AUT Business School

PRME Report

Sharing information on progress to implement the Principles for Responsible Management Education

Auckland University of Technology

April 2018
Commitment to PRME

The AUT Business School remains committed to progressing our implementation of the Principles for Responsible Management Education. We believe in the importance of ethical, responsible and sustainable business practice, and see our role as business educators and thought leaders as fundamental to promoting good practice in this space.

Our School works with employers to offer programmes that meet the needs of the changing workplace and the changing world. We want our graduates to be ready to put forward innovative solutions and make positive social change.

In the research domain, we continue to connect with key stakeholders in business, government and communities to produce knowledge that impacts practice and policy, and delivers social and economic value to society.

This year’s report provides highlights of how issues of ethics, social responsibility and sustainability are being engaged with in our teaching, research, strategy and operations.

Professor Kate Kearins
Dean, Faculty of Business, Economics and Law

Principles for Responsible Management Education

**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.

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

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

**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.

**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.

**Dialogue:** We will facilitate and support dialogue and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.
Strategy and planning

University Directions

In 2017 the University’s new strategic plan for the period 2017 to 2025 was published, following consultation with a broad range of stakeholders. *AUT Directions to 2025* sets out the University’s mission, vision, directions, and success indicators. The plan signals an increasing University-wide focus on social and environmental sustainability, and there are a number of objectives that focus on contribution to social, environmental and economic wellbeing, in particular:

- Contributing to local and national growth and wellbeing, and recognising the special place of Māori as tāngata whenua (indigenous people of New Zealand).
- Being a responsible global citizen, guided by commitment to the United Nations Sustainable Development Goals (AUT joined the UN Sustainable Development Solutions Network in 2016).
- Creating an inclusive environment, valuing people of all ethnicities, genders, sexual orientations, religious and political beliefs, socioeconomic situations, and accessibility needs.

Supporting the *AUT Directions* is a Sustainability Roadmap, currently in review by AUT’s Sustainability Taskforce. This taskforce heads a programme of sustainable development across the University, promoting advances in sustainability teaching and research, as well as addressing waste, energy, construction, water, transport, biodiversity and technology. The draft Sustainability Roadmap calls for a step-change in the University’s commitment to progressing the Sustainable Development Goals through teaching, research and facilities management.

Also supporting *AUT Directions* is a Diversity Roadmap, through which the University seeks to facilitate inclusive experiences and maximise the advantages of diversity — encouraging a collegial environment welcoming of diverse viewpoints, ideas and skills.

Values in action

Underpinning the *AUT Directions* are the University values:

Tāwhaitia te ara o te *tīka*, te *pono* me te *aroha*, kia piki ki te taumata tiketike.

Follow the path of *integrity*, *respect*, and *compassion*; scale the heights of achievement.

Expected actions and behaviours that support the AUT values are evident in codes of ethics and conduct for staff and students, which cover general behaviour as well as academic integrity. In February 2018 over 900 staff voluntarily participated in workshops to discuss what the AUT values look like in action, with a strong focus on respectful and constructive communication.
School strategy

Showing alignment with University objectives, the School has particular focus on: improving the educational success of Māori and Pacific students; implementation of the six PRME principles; and increasing the inclusion of diverse people and viewpoints. Actions and initiatives targeting these areas often overlap and are all also driven through multiple portfolio areas, including learning and teaching, research, equity, and strategy and operations.

Particular teaching and research initiatives are highlighted in the following sections of this report. Other notable strategic and operational developments include:

- One priority of the School’s Diversity and Inclusion Committee is to increase the number of Māori and Pacific academic staff. In the last two years the School has appointed two Māori academics and one Pacific academic to permanent roles at lecturer level.
- These three new staff members were encouraged in their PhD study through the School’s emerging scholar programme for Māori and Pacific students. So far 13 students have been supported through this programme into a masters-level degree and eight into a PhD (four PhD students received a prestigious Vice-Chancellor Doctoral Scholarship).
- In accord with the Auckland Council’s “Southern Initiative” the New Zealand government supported establishment of a new AUT campus in South Auckland in 2010. South Auckland has the highest population of Māori and Pacific people in New Zealand and the region is challenged by low levels of educational achievement and high youth unemployment. The School offers the Bachelor of Business at AUT South, as well as a certificate programme, with the aim to increase successful participation in tertiary education in this region.
- Reporting to the Faculty’s Diversity and Inclusion Committee is a Be Accessible Working Group, which is making steady progress to achieve recognition from the New Zealand organisation Be Accessible. The working group is concentrating on initiatives that improve student access to equivalent and equitable learning experiences and has organised workshops that focus on growing a culture of inclusiveness as well as on the practicalities of tailoring class materials for a diverse student body.
- The School is a support partner of Global Women, an organisation that champions diversity in business and leadership (principle partners are Fletcher Building and PricewaterhouseCoopers). The Business School Dean Professor Kate Kearins is a member of Global Women’s Champions for Change group (50 leading New Zealand CEOs and Chairs) and has committed to progressing four work streams of the group: communicating the business value of inclusive and diverse work environments; creating measurement and accountability; mainstreaming inclusive and flexible work cultures; and growing talent pools.
## 2016–2017 PRME objectives and outcomes

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<th>Objective</th>
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<td>1) Increase communication of PRME-related learning and teaching, research, and engagement activities to School academics, professional staff, and students.</td>
<td>School stories will be published on an AUT sustainability webpage starting 2018. Stories and news can also be published via an intranet, for staff, and three sustainability-related articles were published in 2017, gaining 150 views in total.</td>
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<td>2) Continue to review the coverage of ethics, sustainability and responsible management issues in the Bachelor of Business majors, looking at different business models and approaches to learning and teaching.</td>
<td>A stocktake in 2015 led to a review over 2016 and 2017 of how ethics, sustainability and responsible management topics could be better incorporated in a redesigned Bachelor of Business degree. The refreshed degree will have a core theme addressing how business can create positive social impact.</td>
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<td>3) Increase participation of postgraduate students in sustainability research.</td>
<td>A Student Sustainability Research Grant was established in 2016 and three students have been supported in masters-level research projects in sustainability. One has now progressed to a PhD with a sustainability focus, joining several doctoral students working in this area.</td>
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<td>4) Attract more local and international students into the Bachelor of Business Sustainable Enterprise major.</td>
<td>Sustainable Enterprise is being redesigned as a minor area of study in the Bachelor of Business, with the aim to enable more students to incorporate sustainability study into their degree.</td>
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<td>5) Explore opportunity and feasibility for a Sustainability Research Group within the School.</td>
<td>Over the last two years, collaboration between academic staff teaching in areas of sustainability has laid a foundation for a sustainability research and teaching group to be formally established in 2018/2019.</td>
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<td>6) Continue to promote PRME activities/initiatives through existing student associations and other student activities.</td>
<td>Student clubs have been encouraged to consider ethics, sustainability and social responsibility issues in their activities. Staff-led initiatives to increase this engagement will be considered as part of a new student, business and community partnerships portfolio.</td>
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<td>7) Evaluate how business partnerships can benefit academic staff and students and enable this.</td>
<td>Several events with a sustainability or social enterprise focus have been supported by the School. The School partnered with the Sustainable Business Network to host the network’s annual conference in 2016 and 2017. Also in 2016 and 2017 the School hosted the New Zealand Environmental Entrepreneurship Competition (for high school students) and Business School academics participated as mentors and judges.</td>
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2018–2019 PRME objectives

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<td>1) Review the University’s Sustainability Roadmap (when finalised) to determine implications for the Business School.</td>
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<td>2) Review the University’s Diversity Roadmap (when finalised) to determine implications for the Business School.</td>
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<td>3) Implement the Sustainable Enterprise minor in the redesigned flagship Bachelor of Business degree, with the objective to attract more students to incorporate the minor into their degree.</td>
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<td>4) Complete development of the compulsory vertical core focused on social impact, in the Bachelor of Business, and begin implementation in 2019.</td>
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<td>5) Establish a sustainability research and teaching group.</td>
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<td>6) Develop partnership and outreach activities targeted towards the School’s key social agendas: diversity and inclusion; Māori and Pacific development; employability for all.</td>
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Learning for social impact

Highlights in learning and teaching

Curriculum developments in the AUT Business School are broadly informed by futurist and employer predictions of the future of work, and the complementary knowledge, skills and dispositions that graduates will need to successfully navigate this environment. In addition, business students are increasingly seeking educational experiences that take a broader view of business and its potential for disruption and positive change.

Growing responsible leaders and citizens

The Business School has redesigned its largest, flagship programme, the Bachelor of Business. The new iteration of the degree will be launched in Semester 1 2019.¹

The degree structure and content has been strongly informed by current forecasts of the future of work and business, as well as local market research. Notably, in surveys of stakeholders in 2016 and 2017 a theme of “making a difference” has recurred.

There is a central focus in the redesigned degree on encouraging students to use different ways of thinking about complex ethical and social issues. The degree contains a vertical core, where the theme of social impact is addressed progressively over the three years of the qualification. Students will move from considering issues, to evaluating solutions and finally applying their learning to a real problem.

The first-year paper, Business in a Changing World, will introduce students to the impact of business on society, the economy and the environment, and they will consider issues such as inequality, globalisation, digital disruption and climate change. The intention is to expand thinking from entity-level to wider systems-level impacts, and to understand implications for business in causes and solutions.

The second-year paper, Ethics, Responsibility and Sustainability, will build on this base, equipping students with the tools to evaluate and respond to issues through ethical and sustainability frameworks.

In the final-year paper, Design for Value Creation, students will apply their learning from the previous two papers (and from their majors and minors) to a real-world complex problem. As part of a multidisciplinary team students will be expected to demonstrate that they are able to discern the ethical dimensions and impacts of business activity and decisions, and advance arguments for socially responsible alternatives and outcomes. Design thinking methodology will be employed, to encourage empathy and creative thinking processes.

¹ Subject to approval by Universities New Zealand’s Committee for University Academic Programmes, expected in August 2018.
Insight through experiential leaning

Bachelor of Business students majoring in sustainable enterprise are undertaking some impactful service learning projects as a part of their study. Through work with community organisations, students are developing skills and abilities, including a socially responsible mind-set, that should serve them well in a sustainability-related role or in another chosen field.

In one project, Community Waitakere hosted four AUT students for a project that combined environmental education, creative engagement, and stream restoration. Students had to get their hands dirty, through a native planting exercise. Bachelor of Business student Nadia Liebert said of the experience:

“We’ve never had a project like this, where we actually get out into the community and can apply those experiences to our learning. To see both damage and restoration of the streams has certainly given us hope that things can change. Imagine if everyone put 10 hours a week into volunteering for a good cause, how much of a difference that would make. Being behind the scenes of change, we learnt so much more that we could have only in class. And most of all, because it was practical, we actually connected it with our learning.”

AUT students (left, and Nadia Liebert far left) with the Community Waitakere facilitators, during the students’ experience working on Project Twin Streams.
Developing a sustainability mind-set

In the article “Teaching the Virtues of Sustainability as Flourishing to Undergraduate Business Students”2 senior lecturers in management, Dr Peter McGhee and Dr Patricia Grant, describe the impetus behind creating the undergraduate course Leadership for Sustainability. McGhee and Grant recognise the influence of business leaders in achieving a sustainable world, and central to this, the mind-set of the leaders and the importance of a world view that goes beyond seeing sustainability as another strategy for maximising profit.

The course is designed to help students come to their own conclusions about the link between the current state of the planet, business practices, and their individual habits and behaviours. Parts of the course and assessment are based on Virtue Ethics theory and course tasks and discussions stimulate reflection on how to change personal habits to align with convictions around sustainability. In addition students are introduced to sustainability frameworks, strategies and tools which give them concrete ways to implement their beliefs about the right thing to do.

Encouraging ethical perspectives

Senior lecturers in international business, Dr Fiona Hurd and Dr Swati Nagar, presented a working paper at the 2017 Annual Conference of the Academy of International Business: “Bringing the principles of responsible management education (PRME) into the Australasian international business classroom: The Case of the Cambodian garment Industry”. The theme of the conference was The Contribution of MNEs to Building Sustainable Societies.

Hurd and Nagar argue for the use of authentic and contextually relevant cases to embed an ethical perspective throughout an international business curriculum. They also propose greater emphasis on developing ethical decision making skills in international business students. The lecturers have developed an experiential case-study exercise, with a scenario based on an SME assessing the viability of outsourcing manufacturing to the Cambodian garment industry. The next stage in their research is to test the case in undergraduate classes, and compile reflective accounts from students, to explore what impact the exercises have had on the students’ development of ethical decision-making skills.

Recognition for ethics-based investment education

The CFA Institute promotes ethics-based investment education in university degree programmes through the CFA Institute University Affiliation Program. Following a curriculum review of the Business School’s Bachelor of Business in Finance and Master of Applied Finance, both degrees were formally recognised by the Institute and the School was accepted into the Affiliation Program. This recognition signifies that the degrees are based on the CFA Program’s Candidate Body of Knowledge, including the Code of Ethics and Standards of Professional Conduct.

Research that matters

Highlights in research

The AUT Business School values research that addresses important societal challenges. Researchers collaborate and engage with stakeholders in business, the professions, government and the community to undertake studies with significant social-wellbeing implications. The School also contributes to dialogue and debate through forums, local and national programmes, working groups, policy development, and other initiatives. Research has gained media interest, generated public debate, and influenced public policy.

Defining the “social” in social entrepreneurship

Social entrepreneurship has captured the interest of society in recent years, as it promises to address social problems and needs through business. Postgraduate student Diana Lorenzo travelled to the Philippines for her Master of Business thesis, seeking to find how social entrepreneurship can be truly considered “social”. Her thesis suggests that the answer lies in how social enterprises engage with their suppliers, the intended beneficiaries of social entrepreneurship.

In some of the most impoverished communities in the Philippines, Lorenzo examined engagement between social enterprises and the farmers, weavers and sewers who supply products, such as medicinal herbs and handmade homewares. She found that, despite a poor and disadvantaged status in society, the beneficiaries share the cares and concerns of social enterprises, and would also like to “make the world a better place”.

Lorenzo identified that the beneficiaries are strongly motivated by four common values: work and productivity; fellowship and service; connecting with diverse others; and opportunities for learning and growth.

Lorenzo draws the conclusion that the social enterprise mission, organisational design, business operations, and outcome must be aligned with what the poor and disadvantaged say that they value — this is how the “social” must be defined in social entrepreneurship.

A workshop in the Philippines producing wares for social enterprise, visited by Lorenzo.
Wellbeing and meaningful work

Professor of Ethics and Sustainability Leadership, Marjolein Lips-Wiersma, is co-author of The Map of Meaningful Work: A Practical Guide to Sustaining Our Humanity, the second edition of which was released in 2017. Lips-Wiersma is also a co-founder of the Map of Meaning International Trust, which has trained and certified over 20 practitioners in using the Map of Meaning model. These practitioners work with corporations and community organisations in countries around the world including Oman, Brazil, Egypt, France, the UK, Germany, the Netherlands, Romania and Australia.

The Map of Meaning model is based on high quality peer-reviewed research. Lips-Wiersma surveyed people from a variety of backgrounds in a wide range of roles, including professional, managerial, blue collar and administrative, on what gives meaning to their work. The model has been tested with hundreds of people, of different ages, occupations and cultures, in workshops, lectures, and in organisational and therapeutic interventions. The book focuses on meaning as it is experienced by people on a day to day basis. Lips-Wiersma observes that:

“Increasingly it is recognised that space needs to be created in planning, decision-making, delegating and all other day to day organisational functions to ask the questions — is this going to make our work more or less meaningful? How can we design this change to create more meaning or not lose the meaning we had?”

The Case for Change

The AUT Business School is an official support partner of Global Women, a not-for-profit champion for diversity in business and leadership. An initiative of Global Women is Champions for Change, a group of 50 New Zealand CEOs and Board Chairs from across the public and private sector who have committed to raising the value of diversity and inclusiveness throughout the wider business community. This group’s manifesto, the “Case for Change”, is based on the research of the Business School’s Professor of Management, Candice Harris.

The Case for Change sets out the social and economic benefits to be gained from ensuring a diverse and inclusive workforce — a workforce with greater gender balance, cultural representation, and inclusive LGBTI and disability policies. The benefits described include diversity of thought, wider talent pools, innovation, better decision making, and reflecting customer demographics. Also underlined is the positive effect on business performance and the bottom-line. Ultimately also, the case points out that such practices are good for society and that anti-discriminatory work practices should be regarded as a naturally humane approach to business, good for employees and their families.
NGOs’ influence on corporate transparency

Across the world there is widespread stakeholder concern, from customers, shareholders and the general public, over human rights violations in the supply chains of multi-national corporations. Non-government organisations (NGOs) are working in this area to reveal and end violations, and in particular since 2009, numerous public-private collaborations have sought greater transparency in companies’ sourcing from conflict mineral zones.

Professor of Accounting, Chris Van Staden, and co-author Dr Muhammad Azizul Islam from the University of Aberdeen Business School, asked “do these collaborations work?”

Looking at a sample of global electronic-reliant companies from 20 countries, the researchers found that the comprehensiveness of conflict mineral disclosures is significantly influenced by companies’ collaborations with social movement NGOs. This finding has practical and policy implications, indicating that improved corporate transparency is the result of NGO collaboration, and that regulation on its own may not result in comprehensive disclosures. This research strongly suggests that NGOs’ voices and efforts to create change in corporate accountability should not be underestimated by corporate managers, corporate policy makers and regulators.

Helping Kiwis make the most of KiwiSaver

Finance researchers, Associate Professor Aaron Gilbert and Dr Ayesha Scott, have undertaken a study of the level of financial literacy needed to be able to make sound financial decisions about New Zealand’s retirement scheme, KiwiSaver: “Short and Sweet or Just Short? The Readability of Product Disclosure Statements”.

Changes to KiwiSaver regulations meant that from mid-2016 KiwiSaver providers were required to deliver information in a format that a “prudent but non-expert person” could understand. This led to the introduction of product disclosure statements. However, Gilbert and Scott have found that even these simplified statements require a high level of literacy.

A number of measures were used to evaluate and quantify readability, including page length, sentence length, and types of words used. The researchers found that the language in the new statements is simpler and contains fewer specialised finance terms, however the average sentence length has in fact increased, and overall so has the level of reading difficulty, to now be equivalent to a 16 or 17 year old in the final years of high school.

For the second phase of this study, the researchers will seek investor feedback on the new disclosure statements. Gilbert says given the uncertainty around the future of national superannuation, KiwiSaver will become a critical component of people’s financial future:

“Small decisions made today can have a huge impact 30 or 40 years from now in terms of how much money people have to retire on, it’s really important people are making good decisions when it comes to their KiwiSaver.”

Early intervention for family wellbeing

Economics professors, Dr Rhema Vaithianathan and Dr Tim Maloney, with Moira Wilson (Ministry of Social Development) and Sarah Baird (Milken Institute School of Public Health, George Washington University), were commissioned by the Ministry of Social Development to evaluate the effectiveness of a government early intervention service, the Family Start programme.

Family Start is available to pregnant mothers and families with pre-school children in selected regions of New Zealand. The voluntary, intensive programme targets families with children at heightened risk of adverse health, education and social outcomes. Family Start workers make regular home visits and, using a structured program, aim to improve parenting capability and practice.

The programme is delivered by contracted providers in a manner that is responsive to each community, with providers including Maori, Pacific, faith-based and other non-government organisations.

The researchers’ report, “The Impact of the Family Start Home Visiting Programme on Outcomes for Mothers and Children: A Quasi-Experimental Study”, was released in February 2016. The study found that mortality rates in the first two years of life were significantly reduced for children who participated in the programme. It also found positive impacts from the use of immunisation services and participation in early childhood education.

As a result of this study, in May 2016, the Minister for Social Development announced that the Family Start programme will be expanded, receiving a further $7.3 million a year, with 1,250 additional families participating.

Economic Vulnerability Index

For his Bachelor of Business (Honours) dissertation topic, Roshen Kulwant created an Economic Vulnerability Index (EVI) for the 16 regions of New Zealand. Kulwant notes that:

“An EVI is primarily used to determine which countries are most in need of international aid, but more research is needed when an EVI is used within countries. An EVI needs to be able to show how to effectively distribute aid and support through governmental policies.

For New Zealand, my EVI shows which regions are most vulnerable to trade-related shocks like the Global Financial Crisis, and climate-related shocks such as earthquakes and tsunamis.”

EVI scores could be used to determine which areas of New Zealand are most vulnerable and for the equitable and effective distribution of support from government and regional councils.

Kulwant found that the academic literature on economic vulnerability in New Zealand is significantly underdeveloped. He hopes that his EVI will serve as a foundation for future empirical research, noting for example, the possible creation of an historical EVI for New Zealand’s regions using time-series data, to determine if the vulnerabilities within each region have risen or fallen within a certain time-period.
Understanding New Zealand’s transient population

The Business School’s New Zealand Work Research Institute (NZWRI) was commissioned by the Social Policy Evaluation and Research Unit to investigate the transient population of New Zealand. The report, “Residential movement within New Zealand: Quantifying and characterising the transient population” was published in February 2018, and gained media attention on radio (Radio New Zealand; Newstalk ZB) and in print (New Zealand Herald).

The study is the first attempt at both quantifying the scale of transience and vulnerable transience in New Zealand, and providing a description of who these people are. Understanding who is at risk of being transient will inform the work of a number of social sector agencies who deliver services to vulnerable populations. The researchers found that four percent of the population can be categorised as “vulnerable transient” and that receiving a welfare benefit was the most important characteristic associated with being “vulnerable transient”.

ICT and social inclusion of refugees

Business information systems researchers partnered with the 20/20 Trust on research into ICT and social inclusion of refugees. The findings were published in MIS Quarterly in 2016 and also translated into a practical review and summary for the trust’s online resources.

Professors Antonio Diaz Andrade and Bill Doolin interviewed over 50 resettled refugees in the Computers in Homes refugee programme. The researchers subsequently identified five valuable capabilities enabled by ICT that contribute to social inclusion: participating in an information society; communicating effectively; understanding a new society; being socially connected; and expressing a cultural identity.

The researchers propose that in realising these capabilities through ICT use, refugees demonstrate self-determination, find new ways to function effectively in a new society, regain control over their disrupted lives, and ultimately enhance their wellbeing. The study concludes in recommending the use of ICT to aid all social inclusion policies and programmes.

Video: Digital technology and resettled refugees in New Zealand

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