result of three elements: faculty demand external to LSM, the will for differentiation, and a collective, rather than individualistic, view of entrepreneurship.

Furthermore, LSM contributes to the socio-economic development of the Walloon Region, which seems marked by a distinct lack of entrepreneurial spirit. The southern region of Belgium performs poorly in terms of entrepreneurship, and several leading local industries (steel, coal, textile) have experienced steep declines since the early 1980s. Seeking to help “boost entrepreneurship” in the surrounding environment thus represents a valuable objective for LSM. The university already has established entrepreneurship support systems, across three levels: managing intellectual property rights, financing new ventures, and supporting venture creation.

2) Training ethical leaders

Leadership is the art of directing the human reality; it is linked to motivation, communication, participation, and the ability to convince people and propose values that give sense and meaning to the economic motives of the company. If the company wants to give meaning to its activities and sense to its economic progress, by participating other forms of human progress, the ethical dimension of leadership is essential to inform its choices and guide its behaviours.

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4 CPME refers to “Formation Interdisciplinaire en Création de Petites et Moyennes Entreprises,” or Interdisciplinary Education Program in SME Creation.

Several personal characteristics relate to ethical leadership: Ethical leaders are honest and trustworthy; they are regarded as principled decision makers who care about people and broader society; and they behave ethically in their personal and professional lives. Ethical leaders make “ethics an explicit part of their leadership agenda by communicating an ethics and values message, by visibly and intentionally role modelling ethical behaviour and by using the reward system to hold followers accountable for ethical conduct.”\(^6\) To be an ethical leader thus requires making ethics inherent in strategies and behaviour. The decisions made by ethical leaders rely on both awareness of principles and regulations and personal consciences. Many decisions involve dilemmas beyond the compass of regulations, so the development of a globally responsible conscience is the most important foundation for globally ethical behaviour.

To help the next generation of leaders develop ethical leadership skills, LSM realizes intellectual approaches are insufficient. Emotion and spirituality must be part of the learning process, achieved through discussion and exchanges of experiences that engage the whole person. Experiential, presentational, propositional, and practical ways of learning must be integrated into globally responsible leaders’ curricula. For example, students might confront a disorienting dilemma that combines both global and individual challenges, making the integration of multiple perspectives paramount and multiple stakeholders are part of the process. In such situations, students react not only with their rational abilities but with all of their senses and skills (practical, affective, conceptual, imagination), in a whole person learning approach.\(^7\) In CSR courses (as noted under Principle 1), students write “personal manifestos,” which should help them understand who they are and what they want. Together

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\(^7\) Taylor B. (2006), Learning for Tomorrow: Whole Person Learning, Oasis Press and GRLI.
with some experts (CSR Europe, Alpha Resource Network, LSM) and based on pedagogical tools designed specifically for this course (e.g., questionnaire, video), students discuss their personal motivations (What do I really want? What kind of world would I like to be part of?); their impacts and responsibilities (Am I aware of the impact of my decisions? Do I bear the consequences of my decisions?); their commitments (How far am I ready to go to defend what I believe in?); and define their motto (What is my *carpe diem*?). Various elements influence not only their personal development but also the development of people and organizations with which they will be interacting. This personal manifesto represents one of the main innovations of CSR education at LSM, adopting the perspective of whole person learning.

3) **Training of statesmen**

The concept of *sustainable development* offers perhaps the most faithful general translation of the challenges facing 21st century leaders: broadening the purpose of economic progress, creating a political and ethical corporate culture, and mastering the process of collective change. To address those challenges, business leaders must participate actively in research about and definitions of the common good, so that they can integrate it into their sphere of activity, even if global governance remains in its infancy. Business leaders should take a greater role in guiding the emergence of a new culture of cooperation and debate what could replace current “lobbying” practices. To their roles of *entrepreneur* and *ethical leader*, students should add *statesperson*, in the sense of adopting roles as concerned citizens and helping construct new governance forms. To train students, business education at LSM demands capacities to work with internal contradictions and value conflicts, while sustaining relationships with those engaged in the process.
To attain this objective, LSM encourages students to attend various conferences organized by the Hoover Chair in political and social ethics, which feature prominent debates of key societal issues. Moreover, the Hoover Chair hosts doctoral students who want to broaden the societal and political dimensions of their research on business responsibilities. Finally, LSM’s participation in different international networks (e.g., Globally Responsible Leadership Initiative [GRLI], UN Principles for Responsible Management Education [PRME], European Alliance for CSR, European Foundation for Management development [EFMD]) reinforces this mission.
Principle 3 | **Method:** We create educational frameworks, materials, processes, and environments that enable effective learning experiences for responsible leadership.

In its CSR courses, LSM takes a unique approach to educate students about CSR. Through the Louvain CSR Network, LSM bridges practice and theory by getting students out of the classroom and into real business situations. Companies and organizations have opportunities to submit a strategic corporate responsibility project of their choice to LSM students. The project is embedded in the full-semester theory- and case-based CSR course. Project companies or organizations benefit in various ways from engaging with students in these CSR courses, such as:

- Action-oriented, experiential CSR learning for the organization and the student team.
- Assessment by an external, objective team of students currently immersed in CSR learning as part of their business curriculum.
- Time and focus, because to enroll in this class, students must commit to devoting significant time to the projects.
- Stronger relationship between the organization and LSM, through the participation of all project companies in the Louvain CSR Network.

The most fruitful projects, from both a student and company/organization standpoint, are those that include the following elements:

- An issue, problem, or decision that is central to the company's CSR strategy and related issues.
An opportunity for execution that includes scoping, research, analysis, strategy development, and recommendations.

The possibility to bring student teams on-site for broader management team presentations and discussions.

Teams of students analyze the situation, write a strategic plan to demonstrate the sustainability of their project (from economic, social, environmental, and ethical perspectives), and account for the point of view of various important stakeholders of the organization. The project requires students to conduct interviews, discussion panels, and debates with managers and stakeholders who express divergent perspectives on the project or the organization. Finally, they must make sense of those viewpoints to develop a project that is viable, according to economic, social, environmental, and ethical criteria. Students submit a written report to the organization, including innovative recommendations (based on specific guidelines designed by the instructors), and create a poster to summarize the uniqueness and strengths of their project. The poster can be used to communicate about the projects, internally and/or externally (some examples follow).
Since 2012, LSM students have organized the LSM Cup, a business game focusing on CSR. This inter-faculty, multidisciplinary game consists of solving case studies in realistic situations, by teams of four students (2 pairs), who then must defend the group's solution in front of a jury after each challenge.

During the two-day event, students must address four different challenges, presented by specific companies (e.g., KPMG, Delhaize, Belgacom, GSK), that cover the main aspects of management: finance, marketing, sourcing and procurement, and strategy. The uniqueness of the LSM Cup is its inclusion of a “crack the case” session after each challenge, which is very useful for the students who seek to learn from their mistakes. Moreover, the participation of academics in all stages, from the preparation of the cases and to the jury decisions, guarantee the coherence and originality of the game. The game is open to participants starting from their third Bachelor’s year to Master’s students. This year, the LSM Cup will be sponsored by Total, Belgacom, and Delhaize, as well as Oxfam, Ethiquable, and Pure FM.
LSM Cup 2013
Principle 4 | Research: We engage in conceptual and empirical research that advances our understanding of the role, dynamics, and impact of corporations in the creation of sustainable social, environmental, and economic value.

With the support of GDF SUEZ and Belgacom, LSM created a network on corporate social responsibility. The Louvain CSR Network supports young women and men, as well as company practitioners, eager to place responsible leadership and sustainable production and consumption at the heart of their vision, learning, and attitudes.

Members of the Louvain CSR Network come from different disciplines, as varied as human resources management, marketing, company law, social law, economic and social ethics, philosophy, and the sociology of organizations. They contribute to major developments and reflections on the relationships between business and society. Publications by Louvain CSR Network members cover a broad range of topics, illustrating their vast contributions to the community (for more information, see http://www.uclouvain.be/en-279687.html). Some example research projects have focused on
1. Developing a theoretical background for CSR using a multidisciplinary approach (stakeholder management, modes of governance, nature and importance of new values in business).

2. Studying corporate culture and different tools (reports, labels, norms, certifications) companies use to demonstrate the importance they attach to CSR, then analyzing the applicability of those tools in different countries.

3. Analyzing empirically CSR integration in corporate strategies (best practices, communication strategy).

A growing number of doctoral students also are working on topics related to sustainability, CSR, and business ethics in general (see Appendix 1), such as the role of organizational culture in the pursuit of CSR; analyses of employees’ responses to CSR; CSR communication campaigns for consumers during a CSR crisis; the role of IT firms in proposing sustainable innovations; the use of management control systems in a sustainability context; stakeholder involvement in CSR certifications; and the sociology of ISO 26000 processes among others. Publications by LSM members in the CSR and sustainable development fields could be found on our website (www.uclouvain.be/csr-network).

To pursue those research objectives, LSM pursues research collaborations with other research centers inside and outside Université catholique de Louvain. For example, it enjoys strong relationships with the Hoover Chair of Economic and Social Ethics, with the goal of stimulating further ethical reflections in the research and teaching undertaken by the faculty of economic, social, and political sciences, as well as contributing to a well-informed public debate about the ethical issues that arise in modern society.
In support of these objectives, LSM organizes debates, seminars, conferences, and a special program in economic and social ethics; hosts foreign scholars; and participates in countless initiatives organized by other institutions, both in Belgium and abroad. These various activities are reinforced by many publications, books, scholarly articles, interventions in the media, and working papers. Moreover, LSM has joined the select set of universities and business schools that constitute the “Recognized institutions” by the CFA Institute, whose mission is “to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.” This recognition acknowledges the new track in Financial Management (120 ECTS), which includes a course on deontology and ethics in finance, in accordance with the CFA Institute’s Code of Ethics and Standards of Professional Conduct. The Code and Standards seek to cultivate environments of trust and integrity at the firm level.

Every year, LSM organizes a CSR research seminar in collaboration with a different business school. In 2014, this two-day CSR seminar will be co-organized by Audencia School of Management (France), the Louvain CSR Network of the LSM (Belgium), and University Mohamed V Agdal (Rabat, Morocco). The seminar will bring together scholars from various disciplines and fields, including but not limited to management, law, sociology, philosophy, economics, political science, and social psychology—all of whom share a common interest in CSR, business, and society—to explore diverse dimensions and questions. Special attention centers on research projects that involve strong linkages with industry participants. The CSR research seminar is a great opportunity for young researchers to present and discuss their research projects and receive feedback from internationally recognized researchers with experience publishing in top journals (e.g., Sankar Sen [USA]; Jean-Pascal Gond [UK]; Andrew Crane.
Moreover, they have the opportunity to exchange views in an inspiring academic setting, surrounded by fellow doctoral students and experienced researchers. Through this CSR research seminar, students even can meet professors who might be motivated to participate in their thesis committees. Finally, this seminar allows participants to gain some international recognition and encourages international research collaborations. The event includes a paper/research project presentation and publishing workshop.

The Philippe de Woot Award aims to promote CSR by recognizing a Masters’ student from a partner business school for producing a thesis that constitutes an original contribution to our understanding and thinking about CSR. Throughout his long career, Professor Philippe de Woot (LSM, UCL) always encouraged students, enterprises, economic actors, and international and national public bodies to adhere to the ethics of what is now called CSR. He was a precursor of the groundswell embodied today in the commitment to CSR of the best enterprises and management schools.

The Philippe de Woot award stems from a cooperative partnership between corporate and academic partners, devoted to CSR (e.g., Bekaert, Belgacom, Colruytgroup, Delvaux, GDF Suez, GSK, IBA, ING, Lhoist, Umicore). The winner receives a prize of 3,000 EUR: 1,500 EUR granted directly to the student and 1,500 EUR provided to an environmental or social project chosen by the student.

The most recent awarding of the Philippe de Woot Award took place at the Solvay Brussels School on February 18, 2014, on behalf of an association of CEMS and Belgian business schools, including Antwerp Management School, ICHEC Brussels Management School, Facultés
Universitaires Saint-Louis, University of Namur, HEC-Ulg, Louvain School of Management, and Vlerick Management School. The 2014 award also marked recognition of a partnership with CEMS. The organizers’ objective was to expand the Philippe de Woot Award to the international level by connecting with a well-recognized, top-level organization such as CEMS that could attract the participation of the best international business schools. Furthermore, the objectives of the Philippe de Woot Award (briefly, “to promote sustainability and Corporate Social Responsibility”) are closely aligned with CEMS’ priorities. The prestige and the international dimension that CEMS has added to this award and the CSR seminar are noteworthy.

The 2014 award winner represents the Rotterdam School of Management. Sylvia Feilhauer presented her Masters’ thesis on “Product carbon footprinting: Supply chain benefits and necessary conditions for information sharing” (see Appendix 2).

Moreover, during the ceremony, honored guest Bertrand Piccard (a doctor and psychiatrist, explorer with a passion for aviation, and renowned public speaker) led a conference on “Responsible Entrepreneurship and Progress.”
A link to pictures of the award ceremony is available here: http://www.uclouvain.be/434228.html; pictures from the seminar may be found at http://www.uclouvain.be/459900.html.

A CSR workshop, organized the same day as the Philippe de Woot Award ceremony, takes on various pertinent topics. In 2014, it was “Should we get rid of CSR?” The workshop featured internationally recognized researchers and managers (e.g., Bobby Banerjee [Cass Business School, UK]; Jean-Pascal Gond [Cass Business School, UK]; Laszlo Zsolnai [Corvinus University of Budapest]; Bruno Roche [Chief Economist of March Inc.]; Stefan Crets [executive director of CSR Europe]; Marie d'Huart and Serge de Backer [Cap conseil]), who presented their research and thoughts on the provocative subject (more information – abstract / photos - on our website www.uclouvain.be/csr-network). The main aims of this workshop are to reinforce cooperation between the corporate and the academic worlds in CSR, to enhance an inter-university approach to these matters, and to raise undertaking at the international level.
Principle 5 | **Partnership:** We interact with managers of business corporations to extend our knowledge of the challenges they face to meet social and environmental responsibilities and to explore jointly effective approaches to address those challenges.

The members of LSM strongly believe that they cannot succeed in isolation; they must collaborate, with one another and with proactive companies, to develop and participate in the most advanced networks with respect to CSR, globally responsible leadership, and sustainable development.

In various collaborations established with companies such as GDF Suez, GSK Biologicals, and Belgacom, the companies serve as coaches in CSR courses. Through these collaborations, LSM develops concepts and tools to facilitate the cultural transformation of companies toward CSR and sustainable development. The idea is to help leaders and staff gradually shift the values, strategy, and behaviors in this field, notably by exchanging practices and establishing synergies with other companies.

In 2007, LSM began cooperating with **CSR Europe**—a network of companies in a process of making CSR part of their mainstream management processes and functions. CSR Europe is a privileged interlocutor for European institutions and one of the leaders coordinating the **European Alliance for CSR**. This Alliance is an open partnership of enterprises and organizations, designed to promote CSR and integrate it into mainstream business practice. In addition, the Alliance supports the European Multistakeholder Forum on CSR and encourage further integration of CSR into the curricula of future managers.

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**LSM cooperates with CSR Europe**
which is a privileged interlocutor of the European institutions and one of the leading organizations coordinating the European Alliance.

**Collaborations** been established with companies help leaders and staff gradually shift the values, strategy, and behaviors with respect to CSR and sustainable development.
Finally, the **Globally Responsible Leadership Initiative** (GRLI) offers an especially promising network, because it seeks to address the challenges and issues of 21st century companies, as well as the mission of business schools and the process for encouraging cultural change in organizations. This unique, global, action and learning community—co-founded and supported by the United Nations Global Compact and the European Foundation for Management Development (EFMD)—consists of a pioneering group of 51 business schools, learning institutions, and companies, spread over five continents. The GRLI seeks a balance between businesses and business schools, usually by ensuring that each school that joins does so with a business partner. Since 2006, LSM has been an institutional partner in GRLI, in which role it has advanced two major global research projects: *The Corporation of the 21st Century* and *The Business School of the 21st Century*. Thus it meets its responsibilities for preparing a responsible future for business and business education.

Because LSM wants to give each student an opportunity to develop and participate in a rich social and cultural life, it encourages students to develop their extra-curricular activities and deepen their managerial skills, including leadership, a sense of responsibility, and project and people management, while contributing to the development of a better society.

Students accordingly participate in various student associations, including:

- The General Assembly of students from Louvain, the student organization in charge of representing students’ interests for the University and on our campus.
- LSM conseil, a junior company affiliated with the Belgian federation of junior companies. It offers consulting services in
marketing, strategy, and entrepreneurship, together with training sessions and various conferences.

- LSM club, a non-profit organization that brings together students from throughout the school by developing activities for them, their schools, companies, and other student organizations from Belgium and abroad.

- The CEMS club, which groups Belgian and foreign students to facilitate interactions among CEMS students, as well as between CEMS students and CEMS corporate partners.

- CréaLouv, a UCL student club created by students in the special entrepreneurship track, designed to inform and increase awareness of entrepreneurship at UCL.

- AIESEC, an international platform that enables young people to explore and develop their leadership potential and thus exert a positive impact on society. The platform supports working abroad, learning networks, leadership experiences, and conferences.

Beyond these options, students frequently engage include kot-à-projets. Initiated by UCL in the 1970s, the kot-à-projet system enables students to devote their attention to a dedicated project (e.g., social/environmental cause, cultural project, promotion of their passions). The success of the program has led other universities to copy the experience.
Principle 6 | **Dialogue:** We 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.

Within the school, discussion and debate regularly address CSR, including its integration into practice and how it is taught at LSM and other management schools. These discussions seek to exchange ideas about how to further integrate sustainability into students’ curriculum in innovative ways.

As outlines previously in this document, LSM organizes multiple events (e.g., Philippe de Woot Award, CSR research seminar, CSR workshop) to stimulate dialogue and debate among educators, researchers, students, business, and civil society. Moreover, the existing CSR course provides an appropriate starting point for students who seek to initiate discussions with organizations, business, and civil society.

Another initiative, in collaboration with the university, is Ginkgo, the sustainable development house. Primarily a showcase for industry experts, it also attracts the general public. The friendly, informative house seeks to foster exchanges between professionals and citizens, through discussions and conferences, exhibitions, and entertainment for visitors, both young and old. Every project adopts an educational, scientific spirit. In concrete terms, it offers a devote site where interested parties can find vast documentation related to the environment, eco-consumption and construction, responsible actions, energy saving, and environmental advice on mobility and power. It benefits from the collaborations with sustainable development experts from UCL. For example, in collaboration with selected students and other organizations, it organizes a sustainable development
day in Louvain-la-Neuve, featuring animations, sustainable fashion shows, debates, concerts, and conferences.
Key short-term objectives

- **2014-2015: Create a chair in responsible leadership**

A chair in responsible leadership will help Université catholique de Louvain’s reputation as a center of excellence for responsible leadership, with a dual purpose:

- Develop teaching plans related to responsible management of a company by analyzing existing practices, designing managerial tools, and contributing to the development of strategies for creating shared value.

- Create a research laboratory dedicated to contemporary issues related to social responsibility and sustainable development in organizations, by promoting knowledge sharing between CSR managers (or their equivalent) employed by corporate partners and the academic and scientific world. This laboratory will help partner organizations find and rely on relevant research results and reflections in developing their CSR strategies.

Currently, UCL is searching for partners with responsible leadership expertise, to support the creation of this chair.

- **2015-2016: Continuous development of courses related to sustainable development and CSR, both for management students and executives in activity**

Currently, the members of the Louvain CSR Network are working to propose an interesting and relevant executive education program, related to sustainable development and CSR. Accordingly, LSM will investigate the possibility of developing massive online open courses (MOOCs) in topics related to CSR and sustainable development, as well as management fields, to increase access to education.
Appendix 1: Examples of PhD projects related to CSR

Thesis of Barbara Dupont related to CSR communication (in progress since 2013)

This doctoral dissertation aims to provide relevant insights into the debate on CSR communication which shifted in the past decade from “whether” to “how” companies should communicate about their CSR activities. To achieve such goal, this dissertation will look at CSR from three different points of view: consumer’s perceptions of greenwashing (1), CSR in social media (2) and CSR and the concept of planned obsolescence (3).

We are currently working on the first essay that investigates the phenomenon of greenwashing, one of the challenges of CSR communication which can be defined as a company’s communication operations that mislead consumers regarding its environmental practices or the environmental benefits of its products or services (Parguel et al., 2011). Such practices tend to have a negative impact on the attitudes of the consumers which is particularly worrisome for companies making genuine CSR efforts. Existing literature provides little information about the way consumers’ perceptions of greenwashing emerge in the first place. However, companies need to have a clear picture of the factors that affect consumers’ perceptions of greenwashing if they want to avoid the negative consequences of being perceived as a “greenwasher” when communicating on CSR. This first essay seeks to fulfill this gap by investigating for different product categories (i.e., hedonics or utilitarian products) the role of the type of appeal used in a CSR ad (emotional vs. rational) on the consumer’s perceptions of greenwashing, on the perceived ad credibility, on the attitudes toward the brand and the ad and finally on the buying intentions.

Thesis of Kristina Artenyan related to the effectiveness of Cause-related marketing campaigns in a global environment (in progress since 2013)

The major question of the research project will be “What are the factors influencing on consumers’ reactions to CRM campaigns in a global context and by which mechanism do they influence on consumers?”. More specifically, we want first to explore the effectiveness of different types of CRM campaigns in different countries, taking into account the cultural background of consumers. The effectiveness of CRM will be assessed through variables such as consumer’s attitude toward the company, purchase intentions, brand familiarity or brand trust. The different types of CRM campaigns that we will examine still should be defined later through our literature review. But among the factors that we can consider qualifying CRM campaigns, we could include factors related to the cause, factors related to the company or factors related to the company-cause fit. We want also to understand the underlying mechanism(s) explaining the consumers’ reactions to different CRM campaigns. And finally, examine whether or not consumers’ culture is an important aspect to take into consideration while launching a CRM campaign.
Thesis of Catherine Janssen (defended in 2013): “CSR communication: For better or worse? New insights into consumer responses to corporate social (ir)responsibility”.

This doctoral dissertation, which consists of three essays, aims at providing new insights into consumer responses to corporate social responsibility (CSR) communication campaigns. To achieve this objective, two situations for which existing literature does not clearly establish whether CSR communication can have a positive effect, or instead a negative effect, on consumer responses are examined: the occurrence of a crisis involving corporate social irresponsibility and the promotion of luxury products. The first essay investigates how consumers’ perceptions of corporate crises emerge and intertwine with their perceptions of corporate social (ir)responsibility, and offers a consumer-based classification of corporate crises that highlights their connections with CSR. The second essay investigates when communicating about CSR is more likely to mitigate or instead to strengthen the negative impact of a CSR-relevant crisis that subsequently surfaces, and demonstrates that the independence of the source in which the CSR communication appears determines which effect takes place. The third essay contributes to the discussion surrounding the notion of “responsible luxury” by showing that the defining characteristics of luxury products influence consumers’ perceptions of (in)compatibility between luxury and CSR.

Thesis of Kenneth de Roeck (defended in 2013): "Opening the black box between CSR and employees' attitudes: Three empirical essays on the mechanisms driving employees' responses to CSR".

For more than thirty-five years corporate social responsibility (CSR) has been a subject of great interest among management scholars and is today increasingly viewed by managers as a critical aspect of organizations’ strategy and daily operations.

In the academic debate, the business case for CSR has enjoyed particular attention at the macro-level through the analysis of a direct link between corporate social and financial performance. Although recent meta-analytic reviews reported that CSR performance has a weak but positive influence on firms’ financial performance, the literature still needs to clarify why CSR initiatives can impact this performance. Therefore, a new priority in this field is no longer to investigate whether CSR works, but rather to investigate the underlying mechanisms explaining why, how and under which conditions CSR’s initiatives positively impact organizations’ performance.

In this vein, scholars suggested that the business case for CSR may be better explained through intermediate performance variables pertaining to stakeholder attitudes towards a company. While most studies adopting this perspective have focused their attention on external stakeholders situated at the macro-level of analysis (e.g., organizational, institutional, (trans)national stakeholders), less attention has been paid to what happens inside the organization. This constitutes an important gap in knowledge, given that employees are critical contributors to organizational core functioning and thus performance. Moreover, employees, as members of the firm, are concerned about, contribute
to, and react to organizations’ CSR initiatives, and as such, largely contribute to its social performance. To date the few studies taking employees as a unit of analysis have consistently showed that specific CSR initiatives, mainly directed at external stakeholders’ well-being, influence employees’ commitment in the workplace. However, our understanding of the underlying mechanisms through which CSR impacts employees’ commitment and other attitudes still remains embryonic.

With this in mind, our three empirical essays contribute as a whole to moving beyond the prevailing macro focus on the CSR–performance link, by explaining some of the micro-level mechanisms through which CSR can impact employees’ attitudes and behaviours. If only doing good could be connected to doing well, then firms might be persuaded to invest in CSR and contribute more broadly to the well-being of society through social change.

**Thesis of François Maon (defended in 2010):** “*Toward the stakeholder company: Essays on the role of organizational culture, interaction, and change in the pursuit of corporate social responsibility*”.

Companies are ever more expected to acknowledge their ‘corporate social responsibility’ (CSR). Beyond their profit objectives, they are not only increasingly exhorted to address social and environmental issues associated with their business activities but also asked to play a constructive role in fighting against problems such as human misery and global ecological deterioration.

Despite their rising importance in the conduct of business, the dynamic and necessarily multipartite processes underlying the integration of CSR in corporate strategies and operations – or CSR development processes – are still under-explored. In this context, the central objective of this dissertation is to contribute to a better comprehension of these processes. For this purpose, we introduce a threefold perspective on CSR development. We first adopt a company-focused approach to explain the interconnections between CSR development and cultural and organizational adaptations of companies. Then we focus on the stakeholder side of CSR development to analyze the nature of stakeholders’ motivation to influence CSR development at companies and the strategies they use to do so. Finally, we bring together company- and stakeholder-focused perspectives to propose an integrative view of the CSR development phenomenon and conceptualize it as ongoing, socially co-constructed process.

Overall, the five essays composing this dissertation offer prescriptive and descriptive models aimed at advancing the understanding and development of socially responsible business practices.
Appendix 2: Philippe de Woot Award: 2014 Winner

Sylvia Feilhauer - Rotterdam School of Management (Award-winner of 2014): « The product carbon footprint: Advantages of the supply chain and Conditions necessary for sharing information ». The newly emerged concept of product carbon footprinting requires a company to audit its supply chain in order to determine and possibly reduce its carbon footprint. Yet, gathering relevant data can be a costly and time consuming task and companies often face resistance from supply chain partners that do not share the required information. This study demonstrates that product carbon audits are a means to create value in supply chains and formulates concrete guidelines on how companies can facilitate information sharing in this setting.