Principles for Responsible Management Education (PRME)

SHARING INFORMATION ON PROGRESS (SIP) REPORT
June 2017
Southampton Business School at the University of Southampton is ranked among the top business schools in the United Kingdom. We pride ourselves on our international reputation for our academic and teaching excellence. We take our role as educators of future managers seriously which is why we were one of the first to sign up to the United Nations Principles of Responsible Management Education in 2009. Signing up to the UNPRME has provided a useful framework under which to co-ordinate a series of events and initiatives aimed at integrating issues of sustainability and responsibility into the curriculum. At Southampton, we recognise our social responsibility and the capacity of our education and research to improve lives of individuals and society. The University’s mission statement is as follows:

To change the world for the better through our education and research, our innovation and enterprise.

To support that mission statement, our vision is to be

“A Business School that is truly distinctive via its multidisciplinary and integrated approach, enhancing our world-class, cutting-edge research that shapes future business practice and to provide a responsible educational experience that connects people and organisations to deliver social and economic impact.”
We are a university distinguished by:

→ Achieving research excellence in all our disciplines
→ Providing an outstanding educational experience for all our students
→ Adding value to our education and research through a broad base of academic disciplines
→ An international perspective and reputation, responding to issues of global importance
→ Engagement and enterprise, leading social, cultural and economic development locally, nationally and internationally

The core values of the University of Southampton reflect our belief in:

→ The role of education to transform the lives of individuals, communities and society
→ The importance of advancing knowledge through independent research to tackle the major economic, social, environmental and technological challenges of humankind
→ Valuing, respecting and promoting the rights, responsibilities and dignity of individuals within all our professional activities and relationships
→ Equality of educational opportunity based on merit, irrespective of background, beliefs and socio-economic context
→ Pursuing excellence in all that we do
→ The freedom to challenge existing knowledge and beliefs through independent critical research and scholarship
→ Upholding the standards of probity and ethical behaviour required by our legal obligations and the expectations of society
→ Promoting environmental and economic sustainability in all that we do
→ The intellectual independence of universities
Experiences since we joined the UNPRME eight years ago have led to reflections over the past two years over how we can increase the effectiveness of the principles in practice. These reflections have been prompted in part by my supervision of a PhD student who is exploring how various UK Business Schools are incorporating UNPRME principles into their curriculum. On the positive side, many (including myself) find that being part of the UNPRME provides a framework and motivation for our school to more fully address issues of how to embed issues of responsibility, sustainability and ethics into our teaching and research. Preparation of the regular reports also acts as a catalyst for change, triggering useful discussions and continued engagement from teaching staff. The principles act as a catalyst for productive change and preparation of the report enables us to see how much we have achieved over the last two years and where further change is possible. However, research (and my own experience) indicates that changes are often piecemeal and rely on specific champions, and therefore vulnerable to be being superseded by other pressures or by committed staff leaving.

In the course of conversations at events and with colleagues and my PhD student, I have become convinced that, rather than advanced membership being dependent upon what fee Business Schools pay, instead it should be based upon specific metrics. This would galvanise much more significant change. In particular, although the PRME provides a useful framework, there are no actual targets as such. My experience is that managers love different levels of attainment and always trying to get to the next level, and this could easily be integrated into the PRME so there are different benchmarks to measure how well each school is doing which would be very motivating and help to elicit more positive action.
For example we could have bronze, silver and gold levels of membership depending on criteria such as:

> How many modules/programmes there are related to Business Ethics, CSR and SD?
> Are these elective or compulsory?
> What percentage of UGs and PGs graduate having taken at least one of these modules – so for example a school couldn’t progress to silver level if over 25% graduate without taking any such module, and gold level could be 100% of students have taken at least one such module.
> Are questions relating to the integration of issues such as ethics, CSR and SD in all modules embedded in quality assurance processes such as in annual module review forms, programme review forms, programme and module development forms etc.
> Is there a defined UNPRME liaison officer who has time formally specified on the task and his/her job description i.e. it is not just part of other organisational citizenship behaviours and essentially unrewarded, not included in appraisals.

Over the last year I have been expressing these views in the hope of opening discussions on how to make the UNPRME a more effective tool.

For me personally, the most effective development over the last two years, is that my role as UNPRME liaison officer has now been more officially recognised, with time allocated to the job in my workload model. This has given the UNPRME initiative more credibility and legitimacy among the staff, as well as providing me with dedicated time and specific goals to meet.

The UN Principles of Responsible Management Education consists of six Principles. This document looks at each of the six in turn:
Overview of how we integrate Principles 1 and 2 into our curriculum

Modules specifically relating to responsibility/ethics/sustainability

Undergraduate Modules
We have a range of teaching on responsible management in the undergraduate courses, including ‘Management Ethics’, a 2nd year option, ‘Corporate Social Responsibility’, a third year option, and ‘Innovation Technology and Environment’, a core second year option for some programmes and optional for others. Through our recent Curriculum Innovation Project students are now able to access a broader choice of subjects from different disciplines, many of which incorporate topics central to UNPRME such as ‘Living with Environmental Change’, ‘Ethics in a Complex World’, ‘Global Challenges’, ‘Sustainability in the Local and Global Environment’ and ‘Social Enterprise’.

Postgraduate Modules (MSc)
The most relevant postgraduate (MSc) modules are:

- Business Ethics covers main ethical concepts, moral theory, expectations on business, consequences of unethical behaviour, factors affecting ethical behaviour of organisations.
- The module Responsible Leadership is now compulsory for all students on our International Management programme.
- International Corporate Social Responsibility is compulsory on the International Management programme and covers the development of the concept and how CSR is being implemented in today’s corporations, its impact and likely future directions.
- Accounting and Society aims to show students how accounting can contribute to areas of society other than traditional market-based and private sector organizations. These areas are increasingly important and in many countries for instance, not for profit institutions represent almost half of all economic activity.
- Social Enterprise and Entrepreneurship which aims to develop understanding of social entrepreneurship and the emergence of a new form of organisation that aim to create both social and financial value.

Integration of ethics/responsibility/sustainability into other modules
For many programmes, the modules relating to ethics, sustainability and/or CSR have been optional rather than core, mostly due to timetabling constraints. The challenge therefore has been to avoid ‘preaching to the converted’ and to raise awareness of ethical issues for students who have not chosen these options. Thus a particular focus of the last two years has been to better integrate such issues across all our subject areas. We have made great progress in how we integrate issues of CSR, ethics and sustainability within other courses, for example:

- Modules on leadership place a lot of emphasis on ethical issues and critique the heroic models of leadership based on the tendencies to attract narcissists who engage in unethical behaviours. This is contrasted by discussing the emergence of the concepts and practices associated with Responsible Leadership and Authentic Leadership that both emphasise ethical behaviour.
- Our module on change management draws on the work that colleagues have been doing in terms of ethical decision making in the context of change projects.
- For all operations management modules ethics/sustainability issues are dealt with in the opening session as one of the many tasks that operations managers face; this is also developed in sessions on quality and inventory where reduction in waste (particularly in pursuing Just-In-Time) is vital.
- Ethics is included in the context of a session on experimental research as a tool for marketing research (i.e., participant consent, debriefing, ethically problematic experiments conducted by Facebook). Ethics sessions are also provided to UG and PG students in relation to their dissertations. These ethics sessions covered general ethics as well as the ERGO system itself.

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.

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.
These sessions were recorded (Panopto) and made available on Blackboard. For UG students we also uploaded examples of various ERGO forms to make the process of ERGO easier. This gives students an online ethics resource.

- We teach several modules on Data Analytics, these include discussion of the best practices in terms of ethical data management, the ethical boundaries when handling and using big data, and related issues.
- The introductory finance modules cover how unethical behaviour in the financial markets may have contributed to the financial crisis.
- Risk Management is taught within Southampton Business School in two UG modules ‘Risk Management’ and ‘Management of Risk and Uncertainty’ and also in two PG modules ‘Principles of Risk Management’ and ‘Corporate Risk Management Processes’. In all of these modules, risk management is taught as an ethically motivated and guided practice, also providing a focus for individual ethical and moral development, and further enabling organisations to pay more attention to enlightened stakeholder value as opposed to narrow shareholder value. In just the last year in particular, teaching of the ethical aspects of risk management has been further accentuated through a new emphasis on the importance of ethically grounded risk cultures which draw together the ethical themes of proactivity, candour, care, generativity and moral imagination.
- Our new UG module ‘Making Successful Decisions’ will include a class on ethical decision making
- The UG module ‘Managerial Decisions’ covers the topics of ‘bounded ethicality’ and ‘honesty and fairness in decision making’.
- The new syllabus for the UG module ‘Auditing’ includes environmental and social audit and ethics for auditors. The exam paper also includes a “self-choice” question on the exam paper where students can write about a topical issue. One suggestion is whether accountants should act in the public interest.
- In our introductory course for first years UGs, in the first semester the module has as one of its over-arching themes: ethical/ unethical. In the second semester a session is delivered on the topic of: Class and inequality & social responsibility. The overall aim is to broaden their outlook by exposing them to various values and perspectives in sessions of presentations and discussions with a range of very different people:
  - A University Chaplain and Faith Advisor to explore different perspectives on materialism;
  - A local MP to explore the values he brings to politics and to understand in some depth what values are involved. This MP is in the shadow cabinet with the energy brief and this also allows a debate about sustainable sources of energy.
  - A presentation by someone who has researched anarchy to explore the range of assumptions we bring to the nature of order in society.
  - A researcher on Cuba to explore alternative business and societal models.

- The PG module ‘The Management of Corporate Security’ covers the topic of ‘security and ethics’.
- The topic of ‘Socially Responsible Investing’ forms a key part of our PG module ‘Equity Markets’
- For the PG module ‘Project Management’ - People: two of the presentation topics students could choose from (among 8) were: Sustainability and Project Management and Environmental Issues and Project Management. The subject is embedded in strategic project management and project success as well.
- We run a scenario-based workshop on Ethics in project environments in the PG module ‘Decision making in Projects’ which is very well received by students. This embeds research from a project we ran with the PMI related to Ethics, responsible leadership and decision making.
- For the PG module ‘Project Management’ two of the presentation topics students could choose from (among 8) were: Sustainability and Project Management and Environmental Issues and Project Management.
- The ICAEW corporate film ‘False Assurance’ is incorporated into modules on corporate governance and some of our accounting modules.
- ‘Financial accounting 1’ covers corporate governance structures and their rationale as part of a lecture on the regulatory framework. Also narrative reports in annual reports. CSR reports are covered briefly
- ‘Global supply chain logistics’ touches on business ethics in purchasing and environmental issues
- The ‘MSc International Banking and Financial Studies’ programme makes future finance industry professionals aware of the unethical and unsustainable aspects of standard banking practice, and teaches students the requirements for an ethical, sustainable and social useful banking and monetary system.
- The PG module ‘International Banking’ includes two lectures on ‘Banking and Ethics’, which are constantly being updated. These point out the relevance and implications of ethics for banking. In addition, there is now a new section in other lectures of this double-module on ‘Banking and the Law’, which discusses legal and illegal banking activity - also relevant from an ethical perspective. It also covers the relevance and implications of sustainability for banking and the impact of banking on sustainable or unsustainable economic activity.
- A PG module ‘Sustainable Finance and Development’ focuses on the link between finance and sustainability, and includes the implications for developing countries and development in general.
- A number of lectures in HRM modules relate to CSR and ethics and how it applies to current issues.
- Currently we integrate ethics, sustainability and responsibility quite well in PG marketing modules, but less so in UG modules:
  - Our UG marketing modules incorporate ethical issues, for example discussions about the ethics of using electronic systems for marketing (i.e. to provide better customer service), for example debate about Marriott who “spy” on their guests’ social media, in order to distribute gifts etc.
On our PG module ‘Design Thinking in Marketing’ 140 students have undertaken projects to Redesign education experiences for 2027. This involved thinking about responsible education. They completed 24 projects on a range of initiatives from ‘educating new parents’ to ‘developing international student confidence in university classrooms’ and ‘making students care for more than grades’.

On our PG module ‘Digital Marketing Communications’ and on the UG module ‘Marketing Communications’ we have a session on Legal and Ethical Issues in marketing - incorporating Data Protection Regulations, Copyright and Trademarks.

Our PG module ‘Marketing in the 21st Century’ has a dedicated lecture on ethics and CSR as one of the core ideas that marketers must embrace. Elsewhere in this module, sustainability is discussed as another and related key challenge for markets.

The PG modules ‘Marketing communications’ and Advanced Digital Communication have dedicated lectures on regulation, self-regulation and ethics in marketing communication and in the use of digital media.

**MBA**

We restructured our MBA in 2010 to allow for three themes to run across all units, two of which are in line with the UNPRME. The themes are: Elements of responsible management, Environmental sustainability and Globalisation (Figure 1). This is to accommodate contemporary subjects that cut across academic disciplines, and appear in various managerial contexts and roles.

![Figure 1: MBA Themes](image-url)
Sustainability is a constant theme across the MBA programme, not just from a corporate social responsibility but also as an environmental, social and financial imperative for business. Guest speakers from Cap Gemini and Prudential were specifically invited to address the theme of sustainability in the Employability Week in March 2017, for example. There are other modules where sustainability and the ‘triple bottom line’ approach supported by John Elkington is featured, i.e. Accounting, Contemporary Marketing and Application of Management Skills. Sustainability is covered in most modules as a driving force for organisations. Risk management is explicitly dealt with in The Decision Maker part of Application of Skills Management with content ranging from quantitative risk assessment to behavioural aspects of risk management.

CSR is explicitly addressed in three core MBA modules:
- ‘Managing Effectively in the 21st Century’ includes governance in organisations; corporate reputation and cross-cultural management.
- ‘Organisations in a Global Context’ covers stakeholder perspectives, ethical behaviour and corporate social responsibility for organisations.
- ‘European Business Context’ covers the regulatory framework for corporate social responsibility (CSR) in Europe and implications for business internationally where speakers bring both practical and academic insights into this subject.

Major achievements over the last 24 months
- Since our last report, the role of the UN liaison officer has been given greater prominence with specific hours allocated to working with module and programme leaders to integrate ethics, responsibility and sustainability across the curriculum.
- A bespoke UNPRME site to provide resources for lecturers to integrate such issues across their subjects has been set up on our intranet for all Business School staff to access.
- A new postgraduate training course in sustainable development is offered to students across all disciplines. The course allows participants to explore the relevance of sustainable development to their research and for applications in business and society. The course comprises lectures, workshops and education for sustainable development.
- A new module ‘Sustainability E-Learning for Faculty of Business and Law Staff’ has been set up on our intranet.
- We have subscribed to the Ethical Performance website which allows students and staff free access to all the resources on the Ethical Performance website. These include case studies, video, news etc. relevant to all subjects/sectors on issues such as sustainability, climate change, governance, initiatives in various sectors, finance, reporting etc.
- We have subscribed to Greenleaf’s Sustainable Organisation library which also provides free access to a wealth of resources useful for teaching sustainable business.
- A new PG module ‘Sustainable Finance and Development’, was offered for the first time in 2015-16 and again in 2016-17. This focuses on the link between finance and sustainability, and includes the implications for developing countries and development in general.

Future perspectives/Key objectives
- Every year we ask students to provide feedback on how well we integrate ethics, responsibility and sustainability across the curriculum. Feedback indicates that the area for most improvement is in our UG marketing modules. A focus group has been held to share good practice in the PG modules with UG module coordinators. We are also exploring whether to make the UG CSR course compulsory rather than optional in marketing programmes.
- As liaison officer, I plan to campaign for advanced membership of the UNPRME to be based upon metrics related to how well ethics, CSR and sustainability are integrated rather than how high a fee is paid.
- I hope to gather statistics on the percentage of business school students who graduate without having taken any specific module relating to ethics, CSR or sustainability and use this as a basis to try to reduce that number each year.
**Principle 3 Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

**Overview of how we address Principle 3**

Many of our activities relating to Principle 3 have been covered under the other sections so here we have focused on volunteering as an extra means by which we can create effective learning experiences.

**Volunteering:**

All students are given the opportunity to volunteer in the community on a selection of projects sourced by the University’s Volunteering Bank – see [www.southampton.ac.uk/careers/students/work-experience/volunteering.page](http://www.southampton.ac.uk/careers/students/work-experience/volunteering.page)

Across the University there are numerous initiatives relating to such community engagement. Some Business students are part of ‘Enactus’ which is a student-run social enterprise and an affiliated society of the University Southampton’s Student Union which aims to provide students with work experience at the same time as contributing to the community – see [www.enactussouthampton.org/](http://www.enactussouthampton.org/)

**Placements**

We have set up a specific placement team within the Business School over the last two years to co-ordinate work experience opportunities with businesses, such as placements. As well as placing student sin business environments, we have had students in charities, such as London Sport, the Bournemouth Symphony Orchestra, the Church of the Ascension.
**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.

**Overview of how we address Principle 4**

**Research:**

The University of Southampton has the highest number of staff and PhD students engaged in sustainable development research in England; thus gives us the potential to become a key leader in this area.

There is continuing ongoing research relating to UNPRME themes such as: evaluation of different means of integrating ethics and sustainability into teaching, small businesses and sustainability related behaviour etc. We have also been involved in a University-wide group of academics interested in education for sustainable development, and how to integrate these subjects across the curriculum. This has resulted in several research activities and grant applications.

Other relevant research areas which Southampton Business School are engaged in include:

- Several papers relating to ethics in marketing have been published over the last two years:
  
  
  - Molesworth, M., Grigore, G. and Jenkins, R., 2017 (online). Games people play with brands: An application of Transactional Analysis to marketplace relationships. Marketing Theory (Mentions the ethics of using psychological manipulation in brand communications).
  

There have also been numerous conference presentations and papers published relevant to CSR, Corporate Governance, ethics and sustainability over the last two years, some examples of which are below:


- There has been several strands of research relating to ‘Banking and Ethics,’ ‘Banking and the Law’ and ‘Banking and Sustainability’ and ‘sustainability issues in economics; which have been presented at conferences and are being written up as journal articles.

- A recent paper at the Winchester Conference on Trust, Risk, Information and Law was recently presented on the topic of ‘De-humanised decision-making in retail settings - personalisation or manipulation’.

- Exploration of ‘dark leadership’ and ‘corporate psychopathy’ – research that is of current interest considering the recent global financial crisis and spate of business scandals in the banking and media industry.

- Cross-case analysis into the degree of corporate responsibility considerations in the procurement processes, along with recommendations for improvements. The research has involved interviewing senior employees in nine large UK/multi-national organisations in both the private and public sectors.
- A stakeholder approach to CSR
- Lessons learned from partnerships between businesses and NGOs in the context of CSR
- Study of social entrepreneurs and social enterprises
- CSR initiatives by multinationals in Pakistan
- Companies’ tax avoidance activities
- Methods of integrating ethics into the curriculum
- Factors underlying unethical behaviour in organisations
- Sustainability practices in SMEs.
- Stakeholder management in the oil industry in the developing countries

Academics have attended conferences, workshop and events related to CSR education, and education for sustainable development, and other research-focused conferences and practitioner type events.

**Major achievements**

We obtained funds (£100k) from the ESRC to embed sustainability issues in hairdresser training which was completed in 2016 and followed up with an impact acceleration fund to promote the resulting sustainable stylist/salon certification across the sector.

Research ideas, PhDs, grants and papers in areas related to ethics, sustainability and responsibility are continuously being developed and progressed by Business academics. For example, we are funding a PhD student who is exploring how organisations are integrating sustainability through HR processes. We also have another PhD student studying how UK Business Schools are making use of UNPRME. Lastly we have a DBA student, who has just submitted his thesis on CSR in Jersey.
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 challenges.

Overview of how we address Principle 5

A key strategic objective of the Business School is to interface with business in teaching, research and extra-curricular activities. Speakers from businesses and other organisations have regularly contributed to our taught courses, for example:

- Head of Sustainable Development at Lloyds bank
- CSR manager from Boots on how CSR is embedded in their organization.
- Peter White from Proctor & Gamble talked on sustainable consumption.
- Daniel Godfrey from the People’s Trust on ethics and sustainability in finance and banking.
- ACCA on social and environmental reporting.
- David Newton ex-CSR manager for the Body Shop and current director of a not-for-profit organisation.
- CSR/sustainability manager from Land rover Jaguar.
- The ICAEW spoke to students about the UN Global Goals for Sustainable Development and relevance of the Sustainable Development Goals for business.
- Academics in the Business School interface with business regularly as part of their research activities as well as in the organisation of work placements for students, internships, Knowledge Transfer Partnerships etc. For example, Dr Baden is working with hairdressers and industry bodies as part of her research into sustainability in the hairdressing sector. The Ecohair and Beauty project is run by Dr Baden from Southampton Business School in association with industry partners and the All Party Political group on professionalising the hair industry. For the last five years they have been gathering and sharing information on sustainable hair practices. Their website www.ecohairandbeauty.com is an open access resource for hairdressers, trainers and hairdressing colleges to enable them to adopt more sustainable practices. In 2016 they established a sustainable stylist certificate and over 500 have been issued, and in April 2017 they launched a sustainable salon certificate with the aim of embedding sustainable practices across the sector and via hairdressers, to the general public.

- The PMI funded colleagues at SBS to undertake research related to Ethics, responsible leadership and decision making.
- SBS colleagues produced a report “Why risk cultures need prudence” which is being widely disseminated in the industry. See www.alarm-uk.org/news/new-risk-culture-proposal
**FUTURE PERSPECTIVES/KEY OBJECTIVES**

**Principle 6 Dialogue:** We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability. We understand that our own organizational practices should serve as an example of the values and attitudes we convey to our students.

**Overview of how we address Principle 6**
These values are reflected in our new University strategy with a key strategic aim being: Significant social impact locally and globally through public debate, community outreach and cultural engagement and Making an Impact on Society and the Economy – recognising our social responsibility and the capacity of our education and research to improve the lives of individuals and society.

**Major achievements**
A particular development since the last report is the launch of the Centre for Inclusive and Sustainable Entrepreneurship and Innovation in December 2016.

We host regular seminars to stimulate debate around issues related to how business can play a positive role in society aimed at business, academics and the general public see [www.southampton.ac.uk/business-school/news/events/archive.page](http://www.southampton.ac.uk/business-school/news/events/archive.page). Some recent examples are:

- **Advanced industries, job multipliers and living standards in Britain** Dr Neil Lee. March 2017
- **Inclusive Entrepreneurship through Home-based business** Dr Darja Reuschke Feb 2017. Run by the Centre for Inclusive and Sustainable Entrepreneurship and Innovation
- **Upscaling in the sharing economy** Dr Vadim Grinevich and Dr Franz Huber Dec 2015

**The Centre for Banking, Finance and Sustainable Development**
The Centre for Banking, Finance and Sustainable Development has again been involved in co-organising a major international conference, ECOBATE, that always showcases papers on the link between the financial sector and sustainability issues.

The Centre for Banking, Finance and Sustainable Development, as well as the University of Southampton itself, have been involved in the establishment and ongoing authorisation of the Hampshire Community Bank, together with many other Hampshire stakeholders, including Local First Community Interest Company, all other Hampshire universities and several Hampshire local authorities. The project is headed by Sir Vince Cable.

Our Business School organised and chaired the Academy of Marketing E-Marketing SIG Symposium “Exploring the digital customer experience” at the Direct Marketing Association (DMA) in London on May 23rd 2016. Speakers explored the impact of automation, augmentation and smart devices on customer experience, emphasising the implications for commerce, public policy, ethics and the law. The underlying message was that consumers increasingly expect to be compensated with relevant personalisation for the data they inevitably share.

Finally, Southampton Business School hosted an event for students, staff, businesses and the public on the UN Global Goals for Sustainable Development in 2016 with the ICAEW.
Find out more:
www.southampton.ac.uk/business-school