Pacific Lutheran University
School of Business
Tacoma, Washington, USA

Report on Progress:
Implementation of the U.N.
Principles for Responsible Management Education

April, 2011

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PRME Steering Committee
c/o Dr. Manuel Escudero
Head PRME Secretariat at United Nations Global Compact Office
DC2-612
2 United Nations Plaza
New York, NY 10017, USA

Dear Dr. Escudero,

Pacific Lutheran University is pleased to reaffirm our support of the Principles for Responsible Management Education. We hereby renew our commitment as a PRME signatory school.

Pacific Lutheran University and the School of Business are committed to a process of continuous improvement in the application of the Principles for Responsible Management Education, to reporting on our progress to stakeholders, and to sharing effective practices with other institutions. The University’s mission speaks to preparing students to “serve other people, their communities, and the earth,” and has a long tradition of service to the principles of sustainability and social justice. We see our association with PRME as an opportunity to be even more intentional in our educational mission and to share with and learn from other institutions that have joined us on this journey.

Sincerely,

Loren J. Anderson
President
Introduction:
While Pacific Lutheran University has long been an active proponent of sustainability and environmental stewardship, the School of Business joined PRME rather recently, in 2009. This report first describes the broader University context with respect to sustainability, and then proceeds to address progress in the School of Business, and our plans moving forward, with respect to the six principles. The report covers efforts in the School of Business from 2009 to date.

Pacific Lutheran University was founded in 1890 in Tacoma, Washington and serves primarily students from the Western Washington region, although it draws many students from other Western states. PLU is a private university that combines the tradition of the liberal arts with three professional Schools, including a School of Business. Over 200 faculty members serve some 3,300 undergraduate and 200 graduate students across 19 departments and 44 majors. The institution is particularly well-known for its commitment to global education; January (J-term) experiences for students frequently have them on every continent, including Antarctica.

The PLU mission reflects a commitment to values-based education and the Lutheran tradition of vocation: seeking one’s purpose in life. Most importantly, it specifies our commitment to equipping students to serve others:

PLU seeks to educate students for lives of thoughtful inquiry, service, leadership, and care – for other people, their communities, and the earth.

PLU’s commitment to sustainability is demonstrated in many ways. For example:

- The Environmental Studies program at PLU is a model of interdisciplinary cooperation and shared commitment. There is no department per se, given the broad number of academic and operational departments that participate. Rather, Environmental Studies is an interdisciplinary program that educates students to engage actively and critically the complex relationship between people and the environment, drawing upon integrated and interdisciplinary perspectives. Understanding environmental challenges requires the specialized tools and knowledge of the social and natural sciences, and the humanities; the ability to understand and express ideas and values; and the dissemination of these ideas through business, education, nursing and other professions. In keeping with the broad liberal arts objectives of the university, students
have the opportunity to link environmental themes to any area of the curriculum they select in their complementary major or minor.

- The School of Business is housed in the Morken Center for Learning and Technology which at its commissioning in 2006 was Pierce County’s first LEED-Gold building. In 2010, the University also completed another LEED-Gold building, the Neeb Center. In addition, the remodeled University Center earned LEED-Silver status for existing buildings.

- Sponsored speakers annually on Earth Day are selected from the humanities, social sciences and natural sciences. Speakers address the university community, meet with faculty, and visit classes in the Environmental Studies program. The 2010 speaker, from the natural sciences, was David R. Montgomery a geomorphologist and MacArthur Foundation Fellow, speaking on the threats of soil erosion. The 2011 speaker, from the social sciences, was Greg Nickels, former mayor of Seattle, and spearhead of the US Mayors Climate Protection Agreement, an accord between over 600 US cities committed to reducing greenhouse emissions.

- PLU affiliations include membership in AUPCC: American College and University Presidents Climate Commitment; AASHE: Association for the Advancement of Sustainability in Higher Education (PLU was the first school to participate in STARS); and ULSF: University Leaders for a Sustainable Future. PLU was recognized in 2010 by the Sierra Club as the 54th greenest university in the USA.

- Sustainability Management at PLU has the goal of carbon neutrality by 2020. Some of the activities moving the institution in that direction include:
  - In 2010, PLU dropped total energy costs by 10% by changing out light fixtures, adding motion sensors for lighting, and installing better insulation and window seals.
  - PLU’s recycling rate is now 75%.
  - The Office of Sustainability Management also oversees a Community Garden, a Bicycle co-op and repair facility, and sponsored a competition to “unplug” among residence halls in fall 2010.
  - PLU students voted to impose a $20 annual fee upon themselves to improve water quality, and the University has banned bottled water sales.
  - University food services have reduced landfill and increased local sourcing for food.

**PLU’s School of Business**

The School of Business at Pacific Lutheran University was founded in 1960 with an undergraduate program, to which an MBA was added in 1966. At the time of its accreditation from AACSB in 1976, the School was among the very smallest ever to earn that distinction.
Despite the School’s relatively small size, it is well-known throughout the region for its rigorous academic preparation and a community culture that champions social justice and service to others. Our emphases on ethics and integrity have been hallmarks of a PLU business education from the beginning. Most PLU students are lifetime residents of the pristine Pacific Northwest region and are avid lovers of nature and the outdoors.

In response to growing global concerns about climate change, limited natural resources, and environmental damage, the School revised its mission statement in 2009 to reflect our commitment to sustainability:

*The Mission of PLU’s School of Business is to provide a supportive learning experience that challenges each student to (a) acquire relevant business skills, (b) apply them to create sustainable value, and (c) prepare for a purposeful life of achievement, inquiry, integrity, leadership, and service. We are especially committed to scholarship, innovation, and a global perspective.*

The School’s Learning Goals are listed below, for both the undergraduate (BBA) and graduate (MBA) programs.

**Undergraduate learning goals:** BBA Graduates will:
1. Be prepared to make ethical decisions
2. Be competent in the disciplinary foundations of business
3. Understand global and multicultural perspectives
4. Have critical thinking and quantitative skills
5. Be effective written and oral communicators
6. Have team and interpersonal competence
7. Competently use contemporary technologies

**Graduate learning goals:** MBA Graduates will:
1. Be prepared to make ethical decisions,
2. Be competent in integrating the disciplinary foundations of business,
3. Understand global perspectives,
4. Have critical thinking and quantitative skills,
5. Be effective communicators,
6. Be prepared to manage innovation.

**Summary of the School’s progress with respect to the six Principles for Responsible Management Education, and plans for moving forward.**
Principle 1 - Purpose: We will develop capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

- The School of Business changed our mission statement to reflect this commitment and guide our strategic efforts.

- In summer 2009, a marketing faculty member worked with a chemistry professor, a religion professor and two undergraduate students to examine the triple bottom line perspective on “clean” coal. The work was funded from a grant by the Wiancko Charitable Trust Foundation. Primary research was collected to evaluate consumers’ perceptions of “clean” coal when presented with an argument with either a scientific, economic or moral perspective. Results were presented at the ASHE conference in Fall 2009 by the two students.

- In fall semester 2009, students in the introductory financial accounting course read Travels of a T-shirt (2nd edition). The course objectives included, in addition to learning traditional introductory accounting material, becoming acquainted with business sustainability issues that are not currently reflected in the accounting model of firm performance. Issues of triple bottom line accounting were introduced as complements to the traditional accounting model. Conversations with a marketing colleague about including sustainability readings in business core courses led to spring 2011 shared reading and discussion of this text across sections of different business disciplines, as described below.

- In spring semester 2010, the school of business offered its first class focused on sustainability – Sustainable Marketing. At the time, there was no textbook on this topic so readings were selected from industry publications. Also, students were required to select a popular press book related to the topic of sustainability to enhance their understanding of the issue. The course reached maximum enrollment. We are currently seeking to add the course to our regular marketing electives on a biannual basis.

- In fall semester 2010, the MBA Marketing Strategy course focused about half of the semester on sustainable marketing. This was an MBA elective and used the textbook Sustainability Marketing by Belz and Peattie.

- In spring semester 2011, sections of Financial Accounting and Principles of Marketing had a shared reading, Travels of a T-shirt (2nd edition) in addition to the ordinary textbooks for each course. The classes had three joint meetings throughout the semester where we used open discussion, class exercises and debate to discuss the business sustainability issues raised in the book. We worked to insure that the classes not only understood the discipline issues (Accounting and Marketing) but the intersections of the two disciplines on these issues and the perspectives of each
discipline on sustainability. As part of the assessment, surveys are being administered to the two classes as well as control classes for each.

**Principle 2 - Values:** We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the UN Global Compact.

- In sections of the introductory business class (Global Business Perspectives), one class session provides an overview of sustainability. Students are introduced to major environmental issues and sustainable development, and then to several sustainability frameworks and tools including life-cycle assessment, eco-efficiency, and biomimicry. The course also dedicates a class session to an overview of Corporate Social Responsibility, perspectives on CSR (e.g. activist vs. classic economic approaches), and a role playing activity related to stakeholders and environmental pollution.

- The Business Law and Ethics courses at both the undergraduate and graduate level include specific discussions on corporate social responsibility (as a part of enterprise sustainability), including how CSR integrates with legal and ethical issues. The course uses the Global Reporting Initiative Guidelines ([http://www.globalreporting.org/Home](http://www.globalreporting.org/Home)) as a tool to evaluate CSR initiatives. Outside speakers in the MBA class focus on CSR initiatives in their companies, including Starbucks, Costco, and State Farm.

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

- J-term 2012 international study in Australia will focus on sustainable business and sustainable living. Up to 16 students will spend 5 days in an eco-village learning sustainable living practices through hands-on experiences, and they will tour businesses in the agricultural, eco-tourism, and industrial sectors that incorporate sustainability into their business models.

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

2009 - 2010 Presentations and Publications included:


Mobus, J.L. & Fogarty, T. J. (2009) Expanding the Audit: Public Accounting Firms’ Expertise and Environmental Reporting. Proceedings of the 2009 Interdisciplinary Perspective on Accounting Conference, Innsbruck, Austria


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

- At this time, we have no substantive progress to share with respect to this principle.

**Principle 6 - Dialog:** We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

- Two members of the School of Business faculty served as judges of business plans in connection with Seattle Pacific University’s Social Venture Competition in 2010.

- Faculty members attended Workshop on Be Green South Puget Sound in Tacoma, WA.

- Faculty member attended AACSB Sustainability Conference, June 2010, Denver, Co.

**Future endeavors**

- Secure greater buy-in of sustainability and social justice across the School of Business faculty. While faculty agree that sustainability is important, we often lack the strategic
perspectives rapidly being adopted by globally competitive organizations. At the fall 2011 faculty retreat we will invite a recognized industry leader – and PLU alumnus – to speak to his company’s commitment to sustainability.

- Every semester the School hosts four speakers in the MBA Executive Leadership Series. For the spring 2012 semester, the focus will be on sustainability. Representatives from several major companies in the Pacific Northwest are on the board or advisory council of Net Impact, and these executives will be approached first.

- The School’s Undergraduate Committee is charged with determining how best to bring sustainability into the curriculum. Among the possibilities they are considering are:
  - A common reading for first-year students, with a theme related to sustainability.
  - Increased service learning projects focused on sustainability
  - Sustaining sustainability, i.e., working to make it a repetitive theme, approached from several disciplinary perspectives, and integrated throughout the curriculum.

- Two School of Business faculty members will participate in a “Sustainability in the Curriculum” Workshop that will be offered campus-wide in June, 2011.