Information Sharing
Progress Report
School of Economics and Management
Tsinghua University

April 2012 – April 2014

We welcome feedback on the contents of this report
The School’s mission: To advance knowledge and cultivate leaders for China and the world.
I. Letter of Renewed Commitment by the Dean

Tsinghua University School of Economics and Management, as an institution of higher education involved in the development of current and future leaders, sincerely renews its commitment to PRME. We declare our willingness to progress in the implementation of the six PRME principles. We will continue to report on progress to all our stakeholders and exchange effective practices related to the six PRME principles with other academic institutions so as to be able to make our due contributions to promote and deliver a more responsible management education for China and the world.

Yingyi QIAN
Dean
School of Economics and Management
Tsinghua University

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II. Main Report on Progresses

2.1. PRME Principle Description

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.¹

The healthy and sustainable development of China and the world requires ethical leaders with sustainability mindset. Cultivating future leaders for China and the world is part of the school’s mission.

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.

Through training and strengthening curriculum and extracurricular activities, we clearly incorporate global social responsibility and sustainability in our educational activities and processes.

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

Our educational frameworks guide us through our courses and extracurricular activities. Moreover, we have also developed course materials in the form of case studies. In addition to the creation of the frameworks, students are also taught how to infuse these frameworks into the management of businesses and given ample support in student run activities.

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 faculty members of the school conducted rigorous research in the area of sustainability and how this impacts the China. This is discussed in 2.3.

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

¹ http://www.unprme.org/about-prme/the-six-principles.php 20140430

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challenges.

There is also plenty of outreach to business corporations through case studies and research, in addition to inviting these corporations to share on ethics, CSR, and sustainability. The school also offers CSR and sustainability related courses in its executive education.

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

The faculty leads, participates and organizes conferences and seminars on such issues as global social responsibility and sustainability within and outside China, spreading impact and influence.

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2.2. Brief Overview

China’s economic situation has undergone tremendous changes over the last two decades. While China’s GDP had risen rapidly, surpassing that of Japan’s to become the world’s second largest economy; it has also brought about more and more problems. It has never been clearer that we urgently need a more open, fair and mutually profitable environment of business ethics to reduce the costs of societal exchanges in order for the world to escape the economic crisis and to guarantee a healthy business environment for maintaining China’s sustainable development.

In recent decades, the legal system of the Chinese business community has been set up and gradually tweaked with the enactment of a series of commercial regulations; however the view on the ethics of the Chinese business community is still not optimistic. The “QQ-360 Conflict”, Alibaba’s “Spirit of the Contract”, Sanlu’s “melamine milk”, Shuanghui’s “leanness-enhanced meat”, and Leonardo da Vinci’s “cottage imported goods”. The school is clearly aware that cultivating ethical leaders with sustainability mindsets is its bounded duty.

Many aspects such as business technology and commercial law enhance the overall quality of China’s future entrepreneurial managers, but at the same time business ethics education can assist entrepreneurial managers in creating their own ethical views on business practices. Case scenarios of business ethics can help entrepreneurs to ponder in advance what course of action to take when the entrepreneur themselves or their company are faced with “ethical dilemmas”.

For these reasons, at this moment, the students of Tsinghua SEM are the next generation of business leaders who will carry the weight. Not only will they explore the business world and manage it themselves, they should also strive to establish an ethical environment for the business community and a weight of corporate responsibility.

Benefiting from experience and learning from the mistakes of predecessors, each and every business ethics case provides many opportunities for future business managers to think and allows them to get a grip with “ethical conflicts”, before they consider any decision when such issues present themselves. One after another, the success and failure business scenarios allows us gain more experience and to learn lessons from them. It also allows us to avoid mistakes and to sustain a healthy growth in modern China’s superior and flourishing development.

“A journey of a thousand miles begins with a single step.” In the future business environment of China, ideally, everyone must genuinely practice ethical business behavior in every possible opportunity regardless of its significance.

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This forms the basis for the courses and activities at Tsinghua SEM. The structure that Tsinghua SEM undertook for the period encompassed the strategies of “educate”, “enrich” and “enhance”.

Under the ‘Educate’ strategy, Tsinghua SEM seeks to impart knowledge about how ethics plays a vital role in ensuring the long-term prospects of an individual and an enterprise. Through compulsory courses that draw inspiration from international and Chinese companies, Tsinghua SEM students have a first-hand insight in how ethics impacts the decision-making process and how this in turn, affects the company, the employees, the environment and the society at large. In addition, there are also electives that deepen the understanding on how CSR plays a part in the sustainability of a company.

The impact of the lessons and guidance of the teacher-advisors could be seen in the activities organized by Tsinghua SEM and those initiated by student-run clubs. These activities form the basis of the ‘Enrich’ strategy and ranging from grassroots events such as the 1st Tsinghua SEM Charity Lunar Run that aimed to create massive outreach to students, to events that aimed to create deeper impact amongst the students and the community such as the Corporate Social Responsibility (CSR) Case Competition and the Ethics Case Writing Competition.

Building on the basis of the first two strategies, ‘Enhance’ seeks to grow the impact and influence through involving the greater community. This takes the form of conferences that are co-organized by Tsinghua SEM together with Net Impact and the Ray of Love Association (ROLA, or Ai Xin She in Chinese). The themes of these conferences ranged from sustainability, corporate social responsibility and social entrepreneurship to workshops on how to plan an impactful event.

The figure below summarizes the strategy that Tsinghua SEM embarks in alignment with teaching and learning.
2.3. Major Achievements.

2.3.1 Research
Academic research has been a prime focus for Tsinghua SEM as this forms a current understanding of the practices and situations in China. At Tsinghua SEM, the research methodology includes case studies and empirical testing amongst others. For the period 2013 to June 2014, the following shows detailed information about the research, conferences organized and attended, as well as publications done by the faculty.

![Research projects by the faculty in the area of sustainability](image)

Figure 2 shows the number of research projects that were embarked upon by the faculty from the period of 2013 to Jun 2014. Some areas of research include the impacts of health and insurance and coal emissions and the environment.

SEM also conducted and participated in several conferences pertaining to sustainability. The table below shows the conferences that the school had conducted or participated in.

| Date             | Activity                                           | Role                                                                 | # of Attendees |
|------------------|----------------------------------------------------|----------------------------------------------------------------------|               |
| April 16-17, 2013| Rights, Risks and Responsibility                   | Tsinghua SEM as one of major organizers                             | 500           |
| March 28, 2014   | MIT Sloan Business and Society                     | Professor QIAN Xiaojun as a Panelist, some students of SEM participated | 200           |
| April 11, 2014   | CSR and Sustainability Roundtable                 | Professor QIAN Xiaojun as a speaker, co-organized by Tsinghua School of Social Science and Singapore University of Management | 100           |
| April 17, 2014   | CEO Talks - Ethics in Business                    | Professor QIAN Xiaojun as one of the four panelists, co-organized by Tsinghua SEM, GE, and AstraZeneca | 200           |
| May 29, 2014     | LEAD                                               | Participant, Organized by UNPRME, Global Compact                    | 200           |
| May 10, 2014     | Not another investment banker                      | CSR and Sustainability Seminar organized by the Ray of Love Association of Tsinghua SEM | 100           |

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The SEM was also prolific in its publications in numerous national and international journals. A total of 23 publications pertaining to sustainability, CSR, environmental and poverty eradication and other issues were published. The table below highlights some of these publications.

<table>
<thead>
<tr>
<th>Name and Dept</th>
<th>Publication</th>
<th>Journal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management studies on rational regression and moral adherence</td>
<td>Journal of Management 2013</td>
</tr>
<tr>
<td>Cao Jing</td>
<td>The Economics of Environmental Policies in China, Chapter 9 in Chris Nielsen and Mun Ho (eds), Clearer Skies Over China</td>
<td>MIT Press 2013</td>
</tr>
<tr>
<td>Department of Economics</td>
<td>Summary: Carbon Taxes for 2013-2020, Chapter 3 in Chris Nielsen and Mun Ho (eds), Clearer Skies Over China.</td>
<td>MIT Press 2013</td>
</tr>
<tr>
<td>Qi Liangshu</td>
<td>Health Care Utilization and patients well-being under China’s New Health Insurance System</td>
<td>2013 Annual Conference of Canadian Economic Association, Montreal, Canada, 2013</td>
</tr>
<tr>
<td>Department of Economics</td>
<td>Women’s unpaid work and China’s anti-poverty policies</td>
<td>International forum of Chinese and Indian feminist economists, Centre for Development Alternatives (CFDA) and Ford Foundation, New Delhi, India, 2013</td>
</tr>
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</table>

### 2.3.2 Curricular improvements

On the academic lessons front, all first-year MBA students (a total over 400 students per year) undertook the course Ethics and Corporate Responsibility in 2012 and 2013. This is a one-credit course with case study as the main teaching-learning method, which requires students’ high involvement. An average of 85% of the students gave the feedback this course was above average and was much needed.

In addition, Tsinghua SEM launched two new electives, one was on Business Performance and Sustainability (BPS) and the other was Value Creation through Sustainability and CSR in the first semester of 2013. A total of 40 students, both exchange and local, chose these courses. 92% of the students graded the electives to be above average and there were comments that the course on BPS should be a compulsory one for the future batches of students.

Moving ahead, the spread of impact could also be seen in the number of theses based on social entrepreneurship, CSR and sustainability issues. There was an upward trend in 2012 on these issues and the number increased by 67%, as compared to 2011 and 80% to 2010.

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For the undergraduates’ curriculum, the following compulsory module, Critical Thinking and Moral Reasoning, was offered to the school’s more than 200 second-year undergraduate students starting from 2011.

This module was taught by Senior Associate Dean, Professor Yang Bin. The course module centers around the environments in which ethics might be challenged. The course objectives are to inculcate in students a sense of independent learning and reflective reasoning, societal responsibility and moral undertaking.

2.3.3 Extra-curricular activities

• Flextronics ethics case writing competition

Under the guidance of some faculty of the Leadership and Organization Management department, the 2nd and 3rd annual Flextronics Ethics Case Writing Competitions were held from Dec 2012 to May 2014 (financially supported by Flextronics).

The objectives of this competition are manifold:

1) It is a continuation of the course Ethics and Corporate Responsibility, in which students are asked to write their own “stories” – ethical challenges they encountered in their work experience as well as their reflections on them, and the “stories” form a good base for them to participate in the case writing competition;

2) The process hopefully will help participants internalize how they would deal with such cases in the event that they met with such situations, or if they had already met it;

3) It is an opportunity to share and learn across business schools – we invite students or teams from other business schools to participate in the competition;

4) The competition may help to enrich the choices of ethics cases in Tsinghua SEM’s case bank so as to better serve the management education of Tsinghua University and whole China as well.

For 2013/2014, there was a dip in the number of participants to 42 from a high of 62 in 2012/2013. This dip was more than made up by the increase in the quality of the participants, which demonstrated in the impact of the lessons.

![Figure 3: The winner of the 2nd Ethics Case Writing Competition with Mr. Tom Ezrin, Senior VP of Communications at Flextronics.](image)

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• **Forum on Business Ethics in the World of Change**
The forum took a form of panel discussion was organized by the Graduate School and Career Development Center, School of Economics and Management on April 17, 2014. The panel was facilitated by Professor David W. Miller of Princeton University. Panelists included Mr. Mark Hutchinson, President and CEO, GE Greater China, Mr. David Snow, President of AstraZeneca, China and Hong Kong, and Professor June Qian of Tsinghua School of Economics and Management. The forum attracted close to 40 associate deans/department chairs from other schools or departments from Tsinghua University, and close to 300 students.

![Forum on Business Ethics in the World of Change](image)

The panelists discussed the cultivation of ethical leaders in China’s emerging market. Topics included what business ethics means, how to make choices when companies faced moral dilemmas, what impact university’s ethics courses could make, how a person’s moral standards develop, etc.

• **Student club activities**
There are two student-run clubs that focus primarily on outreach to the communities and grassroots charity work.

Tsinghua Net Impact does outreach to companies and advocates on corporate social responsibility in addition to sustainability issues while the Ray of Love Association focuses on grassroots outreach through charitable activities.

Two areas of measurements are taken into consideration in terms of their outreach. One was the sharing to companies and the other was the number of students who were impacted in the events.

For the first half of 2013, Tsinghua Net Impact was invited to two companies to conduct workshops on CSR. These companies were Cheil Jedang (CJ), a conglomerate based in Seoul that has businesses in food and beverage, entertainment and logistics. The sharing for CJ took part in March 2013 in the China headquarters in Beijing. In May 2013, Net Impact was invited to Taliworks, a water treatment company based in Yinchuan to share with the staff on CSR matters.
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For the Ray of Love Association, the outreach to schools was carried out in two projects. The first was to the 5th Experimentation School in Beijing, where SEM students taught the students at the school English. This was carried out in March. In addition, the other outreach was to Shan Xi Hope School in terms of understanding the needs of the students as well as setting up a scholarship for the students.

During the needs analysis, it was discovered that the students lacked IT skills. The society thus underwent a donation drive amongst faculty and its members and managed to collect 20 sets of laptops which the society donated to the school.

For the second half of 2013, Tsinghua Net Impact in collaboration with the Ray of Love Association, organized the 1st Tsinghua SEM Charity Lunar Run. This was held on 20 October 2013 and the beneficiary was Bethel (http://www.bethelchina.org), a home for blind children in China. The turnout was close to 100, including volunteers and participants. The event aimed to raise awareness about the blind children and also about how the participants could do their bit for the less fortunate. The impact and influence sparked off by this event was huge. The event was reported in the local newspapers, being the first of its kind in China. In addition, the children were invited back to perform during the New Year’s Gala on 29 December 2013 and other SEM staff and students have since gone on to visit the home and donate goods amounting to close to RMB 20,000 as of 15 April 2014.
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Figure 7: Pre-run warm up with student volunteers

The closing major event for 2013 for Net Impact was the 2nd CSR and Social Innovation Case Competition. Following the 1st CSR Case Competition in 2012, Net Impact further improved on the model and included the social innovation cases, where Bethel, an NGO, gave a case in a bid to switch to a social enterprise for sustainability.

A total of 71 individual participants formed 22 teams. They came from the following schools:

- School of Management and Economics, Tsinghua University
- Guanghua School of Management, Peking University
- BIMBA Programme, Peking University
- Xian Jiaotong- Liverpool University
- Beijing Xinxi Ke Ji University

Figure 8: Participating Schools
The breakdown of the nationalities of participants is as follows:

a. Mainland Chinese- 60
b. Taiwanese- 1
c. Singaporeans- 3
d. Brazilians- 2
e. Indian- 1
f. Nepalese- 1
g. English- 2
h. Canadian (Chinese)- 1

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III. Future Perspectives/Key Objectives.

The table below summarizes the main activities and directions of the SEM in the area of PRME.

<table>
<thead>
<tr>
<th>Implementation Date By</th>
<th>Activities</th>
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<tbody>
<tr>
<td>Oct 2014</td>
<td>Top Talks by School Advisory Board on Sustainability and Business Performance</td>
</tr>
<tr>
<td>Nov- Dec 2014</td>
<td>MBA elective course: Business Performance and Sustainability</td>
</tr>
<tr>
<td>Dec 2014</td>
<td>Coca Cola Chair on Sustainability</td>
</tr>
<tr>
<td>Jun 2015</td>
<td>Flextronics Ethics Case Writing Competition</td>
</tr>
<tr>
<td>Jun 2015</td>
<td>Sustainability Conference</td>
</tr>
<tr>
<td>June 2014</td>
<td>Member of the Asia CSR Committee of East Asia 30</td>
</tr>
<tr>
<td>May 2014 - 2015</td>
<td>Member of Organizing Committee of PRME Regional Meeting (Asia)</td>
</tr>
</tbody>
</table>

The school will make due contributions in promoting responsible management education in China as well as in the Asia-Pacific region.

How to cultivate the awareness of ethical management education among all its faculty members remains a challenge to the school. It will make efforts in this regard in the coming future.

IV. Support from PRME

1. Provide more opportunities for business school faculty and students to get together and share best practices on responsible management education.
2. Provide periodic updates via email newsletter on what’s happening with other practitioners.
3. Share global trends on PRME and the impact.

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