



**Umeå School of
Business and Economics**
Umeå University



PRME Principles for Responsible Management Education

**UMEÅ SCHOOL OF BUSINESS AND ECONOMICS - USBE
UMEÅ UNIVERSITY
SWEDEN**

Sharing Information on Progress (SIP)

**Initial Report on Implementing the Principles for Responsible
Management Education – PRME**

February 2016

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Commitment from USBE to the PRME

This is our first report on USBE's engagement in PRME. The report describes the platform that we have developed during the first two years 2014-2015 as a PRME signatory. USBE signed PRME at December 2, 2013 and initiated at the same time a school wide process to integrate sustainability and responsibility into educational programs concerted by our strong research focus on sustainable development, ethics and corporate responsibility in order to share knowledge and experience in cooperation with business and the community.

A rewarding process of sustainability policy development across disciplines, planning and designing an evaluation system led in March 2015 to successful certification of USBE according to the international environmental standard ISO14001. We have now built a solid platform based on USBE's mission to *develop responsible leaders with a sustainability orientation* for continuing efforts to strengthen our work on sustainability and responsibility. As an institution of higher learning involved in the education of current and future managers and policy makers, USBE is voluntarily committed to engage in a continuous process of improvement based on the PRME principles, reporting on the progress of our work to our stakeholders and exchanging the progress of our sustainability and responsibility practices with other academic institutions.

We look forward to be an active PRME partner in developing responsible leaders with a sustainability orientation!

Umeå February 28, 2016


Sofia Lundberg, dean

Umeå School of Business and Economics – USBE progress on PRME

The progress report from USBE describes the development work 2014-2015 based on an **ISO14001 certification** process that resulted in a successful first assurance audit by SP in March 2015 and a follow up in November 2015. The mission of USBE to *develop responsible leaders with a sustainability orientation* and that we complied with ISO14001 standards provide a solid platform to develop the capabilities of our students on sustainability and responsibility. USBE has a long tradition in Economics research on Environmental and Resources Economics on energy, climate change and environmental policy related issues. Today, the main part of this research is concentrated to the Centre of Environmental and Resource Economics (CERE, www.cere.se). In Business Administration, the sustainability and ethics related research is one of the major research profiles and encompass all business subjects. RiseB <http://www.org.umu.se/riseb/english/>, as a research institute on sustainability and ethics, serves today as an umbrella for business research in the field. Interaction with business and community is a natural element of the research profiles both in Business and Economics. The sustainability day that has been organized the last three years at USBE attracts leading Swedish companies on sustainability to USBE for interaction with students and stakeholders.

The report is organized to follow the six PRME 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 Concept of Sustainability at USBE

At the start of the process, we agreed to base our work on a multi-dimensional sustainability concept that would fit a diverse business school environment for Economics, Business and Statistics subjects. The concept of sustainability within USBE has its origins in the Brundtland definition and includes the triple-line dimensions of environmental, social and economic sustainability.

- **Environmental sustainability** is related to the earth's ecosystems and natural conditions and how these are affected by human economic activity. It also includes environmental policies and financial and societal aspects, as well as tools and instruments for environmental sustainability.
- **Social and economic sustainability** are related to such structures that we humans have created to organize our societies. Social and economic sustainability includes issues concerning allocation policies, ethics and social responsibility at the individual, organizational and societal levels. It also includes the stability of the basic structures of society such as economic and financial systems, and questions about demographics, health and prosperity, yet also social responsibility in business and society, human rights and fair working conditions from a global and local perspective.

Based on the revised mission that the USBE board adopted in 2013, we have developed general and specific objectives for sustainability at USBE. We are aware of that the major impact from our core activities, education, research and corporate and community relations on sustainability are indirect and future oriented, while our immediate direct environmental impact is smaller and comes from support activities. In this report we will concentrate on our core activities.

Overall Sustainability Objective

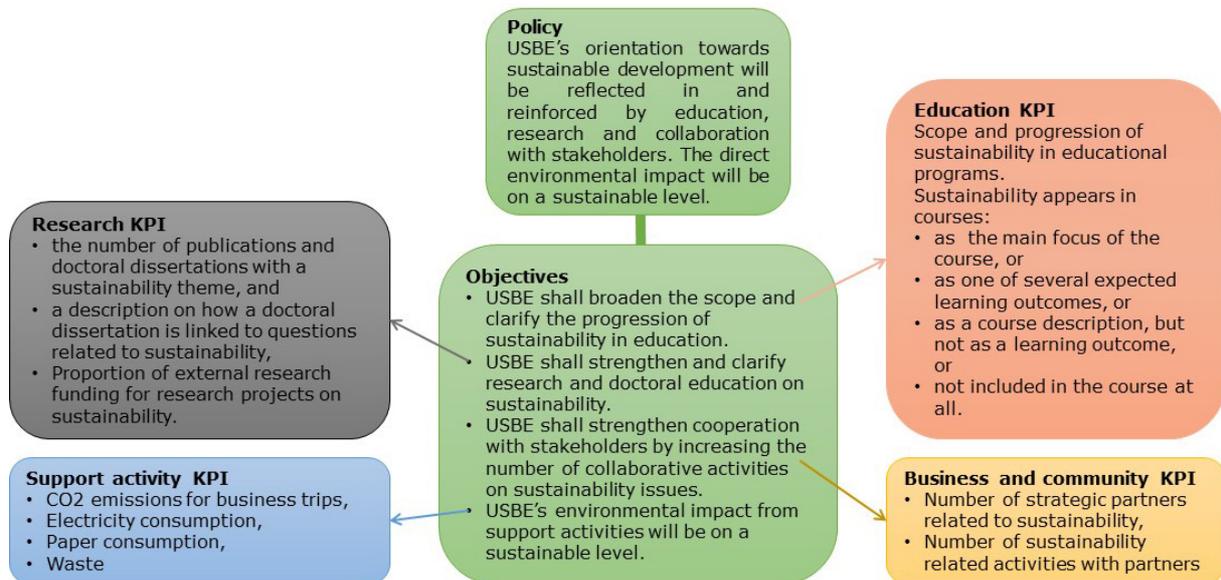
USBE's orientation towards sustainable development will be reflected in and reinforced by education, research and collaboration with stakeholders. The direct environmental impact will be on a sustainable level.

Detailed Sustainability Objectives

- USBE shall broaden the scope and clarify the progression of sustainability in education.
- USBE shall strengthen and clarify research and doctoral education on sustainability.
- USBE shall strengthen cooperation with stakeholders by increasing the number of collaborative activities on sustainability issues.
- USBE's environmental impact from support operations will be on a sustainable level.

The next step was to develop a performance measurement system for the detailed objectives. The direct effects of the organization's support activities can be measured in a reliable manner when USBE as a control unit for the direct effects has been established. USBE is a school embedded in a large university – Umeå University – and USBE is also a pilot unit to introduce ISO14001 based performance measurement system at the university. The research related performance measures are readily measurable when publications and doctoral dissertations are classified in the Diva research database <http://www.usbe.umu.se/english/research/publications/article-in-journal/>. The most challenging was to develop a performance evaluation system on progress in the four professional degree programs (Swedish: civilekonom) and the seven specialized master programs at USBE. All programs have now revised local expected learning outcomes on sustainability and ethics. We decided to include a four-point scale on how sustainability appears in the courses on the programs. This will provide a basis to track the scope and progression of sustainability in the programs over time.

USBE SUSTAINABILITY SCORECARD



- **Education**
 - Scope and progression of sustainability in educational programs
 - Sustainability appears in courses,
 - as the main focus of the course, or
 - as one of several expected learning outcomes, or
 - as a course description, but not as a learning outcome, or
 - not included in the course at all.

- **Research**
 - the number of publications and doctoral dissertations with a sustainability theme, and
 - a description on how a doctoral dissertation is linked to questions related to sustainability,
 - Proportion of external research funding for research projects on sustainability.

- **Business and community services**
 - Number of strategic partners related to sustainability,
 - Number of sustainability related activities with partners.

- **Support activities – direct effects**
 - CO2 emissions for business trips,
 - Electricity consumption,
 - Paper consumption,
 - Waste

We conclude this section by saying that based on the mission; USBE has developed sustainability objectives and a scorecard to be able to report on the progression we are making over time. The ISO14001 based sustainability management system and the related feedback from the SP assurance services (www.sp.se) provides a comprehensive framework for the process that we have started to develop responsible leaders with a sustainability orientation. In our future reports we will be able to provide you with data based on the sustainability scorecard on the progress we are making in our core activities.

More details on the USBE ISO 14001 can be found here
<http://www.usbe.umu.se/english/about/srm/>

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.*

We have systematically incorporated local learning goals on sustainability and ethics into our curricula. In this way we differentiate ourselves from the more general national learning goals that all Swedish universities and business schools have to comply with.

The more specific local expected learning outcomes for student skills and abilities is to ‘*demonstrate an ability to integrate ethical and sustainable reasoning in analysis, evaluation and decision-making*’ in both professional degree programs and the specialized master programs. A scorecard for the course level in each program has been developed to evaluate the scope and progress of sustainability in the educational programs. A review conducted on course level prior to introducing specific sustainability learning objectives on the program level showed that only a minority of courses or their modules had integrated sustainability in courses. With the introduction of new learning goals sustainability is increasingly integrated into existing courses and new specializations on environmental and resource economics on the master level in Economics is introduced. It is our firm understanding that the ISO14001 based efforts have speeded up the process of integrating values of sustainability and responsibility into our educational programs. Sustainability is now on the USBE agenda when planning and evaluating progress on program and course levels.

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

To create a better alignment between the educational programs and USBE mission a revision of all program degree goals was initiated in 2014. Two project groups were formed, one for the professional degree programs and one for the master programs. Both groups consisted of program coordinators, with responsibility for program development and curriculum, and the directors of studies.

The new local degree goals were discussed in different stakeholder groups; program councils and business advisory boards and they were implemented in autumn semester 2015. All programs at USBE now have national and local goals with clear alignment to the mission.

In parallel with the revision of program goals, we conducted an inventory of where and how responsibility, sustainability and ethics were addressed in course syllabi within the different program curricula. The aim was to analyze whether our courses, content and design, support student learning within these areas. The review resulted in several suggestions for revisions in course syllabi and the implementation in courses started in autumn semester 2015 and will continue during 2016 to be fully implemented by spring semester 2017. The number of courses including one or more aspects of responsibility, sustainability and ethics has increased considerably in 2015.

We have assessed student learning before implementation, with results that can be improved, and will assess again after the implementation to make sure that we develop expected learning outcomes and implemented changes that really support student learning.

The master level in Economics provides since the fall semester 2015 a specialization in **Environmental and Resource Economics** as a natural extension of the strong research orientation at USBE. Environmental economics deals with economics and the environment, and the management of limited resources. The aim of environmental economics is to encourage us to make the best use of our ecosystem's goods and services.

A specialization in **Health Economics** will also be provided in cooperation with Epidemiology and Global Health at the faculty of Medicine. Health economics is concerned with the connection between health and the resources needed to promote it. Resources here involve not just money, but also people, materials and time, which could have been used in other ways. The underlying issue is that while the needs may be indefinite – for health, food, shelter, etc. – the resources to satisfy them are finite.

Specific courses, such as in **Energy Economics**, aims to provide a comprehensive understanding of energy markets, as well as knowledge of how to analyze them and how they interact with the rest of the economy. A further aim of is to give students advanced tools to analyze how energy and environmental policies affect the demand and supply of different types of energy. A Marketing course in Business Administration is offered on **Service Marketing, Marketing Ethics and Sustainability** and in Entrepreneurship on **Social and Environmental Entrepreneurship**. The Business courses aim at raising the awareness of ethical and sustainability issues in the context of the subjects.

Integrating sustainability in education demands a continuous review of course syllabi and learning objectives for professional and master degree programs at USBE. In this perspective we now have a sustainability scorecard in place in order to be able to track our progress in the future.

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.*

USBE has a broad research portfolio with a research output of a high international standard in the disciplines of Business Administration, Economics, and Statistics, and interdisciplinary and cross-subject research profiles. One of the main research profiles of the school is **sustainability, responsibility, and ethics** related. Today about half of all publications in Business and Economics are classified as sustainability topics and a large proportion of doctoral dissertations and master theses approach sustainability from different perspectives. Also the major proportion of external research funding supports research on sustainability.

Research on sustainability spans over all disciplines, but the majority of researchers are connected to two units at USBE:

- Environmental and Resource Economics (CERE)
 - www.cere.se
- The Research Institute for Sustainability and Ethics in Business (RiseB)
 - <http://www.org.umu.se/riseb/english/>

CERE

Research at CERE can be divided into three different, but interlinked overarching areas of energy economics, climate change economics, and natural resource economics. **Energy economics** has been the most fast growing research area at CERE since 2013 when two separate but interlinked research groups were formed. In 2013 CERE began a strategy to develop CGE (Computable General Equilibrium) modeling – particularly within the framework of CERE’s general work on the energy field. About the same time CERE started up research related to energy demand at the micro level. The Swedish Energy Agency and the Swedish Energy Market Inspectorate have mainly funded this research. An example of the latter is studies that concern flexibility in electricity consumption. The aim of the studies is to contribute with further knowledge about consumer behavior on the electricity market while also studying the possibilities and incentives for changing current consumption patterns. The motivation for studying this is to a large extent related to the changing production structure of electricity, implying a larger share of volatile unpredictable renewable energy. The results from this research show that the economic incentives for individual households to become “flexible”, for example by rescheduling their electricity consumption over the course of the day, are small. Furthermore, the compensation an average household would need in order to systematically reschedule its electricity use is considerably higher than today’s incentives. This research has met a lot of interest both nationally and internationally. Among other things it was presented to the Minister of Energy in Sweden and at a meeting with the Association of energy market regulators in Europe.

Climate change economics research at CERE have followed two different strands; one focusing integrated assessment modeling, and one empirical strand focusing global emission dynamics, so called convergence analysis. An example of the former is the development of the AD-RICE (ADaptation Regional, Integrated, Climate, Economy) model. The "African Adaptation Gap Report" was published in November 2013 and was covered by media all over the world. The report explains that if the two degrees target can be met, then the cost for Africa's climate adaptation would be 150 billion less in the year 2070. But in 2020 the sum would already be between 7-15 billion dollars and increase substantially as the global warming and its effects escalates.

Natural resource economics is a diverse research field, spanning from the economics of reindeer husbandry management in Sweden to management of forest in China.

An additional strand of research that cut through other research areas deals with **public procurement as an environmental policy instrument**. It has become increasingly common to add environmental requirements to public procurements. But in order for it to have any impact on reduced emissions the environmental requirements need to be tougher than the existing production technology. The idea is that the public sector, as a major procurer, can affect production and consumption so environmental targets are achieved.

Overall the research at CERE is broad and deep since it covers many different environmental and natural resource aspects, and there is also an engagement in conceptual and empirical research that advances our understanding of the world.

RiseB

RiseB strives to be a force for change in a sustainable and ethical direction. This is achieved by developing and communicate research, and by training and interacting in relation to business-

related decision making. Questions on the individual and organizational levels are on focus and a diversity of perspectives and methods is seen as necessary to analyze globally recognized social and environmental problems. Different types of organizational forms are studied and activities at the institute involve researchers from all research areas at USBE and also researchers and networks within and outside the University of Umeå.

The purposes of RiseB are to:

- Conduct and publish research in the area of sustainability and ethics in business.
- Stimulate an active research environment including seminars, workshops.
- Develop new research projects related to the key areas of the institute.
- Facilitate support for research activities and funding applications.
- Communicate research results with the broader community.
- Assist in the development of higher education in the key areas of the institute.
- Provide a forum for debating issues concerning business, sustainability and society.

More recent publications cover a wide spectrum of business research topics on Corporate Social Responsibility (CSR), Sustainable and Responsible Investments (SRI), tax incentives for consumer 'green' choices, green business models, environmental standards and governance, personal norms and individual risk taking in dealing with climate change and environmental risks, etc.

Short term objectives are to more systematically communicate results of sustainability oriented research in order to make the generated knowledge available to public and to secure external research funding on a high level to maintain the volume, quality and impact of the strong research profile on sustainability at USBE.

Principle 5 | Partnership and Principle 6 | Dialogue

We are constantly working with corporate and community relations (CCR), that is part of the school's core activities and also included as a key element in USBE's mission. The School has well-developed forms of cooperation regionally and internationally with business, public sector and more than 60 partner universities worldwide. Therefore, it is clear that also our partners are included in our sustainability efforts. Several activities have been organized to inform and above all, initiate dynamic discussions on issues related to sustainability, responsibility and ethics. One of the major events that have taken place over the last three years is the **Sustainability Day** organized by RiseB and the career center at USBE. The seminar brings together invited leading Swedish companies on sustainability to USBE. Among companies participating have been IKEA, Gina Tricot, Houdini Sportswear, Polarbröd, Max Burgers, Brand Insight, and Pondus Communications. Feed-back from students and the local business community has been very positive.

Another way of partnership and dialogue is the **national students' thesis prize** initiated by RiseB in partnership with Umeå Energi. An increasing number of nominations are now received from Swedish universities and the prize is handed out at the USBE graduation ceremony in early June. With the annual thesis prize we want to encourage business students to become interested in and immerse themselves in sustainability and business ethics. Eligible to apply for the prize are students in business administration who have written a thesis on the bachelor or master levels where the main focus is sustainability and business ethics at a university in Sweden.

The **Ulvön research conference** is an open international conference on Environmental Economics, always held adjacent to the Swedish midsummer celebration in June. The key purpose of this annual conference is to allow doctoral students and junior researchers to present their work and to create a forum for research in environmental economics. CERE also holds an annual **winter meeting in Ammarnäs** where an external guest researcher is invited to present their research and discuss the research presented by doctoral students.

CCR takes advantage of our own and all our partners' strengths and enhances the quality of both teaching and research. A strong research and education environment with professional innovation support systems contribute to social development. USBE has developed joint research and educational programs with, and in response to, the community. Furthermore, USBE has for many decades worked to develop engagement activities, for example, by bringing in real-life businesses and organizations into the classroom and utilizing their business ideas, strategic considerations, and marketing challenges for intensive analysis. Sustainability has been gradually integrated in CCR activities and students are actively involved.

CCR service should influence both research and education at USBE through engagements in partnerships with stakeholders. These relationships form the basis for valuable input into degree programs and many research-related activities. Despite ongoing strong relationships with CCR partners, USBE's strategic objective is to continue to develop interactions with CCR representatives in order to enhance the quality of the school's activities and to benefit its partners through sharing knowledge and experience, especially on sustainability.