Hong Kong Baptist University
School of Business
PRME - Principles for Responsible Management Education

Sharing Information on Progress

May 2011
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Message from the Dean

Since its inception in 1956, Hong Kong Baptist University (HKBU) has been a pathfinder in business education in Hong Kong and Asia. The School of Business has progressively gained in stature over the years. In April 2010, the School received full accreditation from the Association to Advance Collegiate Schools of Business International (AACSB).

HKBU School of Business, the first business school in Hong Kong to have joined the United Nations Principles for Responsible Management Education (PRME), has launched a community-wide project named “Corporate Sustainability: A Community Dialogue” in September 2009 to explore and develop at the theoretical and practical levels business approaches that focus on sustainability. Through seminars, workshops, contests, exhibitions and research projects, this Project encourages dialogue and interaction between students, academic community, and Hong Kong community at large. The two international academic conferences initiated and hosted by the School on a biennial basis, namely, the Asia-Pacific Corporate Governance Conference (supported by Pacific Basin Finance Journal) and the World Business Ethics Forum (supported by the Journal of Business Ethics), also serve as platforms for scholars and the business community to explore new approaches to and ideas of the relevant areas of Corporate Sustainability.

The School will continue to maintain a strong emphasis on business ethics, corporate social responsibility, corporate governance in our education and research agenda. We are fully committed to PRME and we understand that our own organisational practices should serve as example of the values and attitudes we convey to our students, as presented in this Report.

Professor Stephen Y L Cheung, BBS, JP
Dean, School of Business and Professor (Chair) of Finance
Hong Kong Baptist University
Sharing Information on Progress

**Principle 1**

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

The School actively organises and participates in a wide range of academic programmes and other activities to nurture its students’ sense of the importance of sustainable development for business and society:

a. **Service-Learning Programme**

The School's Service-Learning Programme is meant for nurturing the servant leadership of students and exposing them to the evolving needs of the community, in keeping with the School’s mission and the Whole Person Education philosophy of HKBU. Students apply their business knowledge and skills to solve operating problems of non-profit organisations, such as preparing accounts, building websites, conducting marketing research and training courses, and some of them gain academic units from the course-based projects.

Besides serving the NPOs in Hong Kong, our BBA students also receive scholarships to serve the needy in mainland China cities including Yunnan, Guizhou and Nanjing. They were involved in projects organised by NGOs such as the World Vision, Amity Foundation and Baptist Church in China.

b. **Chartered Secretaries Corporate Governance Paper Competition 2009**

The School encourages its students to participate in open competitions to widen their horizons of corporate governance knowledge. In The Hong Kong Institute of Chartered Secretaries Corporate Governance Paper Competition 2009, our BBA students competed with 51 teams from local universities and presented their papers on “Corporate Governance: Investor Relations”. The HKBU team finally swept 3 big prizes, including the Champion, First Runner-Up and Best Presenter awards.
c. Junior Chamber International Hong Kong (JCIHK) Best Business Plan 2009 Competition

The BBA students of HKBU participated in “Junior Chamber International Hong Kong (JCIHK) Best Business Plan 2009 Competition” under the theme of social enterprise.

The plan envisioned a social enterprise which would serve as an agent helping the physically disabled find convenient, comfortable and fashionable clothing designed by volunteers and design school students. Believing that clothing is a necessity, the HKBU Team felt that specially-designed clothing would facilitate the integration of the disabled into society and foster harmonious development. In order to ensure that their plan was practical, the team interviewed a few disabled students to understand their clothing needs.

With strong team work and good efforts, the business plan for a social enterprise created by five Year 2 students of the School of Business won the championship in this Competition in 2009.
The School maintains a strong emphasis on business ethics, corporate social responsibility and corporate governance in our curricula such as the following courses:

a. **Business and Corporate Social Responsibility:**
   This is a required core course of the BBA Degree programme. It provides an overview of the primary business disciplines and the basic concepts of corporate social responsibility. Topics included in the course are: human values and ethics in the workplace, multiculturalism, corporate social responsibilities, business functions, and general principles of effective business operations.

b. **Marketing for Social Enterprise:**
   This elective course offers a survey of marketing functions and a framework for organising, planning and implementing marketing strategies in social enterprise. Special treatment is given to the important areas of marketing research and marketing communications. The course also provides in-depth treatment of the most important marketing activities such as direct marketing, fund raising, special events, attracting major gifts, and volunteer recruitment.

c. **Corporate Governance and Ethics:**
   This is a postgraduate course for the MSc in Corporate Governance and Directorship Programme. In this course, students will analyse and solve key issues of modern corporate governance and ethical operations. It provides an understanding of the basic roles and responsibilities of shareholders, directors and management, and familiarity with the legal, social, economic, moral, and psychological issues they confront in the ordinary course of serving on boards. In addition, by providing a foundation
in ethical theories and a framework for analysing ethical dilemmas, this course also aims to sensitize students to ethical dilemmas and to help them develop some codes or guidelines for making ethical decisions. The roles of business in society and corporate social responsibility will also be considered.

d. Service Learning and Community Engagement
This elective course was recently approved by the School and will be offered by Marketing Department. All business students of year 2 standing or above will be able to elect this course. The course is intended to promote student’s civic responsibility and to strengthen their problem-solving and decision making skills by acquiring hands-on experience in community projects provided by NGOs and not-for-profit organisations in Hong Kong, Mainland China and other countries. To benefit other non-business students in HKBU, the School of Business will launch a General Education course on “Social Entrepreneur: Options to Change the World” in the near future.
Principle 3

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

a. IIBD Case Competition

In order to allow our students, tomorrow’s business leaders, to be better prepared to meet the challenges of a rapidly changing global business environment, Wing Lung Bank International Institute for Business Development (IIBD), School of Business, HKBU organises IIBD Case Competition every year since 2008. In 2010 and 2011, the IIBD co-organises the Case Competition with the Chinese Businesses Case Research Center of the School of Business. In the Competition, students have to work under pressure to solve a real world business problem, using simulated business conditions such as time-critical deadlines and incomplete information, to formulate workable, action-oriented recommendations.

IIBD has been organising the Competition for four times. To enhance the participating teams’ awareness of responsible management strategies, cases related to this theme are chosen, as follows:

Year 2009: Corporate Social Responsibility (CSR)
  – 29 participating teams from 12 countries

Year 2010: Corporate Sustainability
  – 39 participating teams from 12 countries

Year 2011: Value Creation through Branding
  – 36 participating teams from 15 countries

b. “mindXchange” – A Student Debate on Business Ethics and Corporate Sustainability

Organised by the School of Business, two student debate forums entitled “mindXchange” was held to promote students’ active participation in free exchange of ideas on current issues especially related to the timely topics
of sustainability, corporate social responsibility and business ethics.

Each time of the two debate teams made up of undergraduates and alumni from the Business School debated for and against the motion. After that, the audience voted to decide the winning team. “mindXchange” endeavours to further enhance student involvement in the Business School's values of ethics and corporate sustainability through the floor of debates, discussions and voting.

The motion of the first debate in November 2010 was "Despite the rise of Shanghai as a financial centre, Hong Kong’s ethical business environment will safeguard its regional competitiveness beyond 2020", followed by the second debate on “CSR practice is a luxury that only large corporations can afford” held in April 2011. Around one hundred students attended each of the two events.
**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.*

The School of Business has been approved a grant of HK$4 million to engage in a Strategic Development Fund Project entitled "Corporate Sustainability: A Community Dialogue", initially for a period of two years starting from September 2009.

The main thrust of this Project is to promote the understanding of corporate sustainability through activities such as seminars, conferences, competitions, research projects that will engage students, the academic community, business corporations, and the Hong Kong community at large. These activities focus on corporate governance, business ethics, corporate wellness management and work-life balance which come under the main theme of Corporate Social Responsibility.

While the School of Business acts as the hub for the project, colleagues of all other faculties and schools are invited to participate in the activities hosted by the School. Focusing on key themes such as corporate governance, business ethics, corporate social responsibility, and corporate sustainability, a total of 26 research projects conducted by the faculty of the Business School has been approved with funding support of HK$1.9 million. A summary of the research projects initiated under this Project is listed below:

1. Sustainable Management in China: An Empirical Study
3. China’s Geely Automotive: A Case Study of Corporate Sustainability
4. Key Measures of Corporate Sustainability: A Review of Literature
5. The Sustainability of Corporate-environment Symbiosis, the Motivation of Top Management in Environmental Protection
6. Corporate Social Performance, Firm Valuation, and Industrial Difference in Hong Kong
7. Employer Strategies and the Minimum Wage in Hong Kong
8. Bureaucratic Control and Corporate Governance - A Case Study of the Agricultural Bank of China
9. The Moderation Effect of Social Responsibility Climate on the Relationship between Work-Nonwork Conflict of Service Employees and Their Participation in Voluntary Community Services
10. The Timing of Institutional Investors’ Exploration to Post-Earnings Announcement Drift
11. An Exploratory Study of the Effects of Entrepreneurial and Market Orientations on Organizational Performance of Social Enterprises
12. Union Commitment and Participation in Foreign- Invested Enterprises in China’s Pearl River Delta Region
15. Ethical Awareness of Chinese Business Managers and Accountants and Their Ethical Judgment on the Use of Off-book Accounts in Practice
16. An Annual Survey of Socially Responsible Consumption (SRC) in Hong Kong
17. Corporate Governance and Efficient Earnings Management: Evidence from China
18. Information Sharing and Its Extrinsic and Intrinsic Drivers: The Moderating Roles of Relational Capital, Procedural Justice and CSR
19. How to Promote Employee Volunteerism in Corporate Social Responsibility (CSR) Endeavors? Effects of Idiosyncratic Deals on Volunteer Worker-related Outcomes
20. Organizational Commitment and Workplace Pro-environmental Behavior: The Moderating Roles of Management Encouragement and Employees’ Intrinsic Motivation
21. Protection of Minority Shareholders: Practice in China
22. Social Media Engagement: Investigating the Adoption of Social Media in Hong Kong Top Brands
24. The Use of Corporate Social Responsibility (CSR) Initiatives to Combat Counterfeit Consumption: A Social Identity Perspective
25. Derivative Warrants Trading and Sustainable Improvement on Firm Valuation and Financial Performance in Hong Kong
26. The Relationship between Core Self-Evaluation and Job Satisfaction and Its Impact on Sustainable Growth and Development of the Company
The School of Business has established a strong connection with the local community and different organisations in the public and private sectors in Hong Kong and Mainland China. The School is also very keen on transferring its knowledge and research findings to enhance their corporate sustainability and sense of social and environmental responsibilities. The activities hosted or jointly organised with various organisations are summarised below:

a. **Symposium on Social Enterprises in China**

In May 2010, the Symposium on Social Enterprises in China was organised by School of Business in HKBU. The Symposium provided a platform for discussion on the business models and success factors of social enterprises in China through case studies and scholarly presentations. Case studies were mainly developed by students of the Doctor of Business Administration (DBA) Programme of HKBU after visiting different social enterprises in Hong Kong and several cities in Mainland China viz. Anhui, Beijing, Shanghai, Shanxi, and Qinghai.

Subsequent to the Symposium on Social Enterprises in China held in May 2010, a case book of the Symposium, entitled “Social Enterprises of the New Age: Case Studies in China” will be published by Chinese Businesses Case Research Center and DBA students by end of May 2011. The first part of the book, which describes the social enterprise development in Mainland China and Hong Kong, consists of a study concerning social enterprises in China and the keynote speech delivered in the Symposium by Dr. Stephen Fisher, the former Director of Social Welfare Department of the Hong Kong SAR Government. The second part consists of six case studies of social enterprises in China and Hong Kong.
b. The 3rd World Business Ethics Forum (WBEF)

Organised by the School of Business, Hong Kong Baptist University and the Faculty of Business Administration, University of Macau, the 3rd World Business Ethics Forum (WBEF) with the theme "ACE - Accountability, Credibility, & Ethicality" was successfully held in Macau from 26 to 28 October 2010. A total of 150 academics and practitioners from the world attended the Forum.

The Forum offered an excellent opportunity for academics and professionals to meet colleagues from around the world, to share and to discuss ideas and issues related to new thinkings and research findings in business ethics. Selected papers were published in the Special Issue of Journal of Business Ethics.

The keynote speakers of the Forum included Professor Hans van GINKEL, Chairman of the Kofi Annan Business School Foundation, Former Under-Secretary-General of the United Nations, Former Rector of the United Nations University, Former President of the International Association of Universities, and Rector Emeritus of the University of Utrecht; as well as Professor Alex C. MICHALOS, Editor in Chief, Journal of Business Ethics and Director of Institute for Social Research and Evaluation, University of Northern British Columbia, Canada.

WBEF has been held every two years since 2006. The theme of the first WBEF was "Does East Meet West?" It was held in November 2006 and explored developments and trends in business ethics. The theme of the second WBEF was "Rethinking the Value of Business Ethics". It was held in December 2008 when the world was facing an unprecedented global financial crisis, calling into question some core values and ethics in business and the banking and finance industry.
c. **Project on Enhancement of Church Management**

A seminar entitled “Unleashing the Potential of Church: Leadership and Management” was held on 8 and 9 October 2010 at HKBU. More than 200 pastors, elders, deacons and representatives from various churches in Hong Kong attended the seminar which provided a rare opportunity for pastors and layman leaders of Hong Kong churches to discuss issues related to church leadership and management with invited speakers.

Participants overwhelmingly felt that the Seminar has increased their awareness of the topic concerned and expressed the desire for more opportunities of this kind to further explore church management issues.

The School is planning to host another full-day symposium on 6 July 2011 entitled “Exploring the Blue Ocean of Fund-raising for Christian Organisations”. It is expected that around 80 participants will attend this symposium.

d. **Corporate Social Responsibility Consultancy Project for MTR Corporation in Hong Kong**

This is a year-long consultancy project for the MTR Corporation. Its main objective is to map out a long-term positioning for the corporation’s corporate social responsibility (CSR) policy. This project incurs four parts, including a macro study of the global CSR practice, stakeholder studies, an envisioning exercise and a final strategic proposition.

The deliverables of this project will include the guiding principles for managing the CSR practice; a strategic mapping of MTR’s key stakeholders; a priority matrix for better alignment of their departmental CSR focuses; and a possible strategic proposition of areas that can bring about values for shareholders as well as the community. All of these, as believed, will be strategic considerations for the development of MTR over the next ten years and beyond.
e. Community Engagement of MBA Students

The School of Business participated in the “Enhancing Self-Reliance Through District Partnership Programme” organised by Home Affairs Department of Hong Kong SAR Government by arranging groups of MBA students to provide consultancy service to several social enterprises in Hong Kong. In 2010-11, 15 MBA students are involved in 3 team projects to assist not-for-profit organisations and social enterprises in Hong Kong, viz. Image 21, Jabbok IT Solutions and Hong Kong Translingual Services. Their main task is to act as “company doctors” to diagnose problems faced by the managers or owners, and to give advice in order to refine management practices, streamline operation procedures, devise marketing and strategic development plans for these social enterprises. This year-round project aims to improve the efficiency, business strategies and market development of social enterprises in Hong Kong.
Principle 6

Dialogue: We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability. We understand that our own organisational practices should serve as example of the values and attitudes we convey to our students.

The School of Business organises dialogue sessions and debates on global social responsibility and sustainability and invites different parties such as students, scholars, businessmen and government bodies in regular basis:

a. Dialogue Sessions on Corporate Sustainability and Business Ethics

The Institute for Enterprise Development (IED) serves as the executive development, research and consultancy aim of the School of Business, providing a linkage between the School and society.

To promote corporate sustainability and business ethics, IED organises different dialogue sessions in recent years. Some of the seminars are shown as follows:

1. Corporate Social Responsibility in the Banking Industry: A Dialogue Session with Mrs. Margaret Leung and HKBU Students (29 October 2010)

A dialogue session of CSR in banking industry was held in the ceremony of the installation of Beta Gamma Sigma Society in HKBU. Mrs. Margaret Leung, Vice-Chairman and Chief Executive of Hang Seng Bank, HKBU Court Member and Honorary Associate of the HKBU Business School was invited to share her personal experience of success with the five principles of a good work attitude, passion, perseverance, humility, caring and integrity. Mrs. Leung said that hard work, willingness to listen and to communicate, and life-long learning were the key success factors in the fast-changing commercial world.
2. *Corporate Governance: A Community Dialogue with Mr. Paul CHOW Man-yiu (12 November 2009)*

During the conferment ceremony of honorary professorship of the School of Business to Mr. Paul Chow, Chief Executive of Hong Kong Exchanges and Clearing Limited (HKEx), Mr. Chow shared his view on corporate social responsibility, corporate governance and corporate sustainability with the students in a dialogue session. Mr. Chow pointed out that to maintain Hong Kong’s status as an international financial centre in the face of the challenges from Shanghai and other cities in the region, invisible assets such as integrity, the principles of a free market and the rule of law are most important.

3. *Sustainable Development: A Community Dialogue with Mrs. LAM CHENG Yuet-ngor (30 September 2009)*

Mrs. Carrie LAM CHENG Yuet-ngor, JP, Secretary for Development, Development Bureau of The Government of HKSAR, was invited by the School of Business to have a dialogue with HKBU students on “Progressive Development - A Balancing Act”. Around 230 students and staff members attended the event during which students put questions to Mrs. LAM on infrastructure development, urban renewal and heritage conservation.

b. “Dating with Social Enterprises” Business Plan Competition 2008-09

Co-organised by the School of Business and the Hong Kong Social Entrepreneurship Forum, a Business Plan Competition named “Dating with Social Enterprises” was held in March 2009.

The Competition was intended for high school student participants to submit a proposal of social enterprise based on the needs of the community. Being the first of its kind, the Competition received overwhelming responses from 49 teams coming from 33 local secondary schools. Five teaching faculty of the School of Business served as the Mentors of the teams and gave valuable advice on their business ideas. On 28 March 2009, the finalists presented their proposals to a panel of judges comprising
social entrepreneurs and faculty of the Business School.

c. **Corporate Visits of IIBD Study Tour Programmes**

To promote international business education, Wing Lung Bank International Institute for Business Development (IIBD) of School of Business organises study tour programmes for undergraduate and postgraduate students from partner universities and academic institutions worldwide. In addition to arranging business seminars and cultural excursions, IIBD also organises corporate visits to local companies and organisation for the delegates.

In addition to business firms, IIBD arranges visits to social enterprises and some not-for-profit organisations. These visits allow students to gain a better understanding of social enterprise development, the importance of business ethics in Hong Kong, as well as to inspire them to engage in community-friendly business in future. Some of the organisations which IIBD has arranged visits are as follows:

1. **New Life Psychiatric Rehabilitation Association**: It runs different kinds of social enterprise businesses to help people with mental illness to integrate to the social network and to return to mainstream employment.

2. **HKCSS-HSBC Social Enterprise Business Centre**: It promotes cross-sector collaboration on social enterprise development and offers diverse services to the social enterprises in Hong Kong, with participation of business volunteers including HSBC employees as mentors.

3. **Hong Kong Employment Development Service (HKEDS)**: It is a not-for-profit social service organisation that aims to develop and provide front-line and diversified employment services to those in need in the community. The HKEDS receives funding support from the Employees Retraining Board of Hong Kong. Services provided by HKEDS include vocational counselling, job matching, job training and other services to help business develop human resources. HKEDS
also offers support and services to middle age people and ethnic minority families.

4. **Ethics Development Centre (EDC) of the Independent Commission Against Corruption (ICAC):** The ICAC is an anti-corruption agency independent of the Hong Kong Civil Service. Through law enforcement, corruption prevention and community education, ICAC cleans up endemic corruption in private companies, Hong Kong Government departments and its agencies. The EDC of ICAC focuses on promoting business ethics, developing teaching and learning materials for ethical behaviours and practices and serving as a resource centre.

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