PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION (PRME): SHARING INFORMATION ON PROGRESS (SIP) REPORT

REPORTING PERIOD: 2010-2011

RHODES BUSINESS SCHOOL
RHODES UNIVERSITY
GRAHAMSTOWN, SOUTH AFRICA

www.ru.ac.za/businessschool
www.criticalthought.co.za
Introduction

The Rhodes Business School (originally called Rhodes Investec Business School) was established in 2000 with seed money that was provided by the Investec Group and therefore the inclusion of Investec in the original name. The first intake of MBA students was in 2001 and due to the primary mode of study being a part-time modular programme, they graduated in April 2004. The school’s name was officially changed at the end of 2010 to Rhodes Business School, and will be referred to as such throughout this study unless otherwise indicated specifically due to timing of events. The following summarises Rhodes Business School strategic intent and commitments:

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<th>Essence</th>
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<tr>
<td>Leadership for Sustainability</td>
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<tr>
<th>Vision</th>
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<tr>
<td>We aim to be the business school of choice for those aspirant leaders and managers who are committed to applying sustainable business practices.</td>
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<th>Mission</th>
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<td>We undertake to equip our MBA graduates and Executive Short Course participants with the requisite knowledge to fundamentally contribute to ethical and sustainable management practices. In fulfilling our purpose, we recognize the importance of engaging with our stakeholders, namely our students, short course participants, staff, Board of Management and Board of Advisers, our Alumni, Rhodes University, our benefactors and the broader community, especially the Eastern Cape region.</td>
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<th>Goals</th>
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<td>• To be the leading Business School in Africa which contributes to the advancement of knowledge on leadership for sustainable business practices</td>
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<td>• To be in the top three research business schools in South Africa as measured by our publication ratio</td>
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<td>• To be acknowledged as a Business School which relative to its size makes a significant contribution to addressing socio-economic challenges faced in its geographic proximity, the Eastern Cape</td>
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<td>• To fully abide by the Principles for Responsible Management Education (PRME)</td>
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<th>Values</th>
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<td>The core values to which we subscribe include:</td>
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<td>• professionalism</td>
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<td>• integrity and respect</td>
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<td>• quality and innovation in everything that we do and offer</td>
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<td>• diversity and equity</td>
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<td>• knowledge advancement</td>
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<td>• culture of service learning</td>
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Renewal of commitment: Director’s Letter

Renewal of commitment comes through our interrogation of our principles and values which led to us reconfirming our essence ‘Leadership for Sustainability’ and our strategic pillars of ‘Responsible Leadership’, ‘Engaged Business’ and ‘Integrated Society’.
This is demonstrated in a variety of ways. We aim to ensure that principles pertaining to sustainability are full integrated in all of the subjects that we teach. Our research endeavours have to specifically embrace these pillars in some form or another and we actively engage with our students around what it means to be a responsible and ethical leader.

Whilst we argue the business case for sustainability, we also address it from a moral perspective, which simply asks, ‘is it the right thing to do?’

Ultimately we believe that business is the most effective agent for change as long as it abides by the philosophy of ‘it is not about how much money you make, but how you make your money’. In so doing, our graduates will understand the importance of having business leaders who are accountable, responsible, fair and transparent as epitomised by the best principles of corporate governance.

**Major achievements with regards to the Principles Curriculum**

The early MBA curriculum was designed and structured around the South African Excellence Framework and had a General Management focus. In 2004, an Environmental Management stream was added and it was made possible for students to take up to six Environmental Management electives in their MBA. The objective of the addition of the environmental management stream was to provide students and leaders with a solid understanding of the importance of the management and preservation of natural and social capital to the health of an economy. It further wanted to equip them with the tools necessary to convert this understanding into a competitive advantage.

The original environmental management elective modules for the academic year 2005 comprised of the following:

- Principles of sustainable development (compulsory)
- Environmental law (elective 1)
- Environmental risk assessment (elective 2)
- Environmental management systems (elective 3)
- Environmental economics (elective 4)
- Project management (elective 5)

Due to a change in focus and the development and maturing of global environmental and sustainability issues, it has become necessary to review and amend the current modules and the proposed new environmental elective modules comprise of the following:

- Principles of sustainability (core/compulsory)
- Tools for sustainability (elective 1)
- Environmental law (elective 2)
- Climate change and natural resource management (elective 3)
- Environmental economics (elective 4)
- Ethical organisation (core/compulsory)

An integrated model is used to teach all modules. The majority of modules are presented by a combination of academics and practitioners which facilitates the students’ integration of theoretical concepts with
practical application. The (theoretical) knowledge that is gained in a classroom (be it course contents or practical examples) is discussed in syndicate groups. Students are required to complete and submit assignments per module and are examined on the modules taught when they return for the following module.

In addition to the academic content, Rhodes Business School also emphasises the acquisition of soft skills such as working in teams, negotiating skills, presentation skills, inter-personal skills and conflict management in order to enhance the managerial competence of its students.

Specific actions

In 2010, the process was initiated to review the entire MBA curriculum to assess the level of integration of sustainability concepts, tools and ideals in all course work modules (21 modules in total were assessed). A tailor-made sustainability assessment tool (SAT:CT) was developed specifically for the use of assessing the Rhodes Business School MBA integration of sustainability within the multi-disciplinary, modular-coursework curriculum and identified enabling and constraining factors in this regard. This process was concluded in 2011 and results have since been discussed with lecturing staff and the School is busy making amendments on modules for continuous improvements.

During 2011 the MBA curriculum has been refined to incorporate the concept of sustainability into all modules, as and where appropriate. Examples of this include:

- An assignment on defining sustainability as part of the Academic and Personal Skills module. The primary purpose of this assignment was to develop academic literacy, but also served as a vehicle to introduce the concept of sustainability in the very first module of the MBA programme.
- All research topics undertaken for the MBA dissertation need to demonstrate a linkage to the concept of sustainability.
- Financial Sustainability Cluster: Given that the Global Financial Crisis triggered the questioning of the role and relevance of Management Education, it is clear that a rethink of the essence and philosophy underlying the teaching of accounting and finance disciplines is revisited. The main significant change is the introduction of a new subject 'Stewardship and Governance' to replace Financial Accounting. The principle motivation behind this is justified by the fact that the preparation of financial statements remains in the domain of the financial accountant and that the detailed analysis and use of financial statements will be covered in the financial management and management accounting modules. The objective of the new course is to create a fundamental understanding of where all stewardship and governance laws, regulations, compliance and risk issues, both quantitatively and qualitatively, fit within director and manager responsibility, accountability, fairness and transparency. Financial Management is to place significant emphasis on how the finance function is to engage with stakeholders and what the notion of sustainable value means. Management Accounting is to emphasise the role of financial information in obtaining effective decisions insofar as it impacts on economic, social and environmental sustainability.
- Leadership: Introduced ethical, multicultural leadership, and leadership for environmental sustainability into the Leadership module in 2012.
- Knowledge Management: Use of technology – impacts of ICT of the environment, both the positive and the negative impacts at the 1st, 2nd and 3rd orders (alternatively primary, secondary and systemic levels)
- Operations Management: sustainable supply chain management and procurement
On-campus speakers

Given that Mervyn King (who – amongst others – chairs the International Integrated Reporting Council) is a Visiting Professor at Rhodes Business School, his input into the philosophy of the school’s approach to responsible leadership, engaged business and integrated society is of course important. Business Forum speakers are always invited on the basis of their track record in responsible leadership. Key highlights last year were Hugh Herman, Chairman of Investec Bank, who spoke about the aftermath of the Global Financial Crisis, and Brand Pretorius, former CEO of McCarthy Group recognized as one of South Africa’s most ethical CEOs.

Business Forums held with each MBA course-work block, which totals on average 8 – 9 guest speakers that engage with the MBA students on practical issues (to supplement theories and concepts covered in class) on business and organisational management, with a specific focus on responsible leadership, innovation, best practice and/or sustainability.

Executive Courses

We run a number of Finance for Non-Financial Manager courses in private, public and university sector, which emphasise the importance of ethical behaviour and what the notion of sustainable value is. We also engage actively with Barloworld and Mercedes Benz South Africa around leadership development and action learning, as well as EnviroServ regarding strategy and innovation development - to name a couple of key programmes.

Highlights

The highlight of 2011 was the launch of our thought leadership web site (www.criticalthought.co.za), which has a stated objective of defining the true purpose of business. We believe that this talks to all of the PRME principles. In addition, was our development of a case study of Avis, highlighting the lessons out of their sustainability journey. Our goal is to seek out organizations committed to our core principles, learn from them, and then share that information to as broad an audience as possible.

Research

Faculty research

Below is a list of research, journal articles, conferences papers, books and book chapters related to environmental, social and governance aspects authored or co-authored by Rhodes Business School faculty.

Books and Chapters

2011


**Publications Research Journals in Abstract and or Full Paper**

**2011**

**2010**

**Research Papers Presented at Academic/Scientific Conferences**

**Local Conferences**

**2011**

**2010**

**International Conferences**

**2011**
2010

Case study
2011: The school, together with Avis South Africa (car rental company), produced a video case study on Avis SA’s sustainability practices: employee engagement, carbon neutrality and water reduction approaches.

Professional and Other Publications
2011
- Skae, F.O. The Strategic imperative of integrated reporting. Corporate Report, Vol. 1, No 1, 1, 13-16, Publisher: Juta Law and Co Ltd, South Africa. ISSN: 2222-3894

2010
- Greyling, L.M (2010). Business unusual: lead or be left behind in the climate change challenge. *pmr.africa* 21 (4)

Highlights
Completed MBA Research dissertations related to sustainability, ethical behaviour or responsible management:
- Davids, Mogamad Sadiek (2010). The role of strategic leadership in Coega Development Corporation: A case study
- Mrara, Masibulele Theophilus (2010). An investigation of turnover and retention factors of health professional staff within the Eastern Cape Department of Health.

**Partnership**

The Rhodes Business School conducts a Certificate in Management: Automotive Retail. A module of this course requires the participants to engage in action learning, identifying opportunities and problems in their organization and implementing pilot programmes that contribute to realizing these opportunities or solving the problems. In 2011, some of these projects were focused on sustainability and investigated electricity and water consumption in automotive dealerships, and implemented various measures to reduce levels of consumption.

Dialogue we are having with a number of partners, such as Inyathelo, Infochoice, Business Genetics and Deloitte. The programme with Inyathelo is designed to help Universities, NGOs and NPOs to improve their strategic potential to generate income and hence become self-sustaining. The FASSET work readiness programme we are doing with Business Genetics and Deloitte is assisting unemployed graduates and address a critical shortage of Business Analysts in South Africa.

**Key objectives for next 18-months period to implement the Principles**

We are already using www.criticalthought.co.za as a free resource to assist organizations and individuals with financial planning matters and the intention is to grow this significantly as a service to the nation. We will get students to contribute thereby enhancing our offerings. For instance, now that we have mastered the use of compiling video material in a cost effective way, it should be harnessed for better learning methods and our students can contribute in a variety of ways (background research, compiling presentations, contributing articles etc.).

We will continuously review, update and improve our curriculum for both MBA and other offerings to integrated leadership and sustainability concepts, practices and tools. Of specific focus would be modules such as “Responsible Leadership” where we will more clearly include aspects around systems thinking, ethical leadership, multicultural leadership, leadership for sustainability.

Another focus area is growing the Advancement Programme with Inyathelo to become a fully-fledged post-graduate diploma. And also work towards further enhancing our capacity to grow the Sustainable Business Modelling programme to develop and address the critical shortage of Business Analysts.