Business & Professional Ethics Journal
DOI: 10.5840/bpej2025530168
Online First: June 4, 2025

The Retrieval of Aristotle's Thought: Insight That Informs Responsible Management Education

Oliver Williams
University of Notre Dame

Yong-Seung Park
Kyung Hee University

Abstract: There is a growing realization that management education is not producing the leaders we need in business today. What is new here is that this criticism is coming from influential business leaders and that the focus is on the quality of the character of many of the leaders and not simply on the decisions they are making. This study argues that a key insight of Aristotle's thought, the need to develop people of character would inform the way responsible management education is taught today and, more importantly, may enhance the future direction of business education. The argument, based on a study of business leaders, is that moral education in business schools should focus on the training of character rather than the inculcation of rules, becoming a certain sort of person with a "sustainability mindset." We introduce a transformational model with five dimensions, ranging from the purpose of business school to the composition of its curriculum, aimed at achieving system-level transformation within business schools.

Key Words: Aristotle's ethic of virtue, responsible management education, sustainability mindset, Catholic Social Teaching, systemic transformation model

1. Introduction

The study first discusses why many in the business community believe that management education needs to be reformed. To be sure, criticism of the business community by business leaders themselves is not unusual in our time. For example, the Conference Board, a global not-profit business research organization with over 1,000 businesses as members, and perhaps the most prestigious business organization, has taken strong stands (Spierings and Washington 2023). Advocating the shift towards ESG and stakeholder capitalism, the Conference Board reported that only 24% of the businesses actually take stakeholders and ESG issues into account in making decisions. We believe that to get to the heart of the matter of this problem it is necessary to focus on the decision maker and his/her character rather than on the actual decisions. For this reason, we have based our study on a recent analysis of the United Nations Global Compact (UNGC) which notes a serious lack of action addressing crucial issues today (Kingo and Murphy 2020). An earlier study provided a systematic literature review of business ethics education literature and argued that it is crucial to have an ethical foundation when discussing the SDGs and CSR, thus preserving the "ethics" in business ethics (Jaganjac, Abrahamsen, Olsen and Hunnes 2024). This study builds on that work and argues that Aristotle's virtue ethics would focus both on the SDGs as well as build on a foundation of normative ethics The pages that follow make the case that, to make headway in overcoming contemporary problems, we need to educate business students so that they develop a "sustainability mindset" and that Aristotle's insight into human life is key to reforming business education. A final section offers some potential steps that can enhance responsible management education.

2. Top Business Leaders Are Not Qualified to Address the Challenges of Our Time

To understand why business education needs a correction, it may be helpful to focus on a study by what some consider to be the most promising organization moving business towards a broader definition of its purpose, the United Nations Global Compact (UNGC) (Rasche and Waddock 2014). The UNGC promotes the purpose of business as to create sustainable value for stakeholders and not to single-mindedly focus on investors. In 2000, the UNGC was launched with forty-four business participants; in 2025, there are more than 20,000 businesses in 162 countries as members.

In 2015, the Compact invited all its member businesses to advance some of seventeen Sustainable Development Goals (SDFs), an agenda to overcome world poverty. These goals are as follows: no poverty; no hunger; good health and wellbeing; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation, and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace justice and strong institutions; and partnerships for the goals. Fulfilling this agenda would not only make the world a better place, but would also show the world that capitalism could provide assistance in making a world that is inclusive and equitable, leaving no one behind.

To be sure, there are a number of studies arguing that business education is not adequately preparing leaders today but this article uses the UNGC study because it has been done by business leaders themselves and focuses on the character or sustainability mindset and not simply on the decisions. A recent UNGC study on the progress in realizing the SDGs, Leadership for the Decade of Action (LDA), makes the case that there has been a serious lack of movement toward SDGs and attributes this lack to leaders who are not qualified (Kingo and Murphy 2020). In selecting persons who will be sustainable leaders, the study argues that we must search for people who have some sustainability experience, a sustainability mindset. The study found that in searches for senior executive appointments only 4 percent included a sustainability mindset as a requirement. The authors note that the 2020 Edelman Trust Barometer reports that over 50% of the respondents state that "capitalism in its current form is doing more harm than good" (Kingo and Murphy 2020). The study revealed that fewer than one in three believed CEOs did a good job in responding to the demands placed on them by the pandemic. Before COVID-19 the World Bank reported that over 700 million people lived in extreme poverty (World Bank 2018). Today there are even more (Chandy et al. 2011). The UN Emissions Gap Report predicts that the climate is currently on track to have a temperature rise of 3.5°C this century, a far cry from the 1.5°C recommended by scientific study (UNEP 2019).

What is clear from UNGC studies of the CEOs of member companies is that most are not walking the talk. Ninety-two percent of CEOs agree that integration of sustainability will be important for the future of their business yet only 48 percent are actually implementing sustainability in their business. Further, only 21 percent of CEOs believe that "business is currently playing a critical role in achieving the SDGs" (Kingo and Murphy 2020).

The crucial challenge today in the UNGC is to overcome the rhetoric-reality gap, to encourage businesses to select leaders who walk the talk. Traditionally Boards of Directors select CEOs on the basis of knowledge, skills and personality. Here this challenge is discussed in terms of selecting men and women of character, people who are virtuous, who are consistent (Seijts and Gandz 2018).

3. How to Educate Virtuous People to Lead the Economy

In the Leadership for the Decade of Action (LDA) study cited above, the UNGC and the Russell Reynolds Associates worked together to determine how we might overcome the rhetoric-reality gap. Aristotle studied good Athenians, people who discovered what is intrinsically worthwhile—purpose, meaningful relationships, etc.—to understand how we can understand virtue. The LDA study selected fifty-five of the best CEOs, "best" in the sense of leading companies making the most progress in accomplishing the SDGs, advancing the common good. The companies selected were all performing highly in a range of sustainability rankings. All the business leaders selected were interviewed to determine that there was a motivation and intention to advance sustainability and to integrate sustainability into business strategy. All the 50 businesses in the LDA study were examined to ascertain that the SDGs were being advanced. The UN provides a series of targets for each SDG to provide a guide for how to address the goal. These 169 targets spell out what successful sustainable development means. These CEOs were examined to determine what character traits they embodied that enabled them to be so successful in sustainability, making progress in saving the world. If we could identify the key character traits which energized these leaders, then selecting future leaders for sustainable development would be much more reliable (Brooks 2015; Byrne et al. 2018; Callina and Lerner 2017; Cohen and Morse 2014; Cokely and Feltz 2011; Fukuyama 1995; Gini and Green 2014; Greenleaf 1977; Kiel 2015a; Leisinger 2020; Williams 2004; Wilding 2002).

A common theme that emerged in the LDA study was that all of the fifty-five CEOs leading the pack in advancing the SDGs had what the study calls a "sustainability mindset." This mindset understands business as that activity which creates sustainable value for stakeholders, an activity that involves the management of environmental, social/ethical as well as commercial arenas. It involves an explicit striving for the common good and not just an individual good. Having the sustainability mindset is not too unlike Aristotle's archer who is attuned to hit the target by a regime of practice. The virtues are the practice, clearing the way for a sustainability mindset.

The LDA study of CEOs and board members who were known for driving sustainability in their businesses, in addition to a sustainability mindset, identified four key leadership attributes: multilevel systems thinking; stakeholder inclusion; disruptive innovation; and long-term activation. These attributes are not too unlike key virtues developed by a strong habit. The learning here is that these traits are valued not only because they yield good consequences or are enabling the fulfillment of duties but rather because they are part of being human, part of a "sustainability mindset."

Multilevel Systems Thinking

Sustainable leaders evidenced an awareness of the interconnectivity of their business environment with the larger economic, societal and environmental systems within which they were working. Grasping this complexity, they formulated targets to advance sustainability while gaining competitive advantage.

Stakeholder Inclusion

The point here is that sustainable leaders are interested in a wide range of viewpoints and experiences to inform decision-making and value-creation. These leaders evidence the virtues of empathy and authenticity and see their role as including stakeholders rather than managing them. Stakeholders become involved in putting the decisions into practice as well as sharing the benefits when possible (Freeman 1984).

Disruptive Innovation

Courage is the key virtue evidenced by sustainable leaders as they move beyond incremental improvements to business model innovation. The goal is to override the trade-off between profitability and sustainability by challenging traditional approaches and finding new ways to do business (Cavanagh and Moberg 1999; Polanski, Cullen, Gentry and Nichols 2015).

Long-Term Activation

This attribute of sustainable leaders refers to the courage to set "audacious goals and drive concerted action and investments in pursuit of them" (UNGC 2020). In the face of some failure, the leader stays the course to pursue SDGs.

4. The Journey of the UN Global Compact: Towards a "Sustainability Mindset"

While the notion of a "sustainability mindset" was never mentioned in the early years of the UNGC, it was clearly envisioned as part of a required future. It may be helpful to examine the foundation of the UN Global Compact, an endeavor of the UN which is designed to promote and protect human dignity. When then U.N. Secretary-General Kofi Annan launched the Global Compact in 2000, he envisioned it as a "global compact" between the United Nations and business leaders to "give a human face to the global market." Although ultimately he was calling for a radical business model transformation, he knew this would be a long journey, not a destination. The early language of the Compact was largely framed in terms of organizational rationale and activities and did not focus on the required individual characteristics and behaviors of business leaders (Hannah et al. 2011). This article will argue that Annan always assumed that eventually, if the Compact were to be successful, it would have to stress the qualities of character of business leaders and that he was informed by Aristotle's notion of virtue and character in his thinking.

For Annan, the vision of the United Nations stated in the Preamble of the Charter was the overriding concern: "to reaffirm faith in fundamental human rights, in the dignity and worth of the human person" (UN Preamble 2018). Without a world government, there was a need for new "soft laws" from an international institution to replace the "hard laws" of national governments. On January 31, 1999, Annan addressed the World Economic Forum outlining the need for what has become known as the United Nations Global Compact (UNGC).

"National markets are held together by shared values. In the face of economic transition and insecurity, people know that if the worst comes to worst, they can rely on the expectation that certain minimum standards will prevail. But in the global market, people do not yet have that confidence. Until they do have it, the global economy will be fragile and vulnerable—vulnerable to backlash from all the "isms" of our post-cold-war world: protectionism; populism; nationalism; ethnic chauvinism; fanaticism; and terrorism." (Annan 1999).

Thus, the purpose of the UNGC was to help create a world where people could feel secure and enjoy a humane life, to move toward a capitalism that was inclusive and sustainable.

> Let us choose to unite the power of markets with the authority of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations. (Annan 1999)

Since we do not have a global state, and there is little prospect or interest in forming one, Annan suggested that the UN should become the platform where businesses and various stakeholders would, through discussion and debate (Palazzo and Scherer 2006), gain consensus on global ethical norms and practices. Universal values, already formulated in UN documents, would become the basis for ten principles guiding business in the areas of human rights, labor standards, environmental practices and anti-corruption initiatives (Anti-corruption was added in 2003). The basic UN documents previously agreed to by governments and source of the principles are: the Universal Declaration of Human Rights (1948); the Rio Declaration on Environment and Development (1992); the International Labor Organization's Fundamental Principles and Rights at Work (1998); and the UN Convention Against Corruption (2003).

The goal here was to gain consensus on a principles-based approach to doing business in the global economy and this approach is gaining ever-widened acceptance. From the point of view of *ethics*, the principles fall in the category of "do no harm," that is, all the activities of business should avoid activities specified that may harm a citizen or community. This "do no harm" axiom was considered the minimal condition for joining the UNGC. At the same time businesses were invited to try to advance the common good by various socially responsible activities. The normative principles provided the baseline for organizations to make the world a better place by avoiding activities that cause harm (Williams 2008).

Annan never thought that reducing the negative impacts of business on the community was business's only responsibility but it was a starting point. Until the *global* business community had a consensus on just what were the ethical norms that should guide business, the time was not right for the UN to challenge business to take on much more ambitious goals. In 2015 the UN finally did announce such a challenge: the Sustainable Development Goals (SDGs) (UNGC 2015). As with the ten principles, the SDGs were trying to explicitly connect capitalism to the larger community and to provide a higher purpose than simply making money for shareholders while supplying goods and services. What values are crucial for human fulfillment, for the flourishing of human beings? How can capitalism assist in this project? The UNGC argued for a broader role of business in society, thus meeting the new expectations of consumers (Globe Scan 1999). The purpose of business was not simply to make income for investors but to create sustainable value for all major stakeholders (Williams 2008; Kell and Ruggie 1999; Gates 2008; Mackey and Sisodia 2013; Paine 2003; Elkington 1997; Williams 2018). And creating sustainable value for stakeholders entails advancing the common good, moving towards an order of rights and duties and a social situation such that everyone has the opportunity to develop in full or, in other words, moving towards a "sustainability mindset."

The SDGs were officially passed by the United Nations General Assembly on 25 September 2015. These broad goals, hopefully realized by 2030, were designed "to end poverty, protect the planet and ensure that all people enjoy peace and prosperity" (UNGC 2015). The SDGs are strongly supported by religious teaching, especially Catholic social teaching (Pope Francis I 2015; Williams

2017). Dramatically depicted in videos on the UN website, the 17 SDGs are designed to inspire action on the part of both governments and business. Employees of a business engaging in activities to meet a goal, for example, ending hunger, are able to see the connection of their life's work with the least advantaged (O'Brien 2008; Seijts, Crossan and Carleton 2017).

Following the UNGC Ten Principles could have a remarkable effect on the achievement of the SDGs (UNGC 2016). This, of course, depends on the leadership of businesses and whether they seek the common good or simply their own short-term personal good, whether they have a "sustainability mindset." The core promise of the 2030 Agenda for Sustainable Development—to leave no one behind—is the current focus of the UNGC. While the Ten Principles have guided companies to follow a principles-based approach to doing business, the challenge today is to do much more than "doing no harm," it is to overcome poverty and to do all possible to assist the vulnerable, creating an inclusive and sustainable economy (Williams 2014b).

5. How Aristotle's Work Influences Catholic Social Thought

For Aristotle, moral philosophy is a practical science, meaning that it is learned by practicing what model leaders in the community actually do. By cultivating the moral virtues, practical reason or prudence (phronesis) is affectively attuned to what is good. These model leaders have a vision of what constitutes the good life, and this vision informs the kind of person they want to be and the kind of organization they want to strive to form. Thus, Aristotle eschews a rule-governed approach to ethical corporate leadership. The right thing to do is not only determined by applying a rule to a case. He uses the example of an archer who must be trained to handle the bow, realize the direction he must look, and all the things he must pay attention to in order to take aim and hit the target. Practical reason, cultivated by moral virtue, provides the disposition to aim at a proper human good and to take into consideration the particularities of a given problem to finally achieve the good. What we learn from Aristotle is that if we want to "give a human face to the global market", the challenge is not simply to educate "*good* business leaders" but to educate "*good* human beings" who are also very competent in business skills (Christiansen 2010), who have a "sustainability mindset." Heretofore the focus in CSR has been on organizational virtue, developing a corporate culture that reflects the marks of a good corporate citizen. This can easily lead to a narrative of flowery rhetoric about the moral purpose of the company and indeed some beneficial CSR outcomes. However, for Aristotle, the ideal business leader embodies the personal characteristics or virtues such that he knows what will finally yield human fulfillment. She knows that financial security may be the means to human flourishing but virtue is much more than what makes a person attractive to the job market. Virtue is what leads to flourish as a human being. How do we educate such leaders to run global business?

While our argument is that the retrieval of Aristotle's thought can overcome the deficit of business education today, it may be helpful to understand how Catholic social thought has appropriated key aspects of Aristotle in its educational program of developing a "sustainability mindset" in business students. Catholic social teaching, following Aristotle, claims that, on the basis of experience, all human beings are by nature inclined toward a notion of happiness that is achieved by a life of purpose, meaning, sociality and mutuality. Catholic social teaching has a religious view of earthly existence. Thomas Aquinas (1225–1274), working with biblical teaching, the writings of the church fathers and an Aristotelian philosophical framework, offers an overarching vision of earthly life. The goal of life on earth is to become a person who will finally be able to enjoy the vision of God in the next life and one is enabled to participate in this vision by becoming virtuous (*Summa Theologica*, Bk.I-II, 90–97).

While this study focuses on how Catholic social teaching informs life in this world and not the next, there is much in this body of thought that may be helpful. Thus, appropriating virtues over the course of a lifetime is the *means* to the *end* of human life. While Aquinas focused on the biblical virtues of faith, hope, and charity, he also stressed a proper orientation toward the natural good, the need to form human character in Aristotle's four cardinal virtues (wisdom, justice, temperance, and fortitude). Catholic social teaching today continues to teach the need for personal virtue for individuals but also challenges those individuals to work to overcome unjust social structures. The 1971 US Catholic Bishops' document stated the teaching: transforming the world is realized as a "constitutive dimension of the preaching of the Gospel" (*Justice in the World*, para. 6).

The framework provided by Aquinas is still relevant for contemporary Catholic social teaching: Wealth creation has the potential to create a more humane life but it must be carried out in the context of the *end* of human life, the formation of virtuous persons. The Vatican II document states it well: "Economic activity is to be carried out according to its own methods and laws but within the limits of morality so that God's plan for mankind can be realized." (*The Church in the Modern World*, para.64). The heart of the criticism of capitalism by Catholic social teaching, expressed in a number encyclicals, is that sometimes the *means*, increasing material wealth, overshadows and weakens the *end*, forming virtuous persons (*Laborem exercens*, para.13). To be sure, the formation of virtuous persons entails, in the words of Pope Paul VI, a "preferential respect for the poor" (*Octogesima adveniens*, para. 23). This, of course, reflects a major theme in the scriptures (Lk 4:18; Ps 71:12–13).

6. Overcoming the Rhetoric-Reality Gap: Educating Virtuous Leaders

For Aristotle and Catholic teaching virtues are those habits which help us become what we are meant to be, our telos or purpose. As a human being is distinguished from all animals by his capacity for reason, it is reason embodied in virtues that can deliver the happiness that we seek. Practicing the virtues, for example, compassion, fairness, respect for human dignity, and so on, enables one to enjoy human flourishing or happiness through achieving purpose, meaningful relationships, good health and service in the community. Wealth or financial security is only a means to the end of personal development (Bragus 2006).

What Aristotle and Catholic social teaching remind us is that virtues are much more than what makes a person attractive to the job market. Virtues are what makes us a good human being (Dawson 2018; Cameran 2011; Sosik, Gentry and Chun 2012; Wang and Hackett 2016; Moore 2005; Crossan, Mazutis and Seijts 2013). Mirroring Aristotle's thought as well as Catholic social teaching, Paul Polman, former CEO of Unilever and Vice Chair of the UNGC Board until 2024, expressed it well:

> A good leader is first and foremost a good human being. You become a great leader the day you realize it's not about yourself. Leaders are purpose-driven and it's that purpose that gives energy and courage. You have a higher chance of being successful and developing to your fullest potential if company and personal values and purpose are aligned. (Kingo and Murphy 2020: 11)

Polman, as a significant thought-leader of the UNGC today, is offering the insight that can reform business education; put the Compact on track to achieve the SDGs; and continue the reform of capitalism initiated by Kofi Annan over twenty years ago. The "sustainability mindset" advocated as so essential to achieving the SDGs in the latest leadership document of the UNGC, the LDA, is not unlike Catholic social teaching's vision of the thinking of the virtuous leader. The sustainability mindset is a way of being and sees the interconnectedness of business and the wider societal and environmental context, making decisions that will advance not only business but also that context. These decisions enable not only business success but also human flourishing.

The four leadership attributes or character traits evidenced by the successful sustainable development leaders—multilevel systems thinking, stakeholder inclusion, disruptive innovation and long-term activation—flow from serious reflection on what it takes to be a good human being in the business world. These attributes require the virtues of humility, honesty, courage, empathy and authenticity, to name but a few. With this leadership we could develop an inclusive and sustainable global economy (Gini and Green 2013).

The "sustainable mindset," so crucial in the LDA study for business leaders, mirrors Aristotle's inner reality that refers to the person's character and virtues (Brooks 2015; Collins and Lerner 2017; Kiel 2015a; Leisinger 2020; Likon 1991). When this inner reality shows itself in actions, the leader is recognized as authentic by colleagues and a culture of trust is developed. The actions are a reflection of an inner morality, desirable character traits embodied in the moral person. The focus here is on the character and not the action—being over doing (Crossan, Seijts and Gandz 2016). The moral virtues provide a "sustainability mindset," enabling the person to be affectively tuned to what is good, to make prudential judgments (phronesis). Just as the archer must learn all the things he must do to hit the target, so too, the business students must be educated both in mind and heart to have the disposition to seek out the proper human good.

The LDA study is remarkable because it was funded and written by business leaders and it focuses on the character or sustainability mindset and not simply on the decisions. While there are many studies critical of business, few are authored by the business community with this sort of depth analysis. The LDA document provides a much clearer vision of what people are meant to be—human beings seeking purpose, meaning, financial security and social relationships. Leaders who can advance the SDGs in their businesses see business as part of the larger picture; business is a means to an end and not the end itself. How can we educate such leaders, men and women of virtue who have this much broader vision of the role of business in society? The section which follows suggests some ideas based on Aristotle thought and Catholic social teaching as well as some proposed courses for business schools that may help form the desired leaders of the future.

7. Practical Steps for Transitioning to Responsible Management Education: A Systemic Transformation Model

The transition of business schools towards responsible management education (RME) represents a significant systemic change in response to global economic, social, and environmental challenges (Dyllick 2015). In general, this shift requires a fundamental transformation in three interconnected areas: people (i.e., stakeholders of business education such as professors), pedagogy, and institutions (i.e., business schools themselves) (Park 2018). However, implementing RME faces various barriers, which are unique specific to each business school from organizational resource constraints to other individual factors (Doherty et al. 2015). The underlying philosophical assumptions of management education, which favor instrumental approaches based on simplistic utilitarian premises, further hinder the adoption of RME (Painter-Morland 2015). To overcome these challenges and successfully implement RME, business schools must undergo a paradigm shift that involves changing their culture, purpose, and identity (Doherty et al. 2015). This transformation necessitates a systemic organizational change process which is an extremely complex and challenging task involving reevaluation of the ontological purpose of the organization to the specific strategies of educational methodology, (Park 2018; Painter-Morland 2015).

In this section, we propose a systemic transformation model for business schools towards value-based responsible management education, which is designed to develop leaders of character and virtue, focusing on moral education that emphasizes the training of character and the cultivation of a *sustainability mindset*, ultimately aiming to produce responsible leaders who positively impact society and strive for a more sustainable world.

The transformational model we present in this paper emphasizes the concept of integrated and systemic change, building on prior research on paradigm shifts in business schools (UN PRME 2019) and studies on systemic transformation in general organizations (Henderson 2020, Scharmer 2018). Specifically, our model emphasizes embedding sustainability and responsible management principles through a holistic and continuous improvement approach that includes purpose, vision, and leadership, alongside bottom-up faculty and staff engagement and learning processes. The model advocates for long-term strategic alignment and the institutional integration of sustainability values across all aspects of business school operations, teaching, research, and partnerships, fostering a culture of ongoing development and adaptability.

In our proposed model, the five components include; First, establishing a clear *vision and purpose* aligned with ethical and sustainable values ensures that all institutional practices are directed towards developing ethically grounded leaders. Second, *a comprehensive curriculum redesign* integrates multilevel systems thinking, stakeholder inclusion, and disruptive innovation. Third, *leadership and governance* prioritize responsible decision-making and foster a culture of innovation and learning. Fourth, *stakeholder engagement* involves active collaboration with communities and industry partners to enhance the relevance and impact of educational offerings. Finally, robust *evaluation and feedback* mechanisms are implemented to continuously assess and refine the transformation process, ensuring that business schools can effectively prepare future leaders for the complexities of modern business environments. Next, we will present the importance and strategic emphasis of these five components in implementing value-based Responsible Management Education (RME).

Vision and Purpose

The transition of business schools towards Responsible Management Education (RME) is a complex systemic change that necessitates a strong, shared vision and purpose. According to Henderson (2020), having a clearly defined purpose beyond profit maximization plays a crucial role in enabling organizations to manage architectural or systemic innovations. Purpose-driven organizations are better equipped to identify new opportunities and achieve strategic alignment, which are essential in navigating the complexities of systemic change (Hurth 2017; Henderson 2020; Mamédio et al. 2019). This alignment ensures that all efforts are directed towards a common goal, reducing conflicts and enhancing the overall effectiveness of the change process.

As applied to business schools, vision and purpose serve as the spine of the systemic change model we propose. They are more than elements—they drive all other aspects of the model: curriculum redesign, leadership, engagement of stakeholders, evaluation mechanisms. This is needed as without a common understanding (vision) for ethical and sustainable business practices all institutional practices would be individualistic hence creating unethical leaders in schools of business. That alignment is important for the model as a whole because it cultivates a culture of shared beliefs and trust, which are key ingredients for effective collaboration and greater levels of innovation.

To become visionary and purposeful, a business school can articulate aspirational vision/purpose statements that are reflected in the strategic plans of the institution as well as day-to-day activities within their operations. It can be done through embedding purpose into the curriculum, encouraging leadership that models these behaviors, and creating governance structures that guide for what is right. Furthermore, schools have to engage stakeholders to strengthen the meaning and importance of their mission goal to build trust and credibility.

Curriculum and Pedagogy

Curriculum redesign is essential for business schools experiencing systemic transitions such as RME, since it provides a route to incorporate current teaching science that mirrors the evolving complexities of global challenges. A sustainable mindset is cultivated by a thoughtfully designed curriculum that enables students to comprehend the interplay between economic, social, and ecological systems. The broad cross-sectoral nature of this mission requires a comprehensive and holistic approach to develop leaders who can tackle the complex challenges involved in working towards any of the Sustainable Development Goals.

Drawing from the insights shared in previous sections, we now want to turn our attention to our most important task of designing a curriculum that extends beyond just delivering technological skills. Rather, we hope to inspire the character traits of responsible leadership. In particular, we connect the dots between the key leadership traits highlighted in the Leadership for the Decade of Action (LDA) study and Aristotle's four cardinal virtues. It consists of the integration of Multilevel Systems Thinking and *prudence*, Stakeholder Inclusion and *justice*, encouragement of Disruptive Innovation and *courage*, Long-term Activation with *temperance*.

The first module, Multilevel Systems Thinking, is important because it helps to reveal the complex interactions and cascading effects between business and broader systems, linking to Aristotle's virtue of practical wisdom. This approach highlights the significance of system structure in decision-making (Maani 2004; Melé 2010). Literature suggests that systems thinking serves as a tool for cultivating practical wisdom (Strijbos 1995; Flood 2010). This module could incorporate methodologies like feedback loops and system dynamics to model sustainability challenges (Gregory and Miller 2014; Espinosa and Porter 2011). Moral imagination, associated with systems thinking, aids leaders in addressing organizational biases in ethical decision-making (Werhane 2002), with courses like Systems Thinking and Sustainability providing key skills in this area.

The second module, focusing on Stakeholder Inclusion, aligns with Aristotle's virtue of justice, advocating for equitable treatment that benefits the common good (Mitchell 2015). It supports principles from stakeholder theory and shareholder value, contributing to long-term wealth (Baumfield 2016; Phillips 1997). Rooted in respect for human dignity, this approach emphasizes uplifting marginalized groups (Mele 2004; Fassin 2012; Castro Ramirez 2010).

Education should emphasize empathy and stakeholder engagement, with courses in Stakeholder Management and CSR providing key skills.

The third module, Disruptive Innovation, requires courage, a core Aristotelian virtue essential for sustainable development (Steen 2021; Dorothy 2020). This module encourages challenging norms and embracing risks to drive positive change (Chandra 2008). Responsible management education should examine the ethical aspects of innovation, blending theoretical insights with practical application. Courses such as Ethics of Disruptive Innovation and Courageous Leadership can foster this approach.

The fourth module, Long-term Activation, tied to temperance, involves setting ambitious goals and pursuing them with dedication and discipline (Hackett 2012; Beck 2012). Rooted in Catholic Social Teaching, it emphasizes ethical decision-making and social justice. Courses on Sustainable Business Strategies and CSR can help equip students with the mindset and skills needed for this approach. Aligned with Catholic Social Teaching, RME aims to develop leaders prepared to address societal and environmental challenges, embodying values of human dignity and the common good.

Each institution can creatively integrate these four modules—prudence, justice, courage, and temperance, based on Aristotle's cardinal virtues—into its unique context. This adaptability allows institutions to shape these modules according to their specific environments, preparing students to lead with integrity and purpose and contribute to a more just and sustainable global society.

To effectively implement responsible management education, business schools must not only redesign their curriculum but also explore innovative teaching methodologies. These pedagogical strategies are crucial for fostering virtues in management education, emphasizing character development that aligns with Catholic Social Teaching (CST). According to Lamb, Brant, and Brookes (2021), an Aristotelian framework that includes practice, reflection, role models, and dialogues can enhance virtue literacy. The Oxford Global Leadership Initiative (GLI) employs these strategies to nurture virtues such as vocation and service. Hill and Steward (1999) advocate for the use of narratives, collaborative learning, mentoring, service-learning, and self-reflection in business education to promote virtues and responsible leadership. These methods aim to integrate virtues into teaching practices to realize CST"s vision and support human flourishing. Business schools must continuously innovate their educational approaches to creatively fulfill the mission of responsible management education, adapting to the ever-changing landscape of business education.

Leadership and Governance

Transformational leadership is a complex relational phenomenon that changes an organization and its culture as well as the people within it, even the leader themselves (Luzinski 2011; Quiros 2020), making it even more crucial to navigate different and systemic changes organizations currently sought to overcome. It gives leaders the ability to create a compelling vision, inspire motivation in teams, and encourage inno-vation, therefore leading organizations to greater heights (Sahid et al. 2023). This style of leadership is particularly suitable in environments that are highly dynamic and in times of unforeseeable world crises (Caro 2015). Transformational leaders build cultures of change within their organizations by working together with the rest of the leaders when it comes to breaking down resistance and removing barriers so that the organization can develop as an entity (Sahid et al. 2023). And they also use as means system thinking and adaptive complex systems thinking (Ayoubi et al. 2015) to achieve their purpose.

In the context of business schools, transformational leadership is essential for fostering vision, innovation, and inspiration, particularly when guiding institutions toward responsible management education. This leadership style demands a shift to systemic thinking and adaptive methodologies to meet institutional goals (Ayoubi et al. 2015). As Scharmer (2018) highlighted, systemic transformation begins with a shift in human consciousness, a process amplified by transformational leadership and a supportive organizational culture. The shift to a new educational paradigm in business schools hinges on creative, strategic efforts driven by the commitment of consciously aware individuals.

In addition to transformational leadership, business schools require participatory governance structures that give organizational constituents a strong sense of ownership to successfully transition to a Responsible Management Education (RME) paradigm. Establishing such governance enables members to collaboratively design innovative strategies that embed responsible management principles into educational practices. This governance model also fosters a collective commitment to effectively implementing these strategies. Transformational leadership complements this approach by creating an inspiring vision, motivating teams, and encouraging innovation, thereby steering the organization toward ambitious goals (Sahid et al. 2023). This leadership style is particularly effective in environments characterized by rapid change and unexpected global challenges (Caro 2015). By cultivating organizational cultures that embrace change, transformational leaders address resistance, identify barriers, and promote a unified path forward (Sahid et al. 2023). They also leverage systemic thinking and adaptive complex systems approaches to achieve desired outcomes (Ayoubi et al. 2015).

As Henderson (2020) suggests, a shared purpose within leadership enhances strategic alignment and organizational capacity, empowering institutions to identify new opportunities and navigate complex transformations effectively. Therefore, for business schools striving to transition to responsible management education, transformational leadership that inspires commitment is essential, along with governance structures that instill a sense of ownership and dedication among all members. Together, these elements create a strong foundation for innovation, resilience, and alignment toward a unified vision, ensuring the sustainable advancement of responsible management education and preparing institutions to meet the demands of an increasingly complex global environment.

Stakeholder Engagement

Just as companies rely on deep communication with their stakeholders to fulfill stakeholder-centered responsible management (Agudo-Valiente et al. 2015; Morsing and Schultz 2006), business schools must also develop innovative strategies in both teaching methods and content to realize a vision of value-based business education.

Engaging meaningfully with stakeholders in business education is vital to building a new paradigm of responsible management education (RME). This engagement allows business schools to align more closely with the evolving

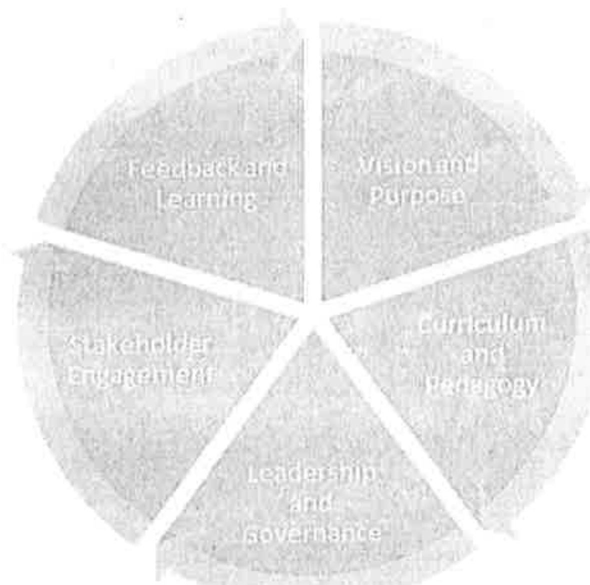

Figure 1. A Systemic Transformation Model for Business Schools Transitioning to Responsible Management Education (RME)

needs and expectations of society, businesses, and students, which strengthens their educational impact and relevance. By actively involving stakeholders, schools gain valuable insights and diverse perspectives that guide the development of innovative teaching methods and content, helping to realize a vision of value-based, socially responsible business education.

In this process of transformation, it is important for business schools to recognize that true solutions come through continuous improvement and adaptation, and to embrace trial and error emphasizing organizational learning. It also should be noted that leaders play a central role by encouraging experimentation and calculated risk-taking, creating an environment where innovative approaches can succeed. This not only enables schools to achieve immediate strategic goals, but also builds long-term resilience and the capacity to drive meaningful business education change.

To advance responsible management education (RME), business schools must maintain ongoing dialogue with a diverse range of stakeholders (i.e., faculty, staff, students, alumni, industry leaders, government bodies, international organizations, and NGOs). Through these connections, schools can design and implement more effective curricula and teaching methods that align with societal and business needs. The rise of stakeholder-centered approaches in business, as seen in initiatives like the U.S. Business Roundtable (2019) and the World Economic Forum (2019), provides a supportive backdrop for this educational shift.

As the stakeholder management paradigm expands, it becomes essential for business schools to assess the distinct needs of each stakeholder group and integrate these insights into their strategies for RME. This inclusive approach enables business schools to cultivate empathy and build collaborative learning capabilities, fostering a sense of shared purpose and responsibility among stakeholders in management education. By engaging stakeholders in this way, schools help cultivate the ethical and collaborative virtues needed to navigate today's complexities.

As Palmer (1998) observed, an educational transformation requires both educators and institutions to embody ecological principles, i.e., acting with an awareness of interconnectedness, sustainability, and shared responsibility. Business schools, therefore, must embrace this ecological mindset, aligning with the broader movement toward a responsible, stakeholder-centered approach in management education.

Feedback and Learning

To accomplish the mission of systemic transition to a new paradigm of responsible management education, business schools must shift away from traditional reductionist and bureaucratic control-focused performance management systems. These conventional systems often emphasize hierarchical structures, rigid protocols, and standardized metrics that may stifle innovation and adaptability (Thompson 1965; Dougherty and Corse 1995). Instead, business schools should foster an environment that encourages organic learning and evolution. This involves creating a dynamic educational ecosystem where continuous feedback, collaboration, and interdisciplinary approaches are prioritized.

By embracing flexible and adaptive learning processes, business schools can foster a culture of creativity and critical thinking (Yukl and Mahsud 2010; Duchesne 1997). This approach supports organic growth and evolution, ultimately enhancing the school's educational impact and better preparing future leaders to tackle the complex challenges of today's world.

Enhancing feedback and learning within business schools hinges on two essential areas: cultivating learning capabilities and promoting effective knowledge management systems. Research shows that knowledge management capabilities significantly boost organizational performance, with organizational learning acting as a key factor in this relationship (Imran et al. 2017; Ngah et al. 2016). Effective knowledge management involves gathering, storing, and sharing knowledge throughout the organization, which allows schools to identify business trends and strengthens internal collaboration (Sulaeman et al. 2023). These capabilities are crucial for understanding stakeholder needs, developing relevant programs, and building partnerships through knowledge exchange. Successfully implementing knowledge management requires cultivating a culture of continuous learning and knowledge sharing, backed by supportive policies and strategic investments in information technology (M. Sulaeman et al. 2023).

Enhancing organizational learning and implementing effective knowledge management systems are also essential for business schools transitioning to a Responsible Management Education (RME) paradigm. This shift requires schools to continuously adapt and innovate to meet the evolving demands of responsible and sustainable business practices. Organizational learning fosters an environment where faculty, staff, and students actively engage in updating and refining their understanding of responsible management principles. This adaptability is crucial in aligning educational programs with the complex, dynamic expectations of ethical leadership and sustainability in today's business world.

A robust knowledge management system complements this by capturing and sharing valuable insights, best practices, and innovative strategies related to RME. By making tacit knowledge, often held by faculty and key stakeholders, accessible to the entire organization, knowledge management systems ensure that schools can develop and evolve RME curricula effectively (Gómez-Marín et al. 2022). This approach promotes shared learning and cross-departmental collaboration, which not only enriches the educational experience but also strengthens the school's capacity to integrate diverse perspectives on responsible management. Together, organizational learning and knowledge management position business schools as agile, forward-thinking institutions, prepared to lead the way in responsible management education.

In summary, the transformational model for responsible management education of this study presents a comprehensive framework for business schools to embed sustainability, ethical leadership, and human-centered values into their core educational practices. By building on the Aristotelian tradition, these pedagogical strategies further strengthen responsible management education. Integrating Aquinas' theological virtues of faith, hope, and charity, alongside Aristotle's cardinal virtues of wisdom, justice, courage, and temperance, enriches the curriculum and aligns with the vision of Catholic Social Teaching (CST), ultimately advancing the goal of human flourishing through virtuous living (Yearley 1990).

This model goes beyond conventional business education by promoting a transformative journey for institutions, faculty, students, and all involved stakeholders alike. Through virtue-based pedagogy, students are not only equipped with technical skills but also nurtured to become ethical leaders who can address complex social and environmental challenges with integrity and wisdom. This approach encourages a holistic development of character, aligning with CST's vision of education as a pathway to authentic human flourishing and societal well-being, ensuring that future leaders are prepared to foster a just and sustainable world.

8. Conclusion

This paper traces the influence of Aristotle on the founding and structure of the UN Global Compact and argues that to fulfill the vision of the UNGC we must integrate the Aristotelian ethic of virtue into contemporary business education. By doing so, business schools can nurture virtuous leaders who possess ethical decision-making skills and a sustainability mindset, thereby contributing to the formation of responsible leaders who prioritize the common good and actively work towards achieving the Sustainable Development Goals (SDGs).

The key character traits necessary for virtuous leadership, such as multilevel systems thinking, stakeholder inclusion, disruptive innovation, and long-term activation, reflect virtues like understanding interconnectivity, empathy, courage, and commitment to audacious goals. By identifying and selecting leaders who embody these attributes, organizations can foster a culture of sustainability and human flourishing, aligning with the principles of Catholic social teaching.

To bridge the gap between rhetoric and reality in advancing sustainability, it is suggested that business education needs to go beyond technical skills and knowledge. It should incorporate the principles of Aristotle's ethic of virtue and Catholic Social Teaching and the proposed business school courses to nurture ethical decision-making and social responsibility.

The transformational model proposed in this study signifies a paradigm shift in business education, aimed at integrating sustainability and ethical leadership at a foundational level within business schools. This model advocates for an integrated, systemic approach, wherein sustainability values are embedded across all aspects of education, from curriculum design to institutional governance and partnerships. By fostering a culture of continuous improvement, this model encourages business schools to transcend traditional business objectives and cultivate leaders who are equipped with both practical and moral virtues. Through this transformation, business schools can become proactive agents of social good, contributing to the creation of a more just and sustainable society aligned with the UN Global Compact's vision and the Sustainable Development Goals.

Additionally, this paper highlights the importance of pedagogical strategies in cultivating virtues in management education. It emphasizes the value of habituation, reflection, engagement with role models, moral imagination, experiential learning, mentorship, and community involvement in character development. By incorporating these strategies into the educational process, business schools can create an environment that fosters the development of virtuous leaders.

By nurturing virtuous leaders who embody ethical decision-making and a sustainability mindset, business schools can contribute to the formation of responsible leaders who prioritize the common good and work towards achieving the SDGs. This holistic approach to management education has the potential to create a positive and lasting impact on society, fostering a more just and sustainable world. Future research in this field should continue to explore effective pedagogical approaches and further investigate the impact of virtue-centered education on business leadership and societal outcomes. By embracing these principles and advancing responsible management education, we can cultivate a new generation of leaders who will drive positive change and contribute to a better future for all.

References

Aquinas, T. 1981 [1273]. *The Summa Theologica.* London: Burns Oates and Washbourne.

Annan, K. (`1998). World Economic Forum Address. https://www.un.org>content>speeches>kofi-annans.

Agudo-Valiente, J.M., Garcés-Ayerbe, C., and Salvador-Figueras, M. (2015). Corporate Social Performance and Stakeholder Dialogue Management. Corporate Social Responsibility and Environmental Management, 22, 13–31. https://doi.org/10.1002/csr.1324

Ayoubi, A., Khosravi, L., and Jahromi, M.R. (2015). Transformational Leadership and Systemic Thinking in an Adaptive Complex System in Management of an Organization. Mediterranean journal of social sciences, 6, 245. https://doi.org/10.5901/mjss.2015.v6n1p245

Beck, M.C. (2012). "Aristotle's Theory of the Virtues of Temperance, Courage, and Generosity as Part of a Universal Model for Leadership Practices Today," in *Leadership Through the Classics* ed. Prastacos, C.P., Wang, F. and Soderquist, K.E., New York City: Springer, 147–159. https://doi.org/10.1007/978-3-642-32445-1_10

Bragus, G. (2006). "Seek the Good Life, not Money: The Aristotelian Approach to Business Ethics," *Journal of Business Ethics*, 67, 341–357. https://doi.org/10.1007/s10551-006-9026-4

Brooks D. (2015). *The Road to Character* (New York: Random House).

Baumfield, V.S. (2016). "Stakeholder Theory from a Management Perspective: Bridging the Shareholder/Stakeholder Divide," *Australian Journal of Corporate Law*, 3(187), 1–23.

Business Roundtable. (2019, August 19). Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'. https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans.

Byrne, A., Crossan, M., Seijts, G. (2018). "The Development of Leader Character Through Crucible Moments," *Journal of Management Education*, v. 42(2), 265–293. https://doi.org/10.1177/1052562917717292

Callina, K. and Lerner, R. (2017). "On the Importance of Coherence in the Study of Character Development," *Journal of Character Education*, v. 13(1), 17–25.

Cameron, K. (2011). "Responsible Leadership as Virtuous Leadership," *Journal of Business Ethics*, v. 98, pp. 25–35. https://doi.org/10.1007/s10551-011-1023-6

Catano, V.M., O'Keefe, D.F., Francis R.E., Soo, M.O. (2018) "Construct-based approach to developing a short, personality-based measure of integrity," *International Journal of Selection and Assessment*, v. 26(1), 75–92. https://doi.org/10.1111/ijsa.12197

Caro, D.H. (2015). Code red: Towards authentic transformational leadership of emergency management. Journal of Hospital Administration, 4, 67. https://doi.org/10.5430/jha.v4n5p67

Cavanagh, G.F. and Moberg, D.J. (1999). "The Virtue of Courage within the Organization." *Research in Ethical Issues in Organizations*, Stanford, CT.:JAI Press, 1–25.

Chandy, L. and Gertz, G. (2011). Poverty in numbers: the changing state of global poverty. *Policy Brief 2011-01, Global Economy and Development at Brookings*. www.brookins.edu.

Christensen, C.M. (2010). "How Will You Measure Your Life?" *Harvard Business Review*, July–August, 1–6.

Church in the Modern World, The. (1965). *Documents of Vatican II*, para. 4. All documents referenced from the Catholic Church are from the text published by the United States Catholic Conference, Office of Publishing Services, Washington, D.C.

Cohen, T. and Morse, L. (2014). "Moral Character: What it is and What it Does," *Research in Organizational Behavior*, v. 34, 43–61. https://doi.org/10.1016/j.riob.2014.08.003

Cokely, E. and Feltz, A. (2011), "Virtue in Business: Morally Better, Praiseworthy, Trustworthy and More Satisfying," *Journal of Organizational Moral Psychology*, v. 2(1), pp. 13–26.

Crossan, M., Mazutis, D., Seijts, G. (2013). "In Search of Virtue: The Role of Virtues, Values and Character Strengths in Ethical Decision Making," *Journal of Business Ethic*, v. 113: 1680–1688. https://doi.org/10.1007/s10551-013-1680-8

Crossan, M., Seijts, G., Gandz, J. (2016). *Developing Leadership Character*, New York, Routledge. https://doi.org/10.4324/9781315739809

Dyllick, T. (2015). Responsible management education for a sustainable world: The challenges for business schools. Journal of Management Development, 34, 16–33. https://doi.org/10.1108/JMD-02-2013-0022

Dawson, D. (2018). "Measuring Individuals' Virtues in Business," *Journal of Business Ethics*, 147, 793–805. https://doi.org/10.1007/s10551-017-3505-7

Doherty, B., Meehan, J., and Richards, A. (2015). The business case and barriers for responsible management education in business schools. Journal of Management Development, 34, 34–60. https://doi.org/10.1108/JMD-06-2013-0082

Dougherty, D.J., and Corse, S.M. (1995). When it comes to product innovation, what is so bad about bureaucracy? The Journal of High Technology Management Research, 6, 55–76. https://doi.org/10.1016/1047-8310(95)90006-3

Duchesne, R. (1997). Critical Thinking, Developmental Learning, and Adaptive Flexibility in Organizational Leaders.

Elkington, J. (1997). *Cannibals with forks: The triple-bottom line of 21st century business*. New York: Wiley. https://doi.org/10.1002/tqem.3310080106

Espinosa, A., and Porter, T. (2011). Sustainability, complexity and learning: insights from complex systems approaches. *The Learning Organization*, 18(1), 54–72.

Ex Corde Ecclesiae, para. 23 (1990). Pope John Paul II. https://doi.org/10.1108/09696471111096000

Fassin, Y. (2012). Stakeholder management, reciprocity and stakeholder responsibility. *Journal of Business Ethics*, 109, 83–96. https://doi.org/10.1007/s10551-012-1381-8

Finnis, R.E. (1984). *Natural Law and Natural Rights*. Oxford: Clarendon Press.

Flood, R.L. (2010). The Relationship of 'Systems Thinking' to Action Research. Systemic Practice and Action Research, 23, 269–284. https://doi.org/10.1007/s11213-010-9169-1

Freeman, R.E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.

Fukuyama, F. (1995). *Trust: The social virtues and the creation of prosperity*. New York: Free Press.

Gates, B. (2008). A new approach to capitalism. In: M. Kinsley (ed.). *Creative capitalism: a conversation with Bill Gates, Warren Buffett and other economic leaders*. New York: Simon Schuster. 7–39.

Gini, A. and Green, R. (2013). *10 Virtues of Outstanding Leaders: Leadership and Character*. Malden, MA: Wiley-Blackwell.

Gini, A., and Green, R. (2014). "Three Critical Characteristics of Leadership: Character, Stewardship, Experience," *Business and Society Review*, December, v. 119(4), 435–446. https://doi.org/10.1111/basr.12040

Globe Scan (1999). The Millennium Poll on Corporate Social Responsibility. http://www.globescan.com/wp-content/uploads/2018/01/Globecan_Millennium-Poll_1999_FullReport.pdf.

Gómez-Marín, N., Cara-Jiménez, J., Bernardo-Sánchez, A., Álvarez-de-Prado, L., and Ortega-Fernández, F. (2022). Sustainable knowledge management in academia and research organizations in the innovation context. The International Journal of Management Education. https://doi.org/10.1016/j.ijme.2022.100601

Greenleaf, R.K. (1977). *Servant Leadership*. New York; NY: Paulist Press.

Gregory, A., and Miller, S. (2014). Using systems thinking to educate for sustainability in a business school. *Systems*, 2(3), 313–327. https://doi.org/10.3390/systems2030313

Hackett, R.D., and Wang, G. (2012). Virtues and leadership: An integrating conceptual framework founded in Aristotelian and Confucian perspectives on virtues. *Management Decision*, 50, 868–899. https://doi.org/10.1108/00251741211227564

Haertle, J., Parkes, C., Murray, A., and Hayes, R. (2017). PRME: Building a global movement on responsible management education. *The International Journal of Management Education*, 15(2), 66–72. https://doi.org/10.1016/j.ijme.2017.05.002

Hannah, S. and Avolio, B. (2011). "Leader Character, Ethos, and Virtue: Individual and Collective Considerations," *Leadership Quarterly*, Oct., v. 22(5), p. 989–994. https://doi.org/10.1016/j.leaqua.2011.07.018

Henderson, R. (2020). Innovation in the 21st Century: Architectural Change, Purpose, and the Challenges of Our Time. Management Science, 67, 5479–5488. https://doi.org/10.1287/mnsc.2020.3746

Hill, A., and Stewart, I. (1999). "Character education in business schools Pedagogical strategies," *Teaching Business Ethic*, 3, 179–193. https://doi.org/10.1023/A:1009846123335

Hurth, V. (2017). Organizations as Open Systems That Need Purpose and Integrated Thinking. Board Leadership, 2017, 1–8. https://doi.org/10.1002/bl.30069

Imran, M., Ilyas, M., and Fatima, T. (2017). Achieving organizational performance through knowledge management capabilities: Mediating role of organizational learning.

Jaganjac, B., Abrahamsen, L.M., Olsen, T.S., and Hunnes, J.A. (2024). Is It Time to Reclaim the 'Ethics' in Business Education? *Journal of Business Ethics*, 190, 1–22. https://doi.org/10.1007/s10551-023-05400-5

Justice in the World. (1971). *1971 Synod of Catholic Bishops*, para. 6.

Kaarsemaker, E., and Poutsma, E. (2006). The Fit of Employee Ownership with Other Human Resource Management Practices: Theoretical and Empirical Suggestions Regarding the Existence of an Ownership High-Performance Work System. Economic and Industrial Democracy, 27, 669–685. https://doi.org/10.1177/0143831X06069009

Kell, G. and Ruggie J. (1999). Global markets and social legitimacy: The case of the Global Compact. Available at www.yorku.ca/drache/talks/pdf/apd-ruggie-kellfin.pdf.

Kiel, F. (2015a). "Measuring the Return on Character," *Harvard Business Review*, 96(4), 20–21.

Kiel, F. (2015b). *Return on Character: The Real Reason Leaders and their Companies Win*. Cambridge, MA: Harvard Business Review Press.

Kingo, L. and Murphy, C. (2020). Leadership for the Decade of Action. www.unglobalcompact.org/library/5745.

Laborem exercens, para. 13 (1981). Pope John Paul II.

Lamb, M., Brant, J., & Brooks, E. (2021). "How Is Virtue Cultivated? Seven Strategies for Postgraduate Character Development," *Journal of Character Education*, v. 17(1), 81–108.

Leisinger, K.M. (2007). Capitalism with a human face. *Journal of Corporate Citizenship*, 28, 113–132. https://doi.org/10.9774/GLEAF.4700.2007.wi.00011

Leisinger, K.M. (2020). *The Art of Leading: The Significance of Personaltiy and Character in the Choice of Leadership*. Minneapolis: Caux Roundtable for Moral Capitalism.

Li, F., Chao, M., Chen, N., and Zhang, S. (2018). "Moral Judgment in a Business Setting: The Role of Managers' Moral Foundation, Ideology, and Level of Moral Development," *Asia Pacific Journal of Management*, v. 35(1), 121–143. https://doi.org/10.1007/s10490-017-9529-9

Likona, T. (1991). *Educating for Character*. NY: Bantam Books.

Luzinski, C. (2011). Transformational leadership. The Journal of nursing administration, 41 12, 501–502 . https://doi.org/10.1097/NNA.0b013e3182378a71

Mackey, J. and Sisodia, R. (2013). *Conscious Capitalism*. Boston, MA: Harvard Business Review Press.

Maani, K.E., and Maharaj, V. (2004). "Links between systems thinking and complex decision making." *System Dynamics Review*, 20, 21–48. https://doi.org/10.1002/sdr.281

Mamédio, D.F., Rocha, C., Szczepanik, D., and Kato, H.T. (2019). Strategic alliances and dynamic capabilities: a systematic review. Journal of Strategy and Management. https://doi.org/10.1108/JSMA-08-2018-0089

Mark, G.T., Wheeler, C.A., and Hodgson, M. (2012). "Leader spirituality and leader virtues as predictors of effective leadership," *Journal of Spirituality, Leadership and Management*, 6(1): 35–42. https://doi.org/10.15183/slm2012.06.1114

Mitchell, R.K., Van Buren III, H., Greenwood, M., and Freeman, R.E. (2015). "Stakeholder Inclusion and Accounting for Stakeholders," *Journal of Management Studies*, 52(7), 851–877. https://doi.org/10.1111/joms.12151

Moore, G. (2005). "Corporate Character: Modern Virtue Ethics and the Virtuous Corporation." *Business Ethics Quarterly*, 15, 352–363. https://doi.org/10.5840/beq200515446

Morsing, M., and Schultz, M. (2006). Corporate Social Responsibility Communication: Stakeholder Information, Response and Involvement Strategies. Wiley-Blackwell: Business Ethics: A European Review. https://doi.org/10.1111/j.1467-8608.2006.00460.x

Neubert, M.J., Carlson, D.S., Kacmar, K.M., Roberts, J.A., and Chonko, L.B. (2009). The Virtuous Influence of Ethical Leadership Behavior: Evidence from the Field. *Journal of Business Ethics*, 90, 157–170. https://doi.org/10.1007/s10551-009-0037-9

Ngah, R., Tai, T.V., and Bontis, N. (2016). Knowledge Management Capabilities and Organizational Performance in Roads and Transport Authority of Dubai: The mediating role of Learning Organization. Knowledge and Process Management, 23, 184–193. https://doi.org/10.1002/kpm.1504

O'Brien, W.J. (2008). *Character at Work: Building Prosperity Through the Practice of Virtue*. Mahwah, NJ: Paulist Press.

Octogesima adveniens, para. 23 (1971). Pope Paul VI.

O'Toole, J. (2005). *Creating the Good Life: Applying Aristotle's Wisdome to Find Meaning and Happiness*. Emmaus, PA: Rodale.

Paine, L.S. (2003). *Value shift: Why companies must merge social and financial imperatives to achieve superior performance*. New York: McGraw-Hill.

Painter-Morland, M. (2015). Philosophical assumptions undermining responsible management education. Journal of Management Development, 34, 61–75. https://doi.org/10.1108/JMD-06-2014-0060

Palanski, M.E., Cullen, K.L., Genrty, W.A., Nichols, C.M. (2015). "Virtuous Leadership: Exploring the Effects of Leader Courage and Behavioral Integrity on Leader Performance and Image," *Journal of Business Ethics*, 132, 297–310. https://doi.org/10.1007/s10551-014-2317-2

Palazzo, G. Scherer, A., (2006). Corporate legitimacy as deliberation: A communicative framework. *Journal of Business Ethics*, 66(1), 71–88. https://doi.org/10.1007/s10551-006-9044-2

Palmer, Parker J. (1998). The courage to teach: exploring the inner landscape of a teacher's life. San Francisco, Calif.: Jossey-Bass,

Park, S. Y. S. (2018). Towards Responsible Management Education: A Transformational Model. Business Communication Research and Practice, 1(2), 54–60. https://doi.org/10.22682/bcrp.2018.1.2.54

Phillips, R.A. (1997). Stakeholder Theory and A Principle of Fairness. *Business Ethics Quarterly*, 7, 51–66. https://doi.org/10.2307/3857232

Pope Francis I. (2015). *Encyclical Letter "Laudato Si," On Care for Our Common Home*, Lireria Editrice Vaticana. Retrieved from: https://laudatosi.com.

Poutsma, E., Ligthart, P.E., and Kaarsemaker, E. (2017). Employee Ownership and High-Performance Work Systems in Context. https://doi.org/10.1108/S0885-333920160000017004

Quiros, L. (2020). Transformational Leadership. Incorporating Diversity and Inclusion into Trauma-Informed Social Work. https://doi.org/10.4324/9780429284403-4

Rasche, A., and Waddock, S. (2014). Global Sustainability Governance and the UN Global Compact: A Rejoinder to Critics. *Journal of Business Ethics* 122(2), 209–216. https://doi.org/10.1007/s10551-014-2216-6

Sahid, A., Amirullah, I., Khaeriyah, K., Natsir, N., Syafaruddin, S., Tinggi, S., Administrasi, I., and Makassar, Y. (2023). Transformational Leadership In Organizational Change. International Journal of Economics and Management Research.

Scharmer, O. (2018). The essentials of Theory U: Core principles and applications. Berrett-Koehler Publishers.

Seijts, G., Crossan, M., Carleton, E. (2017). "Embedding Leader Character into HR Practices to Achieve Sustained Excellence," *Organizational Dynamics*, v. 46, 30–39. https://doi.org/10.1016/j.orgdyn.2017.02.001

Seijts, G. and Gandz, J. (2018). "Transformational Change and Leader Character," *Business Horizons*, 61, 231–249. https://doi.org/10.1016/j.bushor.2017.11.005

Sosik, J.., Gentry, W.A., Chun, J.U. (2012). "The Value of Virtue in the Upper Echelons: A Multisource Examination of Executive Character Strengths and Performance," *Leadership Quarterly*, v. 23, 367–382. https://doi.org/10.1016/j.leaqua.2011.08.010

Spierings, M. and Washington, P. (2023). The Role of the Board in the Era of ESG and Stakeholder Capitalism: Supplement 1. www.confeerence-board.org.

St. John Paul II, P. (1990). Apostolic constitution Ex Corde Ecclesiae of the Supreme Pontiff John Paul II on Catholic Universities. Office for Pub. And Promotion Services, United States Catholic Conference.

Strijbos, S. (1995). "How can systems thinking help us in bridging the gap between science and wisdom?" *Systems Practice*, 8, 361–376. https://doi.org/10.1007/BF02253392

Sulaeman, M.M., Suhartono, E., and Wibowo, S.N. (2023). Knowledge Management as a Strategic Pillar in Organisational Adaptation to the Dynamics of Business Environment Change. Journal of Contemporary Administration and Management (ADMAN). https://doi.org/10.61100/adman.v1i3.82

Thompson, V. A. (1965). "Bureaucracy and innovation." *Administrative Science Quarterly*, 10(1): 1–20. https://doi.org/10.2307/2391646

UN Preamble. (2018). www.un.org/en/about-us/universal-declaration-of-human-rights.

UNEP (2019). Emissions Gap Report 2019. www.unep.org/resources/emissions-ga-report-2019.

UNGC. (2006). The Principles for Responsible Investment (PRI). www.unglobalcompact.org/take-action/action/responsible-investment.

UNGC. (2007). The Principles for Responsible Management Education. www.unglobalcompact.org/take-action/action/management-educaton.

UNGC. (2010). The Women's Empowerment Principles. www.unglobalcompact.org/take-action/action/womens-principles.

UNGC. (2011). The UN Guiding Principles on Business and Human Rights. www.unglobalcompact.org/library/2.

UNGC. (2015). Sustainable development goals. https://www.un.org/sustainabledevelopment.

UNGC. (2016). White paper. The UN Global Compact ten principles and the Sustainable Development Goals: connecting, crucially.

UNGC. (2020). The Science Based Targets Initiative. www.unglobalcompact.org/take-action/action/science-based-target.

UNGC. (2020). The Business Ambition for 1.5EC Campaign. www.unglobalcompact.org/take-action/events/climate-action-summit-s019/business-ambition.

UN PRME (2019, October 23). PRME Transformational Model . https://i5.unprme.org/resources/prme-transformational-model/.

UN PRME Principles. (2008). Available at: https://www.unprme.org/what-we-do. Accessed 31 May, 2023.

Wang, G. and Hackett, R.D. (2016). "Conceptualization and Measurement of Virtuous Leadership: Doing Well by Doing Good," *Journal of Business Ethics*, 137, 321–345. https://doi.org/10.1007/s10551-015-2560-1

Werhane, P.H. (2002). Moral imagination and systems thinking. *Journal of Business Ethics*, 38, 33–42. https://doi.org/10.1023/A:1015737431300

Wilding, J.A. (2002). "Lessons in Leadership and Character," *Performance Improvement*, March, v. 41(3), 13–16. https://doi.org/10.1002/pfi.4140410305

Williams, O.F. (2004). "The UN Global Compact: The Challenge and the Promise." *Business Ethics Quarterly* 14(4), 744–774. https://doi.org/10.5840/beq200414432

Williams, O.F. (Ed.). (2008). *Peace through Commerce: Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact.* Notre Dame, IN: University of Notre Dame Press. https://doi.org/10.2307/j.ctvpj74s0

Williams, O.F. (2014a). *Corporate Social Responsibility: The Role of Business in Sustainable Development*, London: Routledge.

Williams, O.F. (Ed.). (2014b). *Sustainable Development: The UN Millennium Development Goals, the UN Global Compact, and the Common Good.* Notre Dame, IN: University of Notre Dame Press. https://doi.org/10.2307/jj.21996048

Williams, O. (2017). "Baptismal Witness in the World of Commerce." In M. Connors (ed.)., *What We Have Seen and Heard: Fostering Baptismal Witness in the World.* Eugene, OR: Pickwick, 165–178.

Williams, O. (2018). "Restorying the Purpose of Business: The Agenda of the UN Global Compact." *African Journal of Business Ethics* 12(2): 85–95. https://doi.org/10.15249/12-2-195

World Bank (2018). Poverty and Shared Prosperity—2015 Forecasts. www.worldbank.org/en/publication/poverty-and-shared-prosperity-2018.

World Economic Forum. 2019. "Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution." https://www.weforum.org/agenda/2019/12/davos-manifesto-2020-the-universal-purpose-of-a-company-in-the-fourth-industrial-revolution/.

Yearley, L.H. (1990) *Mencius and Aquinas: Theories of virtue and conceptions of courage*. Albany: State University of New York Press. https://doi.org/10.1515/9781438424590

Yukl, G.A., and Mahsud, R. (2010). Why Flexible and Adaptive Leadership is Essential. *Consulting Psychology Journal: Practice and Research*, 62, 81–93. https://doi.org/10.1037/a0019835

Oliver F. Williams, C.S.C., is a member of the faculty of the Mendoza College of Business at the University of Notre Dame and is the director of the Center for Ethics and Religious Values in Business. Williams is the editor or author of twenty books as well as numerous articles on business ethics in journals. He served as associate provost of the University of Notre Dame for seven years and is a past chair of the Social Issues Division of the Academy of Management. In 2006, he was appointed a member of the four-person Board of Directors at the United Nations Global Compact Foundation. The United Nations Global Compact is the world's largest voluntary corporate citizenship initiative with over 20,000 businesses in 160 countries as members. In 2019, he was honored with the Sumner Marcus Award from the Social Issues in Management Division of the Academy of Management for "outstanding contributions of service and scholarship." Williams is an ordained Catholic priest in the Congregation of Holy Cross. https://cerv-mendoza.nd.edu; owilliam@nd.edu.

Yong-Seung Park is Professor of Human Resource and Industrial Relations at Kyung Hee University's School of Management in Seoul, South Korea. He is Director of the Institute for Peace through Commerce and former Dean of International Affairs. He has served as President of the Korean Association of Business Communication and Senior Vice President of the Korean Association of Business Education. His research focuses on strategic HRM, labor-management cooperation, responsible management education, and business for peace. He has served as a member of the National Labor Relations Commission of Korea. He earned his PhD from the University of Minnesota. In 2017, he received the UN PRME Pioneer Award. https://orcid.org/0000-0001-5351-111X; yspark@khu.ac.kr.