PRME REPORT 2014
Sharing Information on Progress (SIP)
Graduate School of Business (GSB)
Universiti Sains Malaysia (USM)
Renewal of Commitment to PRME

In January 2013, I humbly accepted the heavy responsibility of serving as the Dean of the Graduate School of Business (GSB), Universiti Sains Malaysia. My main objective as Dean is to build on earlier efforts to develop the School into one of the most respected business schools in the region and to further enhance its global recognition. GSB has the strengths and advantages that any good business school should possess. Having offered the MBA programme for more than two decades, GSB now has a well-established reputation.

Graduate School of Business, USM, is committed to upholding the Principles for Responsible Management Education (PRME). I hereby renew our commitment to PRME, and share with you our progress toward adhering to the principles of PRME. I hope this report will encourage more business schools to show commitment toward responsible business education.

Regards,

Associate Professor Sofri Yahya
Dean, Graduate School of Business
Universiti Sains Malaysia (USM)
This document is the first report on progress since becoming a signatory of PRME. The report is structured under the 6 Principles.

**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 first principle of PRME is fully embedded in GSB’s vision and mission. In line with our vision and mission, we have strived to enhance the skills and capabilities which will be acquired by our students, with a keen focus on sustainability values. As a signatory to PRME, GSB is emerging as a business school which produces business leaders equipped with the skills, competencies, and core ethical values required for success in the contemporary global business environment.

**GSB Vision:**
To be a Reputable Business School for a Sustainable Tomorrow

**GSB Mission:**
The Graduate School of Business, Universiti Sains Malaysia, strives to nurture competent and holistic business leaders equipped with the relevant skills and initiative needed to make a difference and to lead change in dynamic and competitive environments. This is achieved through a combination of globalised and integrated curricula, contemporary management practices, and applied collaborative research.

During 2014 we conducted several reviews on the structure and quality of our programs through consultative dialogue with industry representatives to ensure our study programs are relevant and beneficial to the needs of industry and a sustainable global economy. Moreover, since many of our graduates work for industry, we take every necessary step to ensure they are equipped with competencies necessary for making sustainable contributions to their business and
community. Additionally, through our effort to be accredited by AACSB, we have reviewed and improved the learning goals and learning objectives for our programs.

The following section provides a quick fact sheet on GSB over the past few years:
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 United Nations Global Compact.

The curricula of our MBA and DBA programs include several courses related to the themes of social and environmental responsibility, sustainability and ethics in business. Additionally, for most of our programs, course lecturers integrate principles and elements of sustainability and responsible business practices in the course outline and presentation. The following section summarizes how some of the selected courses in GSB @ USM incorporate values of global social responsibility in the academic activities and curricula.

Foresight and Trend in Business Strategy
Instructor: Associate Professor Dr. Sofri Yahya

Foresight and Trend in Business Strategy at Doctor of Business Administration is primarily a seminar that involves independent research on specific contemporary topics, as well as discussions on seminal research papers related to business strategy. Innovative strategy is an essential requirement for business success in both domestic and international markets. This seminar is to analyse the philosophy of corporate strategy and related theories; different approaches in developing strategy, issues in foresight and trend analysis in global phenomena for sustainable business. The learning goals of this course, each students should be able to synthesize the various theoretical underpinning and research paradigm in business strategy, evaluate the various contemporary issues in the areas of strategy, analyse the ontological and epistemological foundations of different business strategy paradigm and their respective influences on the approach research is conducted, synthesize and critically evaluate various business strategy research papers and the methodologies employed, integrate the sustainable principles, ethical values, theoretical and practical related to business strategy formulation and execution and demonstrate the strategic leadership and entrepreneurial skills in conducting
research on business strategy. Besides, the article titled “Is your sustainability strategy sustainable? Creating a culture of sustainability” by Timothy Galpin, Lee Whitttington, and Greg Bell (2015), is one of the readings for students to critically review and comprehend the dynamics of sustainability.

**Business Issues and Sustainable Development**
Instructor: Dr. Mehran Nejati

Using numerous cases examining the business sustainability and social responsibilities, various elements of global social responsibility are incorporated in this course. It engages students in the learning process by critically evaluating each case scenario from different perspectives and proposing a sustainable and responsible solution to solve the identified business problem. Moreover, students are introduced to different sustainability initiatives such as United Nations Global Compact (UNGC) and Global Reporting Initiative (GRI). The course also conducts a Sustainability Bootcamp for MBA students enrolled in the course to ensure their active participation in the class activities regarding business sustainability. Moreover, through community outreach programs developed and designed by students, sustainability values are practiced in action by students, allowing us to instil these values in the managers and leaders of tomorrow.

**Marketing Management**
Instructor: Dr. Goh

In teaching marketing management, case study related to the concept, elements or values of sustainability was used for case discussion. Issues related to responsible business management, sustainable consumption, recycling intention and green marketing were discusses further in class. Supervision was based on face to face interaction where all the students report is in softcopy to reduce paper wastage. If students prefer to submit their report in hardcopy, they are
encouraged to use recycle paper in preparing their draft report. Some of the green practices are applied at the school level where no hardcopy hand-outs distributed during any meeting in which all staffs are encourage to read the softcopy attach file before the meeting.

**Advanced Business Statistics**
Instructor: Associate Professor Dr. K. Jayaraman

The Advanced Business Statistics course is aimed at solving quantitative problems related to industrial functional and operational areas of management issues in order to evaluate decision making process. The teaching materials inculcate critical knowledge in constructing business models for sustainable issues in economic, social and environmental studies. The constructed robust business models help in solving complex management problems to make timely decisions in a more effective and efficient ways. This core course sharpens the computing, analytical and logical skills of managers as most of the managerial business problems may be solved through statistical software packages. It is a practical course to study the interrelationships among the relevant factors of the business models and pave ways for future planning and implementation. The case studies discussed in the class using numerous statistical tools will certainly enhance the strategic process of the operational performance of both manufacturing and service sector which in turn reflects on the overall organizational performance for long-term sustainability. This statistical course discovers easy accessibility for managers by providing strong base in business statistics in order to carry out management or business projects independently. It provides a platform for information sharing in a professional approach to prepare management reports. The course also bridges the gaps between statistical theory and practical applications, particularly to solve the day-to-day real life problems in industry.

**Corporate Strategy and Strategic Management**
Instructor: Dr. Rajendran Muthuveloo
I share with the students how to craft winning corporate strategy that is needed for business sustainability by optimizing the return on investment based on my own model called SWIM. The specialty of this model is, it incorporate business ethic and legality in process of optimizing the return on investment. Business ethic and legality basic ensures that all the product/services offered are environmental and human friendly. All my projects and research are based on I-Top Model which incorporates the element of environmental and human-friendly that is needed for sustainability. In a nutshell, all my teaching, supervision and research includes the concept, elements and values of sustainability.

**Human Resource Management and Organizational Behaviour**

Instructor: Puan Junaimah Jauhar

The 3 components of sustainability are Economy, Society and the Environment. The world we live in today is faced with a multitude of challenges which are shaping prospects for quality of life in the future. To ensure that this is sustained for the future generations to enjoy the life that we enjoy today, as educators we must take the driver’s seat. Sustainability in the context of learning and teaching should seek to provide our students with an opportunity to learn the appropriate skillset, alongside the appropriate mind set, to deal with an ever changing world. With continued and growing environmental, social and economic challenges such as environmental degradation, poverty, inequality, climate change and global financial crises, it is crucial for our students to be able to engage with and understand how these challenges will impact their personal and professional lives, whilst also having the capacity to make more informed decisions and choices. In Human Resource Management and Organizational Behaviour, students are taught what HRM practices are and how important it is to manage human capital well. Management is the process by which people, technology, job tasks, and other resources are combined and coordinated so as to effectively achieve organizational objectives. How this is done in the HRM and OB teaching is by imparting to the students the types of capabilities that are considered key for developing sustainability action. Through case teachings, research on current practices and involvement in
the local community, students will be able to engage in community outreach programs. Being an advisor to the AIESEC@USM society, I encourage members to participate in voluntary and charity works. The members have been serving old folks home and orphanages around Penang and the students also take an active part in programs towards developing future leaders. What is most important is that students should be able to make quick decisions that have positive "consequences for either current or future generations, with both the preservation of natural resources and a commitment to human and societal wellbeing", relies on a complex, comprehensive and creative education that develops the ability to design, deliver and evaluate solutions and innovations in all arenas of public, corporate, government and personal life.

**Internal Audit Basics, Internal Audit Practice, and Research Methodology**

Instructor: Professor Hasnah Haron

Sustainability has many definitions and includes environmental, social, and economic dimensions. In courses that I have thought, sustainability has been included as a topic in lecture (e.g., DBA course- AGW 721- Seminar in Management Accounting and Control) and these issues are deliberated at length. Students are asked to discuss scholarly articles on these issues. As for internal audit courses in the MBA program, AGU 671 (Internal Audit Basics) and AGU 670 (Internal Audit Practice), issues pertaining ethics, internal control and fraud has been emphasised. These issues are related to the social component of sustainability. For a company or community to be sustainable, ethical values should be preserved and uphold. In addition, students are also exposed to business process mapping and enterprise risk management which are important processes to be undertaken by a business in order to ensure the business achieves a reasonable economic profit in order to be sustainable in the long run.

In Research Methods course which I have taught, students are encouraged to conduct a research related to sustainability issues. A topic on sustainability has been taught in class with examples given on why it is important to preserve the environment and its impact on society and economy. The issue of illegal logging, deforestation, pollution of inland and marine waters, soil and coastal erosion were discussed in class. As a result, students are able to come out with proposed topics
pertaining sustainable and example of their proposed research topics include “Prevalence of Respiratory Disease Due to Air Pollution” and “Factors Influencing Adoption of Green Technology by SMES” and “Factors Influencing the Behaviour of Public Towards Climate Change”.
Principle 3: Method
We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Materials: We have a dedicated course on CSR and sustainability, namely “Business Issues and Sustainable Development (AGW 624)”. Moreover, in courses that may appear distant from this topic, we choose cases, frameworks and materials related to sustainability and responsible business behaviours for the teaching materials.

Processes: We have provided the opportunity for our students to get exposed to and network with professionals and understand about their social and environmental practices in various business and industry sectors.

Environment: Our classes offer a diverse multi-cultural experience, with our students coming from various industry background, enriching the discussion and learning environment in classrooms.
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.

In line with USM’s vision to transform higher education for a sustainable tomorrow, we encourage our academic staff to focus their research projects towards sustainability-related issues. In 2014, more than 50 research papers have been published by academic staffs of GSB appearing in ISI or Scopus-indexed journals, out of which 12 papers are related to sustainability and CSR. Additionally, under a joint research collaboration with a professor from the University of Canberra (Australia), two of our academic staffs have edited a specialized research book on sustainability, titled “Corporate Social Responsibility and Sustainability: Contemporary Perspectives” which has been published in March 2015 by Pearson.
We have implemented this principle through conducting sessions with industry representatives and business managers to listen to their current issues and problems with regards to sustainability and offer solutions to address their problems in the form of training, consultation, and research projects. Besides, we started and continued partnership with several universities in Asia and Europe.

Moreover, some of our school academic staffs are members of CSR or sustainability related networks where their share their expertise with managers of business corporations.
At GSB we have provided open and engaging platforms to support multi-facet dialogue among educators, students, business people, and representative from government, consumer organizations and NGOs on issues pertaining social responsibility at the local, national, and global levels.

Some of the discussion sessions and workshops organized by GSB @ USM in 2014 which facilitated debate and dialog among educators, students, and representatives from business, government and society include:

- HR Roundtable
- Marketing Roundtable
- Joint Seminar between Chung-Ang University and GSB
- Research collaborations and roundtable discussions with faculty members from Faculty of Management and Economics, Tomas Bata University in Zlin, Czech Republic
- Operations Management Roundtable
- Coaching and Leadership Skills

Moreover, we arranged several community-related projects in 2014 aiming to create dialog among our educators and students with community. Furthermore, GSB engaged in and successfully completed a project entitled "The development of learning materials and methodological support for the 5th ASEAN-Plus-Three Leadership Programme on Sustainable Production and Consumption". The project started in mid-2012 under the coordination of Graduate School of Business at Universiti Sains Malaysia (USM) and was completed by the end of 2014. This project, funded by the United Nations University, obtained participation and contributions from five ProSPER.Net-member institutions, namely Prince of Songkla University
(PSU), TERI University (TU), University of the Philippines (UP), Yonsei University (YU) and University Sains Malaysia (USM), each one contributing at least one learning case, relevant teaching notes, and slides presentation. Four other partner organizations – the United Nations Industrial Development Organization (UNEP), United Nations Industrial Development Organization (UNIDO), and World Wide Fund for Nature Phillipines (WWF Philippines), Regional Centre of Expertise (RCE) Greater Phnom Penh, Cambodia – also provided support to the project by contributing similar required outputs, the development of which being made using their own resources.

The project objectives were:

- to develop learning cases on SPC to be used for capacity development programmes, including the ASEAN Plus Three Leadership Programme on SPC; and
- to produce learning cases to enhance awareness on SPC and to equip policymakers in government and private sectors with the necessary knowledge, skills, and tools for integrating sustainable thinking into practice and developing strategies for sustainable development.

The cases showcased good sustainable production and consumption (SPC) practices and diverse SPC issues by different regions. The specific cases taken up by the contributors reflect the priorities of countries in the region, including those under these SPC priority areas:

- effective collaboration among multi-stakeholders (includes topics related to sustainable cities; lifestyle in sustainable consumption; cross-sectoral and cross-departmental collaboration for coherent SPC actions);
- sustainable procurement;
- SCP service delivery (include topics related to sustainable production, product and resource management);
- sustainable and community entrepreneurship;
- monitoring and disclosure (includes topics related to indicators for SPC, measuring outcomes of SPC projects and processes);
• financial instruments for SPC projects;
• building SPC into educational systems; and
• innovation and development (at different, including regional, levels).

In total, 11 cases were completed where Graduate School of Business provided consulting services in the form of: 1) administrative coordination and 2) editorial expertise, both in content editing throughout the development of the cases, as well as copy editing at the intermediate and final stages of refinement of cases.
Future Progress: Key Objectives for the Next 24 Months

In line with our continued commitment to the principles and values of PRME, we understand that our organizational practices should serve as example of the values and attitudes we convey to our students. To this end, we have made a solid commitment to implement the following action plan under each of the six principles of PRME for the next 24-month period.

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<th>Principle</th>
<th>Action Plan</th>
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| 1) Purpose | - Revising and improving the structure and quality of our curricula to better align it with our mission and vision  
- Going through the accreditation process by AACSB which involves improving the learning goals and learning objectives of our programs |
| 2) Values | - Ensuring to incorporate values of global social responsibility into all our academic activities and curricula by obtaining feedback from our stakeholders  
- Organizing training sessions for our course instructors to raise awareness about the values of global social responsibility and encourage them in instilling these values in students |
| 3) Method | - Implementing case studies related to business sustainability and social responsibility into the teaching materials of all relevant courses  
- Creating networking opportunities for our students to meet professionals and have an exposure to business social and environmental issues and challenges  
- Organizing International Business Sustainability Week to provide an opportunity for our stakeholders to engage in discussion on sustainability |
Graduate School of Business (GBS), USM, is committed to upholding the Principles for Responsible Management Education and will show solid commitment towards meeting and exceeding these principles.

This report has been prepared by Dr. Mehran Nejati and approved by the Dean. For any inquiries regarding this report, please contact Dean’s Office at:

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